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**Picking on Mitch Daniels** By **Robert M. Goldberg** on 3.10.11 @ 6:07AM

Consider it the conservative movement's Charlie Sheen moment. Some conservative think tank types have quietly complained that Indiana Governor Mitch Daniels and President Obama are on the same road to government run healthcare, albeit at different speeds. This whisper has erupted into a Tiger Blood rant by the Cato Institute's Michael Cannon entitled: "Mitch Daniels's Obamacare Problem: His state's health-care plan promotes dependence on government."

Cannon asserts the Healthy Indiana Plan (HIP), which uses a mix of Medicaid funding, tobacco taxes, and individual contributions to provide medical insurance to working class Hoosiers, is no different than Obamacare:

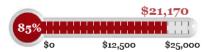
Like Obama, Daniels increased cigarette taxes to expand government-run health care. Whereas Obamacare requires states to open their Medicaid programs to families of four earning \$31,000 (138 percent of the federal poverty level), Daniels expanded Indiana's Medicaid program to families of four earning \$44,000 (200 percent of poverty). From 2008 to 2010, Indiana's Medicaid enrollment spiked: Adult enrollments grew 21 percent, a rate nearly double the national average.

In his effort to paint HIP as a source of government dependence, Cannon misstates much. First, Indiana does not have a Medicaid program for families up to 200 percent of poverty. HIP provides families up to 200 percent of poverty to obtain private health insurance if their employer doesn't offer coverage or if they have been uninsured for 6 months or more. Participants must pay premiums of up to about \$100 a month and contribute up to \$1100 into a "Personal Wellness and Responsibility" (POWER) Account, POWER accounts are used to pay for deductibles.

Second, Indiana's Medicaid enrollment did not spike 21 percent. It increased 17 percent from 2008-2010, slightly higher than the national average of 14. 6 percent. In 2009-2010 the rate of increase in Indiana's adult Medicaid enrollment declined (as it did in only 16 other states) and did so more dramatically than most.

To establish HIP Daniels shifted authority to state government and made personal responsibility central. Cannon claims Daniels "made Medicaid more attractive: Under his plan, the government hands out coverage plus something a lot like cash." By this logic, the 1996 welfare reform bill and Daniels' recent proposal to extend Indiana's school voucher program to every family promote big government because they both "hand out coverage."





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Similarly Cannon has to denigrate the design and impact of HIP to portray Daniels as Obama's healthcare doppelganger. Cannon is half right when claiming HIP spending was higher than expected. Most HIP participants are older and sicker than the rest of Indiana and have had less care to boot. Short-term per patient costs of care were higher, at first. But after three months the average amount spent on participants and the amount of services consumed steadily declines.

There's a reason for that: unlike Medicaid, HIP is not an entitlement but a way to get well. It pays for preventive care. It pays doctors more for treating the most vulnerable. And it rewards staying healthy. If participants use preventive services they can keep HIP contributions to their POWER accounts. Participants are getting healthier, using fewer services. and saving more in their POWER accounts.

HIP has 24,906 adults with dependent children and 20,514 other adults enrolled. It also has a waiting list of more than 40,000 childless adults. That's not increasing dependence, it's unmet need. The federal government bars Indiana from enrolling more people in HIP. Daniels asked for more control over Medicaid dollars to expand the program. Obama said no.

Cannon might applaud the President's action since it stops Daniels' socialist web from spreading. But Obama's decision -- to force people to wait until 2014 to be forced into Medicaid to get coverage -- is causing real people real suffering.

That includes Alice Moeloa of Logansport, Indiana. Ms. Moeloa lives on disability payments and has not had insurance for years. She could get Medicaid only if she gave up her disability support.

According to Indy.com, Moeloa recently applied for HIP:

Her diabetes has caused seeping wounds in her legs, making it difficult for her to walk. Moeloa desperately wants insurance to visit a local wound clinic. Because Moeloa, 57, is on disability, she can apply for Medicare in about a year and a half. But she does not want to wait.

"Every little itty bit scratch I get on my leg, I get infected," she said.

Moeloa is living with the threat of having her legs amputated. Daniels wants more control over health spending to help her and others. President Obama stands at the doctor's front door, turning them away. Cannon's effort to mobilize conservative opposition to HIP leads to the same result. Apparently, that's a small price to pay for "reducing" dependence on government.

LETTER TO THE EDITOR

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Robert M. Goldberg is vice president of the Center for Medicine in the Public Interest and founder of Hands Off My H ealth, a grass roots health care empowerment network. His is new book, Tabloid Medicine: How the Internet is Being Used To Hijack Medical Science For Fear and Profit, was published last month by Kaplan.



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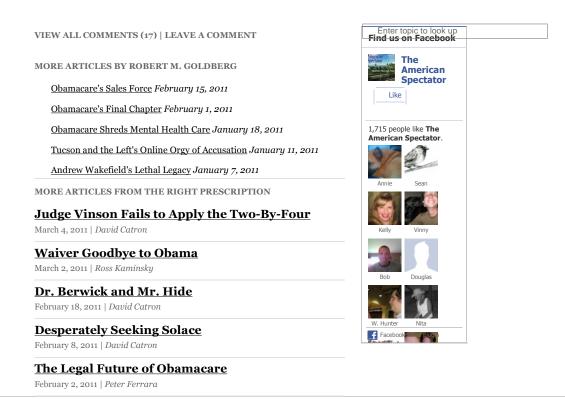
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