



Rhetoric about health insurance can be over-simplified and misleading

By: Kathleen Haughney – April 22, 2013

Lawmakers are pushing competing plans that next Jan. 1 would put about one in five Floridians in some sort of Medicaid-like health-insurance plan. Or not.

Lawmakers have two weeks to resolve a battle over whether to draw down \$51 billion federal dollars over 10 years to provide private health insurance to 1 million people, as the Senate wants to do. Or they could jump-start a small state-funded health plan for impoverished Floridians and send others to a federal health-care exchange for subsidized coverage, as the House wants to do.

Or, as some are speculating, they could do nothing.

"We're moving. We're always moving," said state Rep. Richard Corcoran, R-Land O'Lakes, who is shepherding a House plan that would have the state pay \$2,000 each to 115,700 people to buy private health care.

The House is adamantly opposed to taking the federal money that's at the heart of a plan backed by Sen. Joe Negron, R-Stuart. And the Senate is unimpressed with the number of people the House plan covers.

That's led to a lot of rhetoric – much of it over-simplified or misleading -- about how and why the state should best approach covering its low-income population as it implements President Barack Obama's Affordable Care Act.

Here are some of the statements being made:

Statement: Negron says his plan is not Medicaid expansion. "I think it's important for us to say no to having Washington tell us to expand our Medicaid program," he has said.

Fact Check: Senate and House committees have voted to reject expansion of Medicaid under the Affordable Care Act, which offers \$51 billion over 10 years to provide health insurance to individuals and families earning up to 138 percent of poverty. But Negron's plan would take that money – plus \$3.5 billion from the state – to buy insurance for those people from private providers. This is similar to the state's current Medicaid program, which enrolls 3.3 million people today and is transitioning to "managed care" run by either HMOs or provider groups.

"You can call it another name, but simply at the end of the day, this is Medicaid expansion." Senate Democratic Leader Chris Smith of Fort Lauderdale, says of Negron's plan. "They're just trying anything they can not to say 'expanding Medicaid,' but as you

can see they're looking to take those federal dollars, they're looking to use those federal dollars to expand health care coverage to Floridians."

Statement: Corcoran says the House plan would insure about 500,000 people using both state and federal money.

Fact Check: That's based on a series of assumptions – and likely wouldn't be true until sometime next decade.

Corcoran's plan assumes that up to 115,700 people earning below the poverty line -- \$19,000 for a family of three – would purchase coverage using \$2,000 subsidies from the state and \$300-a-year of their own money. Those making between 100 percent and 138 percent of poverty – about \$26,000 for a family of three – would take advantage of federal subsidies to purchase coverage on an on-line "exchange."

But an updated legislative analysis predicts that only around 55,000 people would enroll in the plan's first year, possibly growing to 125,000 by 2022-2023. By then, the analysis suggests, another 353,545 people are likely to take advantage of the exchange to buy subsidized coverage.

Statement: Corcoran says the House plan would provide "far better coverage through a private market" than Negrón's.

Fact Check: Actually, both plans would use private providers. But there's a big difference in what they would cover.

Negrón's plan puts all eligible recipients into plans available through the Florida Healthy Kids program, which today provides subsidized insurance to low-income children. These plans offer "benchmark benefits," laid out in state law, that include preventive care, immunizations, vision, emergency services, maternity care and limited mental health and substance abuse treatment. There would be a minimal amount of co-pays or other cost-sharing from recipients.

The Corcoran plan requires recipients to use the \$2,300 to buy some form of health plan on a type of online exchange called Florida Health Choices. The plans must have as-yet unspecified preventive and catastrophic care components – but in examples cited by the House would have deductibles of \$1,500 or more. Other plans that could be available are not health insurance, but rather discount health plans or prepaid health clinic cards that could purchase specific services for less.

Statement: The House Majority Office says that "Medicaid expansion will hurt Florida seniors," in part because there won't be enough physicians in the state to serve everyone.

Fact Check: This may be an issue, no matter what happens.

A University of Chicago School of Medicine study reports that nationally, 29 million people will get health insurance for the first time in 2014 because of the Affordable Care Act, resulting in 26 million new doctor visits per year. That will require 7,200 new primary-care providers.

In Florida, about 15 million residents have health insurance today, and the ACA may add as many as 2.5 million more – including those covered by Negrón's plan. At the same

time, the Florida Medical Association predicts that one in eight of the state's 44,804 doctors – or about 5,600 -- are expected to retire in the next five years.

Statement: The House Majority Office says "there are no reliable projections of taxpayer costs" and that Negron's plan could cost anywhere from \$3.7 billion to \$19.5 billion over 10 years.

Fact Check: The Office of Economic and Demographic Research, which includes economists from both the Legislature and the governor's office, did a comprehensive study that determined that it would cost \$3.5 billion. The \$19.5 billion figure came from the Cato Institute, a Republican-leaning think tank opposed to the Affordable Care Act.