MEDICAID Improvement and State Empowerment Act

What They Are Saying

"**States are being put in a box. Most are prohibited from borrowing money to balance budgets and Medicaid increasingly shoulders aside investments in other areas such as education and infrastructure**. In Tennessee, Medicaid didn't exist in 1965, and in 1981 its budget was about half of what we spent on K-12 education, it surpassed spending on K-12 in 1992, and by 2004 it was 2.25 times our K-12 budget. With the Affordable Care Act, it will get worse."

Former Tennessee Governor, Phil Bredesen (Democrat)
Page 26, *Fresh Medicine*

"'Having a Medicaid card in no way assures access to care,' said Dr. James B. Aiken, an emergency physician in New Orleans. Nicole R. Dardeau, 46, a nurse in Opelousas, La., in the heart of Cajun country, can attest to that. She said she could not work because of unbearable pain in her right arm. Doctors have found three herniated discs in her neck and recommended surgery, but cannot find a surgeon to take her as a Medicaid patient. From her pocketbook, she pulls an insurance card issued by the Louisiana Department of Health and Hospitals. **'My Medicaid card is useless for me right now,' Ms. Dardeau said over lunch. 'It's a useless piece of plastic. I can't find an orthopedic surgeon or a pain management doctor who will accept Medicaid.'"**

Actual Medicaid patients, as reported by the *New York Times*, April 1, 2011

"Medicaid reform is welcome and the Republican Governors overwhelmingly support the creation of a Medicaid block grant program. This well established approach will give states the freedom to innovate, share best practices, and create cost-effective ways to deliver quality health care to our most vulnerable populations. We appreciate this effort because The Patient Protection and Affordable Care Act (PPACA) does not provide the flexibility states need for the challenges of today or tomorrow. **Medicaid remains an antiquated, federal maze of regulations and mandates focused on process instead of quality health care. It requires months and sometimes years of negotiations for even modest changes, "perhaps" resulting in a positive outcome at the end of the process**. This practice must stop if Governors are to contain costs and provide a safety net for our citizens; we know their needs far better than the federal government. We cannot do the jobs we were elected to do while continuing to be hampered by a federal program that stifles innovation and handcuffs state flexibility."

Governors Rick Perry, Texas; Bob McDonnell, Virginia; Haley Barbour, Mississippi; Chris Christie, New Jersey
Letter of April 5, 2011 Responding to House Republican Chairman Ryan's Budget

"I have tried for more than a year to find a child psychiatrist or psychologist to get [my son] Draven evaluated, but the mental health professionals in this area have told me they absolutely do not take Medicaid. If Draven could get the help he needs, I believe it would be unbelievably beneficial to him."

Ana M. Smith, Medicaid Mom
As reported by the *New York Times*, April 1, 2011

"**Economists of all political stripes acknowledge that Medicaid crowds out private health insurance**, which provides better access to medical care. Jonathan Gruber, a Massachusetts Institute of Technology health economist and sometime consultant to the Obama administration, has estimated that, in effect, as many as six out of every ten enrollees added to Medicaid and similar programs would otherwise have had private coverage. **Put differently, these programs cover four uninsured Americans for the price of *ten* – a lousy deal even by government standards**. Gruber's MIT colleague Amy Finkelstein finds that Medicaid also crowds out private long-term care insurance. For those who qualify, the value of Medicaid's nursing-home and related benefits is two-thirds that of a typical private long-term care policy. Medicaid thereby reduces the marginal benefit of private insurance to just one third of the marginal cost. Consumers therefore choose, quite rationally, not to purchase private coverage."

Michael Cannon, Director of Health Policy Studies, CATO Institute
Guest column for Kaiser Health News

"Medicaid is arguably the worst health care program in the country. Recipients are promised a long list of benefits, but doctors who participate in the program are paid so little, and the paperwork is so onerous, that many can afford to see only a few Medicaid patients. As a result, patients flood to hospital emergency rooms where -- if they wait long enough -- they eventually will be seen. Many have only routine health complaints that easily could have been handled in a doctor's office. A study by the National Center for Health Statistics found that Medicaid recipients were more likely to have multiple emergency room visits in a year than those with private insurance and the uninsured. Other studies have shown that Medicaid recipients are less likely to receive adequate care, and they are more likely to have worse outcomes than those with private insurance. They have also been shown to experience higher rates of hospital mortality than even the uninsured."

Grace-Marie Turner, former member, The Medicaid Commission
Kaiser Health News, Feb. 28, 2011,
"Govs vs. Feds: Who Will Play The 'Power Card' In The Medicaid Struggle?"

