

Free Market Friday: Fool's gold

By Michael C. Carnuccio May 2, 2013

It's easy for Oklahoma's political leaders to complain about President Barack Obama and out-of-control federal spending, and paint themselves as the second coming of Republican U.S. Sen. Tom Coburn. Now they have an opportunity to put their money where their mouth is. They actually have the opportunity to, in effect, veto new federal spending.

"Supporters of expansion have dusted off an age-old favorite in making the case for taking federal dollars," the Goldwater Institute's Christina Corieri said. "They say: 'If our state doesn't take the money, those dollars will go to some other state instead.' Happily, in this instance that is not true. When a state declines to expand Medicaid coverage to more people, no other state will receive its share of funds and federal spending declines."

Keep in mind that Medicaid expansion, in any form, will be funded by Obamacare dollars. That is the only money Kathleen Sebelius has to spend. The proposed Oklahoma plan acknowledges this by needing special permission from Sebelius to approve the waiver component.

Thus, we are right back where we started. Sebelius' Health and Human Services is the reason Insure Oklahoma will no longer exist. The HHS refused that waiver, desiring that such coverage be included in adopting Obamacare. Is it really a good idea for the state to enter into an open-ended agreement with someone who has held Oklahoma hostage at every step?

It is foolish – indeed dishonest – to posture as though government will expand an entitlement program, only to close it in the future if it costs too much – especially when the lawmaker involved made the same unfulfilled promise with the Supplemental Hospital Offset Payment Program Act.

The Heritage Foundation, Cato Institute and others have said the Obama administration has already acknowledged failures in Obamacare by rescinding scheduled cuts to hospital financing by continuing disproportionate share hospital, or DSH, payments through at least 2014.

Corieri estimates that the federal tab for Medicaid expansion has been reduced by more than \$424 billion in new federal spending over the next eight years, thanks to the 18 states that have already opted out. Oklahoma's portion is \$9.147 billion.

That's about \$3.658 billion the bankrupt federal government won't have to borrow from China. True statesmen don't pursue so-called free money from their own grandchildren.

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