



## Statement on Medicaid/Managed Care Tax Proposal in NYS Budget Talks

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New York, NY – March 26, 2024 - Citizens Budget Commission (CBC) President Andrew S. Rein released [this statement](#) on behalf of the CBC:

“New York State’s habit of dramatically increasing spending and partially supporting it with short-term revenues is exactly what has caused its structural budget gap to grow to \$16 billion to \$20 billion.

The proposal to levy a new tax on Medicaid and other managed care plans to leverage \$4 billion of federal money likely repeats this pattern—relying on speculative, temporary revenue to seed permanent spending increases.

The State should not budget money it does not have; there is a risk that the State does not get the money. Federal funds would be time-limited and should be only used to finance one-time programs. It is never smart budgeting to spend short-term money to start or boost recurring programs.

There are plenty of details that likely still aren’t worked out. Even if they are, the State should only pursue this path after it has identified and publicized the planned one-time programs.

The State needs to break its bad habit of ratcheting up spending on the back of temporary receipts. It would be especially dangerous and destabilizing now—given the State’s massive structural gap.”