

# States Line Up on Medicaid Fight Against Bush Intent To Kill Off Poor

by Linda Everett

Today, an unprecedented 52 million Americans are under the Federal/state health-care program called Medicaid, set up in 1965 as a sub-section of Social Security, to provide medical treatment for disabled and low-income people. The enrollment distribution ranges from 2.3 million in Florida, to under 100,000 in smaller states.

Under the Bush-Cheney Administration, nationwide Medicaid enrollment shot up by nearly 8 million persons from 2001 to 2004, as a direct result of the mass job losses and impoverishment, which are still ongoing. Accordingly, Medicaid spending levels (Federal and states combined) went from \$205.7 billion in 2000, to \$275.5 billion in 2003 (according to the Jan. 26 *Health Affairs*, and has now exceeded the \$300 billion level. In 2004, for the first time ever, state Medicaid costs exceeded state school expenditures. In Arkansas, for example, one in four residents gets health treatment solely from Medicaid; some cities have an even higher ratio. In these poor areas, much of the medical treatment infrastructure is now geared to the increasing roster of Medicaid patients.

The Bush-Cheney response is: Dump the poor and shut down the state infrastructure, in the name of Medicaid “reform” and “cost control.” Already, many states are using Federal waivers (of Section 1115 of the Social Security/Medicaid law) in order to evade provision of entitled care.

Bush’s Fiscal Year 2006 budget is expected to reduce Federal spending on Medicaid, and may proffer Federal block grants to states, as a ruse for imposing severe cuts. The Administration knows these actions will make millions of people sick—or dead. That is their intent. Now the political battle lines are forming, on a bipartisan basis, over exactly this point: Who will go along with harming and killing people? Who will seek a way to save lives?

The map shows where the Medicaid population lives, state by state. Here are state updates on a few of the policy fights under way.

## Northeast

*New York:* Gov. George Pataki, a Republican, has proposed state and county Medicaid cuts, which, together with Federal matching funds to the state program, will slash \$3 billion from the program. Faced with a \$4 billion state budget gap, Pataki wants to cap what counties will spend on the program, because in his state, counties contribute to the costs

of Medicaid services, and run up the total expense level. Pataki wants to limit increases in county Medicaid costs to 3.6% in 2006-07; and by 2008, have in place a permanent 3% cap on growth.

Pataki will cut Medicaid reimbursements to hospitals and nursing homes by \$1.1 billion, in addition to levying surcharges on both. He wants the poor to pay a \$250 co-payment for hospital care. In addition to eliminating mental health services in one program, he’ll limit the number and kind of medications Medicaid will allow. According to the president of the Greater New York Hospital Association, “This is the worst budget I’ve seen in my life.”

*Vermont:* Gov. James Douglas, a Republican, in a small state with 25% of the population on Medicaid, plans to deal with the \$78 million deficit in the Medicaid budget, by cutting \$21 million out of payments to doctors, nurses, hospitals, pharmacists, and so on. Other actions include imposing some kind of new tax—sales or income—and boosting the monthly premium for Medicaid insurance by \$15 to \$20, for all but the dirt poor.

## Midwest

*Michigan:* Gov. Jennifer Granholm, a Democrat, after making severe cuts over the past year, is specifying the denial of more services and treatments to the state’s Medicaid roster, now in the range of 1.5 million. Proposed cutbacks include prescription drug coverage; adult home care; and physical, occupational and speech therapy (which are critical for recovery from stroke, cancer, accidents, and so on). Already cut are podiatry and adult dental care. Granholm rationalized, “We’d offer fewer bells and whistles, fewer benefits in exchange for the ability to keep people covered.”

*Ohio:* This state, where one out of eight residents is under Medicaid, projects a Medicaid biennial budget deficit of between \$4 and \$5 billion. Among the cuts being considered by the Ohio Commission on Medicaid, are a 3% reduction in nursing home payments; a freeze on Medicaid reimbursements to hospitals for Medicaid stays; and a reduction of eligibility for Medicaid, to the dirt poor level. For Cincinnati hospitals, for example, Medicaid and Medicare account for 40-50% of revenue, so cuts will mean downsizing institutions, directly creating a contraction and crisis of state medical infrastructure.

