Medicaid

is spent, no one in state government in either political party has taken any serious look at this," Simonson said.

But state Assemblyman James Tallon, D-Binghamton, chairman of the Assembly Health Committee, said Simonson's criticism "is totally off-target."

The state Legislature has approved many programs to hold down the costs of Medicaid and, to help counties, has begun a gradual state takeover of a portion of the county share of Medicaid costs for nursing home and long-term home care, Tallon said.

Under the takeover program, the county share of nursing home and long-term home care costs dropped from 25 percent last year to 14 percent this year, and will fall to 12 percent in 1985 and 10 percent in 1986, Tallon said. The counties continue to pay 25 percent of other Medicaid expenses.

The takeover will save counties about $439 million this year, $589 million in 1985 and $773 million in 1986, according to state estimates.

But county representatives want the state to shoulder even more of Medicaid costs.

In Erie County, Medicaid is partly responsible for the $75.7 million deficit the county accumulated in 1983 and 1984, said Arthur O'Neil, assistant executive director of the New York Association of Counties.

"Medicaid is a great burden on local governments and the property tax base," O'Neil said.

In some counties, the cost of Medicaid and other welfare programs accounts for as much as 65 percent of the county budget, and in many counties it accounts for at least 50 percent, state and county officials said.

But while local government officials moan about paying for the medical care, physicians and hospital administrators would like to see government be more generous.

"The patient may be indigent, but the government isn't," said Dr. Milton Rosenberg, executive vice president of the Medical Society of the state of New York.

"Medicaid was designed to give poor people the same type of medical care as other people,"

Rosenberg said. "But if fee limits for doctors (imposed by the state) are kept artificially low, doctors will opt out of the program and the patients will suffer."

"Medicaid has been a disaster and here in New York state they've just begun to realize it," Rosenberg said. "We believe that the marketplace should be the determinant of professional fees. No one else operates under price controls, so why should physicians?"

George Allen, president of the Hospital Association of New York state, said "oppressive regulations" by government agencies add to costs of Medicaid and other health programs by pushing up hospital operating expenses.

"There are 160 state, federal and local agencies regulating hospitals," Allen said. "Surely, that could be cut below 100. These agencies give hospitals the goal of satisfying regulatory requirements — not taking care of patients."

But officials in the state Health Department and the state Social Services Department contend that regulations are needed to restrain the growth of spending in the 18-year-old Medicaid program.

Officials don't know how much the cost control programs will save in future Medicaid bills.

Health Department spokesman Peter Slocum said the state is trying to hold down Medicaid cost increases by:

● Allowing hospitals to collect a fixed fee for each day of care they give a Medicaid patient, regardless of what the patient is hospitalized for. The reimbursement method is designed to encourage hospitals to keep costs as low as possible.

● Limiting the construction of additional hospital space and restricting the purchase of expensive equipment by hospitals that would raise health care costs.

Social Services Deputy Commissioner Robert Osborne said Medicaid legislation signed into law in August by Gov. Mario Cuomo will help limit future increases in the program by:

● Paying doctors $3 to $5 a month for each Medicaid recipient they voluntarily take on as their regular patient. If a Medicaid patient can turn to a family doctor for care he will make