Consumer Directed Personal Assistance Association of New York State

2022 Talking Points for Eliminating the Medicaid Global Cap

- The Medicaid Global Cap is a tool created by the Cuomo administration in 2012 that was meant to slow Medicaid growth. Using a formula based on the ten year rolling average of the Medical Consumer Price Index for the Northeast Urban sector.
- The Medicaid Global Cap did slow spending, but because it did not account for growth in costs, eligibility, or New York's rapidly aging population base it did not keep pace with the actual spending needs of the program.
- The global cap's flaws have led to it disproportionately harming older and disabled people needing access to community-based long-term care services like CDPA.
- The global cap is used to justify stagnant Medicaid provider reimbursement rates that have caused home care worker wages to drop to the lowest of any industry in the state. New York has the "worst in the nation" home care shortage due to low wages.
- The Governor's budget seeks to create a new formula, based on the five year average of growth in Medical Spending Annual Growth rate as projected by the Actuary at the Centers for Medicare and Medicaid Services (CMS).
- The Governor and Budget Director indicate that this will raise the global cap from approximately 3% per year increase to 6% per year; however, according to reports from CMS and the National Health Expenditure Projection, this 6% growth rate is expected to fall to 3% as soon as next year.
- CMS's Office of the Actuary also notes that the current projections do not account for spending from the COVID-19, meaning that the Governor seems to be manipulating the formula to force drastic Medicaid cuts in only a matter of a year or two.
- Once again, services for people with disabilities and older adults account for about 70% of Medicaid spending and so these populations will bear the brunt of any Medicaid cuts. Restricting Medicaid spending impacts these populations the most.

ASK: Will you push to include A.226 (Gottfried)/S.5255 (Rivera), eliminating the Medicaid Global Cap, in the SFY 2023 budget and reject efforts to replace it with a new and even more damaging formula?