

Erie County Fiscal Stability Authority

Resolution No. 07-38

RECOMMENDING CREATION OF AN ERIE COUNTY MEDICAID INTERCEPT OPTION WORKING GROUP

WHEREAS, Chapter 182 of the New York Laws of 2005 created the Erie County Fiscal Stability Authority (“ECFSA” or “the Authority”), to serve as a corporate governmental agency and instrumentality of the State of New York, and as a public benefit corporation to “oversee [Erie] County’s budget, financial and capital plans; to issue bonds, notes or other obligations to achieve budgetary savings and to finance short-term cash flow or capital needs; and, if necessary, to develop financial plans on behalf of the County if the County is unwilling or unable to take the required steps toward fiscal stability;” and

WHEREAS, Part C of Chapter 58 of the New York Laws of 2005 capped annual growth in County Medicaid expenses starting in January of 2006 and, beginning in January of 2008, gives the County a one-time, irrevocable option of making variable monthly Medicaid payments to the New York State Comptroller’s Office based on a fixed percentage of monthly sales and compensating use tax collections in Erie County (“Medicaid Intercept Option”); and

WHEREAS, election of the Medicaid Intercept Option may allow the County to reduce its annual Medicaid expenditures relative to the current Medicaid cap; and

WHEREAS, in order to elect the Medicaid Intercept Option, the County Legislature must adopt a local resolution by September 30, 2007 and mail a certified copy of said resolution to the State Commissioner of Health no later than that date; and

WHEREAS, absent the election, the County will continue to remit an annual capped amount through 52 weekly wire transfers, which will increase by an annual inflationary factor of 3 percent in 2008 and thereafter; and

WHEREAS, staff of the ECFSA have prepared research and analysis on factors to consider before election of the Medicaid Intercept Option; and

WHEREAS, in order to ensure that good decision-making stems from the research and analysis prepared by the ECFSA, it is important that relevant parties look at the research and analysis, challenge it or accept it and, when the time comes for a decision, it be made in a very deliberate, thoughtful way; and

WHEREAS, section 3959(2)(j) of New York Public Authorities Law states that “during any control period, the Authority may recommend to the County and the covered organizations such measures relating to their operations, management, efficiency and productivity as the Authority deems appropriate to reduce costs, enhance revenue, and improve services so as to advance the purposes of [the Act]; and

NOW, THEREFORE, BE IT RESOLVED that a task force be formed to review research and analysis prepared by staff of the Authority and to make recommendations to the County and the Authority on whether Erie County should elect the Medicaid Intercept Option to reduce its annual Medicaid expenditures relative to the current Medicaid cap; and

BE IT FURTHER RESOLVED that task force be chaired by Sheila Kee, a Director of the Authority, and consist of members of the Erie County Division of Budget, Erie County Comptroller's Office, Erie County Legislature and the Authority.

This resolution shall take effect immediately.

Stanley J. Keysa
Secretary

Date: May 18, 2007