

FREE ACCESS?  
**HoustonChronicle.com**  
Click here to find out!

Subscribe to the Houston Chronicle | Shopping | Classifieds | Obituaries | Place an Ad | La Voz

Like 26k Register | Sign In

Wednesday March 13, 2013

73°F Partly Cloudy | [Houston Weather](#)

Search  
 Chron.com  Web Search by **YAHOO!**  Local Directory

Home | Local | US & World | Sports | Business | Entertainment | Lifestyle | Jobs | Cars | Real Estate

News > Politics

# Expansion of Medicaid will free up \$900 million, study finds

By Peggy Fikac | March 12, 2013 | Updated: March 12, 2013 10:48pm

Comments 6 | E-mail | Print | Tweet 6 0

AUSTIN - Expanding Medicaid could make available at least \$900 million in state money that otherwise would be slated for health care as lawmakers work to pay for Texas' priorities, according to an analysis released Tuesday.

"More efficient health spending means there's more money available for other needs like water and education," said **Bee Moorhead** of Texas Impact, a faith-based advocacy group that commissioned the analysis with Methodist Healthcare Ministries of **South Texas Inc.** Both groups support Medicaid expansion.

Republican leaders and lawmakers oppose expanding Medicaid in its current form, saying it's a broken program that is taking an ever-larger share of Texas' budget. A number of key Republicans, however, are looking at alternatives that could allow the state to draw down billions of dollars in additional federal money for health care for the poor.

Moorhead said in a statement that moving people out of programs that are funded piecemeal with general revenue and into "prevention-focused managed care" would "give lawmakers more resources to tackle the other big issues on their plate this session.

The analysis was prepared by Billy Hamilton Consulting. Hamilton is a former longtime state deputy comptroller.

His analysis says that under starting-point legislative budget proposals, at least \$1.2 billion in general revenue funds would be spent over the next two years on state programs serving people who would potentially be eligible for Medicaid. Additional federal funds under Medicaid expansion would take the place of that state money, according to the analysis.

Hamilton estimated that Medicaid expansion would require about \$300 million in general revenue for state-paid administrative costs in Texas for the next two-year budget period. The **Legislative Budget Board** previously has cited a \$50 million estimate for administrative costs over two years.

### Conservative estimate

Using the higher figure for administrative costs, the groups said that would mean \$900 million could be spent on as lawmakers would like - whether on health care or other programs - and it would not count against the state spending cap because it is considered current spending.

Lawmakers are facing pressure to restore funding cut from public education two years ago in the face of a projected revenue shortfall. Although revenues have been much higher than forecast, there are many demands on the money, including the bills that were left hanging to fund the current Medicaid program and long unaddressed needs in water and transportation.

### Featured Galleries



News  
**Election night**



News  
**Election night for Texas**



Nation/World  
**My, how the Obama girls have grown**



Entertainment  
**Celebrity tweets on election 2012**



News  
**Nick Anderson's political cartoons**



News  
**U.S. Presidents on film**

### Latest Videos

Hamilton called his estimates conservative and preliminary.

Medicaid expansion would cover low-income adults who aren't part of the traditional program. The federal government would pay for 100 percent of services at first, and the state would pay a gradually increasing share that would top out at 10 percent, according to the federal plan.

### Voice of caution

The Health and Human Services Commission estimates the 10-year cost would be \$15.6 billion in state funds, bringing \$100 billion in federal funds to Texas.

The limited-government **Texas Public Policy Foundation**, which opposes Medicaid expansion, discounted the estimates.

"While projections can be helpful, actual experience is truly valuable. We can look to the decade-long experience of both Arizona and Maine to see that expanding Medicaid to this population cost the state far more than projected, uncompensated care cost went up instead of down, and the uninsured rate stayed the same," said the foundation's **Arlene Wohlgenuth**, a former state lawmaker. "States are the laboratories of innovation. The results of these experiments are in and the results prove that Texas would not be well served to expand Medicaid."

Rep. **John Zerwas**, who is among Republicans discussing Medicaid expansion alternatives, said lawmakers take Hamilton's figures seriously, given his long experience as a state revenue expert.

"He's a highly respected person when it comes to sort of objectively looking at the numbers," said Zerwas, a Simonton Republican who oversees human services as an **Appropriations Committee** member. "I think any time somebody talks about freeing up general revenue in our world, it gets your attention."

