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By **JACOB GERSHMAN**

It's supposed to save billions for the state, but tucked inside Gov. Andrew Cuomo's Medicaid plan are proposals that potentially could increase costs, including mandated higher wages and the creation of new government bodies.

The governor's Medicaid team did not factor the likely increases into the package of recommendations endorsed by Mr. Cuomo on Thursday. Instead, a list of proposals attached numbers only to measures that it predicted would lower costs.

The lack of detail raises questions about potential growth in the cost of a program that Mr. Cuomo has pledged to restrain.

The administration says the amounts would not add substantially to the program. And if costs do escalate beyond the set limits, health officials would have wide latitude to shave money from the industry.

Overall, Mr. Cuomo has vowed to spend no more than \$52.8 billion on Medicaid in the next fiscal year. Still, among the 79 Medicaid proposals are some that would appear to boost spending.

One is a requirement that home-health care companies statewide abide by "living wage" laws that would add to labor costs, which are factored into periodic reports that become the basis for setting reimbursement rates. The higher wages would be phased in over three years.

Home-care groups had lobbied against the measure, which is strongly backed by the state's major health-care union, 1199 SEIU. "It's a proposal that would add costs to providers in the context of a Medicaid redesign process aimed at making health care more efficient," said a spokesman for the Home Care Association of New York State.

The Cuomo administration says higher wages would help stabilize a vulnerable sector of the work force. According to labor union officials, about 70,000 home-care workers in New York City—about half the total employed—aren't covered by the city's living-wage, now set at \$10 an hour plus benefits.

Mr. Cuomo, who has vowed to consolidate state government, also wants to create a new state authority for several state-run nursing homes. The authority would allow the homes to enter into group purchasing contracts.

Another item makes it easier to sign up for Medicaid, potentially expanding enrollment—and the price. It removes the requirement that applicants must submit original documents to enroll. The state also would use technology to recruit more Medicaid patients and add an "Are you interested?" in Medicaid line on tax return forms.

The governor's office did not estimate any costs from such efforts to expand enrollment, which is approaching 5 million. State officials, though, say improvement in the economy could lower the number.

Mr. Cuomo also endorsed plans to allow for Medicaid to pay for group therapy services administered by recovered alcoholics or drug abusers.

Another item would pay for more translation services for patients who don't speak English.

The Medicaid team, which includes a number of hospital and union leaders, proposed what it estimated as \$1.7 billion in savings measures, which includes some across-the-board cuts that are open to adjustment.

A big unanswered question is where the Cuomo administration will aim the scalpel if its savings projections fall short, which they are expected to do. Unless providers shrink costs on their own, Mr. Cuomo would have freedom to change rates, levy surcharges, and eliminate services—and choose which sectors would shoulder the burden.

Write to Jacob Gershman at jacob.gershman@wsj.com

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