

Does Medicaid need a co-pay?

By David Hoyer | October 28, 2013 | Updated: October 28, 2013 5:54pm

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Both sides of the Medicaid expansion debate seem puzzled about why Medicaid costs have been growing in Texas even though the state has not expanded eligibility. The answer is only evident if you see Medicaid in action, where it changes recipients' behavior and invites them to seek out unnecessary care. As an emergency physician who has been seeing Medicaid patients for 30 years, allow me to present a few examples.

On a recent day, three Medicaid patients arrived in our emergency department after a minor fender-bender in their van. All three had been wearing seat-belts and were without visible injury, but the patients' caretaker wanted them "checked out" anyway. One patient had reoccurrence of lower back pain he had had for years and the second patient admitted to right-rib pain. Both were x-rayed, even though I knew ahead of time that the x-rays would not change their treatment. The third patient had no complaints whatsoever, but the caretaker still wanted him "checked out." Had the caretaker or the patient been required to pay something, they would have quickly realized how unnecessary all of this was. But because Medicaid was paying, why not get free care?

When I was a kid and I developed a fever, my mother would put me to bed and give me Tylenol and chicken noodle soup. Of course, this treatment worked out fine because the vast majority of fevers in kids are due to viruses that just have to run their course. If I had continued getting sicker, my mother would have taken me to the doctor.

But since the advent of Medicaid, there has been a paradigm shift in behavior. Nowadays, mothers with kids on Medicaid run to emergency departments like ours when fever develops. They get their free Tylenol and testing, which almost invariably shows a viral illness that has to run its course.

Imagine if the government decided it was going to give everyone credit cards that never required payment. You might answer that some people would stay home and not use their credit card, but most likely there would be a lot more shoppers out there. Some people would even fill up their houses with stuff they did not need.

It's a similar situation with the current Medicaid system. In particular, hypochondriacs and narcotic-seekers can have their disease worsened by having a Medicaid card. I've treated two such patients in recent emergency department shifts. Both patients have managed to get themselves labeled as bipolar, which used to be a rare disease but now is seen daily in emergency departments - thanks to Medicaid.

There is a solution to these problems. While not a panacea, the institution of co-pays for Medicaid patients would go a long way. As one-third of poor adults smoke, a co-pay equal to the price of a pack of cigarettes would send a desirable policy message. If the Medicaid patient has an emergency and has no money, this would not be a problem because emergency departments screen all patients and do not request payment from anyone with a possible emergency.

I'll illustrate the effect of co-pays with a patient I saw recently. This patient said she twisted her back walking down stairs. She had discovered in the past that she likes the way narcotics make her feel, so instead of taking ibuprofen and resting, she took a taxi to our emergency department. She was then screened as nonemergent, which, in our emergency department, requires a co-pay of \$150. Lacking \$150, she had to go home without the narcotic fix and instead take ibuprofen like the rest of us.

With a Medicaid card and no co-pay, she could have demanded and received a prescription for hydrocodone, starting a possible slide into narcotic - and government - dependence. Instituting meaningful co-pays would be a win-win for patients and taxpayers, and help prevent Medicaid from being an enabler of hypochondriasis, narcotic and government dependence. However, adding an estimated 1.5 million new patients to Texas' current Medicaid program without requiring co-pays could be a medical, human and fiscal disaster.

David Hoyer is an emergency physician in Houston and a Fellow at the [Texas Public Policy Foundation](#). He has practiced medicine in Texas for 30 years.