

The Quorum Report

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December 10, 2004 6:21 PM

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TPPF AND CONSERVATIVE COALITION ON CHIP AND MEDICAID

Looming bankruptcy for states in ten years

Lawmakers looking to restore cuts to the popular *Children's Health Insurance Program*, or even expand it, should take a look at what is happening in Tennessee, a conference on CHIP and *Medicaid* was told Friday.

Ten years ago, Tennessee lawmakers offered a government-subsidized health care program to residents not covered by health insurance, *Texas Public Policy Foundation* Director of Research **Chris Patterson** said.

Today, *TennCare* covers nearly 25 percent of the state's population and consumes nearly 33 percent of Tennessee's budget, Patterson explained. She said a tripling of costs forced lawmakers to institute draconian cost cutting and now Tennessee rations medical care to 12 doctor visits per year and six prescriptions per month.

"Anticipating a \$650 million deficit in funding for *TennCare* in 2005, Democratic **Governor Phil Bredesen** is proposing to jettison the program," Patterson said. "Although Texas is traveling the same route as Tennessee, there is an alternative."

That alternative, Patterson said, was Health Savings Accounts. She said that with HSAs most participants pay less than \$100 a month. She said participants could tailor health spending to avert expensive care.

TPPF and the *Texas Conservative Coalition Research Institute* sponsored the conference. There were two panels, one discussing CHIP and the other Medicaid. The conference heard that Medicaid and CHIP would bankrupt every state within ten years because even with cost-containment, the current system is fiscally unsustainable.

A member of the CHIP panel, Patterson said the changes to CHIP required under *House Bill 2292* were reasonable. She said even with those changes, which cut enrollments, Texas would not be able to keep up with demand.

On the same panel, state **Rep. Myra Crownover (R-Denton)** said there was plenty of misinformation about the CHIP cuts. Crownover said that as of a month ago, 2.3 million Texas kids received CHIP or Medicaid, compared to 1.1 million in 1999. She said that 40 percent of the loss of CHIP coverage was due to parents failing to re-enroll their children.

"The state of Texas cannot and should not insure every child," Crownover said. "That is a private sector responsibility." Crownover said there were some "wonderful" Christian groups in her hometown of Denton that help low-income families. She said the press has been reluctant to write about the good things that were happening with children's health care.

Like Crownover, TCCRI Executive Director **John Colyandro** also took issue with press coverage of the CHIP debate, signaling out a column by *Dallas Morning News* editorial writer **Rod Dreher** about a good father and a Christian being more important than being a good Republican.

Colyandro said "the left" was trying to stop implementation of HB 2292, which, he said, sought to strengthen personal responsibility. He said handing out goods and services created a culture of dependency.

Colyandro said it was not unreasonable to ask CHIP families to pay \$15 a month when those same families spent a lot more on cable TV, cellular phones, renting movies, smoking and drinking.

In the question and answer session, **Dr. Alan Parks**, from San Marcos, said he could vouch for low-income families receiving government health insurance yet also being the owners of video cameras and new trucks. "It is rampant," Parks said.

Devon Herrick, of the *National Center for Policy Analysis* (NCPA), said that despite more state and federal funding on CHIP, the percentage of uninsured children in Texas had hardly altered. Herrick gave a power point presentation that showed that when CHIP enrollments went up, private coverage dropped. He said the term for this was "crowd out."

Herrick said that when employers see that state health insurance is cheaper, they drop coverage.

In a question to the panel, state **Rep. Larry Taylor (R-Friendswood)** said he had heard of individuals with health insurance showing up at emergency rooms to avoid having to make a co-payment. Herrick said hospitals were not permitted to challenge a patient that claimed not to have health insurance.

During the panel discussion on Medicaid, state **Rep. Dianne White Delisi (R-Temple)** said more emphasis needed to be placed on preventing illnesses from occurring. She said the reported number of *Type 2 Diabetes* cases, caused in part by nutrition choices, was particularly scary. "In a nation where everything is super-sized, it looks like we have done this to our kids," Delisi said.

On disease management, Delisi said it was wrong that Medicaid rewarded physicians for seeing more patients. Doctors should be rewarded for providing quality health care, Delisi said.

John Goodman, also with the NCPA, said Texas was "way behind" other states in addressing meaningful reform. Goodman said the easy options, such as reducing the number of people that receive services and the type of services available, do not work very well. Goodman said radical reforms were needed, such as Health Savings Accounts and devolving the management of services to the local level.

Cleveland State University Professor **Michael Bond** said **South Carolina Gov. Mark Sanford** was the only governor that was seriously looking at a radical overhaul of Medicaid. Bond gave a power point presentation on Sanford's plan for acute care reform. He said the plan included giving Medicaid recipients a personal health account to pay part of their health expenses.

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