

OFFICE OF THE NEW YORK STATE COMPTROLLER



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To: County Chief Fiscal Officers

From: Division of Local Government and School Accountability

Subject: Accounting Changes related to the Affordable Care Act (ACA) Changes to Medicaid for Counties

Please share this document with others who would benefit from this information.

Background

The Patient Protection & Affordable Care Act (ACA) was signed into law on March 23, 2010. As a result, the eligibility requirements for Medicaid have expanded and New York State (State) will now see an increased enrollment in the program as of January 2014. To assist with the additional costs associated with the increased coverage, the Federal government is providing additional Medicaid relief funding. This funding is anticipated to start in January 2014.

The Department of Health (DOH) and Division of the Budget (DOB) have estimated the State's projected savings from this expected Federal Medicaid relief in 2014 and have adjusted the counties' State Fiscal Year 2013-14 weekly Medicaid Local Share Cap costs based on these estimates. This bulletin is intended to provide guidance to county officials on how to properly account for these changes in their local share related to this anticipated increase in Federal Medicaid funding.

Accounting Treatment

This Medicaid relief to the counties should not be recorded as revenue for the counties. Expenditure recognition would be based upon the weekly share charged to the counties by the DOH. The decision by the State to base the 2013 calendar year weekly shares on an estimate of Medicaid relief to be achieved by the State for January 1, 2014 – March 31, 2014 will have no effect on expenditure recognition at the county level. As such, counties should budget for their 2014 fiscal year appropriations based on the estimated expenditures provided by DOH and DOB.

Further, reconciliations performed of the weekly share amount after the close of the State fiscal year should be recorded as an adjustment to the expenditure on the county financial statements if the reconciliation is performed prior to issuance of the statements. If the reconciliation is performed after the issuance of the county financial statements, the adjustment should be recorded as a refund of a prior year's expenditure or an increase in the 2014 expenditures.

Additional Information

If you have questions pertaining to this bulletin, please contact the State Comptroller's regional office that serves your local government.