"As a former director at the Centers for Medicare and Medicaid wrote, 'Washington politicians find a Medicaid expansion appealing because it is a federal program which states help pay for. States pay on average 43 percent of Medicaid's cost. CBO accounting says Medicaid coverage is the cheapest way to provide coverage — it can push costs onto the states, thereby lowering the price tag at a federal level.'"

Physicians Tom Coburn and John Barrasso, U.S. Senators
Page 12, *Bad Medicine*, Summer 2010

"The liberal solution to [Medicaid's] woes has been to expand Medicaid. Advocacy groups like Families USA imagine that once Medicaid becomes a middle-class entitlement, political pressure from middle-class workers will force politicians to address these problems by funneling more taxpayer dollars into this flawed program. President Barack Obama's health plan follows this logic. **Half of those gaining health insurance under ObamaCare will get it through Medicaid; by 2016, one in four Americans will be covered by the program**. A joint analysis from the Republican members of the Senate Finance and House Energy and Commerce Committees estimates that this will force an additional $118 billion in Medicaid costs onto the states**. [But]** w**e need an alternative model. One option is to run Medicaid like a health program—rather than an exercise in political morals—and let states tailor benefits to the individual needs of patients, even if that means abandoning the unworkable myth of "comprehensive" coverage. Democratic and Republican governors are pleading with the president for flexibility to do just this**. At least so far, this has been a nonstarter with an Obama health team so romanced by Medicaid's cozy fictions that it neglects the health coverage that Medicaid really offers, and the indecencies it visits on the poor."

Dr. Scott Gottlieb, Clinical assistant professor at the New York University School of Medicine
"Medicaid is Worse Than No Coverage At All," *The Wall Street Journal,* March 10, 2011

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"…We recommend that CMS be required to **fast-track state Medicaid waivers that offer demonstrable promise in improving care and returning savings, such as Rhode Island's Global Consumer Choice Demonstration, which provides a capped federal allotment for Medicaid over five years**; Vermont's all-payer advanced primary care practice reform, called Blueprint for Health; and Community Care of North Carolina, a provider-led medical home reform that has increased access to primary care, decreased emergency department usage, and saved money."

The Moment of Truth, page 41
Report from The National Commission on Fiscal Responsibility and Reform

"Others have said it before me, but I'll say it as long as I have to: access to health insurance is not the same thing as access to health care. **Anyone who looks at [the data], and believes that Medicaid has a remote chance of producing comparable health outcomes to those of private insurance, is rationalizing at best, and at worst, placing ideology above reality**."

Avik Roy, equity research analyst at Monness, Crespi, Hardt & Co.
Blog post on Forbes.com, March 14, 2011, pertaining to internist survey and Medicaid access

"**Carol Vliet, 53, has experienced how Medicaid denies patients care. Carol —began a punishing regimen of chemotherapy and radiation, [she] found a measure of comfort in her monthly appointments with her primary care physician, Dr. Saed J. Sahouri, who had been monitoring her health for nearly two years. But Carol, who lives near Flint, Michigan, was devastated when Dr. Sahouri told her he could no longer provide care for her because he stopped taking Medicaid patients**. Dr. Sahouri sadly explained his reason was —reimbursements from Medicaid were so low — often no more than $25 per office visit….he was losing money every time a patient walked in his exam room. However, under the new health reform law, Carol, and every low-income American meeting certain eligibility criteria will be essentially locked into Medicaid – the worst delivery system in America. Under the new law, all states are required to enroll every American in Medicaid who has income at or below 133% of the federal poverty level ($14,403 individual/ $29,326 family of four)."

Physicians Tom Coburn and John Barrasso, U.S. Senators
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"**We need to modernize not only Medicaid's benefits and service delivery, but also its financing. In good times, the open-ended federal Medicaid match encourages states to overspend. Amazingly, the program is now viewed by some states as a form of economic development because each state can at least double its money for each dollar spent. That matching feature penalizes efficiency and thrift, since a reduction of $1 in state spending also means forfeiting at least one federal dollar, often more. Medicaid in its present, outdated form is unsustainable.** Without serious reform, it is unthinkable to add 16 million more people, as President Obama's health care legislation would do. The White House budget would temporarily pay 100 percent of the costs of new Medicaid enrollees. As a result, many states would expand enrollment, deferring the hard decisions until the federal money goes away."

Scott Walker, Governor of Wisconsin
"Our Obsolete Approach to Medicaid," *The New York Times*, April 21, 2011