



Media Release

Monroe County Democratic Caucus

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For Immediate Release

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Democrats: Medicaid Intercept to Cost \$7 Million in 2008

Rochester, New York –July 21, 2008. The Democratic Caucus of the Monroe County Legislature released an analysis today that projects the County stands to lose over \$7 million in 2008 due to the ill-advised Medicaid Intercept, which was passed less than two hours after it was introduced as part of the County Executive's so-called F.A.I.R. plan.

The analysis is based on recent sales tax revenue data provided by the New York State Comptroller and shows that if sales tax revenue continues at its current pace, Monroe County will spend \$7.1 million more towards Medicaid than if the County had not opted into the intercept.

Democratic Leader Harry Bronson (D- Rochester, Henrietta, Brighton) said "This data shows the Medicaid Intercept is having a detrimental financial impact on Monroe County's finances; with a projected cost to taxpayers of over \$7 million. It is unfortunate that this problem was not taken into consideration due to the way the so-called F.A.I.R. plan was rammed through the legislature and rubber-stamped by the Republican Majority at the eleventh-hour with no scrutiny whatsoever."

Legislator Paul Haney (D-Rochester, Brighton) said "When debate and oversight are stifled, unintended consequences are bound to arise. That is exactly what has occurred here. If Legislators had the ability to review the so-called F.A.I.R. plan for any meaningful length of time, perhaps we could have convinced our colleagues that this plan was short-sighted and ill-advised from the beginning. Unfortunately, the unintended consequence of this action may now cost Monroe County taxpayers over \$7 million."

Under the Medicaid Intercept, New York State intercepts 40.25% of all Monroe County sales tax revenue to pay the County's Medicaid costs; putting the 2008 projected Medicaid cost with the intercept at \$168.8 million. If the intercept was not in effect, Monroe County's 2008 Medicaid costs would have been the actual 2005 costs (\$147.3 million), plus 9.75% of the 2005 costs (\$14.4 million), totaling \$161.7 million.

The Democratic analysis was calculated by determining the percentage of annual sales tax revenue historically collected during the first five months of 2006 and 2007. This showed that on average 39.22% of Monroe County's total sales tax revenue is collected during this period. If 39.22% of Monroe County's 2008 sales tax revenue has been collected from January to May, then the projections issued today will prove correct.

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