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## **Some Thoughts on Expanding Medicaid**

By Michael Thompson

There are two policy issues involved in whether Virginia should expand Medicaid: first, is whether the budget should be the vehicle through which a major new government entitlement program is determined; and second, whether expanding Medicaid is a sound policy overall.

Holding the budget hostage to this debate is serious business. Our elected officials need to decide whether this is the most responsible way to confront this issue, or whether funding schools, police, roads, etc should be approved and then a major debate held on whether to expand, or how to expand, this federal/state program.

Let's look at some of the issues that a detailed policy debate could focus on if the General Assembly would decouple this Medicaid expansion issue from the state budget.

We are not faced with a health crisis. Those not covered under Medicaid today have access to hospitals and doctors. Emergency rooms are there and many doctors do "charity" work whenever possible. Let's determine who actually isn't covered with health care today, who really needs to be covered who are not, what reforms to the current system could be tried so that the many problems with the Medicaid program today aren't merely increased with any expansion.

The hospitals seem to be faced with a financing headache and it is one that needs to be better understood. Why is that funding headache there in the first place? Federal government cutbacks in Medicare reimbursements? Structural problems within the hospital management system? Insurance rates due to our legal system? Bad business decisions within the hospitals themselves that have impacted the bottom line? Let's have a full and open accounting so that all of us understand why the hospitals are so adamant to expand Medicaid which is program many doctors are not participating in because it doesn't cover their costs.

Our Governor suggested a two year pilot program. Most pilot programs are "tests" to see if an idea works or not. Most don't bring the whole shebang – all 400,000 new people in this case – into a test. Let's consider some limited pilot programs that can be instituted and tried and see what works best here in Virginia. This requires a serious discussion with experts in the field who have knowledge of how reforms could be instituted here in Virginia. But reforms must be part of this discussion – reforms that are proven; reforms that can resolve the fraud problems within the current program; reforms that will help provide good health care; reforms to the Medicaid long term care system.

Some say expanding Medicaid will reduce emergency room visits thus saving a great deal of money. However, it is my understanding that in Oregon when Medicaid was expanded the emergency room visits increased substantially. Let's find out why and make sure we don't expand the Medicaid program here in Virginia thinking emergency room visits will decrease when that may well not happen.

We are told that the Senate program will save Virginia hundreds of millions of dollars. But a similar program in Arkansas – which the Virginia Senate seems to rely on – ended up not saving money. That program is already over budget. And as I understand it, the federal government changed the waivers that Arkansas wanted in this program. So what was proposed and what was allowed by the feds was not the same. Let's find out the facts. Let's bring in the folks from Arkansas and find out.

Florida has experimented on Medicaid reforms on the local level, doing it in a business-sort-of-way by focusing on limited numbers of people before anything is expanded statewide. How have those reform ideas worked? What kind of savings were found? What role does the federal government have in such reforms and the expansion of these reforms?

Indiana, under former Governor Mitch Daniels, reformed its health care and covered more people as I understand it. But that program is now in doubt because of the federal government may not continue its waivers that allowed this success to take place. Let's find out what Indiana did. Maybe that is a better way to go than what is suggested by our State Senate. Why is the federal government creating problems with this program if it is successful?

We deserve a full and open discussion on this issue of reforming and possibly expanding Medicaid. It shouldn't be something forced down our throats with the threat of closing the state government.

A serious discussion and policy debate on expanding Medicaid needs to be held. There is a system set up by the General Assembly last year to do this. Let's continue that process. Let's fund our schools, our police, our roads, our parks, etc and let's tackle the Medicaid issue in a more responsible manner.