Medicaid Expansion Unsustainable

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“The whole art of government consists in the art of being honest.”

— Thomas Jefferson

The decisions made by the Legislature are the result of an evaluation of public-policy options. Sometimes this evaluation process is very complex as we recently experienced with the option to expand the Medicaid program. Our decision was made after gathering all of the facts and determining the expansion of Medicaid is not in Florida's best interest at this time.

The fact is, today, Medicaid already focuses on low-income children, seniors and disabled people. The program covers children with family incomes up to 200 percent of the federal poverty level and pregnant women up to 185 percent of poverty. More than half of all childbirths in Florida are covered by Medicaid.

Some low-income parents are covered by Medicaid, but very few nondisabled childless adults receive Medicaid benefits. In total, Medicaid serves 3.3 million Floridians and will cost more than $23 billion next year.

The reality is that Medicaid costs have been rising every year. As that share of Florida's budget grows, we have fewer resources to fund other critical needs, such as education and
infrastructure. Unlike Washington, Florida's constitution requires us to have a balanced budget.

The federal Affordable Care Act required states to expand Medicaid to cover nondisabled parents and childless adults up to 138 percent of poverty ($15,856 for an individual).

Last year, the U.S. Supreme Court struck down portions of the law, specifically finding that the federal government could not force states to expand Medicaid. Now, states can choose to expand or not. The Florida House found the federal government's approach to expansion is best described as "take it or leave it, all or nothing," and doesn't meet the needs of our state.

**DOCTORS, NURSES**

We learned the estimates of job creation are flawed. They assume there will instantly be enough qualified health-care professionals to fill all those new jobs. The fact is that Florida faces massive shortages of doctors and nurses today. Expanding Medicaid will not create more medical professionals or attract them from other states.

We learned the federal government plans to reduce indigent-care payments to hospitals, based on the assumption that fewer people will be uninsured. In recognition that the Supreme Court's decision means many states may not expand Medicaid, the Obama administration plans to reduce the cuts in states that do not expand and proposed a budget that would delay them. Congress needs to revisit these cuts in light of the court's decision.

We learned Medicaid expansion would cost the federal government $54 billion over 10 years and would cost Florida $3.5 billion in that time.
Some critics say Florida is leaving billions of dollars of federal funding on the table. But those federal dollars are not federal tax revenue. Each year the federal government spends more than $1 trillion dollars more than it has, leading to a national debt approaching $17 trillion. Floridians' tax dollars, and many borrowed dollars, have already been spent on existing federal programs — any new Medicaid spending will be deficit spending.

Others say if Florida doesn't take this money, other states will get it. But that's not how Medicaid works. Each state will receive the federal matching funds they need — and no more — regardless of how many states expand. Florida's choice does not increase federal spending in New York or California; it just means the federal government will spend less.

And what do taxpayers get for their investment? Medicaid's clinical outcomes are very concerning. A recent landmark study in Oregon found "no significant improvements in measured physical health outcomes in the first two years" among Medicaid patients.

Florida is in the process of the most significant reforms to our Medicaid program in its 40-year history, but it will take time to improve the access, quality and cost in this massive entitlement program.

**Crippling Debt**

Florida should have a strong safety net for those truly in need. However, the safety net will be weakened by increasing eligibility and costs without a plan to sustainably pay for it. I cannot support a massive increase to the crippling debt we are passing on to our children.
The Florida House found that many people could be better served by not expanding. So instead of simply saying no to Medicaid expansion, the Florida House developed a plan to meet Florida's needs. Our plan relies on private coverage, not Medicaid. Private coverage provides better value for patients — better access, more choice and less stigma.

The House plan would have covered about 125,000 low-income parents and disabled adults who are not eligible for Medicaid — and would have done so within existing state resources. Unfortunately, this bill did not pass the Legislature this year.

However, about 402,000 uninsured low-income Floridians will receive federal subsidies to purchase private coverage on the federal health insurance exchange. This will only happen because we did not expand Medicaid. If we expand Medicaid, federal law cuts off eligibility for this coverage. Our actions ensured this population will be covered starting Jan. 1.

Florida isn't alone in its struggles with this difficult expansion decision. Recent reports say 21 states have rejected Medicaid expansion and six more are contemplating rejection.

Increasing our dependence on Washington is not the answer to solving our health-care challenges. The Florida House has proposed real solutions for sustainable access to quality health care in our state.

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