

I'm sorry I was not able to speak at Saturday's hearing, but I only found out about it a day or two in advance and by then all the speaking spots were taken. I applaud the Budget Office for taking such a proactive approach. Perhaps next time more notice could be given and it could be held on a work day. Each year we do our best to influence the state's spending priorities but it ends up being a fight for money and not a discussion on policy.

I am the President and CEO of a group of not for profit programs serving elders in the Buffalo area. Together we serve roughly 1,100 people a year in our nursing home, assisted living, independent housing and outpatient programs. As you can imagine my concern is with the institutional medicaid program and the cuts I expect to see in this year's 08-09 budget.

Over the past few years we have continued to see a growth in the number of medicaid recipients and a corresponding reduction in the people who can afford to pay privately. What this means to us, is that the amount our private paying residents must be over charged to subsidize the amount we lose on each medicaid person is getting larger and larger, thereby increasing the private pay charge. This causes them to spend more money more quickly and applying for medicaid. Since the cycle can't continue forever, the percent of private paying people are decreasing rapidly and along with it is a growth in our bottom line losses. We have lost money from operations each of the past several years, despite efforts to reduce costs. Just in the past year (when the State had a surplus and medicaid rates for us declined) we laid off almost 9 staff most of whom were direct care givers. We terminated our defined benefit pension plan and decreased the coverage and contribution for staff health insurance. All while trying to do what the DOH and the consumer wants and that is a conversion from an institutional model of care to a person centered one.

Now with fear of a \$4B deficit I am afraid the majority of the cuts will be in institutional medicaid, even though that is not where the growth of medicaid costs are seen. Our State Association, NYAHSAs has many policy ideas that are progressive and prudent. I encourage you to meet with them to hear what they have to say before a draft budget is prepared. Again I thank you for this first of a kind opportunity. Bob

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