

Perspectives

ON TEXAS PUBLIC POLICY

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Testimony before the House Committee on Human Services

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Chairwoman Hupp, Members, thank you for the opportunity to be with you today.

I am Mary Katherine Stout with the Texas Public Policy Foundation.

As many of you know, TPPF is a research institute focused on the principles of limited government, free markets, private property rights, individual liberty and personal responsibility. Last fall TPPF established the Center for Health Care Policy Studies to broaden its research areas to include Medicaid, CHIP and the uninsured, and to give a voice to free market principles in Texas health care.

I am really here today to give you the big picture.

As you know Medicaid consumes a significant piece of the state's budget and those costs continue to grow. With the prospect of Medicaid costs doubling in coming years, many health care experts believe that this program has the potential to bankrupt every state if costs are not controlled. This must be brought under control.

So while I am not here to talk about Medicaid reform, I am here to say that the state must play a role in controlling costs. This is exactly the opportunity.

You know, it is hard to hear about what Medicaid clients could do with another \$15 or \$30 in their personal needs allowance. Frankly, I have no doubt that this money would be useful to them.

But I really think that last session we realized two things. One, that even in times of plenty the state must remain fiscally disciplined. Two, that little things here and there really add up.

So, although \$15 alone doesn't seem like a big investment, \$13 million is serious money.

This is \$13 million we really don't have. I think it is also important to point out that expanding benefits really has the long term effect of tying your hands in the future because you will have to continue to fulfill these promises.

This is a question of priorities. I suggest that the state's responsibility is to provide the benefits we are already obligated to provide. Faced with a choice between adding benefits and ensuring

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that there are funds to provide a benefit to the most truly needy Texans, the right choice will be to help the truly needy.

Again, I thank you for allowing me to be here. I'd like to mention that TPPF issued a report last year on Medicaid and the Uninsured, and will be releasing another report on Medicaid in the coming weeks that we will deliver to your office. The report from last year is available on our website, www.texaspolicy.com. I am actually out of copies, but would be happy to get a copy of that report to you if any of you are interested.

We hope that the Health Policy Center will be a valuable resource for information and we look forward to working with you.

I'll answer any questions you may have.