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Medicaid Reform Gets Reprieve From Legislature

New York State's budget, due on April 1, was finally passed by the Legislature on August 11. The budget issue has been a "hot button" for seniors because, in his budget request in January, Governor Pataki proposed significant cutbacks in Medicaid eligibility. In particular, to reduce Medicaid expenditures, he requested that: (1) the 36-month "look-back period," the period during which applicants for Medicaid must disclose all financial transactions, be extended to 60 months; (2) home-care applications be governed by a penalty period for transfers similar to that imposed for institutional care; (3) the spousal refusal strategy be eliminated; and (4) that the penalty-period begin to run from the date of application instead of the date of transfer. While the impact of the staggering cost of long-term care on the state's budget remains a pressing issue, the Governor's proposal was rejected by the Senate and the Assembly.

Instead, the Legislature has implemented budgetary provisions which promote the purchase of private, long-term care insurance. The budget encourages improvements in the New York Partnership insurance policy, a long-term care insurance policy offered by private insurance companies that complies with state mandated minimum benefits and provides incentives tied to Medicaid eligibility, as well as tax incentives, education, consumer protection and new investment strategies.

Note - We authored a more comprehensive discussion regarding the Governor's budget in our column entitled "Senior Brief" which appeared in the June edition of THE ATTORNEY OF NASSAU COUNTY. Please call the office if you would like us to send you a reprint of the article.