



Deal welcomes idea of Medicaid block grants

By [Carrie Teegardin](#)
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While many governors said a Republican proposal to turn Medicaid into a block grant program could cripple state budgets and limit care, Gov. Nathan Deal welcomed the concept for Georgia.

The idea to give states a lump sum for the health care program for the poor would make Medicaid more efficient and sustainable, the governor said. Debate on the proposal, the GOP budget blueprint for fiscal 2012, is just beginning.

"The block grant approach empowers the state to find innovative solutions for improving the quality of health care and controlling costs to Georgia taxpayers -- efforts currently hampered by Washington regulation," Stephanie Mayfield, Deal's press secretary, said in a statement.

Medicaid and PeachCare for Kids currently provide health care to about 1.6 million low-income Georgians. About two-thirds are children. The programs will cost Georgia about \$1.7 billion this fiscal year with the feds kicking in another \$5 billion.

Opponents of the block grant proposal said the states will end up getting less money for a program that is crucial for many children, elderly and disabled people. "The people of this state will lose in this proposition," said Linda Lowe, a longtime consumer health advocate in Georgia.

The feds currently cover a portion of state spending on Medicaid, under a formula that varies from state to state. Because the federal government covers so much of the cost, it sets many of the rules. Under the Republican plan proposed this week by the House Budget Committee chairman, Rep. Paul Ryan of Wisconsin, the feds would give each state a lump sum and leave the design of the plan largely up to state officials.

The Medicaid proposal is just one part of the Republican plan to shave more than \$5 trillion from projected federal spending over the next decade.

Democratic governors and many advocates said the plan would inevitably shift more costs to the states, whose budgets are already in crisis.

Tim Sweeney, a health care analyst at the Georgia Budget and Policy Institute, said Georgia already spends less per person than the vast majority of states and pays doctors low reimbursements, making it difficult for some on Medicaid to find a doctor willing to see them. The aging of the baby boom population

will increase pressure on Medicaid, Sweeney said, because it covers the bills of many nursing home residents.

"A block grant means either the state spends more of its own money or just spends less money total and serves fewer people and serves them in less comprehensive ways," Sweeney said.

The end result could be an increase in Georgia's already high number of uninsured residents, he said.

Lowe said Medicaid touches most Georgians at one point or another, either because they become eligible for the program or because they use health care facilities that are partially funded by Medicaid. "If we think backups in emergency rooms are big now -- just wait," she said.

But supporters of the plan said it will allow states to make Medicaid better.

Governors for too long have not worried about the cost of Medicaid because the federal government picks up so much of the tab, said Michael Cannon, a health policy expert at the libertarian Cato Institute.

The program already covers too many people, Cannon said. If more limits were placed, for example, on elderly people who use the program for nursing home bills, he said, more might buy long-term care insurance to cover their own costs.

Kelly McCutchen, president of the Georgia Public Policy Foundation, said the Medicaid program needs reform and pointed to the 1996 welfare reforms as a model.

McCutchen said quality and access to care are already subpar for many on Medicaid. "With the amount of money we're spending," he said, "I don't think we're getting a good result."

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