

THE TENNESSEAN

TennCare expansion is just common sense

By: Frank Daniels III – February 10, 2013

Recent decisions by Republican governors have punctured the posturing that was making Tennessee's hesitancy to accept federal funding of an expanded TennCare one that was more about politics than people.

Since early January, several states that were fence-sitters have made the decision that an expansion of Medicaid makes social and economic sense. The expansion was included in the original Affordable Care Act, "Obamacare," but it was made optional for states under a U.S. Supreme Court ruling this past summer. The states' decisions extended health care insurance to 17 million Americans. This week, Michigan Gov. Rick Snyder and Ohio Gov. John Kasich announced their states would expand Medicaid coverage, joining Arizona Gov. Jan Brewer, who also recently put her state in the expansion category.

Twenty-two states and the District of Columbia have said they will expand coverage; 17 states, including Tennessee, are still deliberating; and 11 states, all with Republican governors, have declined. An illustration is available at <http://bit.ly/W8Fv1L>.

The decision to expand TennCare to include an additional 200,000 Tennesseans seems easy on one hand — the federal government will cover 100 percent of the additional cost of expansion for three years. The Obama administration has said the Medicaid expansion funding is sacrosanct in the proposed budgets. "Medicaid cuts for this president are not on the table," said White House senior economic adviser Gene Sperling.

However, that enhanced funding will go away, leaving states to foot a much larger bill in a segment of the economy that defies pricing control.

Adding to Republican governor angst may be the incendiary comments that conservatives have made about expanding Medicaid coverage, which are similar to those made about any decision to set up state-run insurance exchanges. The Wall Street Journal called Brewer and Kasich "Obamacare Flippers." The Washington Post quoted Cato Institute health policy director Michael Cannon: "This is going to be a serious problem for them if they want to seek higher office. It doesn't matter if they say 'I don't consider this Obamacare.' Their base does, and their base really dislikes this law."

Given that the enlightened states of Texas, Oklahoma, Louisiana, Mississippi, Alabama, Georgia and South Carolina have rejected this federal succor for their citizens in need, it would seem likely that Tennessee will follow. Our recent history suggests that we, too, prize political ideology over social conscience and long-term economic growth.

Gov. Haslam, like most other Republican governors, decided against setting up a state-run health insurance exchange. Though I would prefer the local control of having a state exchange, the decision was rational and should not restrict Tennesseans' access to competitive health care insurance.

But a decision to maintain the status quo on TennCare is not in our state's best interest, for the health of citizens and the stability of our long-term business environment.

First, we will not reform health care without bringing virtually everyone into the system. As one hospital executive said, "You've got to get everyone in the tent before you are going to see costs come truly under control."

It makes sense from a social justice perspective and from a long-term economic perspective. Massachusetts has seen its health care costs rise at a slower pace than other states, 3.6 percent last year, since it brought all citizens into the system. Though the state is concerned about future cost projections, having everyone in the system gives them cost-control options other states do not have.

Second, Tennessee is home to many of the nation's largest health care companies, which negotiated a deal in the passage of the Affordable Care Act. "Obamacare" initially required all states to expand Medicaid coverage to low-income Americans, increasing Medicaid enrollment from 32 million to 49 million, at a cost to the federal government of \$795 billion over 10 years. This cost would be financed by reducing reimbursement rates paid to doctors who provide services under Medicare. The Supreme Court ruled that the required Medicaid expansion was an overreach of federal authority but left the Medicare payment reductions in place, which jerked the financial rug out from under some of our largest employers.

It would be a slap in the face to these companies, which have fueled significant economic growth and investment in our state, to walk away from expansion because some critics consider it cozying up to this president. (A threat that sounds like school-yard bullying and deserves the contempt we reserve for those who resort to childish name-calling over adult conversation.) The Nashville chamber, like many businesses and business organizations, supports TennCare expansion, as reported in *The Tennessean* last week.

The fiscal challenge represented by TennCare expansion should be addressed, but it should not prevent the governor from doing the right thing.

You cannot reform just part of health care. True reform, cost control and improved health outcomes for all Tennesseans should be our goal.