The following is a snapshot of the Medicare and Medicaid Programs in New York State, highlighting enrollment, spending, and quality. Included are factors affecting the programs’ future outlook and reforms from both the state and federal level.

**Medical Care**
- Medicare is a federally run program, fully funded by federal dollars.

**Medicaid**
- Medicaid is a state run program with federal oversight, financed jointly by state and federal dollars.

### Enrollees & Eligibility

**Medicare**
- 96% of NYS’ senior population is enrolled in Medicare.
- Medicaid enrollees in NYS, 2011: 4,898,205
- Eligible: Persons aged 65+, disabled persons under age 65.

**Medicaid**
- NYS’ Medicaid program covers
  - Medicaid enrollees in NYS, 2011: 4,898,205
  - Eligible: Low-income individuals and families including seniors and the disabled.

### Costs

**Medicare**
- NYS Medicare costs are growing at an unsustainable rate.
- Annual cost per enrollee, 2005-09: $8,837
- Increase in spending per enrollee from 2005-2009: 31%
- Federal dollars alone fund NYS Medicare: $33,811,236,228

**Medicaid**
- NYS spends more than twice the national average on Medicaid per-capita.
- Annual cost per enrollee, 2005-09: $7,084
- Increase in spending per enrollee from 2005-2009: 26%
- Federal and federal dollars fund NYS Medicaid: $52,122,037,794

### Quality

- State spending for Medicare and Medicaid is not translating to greater quality of care.
- NYS ranks the lowest in avoidable hospital use, a factor that drives up costs.

**Quality Indicators**

- NYS rank across quality indicators, 2012:
  - #11 Equity: access based on income, race, ethnicity & insurance rates
  - #21 NYS Health System overall
  - #50 Avoidable hospital use & cost: admissions, length of stay, re-admission
Who is enrolled in NYS’ Medicare and Medicaid Programs?

The demographic breakdown of Medicaid and Medicare enrollees in Central New York (CNY) and Western New York (WNY) regions are reflective of NYS as a whole.

NYS provides Medicaid coverage well beyond the Federal Poverty Level (FPL) minimums to capture populations who would normally not be eligible in other states, such as pregnant women and children. Even with expanded coverage, a majority of Medicaid enrollees still fall below 100% of the FPL. At the same time, most Medicare recipients in CNY and WNY have annual incomes above 200% of the FPL.

Where is spending headed for NYS’ Medicaid and Medicare Programs?

The Many Reasons Costs Increase

- Enrollment Growth
- Avoidable Hospitalizations
- High-Need & High-Cost Patients
- Expensive New Health Care Technologies
- Fraud & Waste

Demographic characteristics of enrollees in Medicare and Medicaid, 2008-2011

<table>
<thead>
<tr>
<th>AGE</th>
<th>CNY 189,894</th>
<th>WNY 275,644</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-17</td>
<td>16%</td>
<td>16%</td>
</tr>
<tr>
<td>18-64</td>
<td>83%</td>
<td>83%</td>
</tr>
<tr>
<td>65+</td>
<td>1%</td>
<td>1%</td>
</tr>
</tbody>
</table>

Gender:

<table>
<thead>
<tr>
<th>POVERTY</th>
<th>CNY</th>
<th>WNY</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-99%</td>
<td>11%</td>
<td>12%</td>
</tr>
<tr>
<td>100-199%</td>
<td>25%</td>
<td>26%</td>
</tr>
<tr>
<td>200%+</td>
<td>64%</td>
<td>62%</td>
</tr>
</tbody>
</table>

FAMILY SIZE INCOME

| 1 | $11,170 |
| 3 | $19,090 |
What changes are underway for Medicare and Medicaid?

The Federal Affordable Care Act (ACA) and New York’s Medicaid Redesign Team's Multi-Year Action Plan are expected to lead to significant changes for Medicare and Medicaid Programs in New York, especially in terms of care delivery, quality, and cost.

**Medicare Changes**

Affordable Care Act reforms aim to reduce the rate at which Medicare costs are growing as part of the Federal Budget, while also requiring the program doesn’t reduce eligibility and benefits. The ultimate concern is how solvent the program will be in the future given the expected growth in enrollment (baby boomers) and the growth in health care costs overall.

By 2020 another 747,336 New Yorkers will age-in to Medicare.

**Medicaid Changes**

Affordable Care Act will reduce the number of uninsured in the U.S. by expanding Medicaid eligibility thresholds to capture individuals, couples without children, and families that have household incomes up to 133% of the federal poverty level. However, since these populations are already covered by NYS’ Medicaid program, it is anticipated these changes will have little impact on Medicaid in NYS.

The Medicaid Redesign Team initial recommendations saved $2.2 billion for NYS’ 2011-2012 State Budget. The team developed a Multi-Year Action Plan that will fundamentally transform the program. But its implementation depends on the state getting a federal waiver which has already been applied for and is currently pending. The waiver request is the most comprehensive over-haul of NYS’ Medicaid program in state history.

By 2014 NYS expects another 513,000 people to become Medicaid eligible.

For additional information on the redesign and waiver visit: [http://www.health.ny.gov/health_care/medicaid/redesign/](http://www.health.ny.gov/health_care/medicaid/redesign/)
## What do the changes mean for New Yorkers?

Overall New York is expected to adapt better than most states to the reforms in the Affordable Care Act, as Medicaid Redesign will set New York ahead as a leader in health care reform. At this time, some reforms have already been implemented, while a complete roll out is expected over the next five years. By 2020, New Yorkers are expected to see the following impacts from these reforms:

### MEDICARE

- **$993 B saved nationally between now and 2020**

#### PATIENTS
- Increased quality of care; slow the rate of out-of-pocket cost increases; lower Part B premiums; increased drug coverage; free preventative services; and, reduced utilization of advanced imaging services.

#### STATE
- Limit waste and fraud; closer oversight and validation of providers; reduction in hospital readmissions; reduced reliance on NY Elderly Pharmaceutical Insurance Coverage Program; and, long-term solvency of Medicare Hospital Insurance trust Fund.

#### PROVIDERS
- Quality-of-care incentives; limit overutilization of advanced imaging services; improved coordination and communication between providers; reduced or restructured payments; and, effective management of high-need patients.

### MEDICAID

- **$17.2 B reduction in spending by NYS from 2011 to 2017**

#### PATIENTS
- Slight increase in co-payments; greater care oversight; improved care options and coordination; reduced barriers to care; reduced utilization of advanced imaging services; and, access to patient information.

#### STATE
- Increased enrollment; limited spending growth; reduction of state deficit; reduced financial burden on local governments; and, fewer uninsured.

#### PROVIDERS
- Improved coordination and communication between providers; limit overutilization of advanced imaging services; quality-of-care incentives; better workforce; and, effective management of high-need patients.

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### Data Sources and Notes


- **Page 2** Demographics Data provided by U.S. Census Bureau, 2006-2011 American Community Survey 3-Year Estimates: Tables B27001, B27016, and B27012, available online (http://factfinder2.census.gov).

- **Page 2** Medicaid Expenditure Outlook See page 1 sources.

- **Page 2** Medicaid Expenditure Outlook See page 1 sources and NY’s 2012-2013 Executive Budget & Reform Plan, available online (http://www.health.ny.gov).

### Bibliography


- Correspondence with Jason Heigerson, New York State Medicaid Director and Deputy Commissioner, Office of Health Insurance Programs, October 9, 2012.

- Correspondence with Joe Baker, President, Medicare Rights Center, October 5, 2012.

- Correspondence with Kalin Delehanty, Project Manager, Medicaid Redesign Team, NYS Department of Health, November 7, 2012.


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