

COMMENTARY

Stout: Health care costs rise; taxpayers foot the bill

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If you think your health care costs are going up, hold on to your wallet. You don't know the half of it — literally.

Whether you insure yourself, get health care through your employer or purchase health care for your employees, chances are you know that costs are rising. But that's not all; you are also bearing the hidden cost of providing health care to others.

This past session, the Texas Legislature passed a \$139.4 billion budget, appropriating almost \$38 billion for Medicaid alone. This federal and state partnership provides public health insurance to low-income Texans, driving the state budget and edging out other priorities.

With a 14 percent increase in Medicaid funding over the previous biennium, the Legislature has catapulted Medicaid to the single largest budget item — a full \$4 billion more than the state will spend on public education. What will this cost Texans? Over the next two years, per-capita Medicaid spending will amount to \$1,690 for every man, woman and child in Texas.

In addition, the state will spend \$1.4 billion to fund the Children's Health Insurance Program (CHIP).

While advocates for low-income Texans have spent the last two years bleating about how the state is abdicating its responsibility to the poor, Texas taxpayers will hardly find the bill cheap. In the new state budget, CHIP spending increases \$409.1 million over the course of the biennium — a 41 percent increase driven by additional services, including vision and dental benefits. These extras are paid for by generous taxpayers who are themselves unlikely to have fully paid vision and dental benefits through their employer.

What will CHIP cost Texans? The equivalent of another \$62 for every man, woman and child in Texas.

The state budget also authorizes an average of 220,384 full time equivalent positions; that's one state employee for every 102 Texans. Unlike most large employers, the state pays 100 percent of the cost of health insurance for its employees and half the cost for state employees' spouses and dependent children. To meet the anticipated growth in health care costs in this generous arrangement, the state budget increases funding for state employee health benefits by 19 percent — to a total of just over \$2 billion over the next two years. What will this cost Texans?

Add another \$88 from every man, woman and child in Texas to support state employee health insurance.

All told, the per-capita cost of Medicaid, CHIP and state employee health insurance comes to about \$1,841 for every person in Texas; that's without factoring the taxpayers' cost to pay for teachers' health insurance, or the health insurance costs for city and county employees.

To fund Medicaid, CHIP and state employees' health insurance over the next two years, a family of four will pay almost \$7,400. The glaring reality is that for many Texas families, the tab for other people's health care rivals what they pay for their own care.

Of course, therein lays a perfect example of government arrogance. As lawmakers and opinion leaders lament the rising cost of health care and the growing number of Americans who find the price of health insurance out of reach, government mistakenly believes that it can solve the problem.

The state of Texas will take some \$41 billion in tax dollars to pay for these programs over the next two years. This leaves many Texans struggling to find affordable health insurance while paying high taxes to generously subsidize others. Texas families could far better prioritize their spending and meet their own health care needs if they weren't paying such a high price for other people's benefits.

The question isn't just how much your health care costs you, but what you could afford if you weren't subsidizing others at such generous rates.

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