

Billions in federal Medicaid funds will go to Ohio families and health-care providers

Friday, February 8, 2013

There will be considerable de- bate over various elements of Ohio Gov. John Kasich's budget, but one part of it makes such perfect sense that it ought to sail through the General Assembly. That's Kasich's proposal to expand Medicaid coverage in the state under the Affordable Care Act.

Kasich becomes one of five Republican governors to recognize the wisdom of expanding Medicaid, but the fact that he's one of only five shows what a divisive partisan issue Medicaid and the ACA have become. Then, too, there's a statement to reporters by House Speaker William Batchelder that the idea poses philosophical questions for lawmakers who oppose the ACA's mandate that almost everyone have health insurance.

But other opponents of the ACA have pointed out, everybody in America already has health care — all they have to do is go to the emergency room. And while that may be at least partially true, the problem is that hospitals, doctors and subcontractors who provide emergency services eventually pass along most of their losses to their paying customers.

Kasich, too, is opposed to the individual mandate in the ACA, which he referred to as Obamacare, but he said participating in the expansion of Medicaid "makes great sense for the state of Ohio." And the numbers clearly show that he's right about that.

As the Associated Press reported, the federal government will pay the entire cost of the Medicaid expansion for the first three years, gradually phasing down to 90 percent of the cost after that. Ohio will see an influx of \$2.4 billion in federal funds during the next two years beginning in July to cover those who are newly eligible.

Possible lose, lose

If Ohio didn't participate, that money would be lost to the state, but Ohio medical providers would continue to get stuck for uninsured patients. And an estimated 365,000 Ohioans — many of them children — who stand to receive Medicaid coverage would lead less healthy lives.

Members of the General Assembly who are worried about the cost of Medicaid should be more concerned about the cost of not providing coverage. And here's something else they should be worried about. Most Medicaid money is not spent providing everyday health care to struggling families in the lower income brackets. Most of it is spent on people with chronic conditions or who are spending the final months or years of their lives in nursing homes.

In 2010, about 1,950,000 Ohioans were Medicaid enrollees. Twenty percent of those were classified as aged, blind and disabled. That 20 percent receive 67.5 percent of the state's Medicaid expenditures. The other 80 percent, classified as "covered families and children," received 32.5 percent of the expenditures.

The real potential savings lie in finding less expensive alternatives to 24/7 nursing home care for as many members of that 20 percent as is possible.

Republican and Democratic administrations have been grappling with that challenge for at least a quarter century, with varying rates of success. The Kasich administration is also looking for cost-saving alternatives.

In the meantime, it makes no sense to tell the federal government to keep more than \$1 billion a year that will provide health care for Ohioans and income for its medical providers.

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