Contribute to this story: [Send us a tip](#) | [Suggest a Correction](#)

Comments 6 | E-mail | Print

Tweet 6

0



**Peggy Fikac** | Austin Bureau Chief  
[Email Me](#)



### From Around the Web

**8 College Degrees That Aren't Worth The Money** (*Salary.com*)

**Why You Should Cancel Your Cell Phone Contract** (*Daily Finance*)

**Should I Take My Social Security Benefits at 62?** (*AARP*)

**How to Unlock a Car Door When the Keys Are Locked In** (*eHow*)

**5 Worst Mistakes Women Make in Bed** (*MyDailyMoment*)

**eHarmony Founder Believes Marriage Equality Ruined the Company** (*First to Know*)

[what's this?]

### We Recommend

**Man indicted in Texas for alleged Obama threat**

**Expansion of Medicaid will free up \$900 million, study finds**

**Man dies in burning bed in SW Houston apartment**

**Strip club brawl ends in leg amputations for two men**

**3rd man in Texas child sex case gets prison**

**Naked jogging woman fined after YouTube video goes viral**



Subscribe to the Houston Chronicle and receive access to the Chronicle for iPad App

### Houston Talks



**Frugal Confessions | 5 Frugal Activities for Springtime**



**Marci's Table | If it's Green, Eat it**



**From Under the Bridge | Anesthesia: What Animal Caretakers Need to Know Ahead of Time**



**HelpLine | Adjusting your display resolution**



**Houston Legal | Texas law schools move in US News rankings, UH goes up**

### From Around the Web

**Sizzling photos of field hockey player, Eva de Goede, in SI Swimsuit 2013** (*SI Swimsuit 2013*)

**How to Grow Potatoes in Pots** (*HGTV Gardens*)

**Shopping at a Dollar Store? Here are Some Things to Watch Out For** (*Coupon Shoe Box*)



[?]

Add Your Comment

New to the site?

Already a member?

To use commenting, you need to sign up.

Please log in.

[Forgot Password?](#)

[Sign up](#)

Email

Password

Remember Me

[Log in](#)

Join the Conversation



Most Popular Comments



**saved1** 5:14 AM on March 13, 2013

You do not save money by adding more people. This article is a bunch of hog wash.

[REPLY](#)

[\(5\)](#)

[\(2\)](#)

POPULARITY: 3

[Report Abuse](#)

2 replies



**tealover** 7:35 AM on March 13, 2013

The last thing this state needs to do is expand Medicaid. Hey if you can't get enrolled go to CA they will enroll you until their money runs out. The Feds will be pulling the funds down the road just like every other program they get started. Don't be fooled!

[REPLY](#)

[\(1\)](#)

[\(0\)](#)

POPULARITY: 1

[Report Abuse](#)

[View Comments \(6\)](#)

Ads by Yahoo!

**Mortgage Rates Hit @ 2.5%**

If you owe under \$729k you may qualify for 2.90% APR Govt

[www.Refinance.LowerMyBills.com](http://www.Refinance.LowerMyBills.com)

**Top Mutual Funds for 2013**

Compare Mutual Funds for Your Investments & Find Top Funds

[www.beaconcu.org](http://www.beaconcu.org)

**54-Year-Old Mom Looks 27**

Follow this 1 weird tip and remove 2 years of wrinkles in

[theSmartConsumerLiving.com](http://theSmartConsumerLiving.com)



[Local](#)

[US & World](#)

[Sports](#)

[Business](#)

[Entertainment](#)

[Lifestyle](#)

[Jobs](#)

[Cars](#)

[Real Estate](#)

The Houston Chronicle is the premier local news provider for the country's 4th largest city.

Currently the nation's sixth-largest newspaper, the Houston Chronicle is a multimedia company publishing print and online products in English and Spanish that reach millions of people each month. The Houston Chronicle is owned by the Hearst Corporation.

Advertise With Us

Purchase ads for web, social media, and print via Hearst Media Services ▶

Place a classified ad in the paper or online ▶

Place a targeted ad in a speciality section such as a weekly or neighborhood publication ▶

Subscriber Services

Get home delivery, manage your subscription, pay your bill with EZ Pay, and set a vacation hold for the paper ▶

About Us

- About the Houston Chronicle
- Executive Team
- Careers
- Community
- Legal Notices
- Contests
- Ad Choices
- Corporate Home

Contact Us

- Customer Service
- Newsroom Contacts

Editions & Apps

- iPad
- iPhone
- Android
- Blackberry
- Mobile Website
- HoustonChronicle.com
- eEdition Demo | Today's eEdition
- Chronicle in Education
- Chron.com Site Index



Follow Chron

- [Facebook](#)
- [Twitter](#)
- [LinkedIn](#)

[Local Business Directory](#) ▶

 [Newsletters](#)

 [RSS](#)

[Terms of Use](#) | [Privacy Policy](#) | [Your California Privacy Rights](#) | [Ad Choices](#)  
Houston Chronicle | P.O. Box 4260 Houston, Texas 77210-4260

© Copyright 2013 Hearst Communications, Inc.