



Talking Points for Eliminating the Medicaid Global Cap

Enacted in 2011, following the first Medicaid Redesign Team (MRT), the Medicaid Global Cap was viewed as a way to reign in spending. However, the cap is arbitrary and outdated, and disproportionately impacts seniors and people with physical disabilities, since long-term care represents a significant amount of Medicaid spending.

- The Medicaid Global Cap is an artificial limit on spending in the Medicaid program. When the disability community saw this attempted at the Federal level, they fought it as a block grant that would harm Medicaid. Working together with state officials, we beat back those plans; but the folks continue to be impacted by this proposal put in place by many of the same people they fought against Federal cuts with.
- The global cap has been used to draft the Medicaid budget for ten years, but the formula has never been updated. Since it was enacted, the state mandated individuals in need of CDPA and other community-based services enroll in Managed Long Term Care plans. These plans take up to 15% of the Medicaid dollars they receive to pay for profits and administrative services of the plans. This represents an entirely new industry that the Global Cap must pay for, with no additional money.
- Seniors and people with disabilities only comprise about 30% of Medicaid consumers, but their care accounts for about 70% of spending. When the Medicaid budget is capped, they bear the greatest burden of service cuts and disruptions.
- The continuation of the global cap reinforces the state's institutional bias. When individuals can't access CDPA or home care because of cuts, they often wind up in nursing homes against their wishes because they can't live safely at home without supports. During the COVID-19 pandemic, which has claimed the lives of more than 9,000 nursing home residents in New York, being sent to a nursing home can be a death sentence.
- The budget routinely excludes certain programs from the global cap in order to be compliant with the cap. These fiscal tricks are uneven and discretionary, and render the global cap meaningless in practice.
- Financial circumstances throughout 2020 from the COVID-19 pandemic, including increased joblessness that has fueled Medicaid enrollment and the raging hospitalization and ICU rate, have added further strain on the 2022 budget.
- We must reimagine our long-term care system to shift away from institutionalization and towards community-based supports and services like CDPA by ending artificial spending constraints and ending the workforce crisis by paying home care workers a fair wage. This reflects the desires of seniors and people with disabilities, and will benefit the state and local economies.

ASK: Will you urge the legislature to support A226, a bill that eliminates the Medicaid Global Cap to ensure equitable funding for Medicaid programs and services?