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Medical Care for the Needy

By Michael Thompson

1/27/2014 -- As our state's General Assembly debates whether to expand the taxpayers' financed Medicaid to an additional 400,000 of our citizens, we should step back and see what can be done today to reform the current program and help many of those folks who do not have health insurance.

There are ways to serve the poor who need medical assistance and who don't have health insurance, or who simply cannot afford to pay the deductibles in their current policies.

First, don't allow middle class and wealthy retirees to receive Medicaid payments originally dedicated only for the poor. For instance, the long-term care costs picked up by Medicaid have expanded over time to include retirees with home equity over \$500,000, life insurance policies, retirement accounts with unlimited assets, income from Social Security and a defined benefit pension plan. This growing and serious problem within Medicaid should be reformed before the taxpayers are shackled into supporting an expanded Medicaid program that is no longer totally focused on the poor. (See a recent study [here](#) by the Thomas Jefferson Institute on this issue in Virginia and [here](#) for a recent column in the Wall Street Journal entitled "Millionaires on Medicaid").

Second, I have been told by doctors and health care advocates that many "non-profit" hospitals around the country use their excess cash to invest in activities that have little to do with providing health care services: investments in retirement homes, gas stations and blocks of residential properties.

I don't know if this is the case here in Virginia. But let's find out and change it if needed before we expand Medicaid. And if it is true, then these excess funds should be used to help the needy and not for commercial-type activities.

If these large amounts of excess funds truly exist, it would indicate hospitals are over-charging their patients and the third-party insurance system we have established is not effective in keeping down the costs of health care. But that is an issue for another day.

Third, there is an organization in Tennessee called Remote Area Medical ([here](#)) that sets up three weekend "health clinics" for the uninsured and under-insured here in Virginia. RAM brings in volunteer health professionals from other states for these weekend clinics and hundreds upon hundreds of folks are served. These weekend clinics have the support of university hospitals here in Virginia and provide eye exams, dental work and general medical exams. Sadly though, hundreds are turned away because of time constraints.

Every hospital in the state should organize similar events where doctors, nurses and other health professionals serve those who need it at no cost. The amount of good that could be accomplished with such activities is huge. Clearly there is a need for such services for the poor.

Finally, doctors, dentists, nurses and other health care providers should organize similar weekend health clinics on their own here in Virginia. A hospital is not needed to organize such activities. For a group from Tennessee having to come into Virginia to provide this kind of humanitarian work, with many hundreds served and more not able to get served, should encourage our medical profession to mobilize this kind of assistance on their own. But the massive amount of new paperwork required under Obamacare might make such volunteer work more difficult. The resource of retired doctors and nurses is one pool of professionals that should be considered for these projects.

Of course, many doctors provide free medical help when asked. But we need a more organized network of such health professionals. Those in need should be able to find help on the internet, through their churches, the local Chambers of Commerce, civic clubs, PTA's, etc.

On top of all of this, is the clear problem of expecting the federal government to keep paying 90% of the costs for an expanded Medicaid program after it pays 100% for the first three years. We all know that the fiscal brick wall is fast approaching and reliance on the federal government's entitlement programs is very risky. That means an expanded Medicaid program here in Virginia could likely end up costing the taxpayers a significant amount of money or other programs will have to be dramatically reduced or eliminated. Of course, the 10% cost that the state will need to pick up in the best case scenario is still going to cost us somewhere – either in higher taxes or cuts in current programs.

Expanding Medicaid is a copout when so much more could be done to help the poor through the private and non-profit health care systems. Let's put Medicaid expansion on the back burner until proven reforms are made. and the health care profession is encouraged to do more to help the poor. These steps should be taken first, before saddling the overburdened taxpayers with an expanded government entitlement program.

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Michael Thompson is currently the Chairman and President of the Thomas Jefferson Institute for Public Policy, a non-partisan Virginia focused foundation dealing with the issues of improving education, government reform, economic development and environmental stewardship. This foundation is the state's premier independent public policy foundation and has gained broad based respect from political and business leaders throughout Virginia.