



## OPINION

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### Another view

## States should get more freedom with Medicaid

In 1996, Congress passed landmark welfare reform legislation, making it the most sweeping entitlement overhaul this country has ever seen.

Today, nearly 10 years after Congress' bold action, the lessons of welfare reform should serve as the blueprint for reforming Medicaid, an even bigger entitlement program threatening state budgets across the country.

As Medicaid celebrates its 40th birthday, it has become a government leviathan, devouring state budgets and leaving taxpayers bracing themselves for the future. Although eligibility originally was limited to those qualifying for welfare's cash assistance, the Medicaid program has grown to encompass a growing number of people and services.

The results of that growth are staggering.

It took Texas 20 years to reach \$2 billion in annual Medicaid spending, yet program growth since 1987 has driven Medicaid spending skyward, with \$37 billion approved for the 2006-07 budget. Ever-increasing eligibility and services have fueled caseload and budget growth.

State data show the Texas Medicaid population has tripled in a decade, adding more than 1 million people to the rolls between 1990 and 1995 alone.

Today, about one in nine Texans receives Medicaid benefits. That's 2.6 million recipients among 22.1 million Texans. With the Medicaid rolls expected to top 3 million people in 2006, the ratios will only get worse.

Now, states are desperate for Medicaid reform to control costs and rid the program of rigid federal requirements. The path for achieving these reforms is clear: end the entitlement and give states greater flexibility.

States must have significant authority to tailor the program to fit their needs, and wide latitude to better align Medicaid with other government assistance programs.


What's more, Medicaid must be a program with reciprocal obligation. Medicaid recipients should share in the cost of their care by paying meaningful monthly premiums and copayments.

Many of Medicaid's fiercest advocates already are objecting to suggested reforms that would control spending, taking particular exception to increased cost sharing. Such a position defies reality and reason.

Welfare reform successfully restored the idea that government assistance doesn't come free or without obligation -- a concept most Americans understand, whether they're working for a paycheck or paying for a doctor visit.

Medicaid reform provide states the flexibility they need while giving recipients greater responsibility over their lives.

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