## Medicaid Enrollment

(For June 2003)



Source: The Henry J. Kaiser Family Foundation.

The shading on the map (see key) indicates the monthly Medicaid enrollment by state, for June 2003; the national total was 40,553,151. Today the total is estimated to be in the range of 46 million (according to Mike Leavitt, Health and Human Services Secretary, Feb. 1). Although Medicaid enrollment can vary significantly month-to-month, the shading still indicates the states which have the highest numbers of poor and disabled; the numbers have risen in all of them.

**Indiana:** Gov. Mitch Daniel, a Republican nicknamed “the Blade” for his ruthlessness in cutting budgets, wants blanket power to eliminate “optional” Medicaid-allowed health care. This would mean cuts to some of the following: prescription drugs, private nursing home services, physical therapy, laboratory and X-ray services, dental care, and ophthalmology services. This means the sharp curtailment of life-saving medications, diagnostic capabilities, and rehabilitation services after a stroke, accidents, and so on.

**Missouri:** Gov. Matt Blunt, a Republican, in his budget presented Jan. 25, wants to lower the income level that the parents of a poor family may have and still receive Medicaid treatment, from the present 75% of the Federal poverty level, to 30% of the Federal poverty level. This means that a family of three can make no more income than \$4,701 a year for the adults to be eligible for Medicaid health coverage! Blunt also wants to eliminate those who are medically unemployable but who have not yet received disability payments. Rehabilitation services for adults, and dental and podiatry care are to be cut. (Only pregnant women and children are to be exempt from cuts.) New co-payments and deductibles will be enforced.

Bellafontaine Habilitation Center (serving St. Louis, St. Charles, and Jefferson counties), caring for 400 people with disabilities or mental retardation, is to be closed, eliminating 920 unionized healthworker jobs.

## South

**Mississippi:** A very poor 50,000-person subgroup of the state’s nearly 600,000 Medicaid enrollment, were under Federal court-order protection until Jan. 31, to have their medical treatment maintained, but now they face a cut-off without state action on funding. The week of Feb. 1, both houses of the legislature scrambled to find new funding, with the House voting for a new 50¢ tax on cigarettes. Gov. Haley Barbour, former head of the national Republican Party, has decreed: No new taxes. In other words, cut off medical treatment.

Other Medicaid recipients have had limits to care imposed on them, including the number of hospital stays and number of prescription drugs allowed.

**Florida:** Republican Gov. Jeb Bush, the President’s brother, has proposed cuts in various forms, for the 2.3 million Floridians under Medicaid, including the ruse of what’s called consumer-driven health, or CDH, which gives each person a delimited amount of money per month, to make “market-based choices” about what “plan” they will spend it on. The “choices” are offerings of packages of treatment, contrived by privateer insurers and health

maintenance organizations (HMOs). Also, Bush decreed that he will allow only the cheapest drugs to be used in Medicaid. Previously, the state allowed Medicaid patients four name-brand drugs a month.

**Georgia:** Gov. Sonny Perdue, a Republican, proposes \$100 million of reductions in spending for Medicaid and the state’s PeachCare programs, by reducing payments to hospitals by \$45 million. Because payments are matched by the Federal government, this means a loss of \$80 million spent on Medicaid in the state. Perdue proposes cutting Medicaid spending on the blind, elderly, and disabled by \$16 million, by means of “better management” of their conditions. Children in the state’s Children’s Health Insurance Plan or SCHIP, known as PeachCare, will no longer receive orthodontic services.

## West

**Washington:** The state has drawn up a list of covered (A) and non-covered (B) mental disorders, and will cover care only for patients whose diagnoses fall in the covered category. Doctors point out that many on the B list, will be dysfunctional without care. One example, was an individual with mental disability who landed in jail three dozen times and in a hospital emergency room 300 times in the last nine months.