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## TPPF Says Texas Medicaid Is in State of Crisis

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Texas' Medicaid program is in a "state of financial crisis," according to an [analysis of caseload and costs](#) published by the [Texas Public Policy Foundation](#), a conservative think tank. The TPPF, in conjunction with a researcher from the Cato Institute, found that Medicaid will absorb "every penny" of new state revenue between 2014 and 2023 if general revenue grows at the same rate it has over the last decade.

"Even before the U.S. Congress substantially expanded Medicaid as part of Obamacare, the Medicaid program was financially unsustainable," said Arlene Wohlgemuth, director of TPPF's Center for Health Care Policy. "These new projections make clear that Medicaid will bankrupt Texas — and every other state — unless major structural changes are made."



*photo by: Todd Wiseman*

In the 2008-2009 biennium, the study found, Medicaid accounted for 28.3 percent of the budget — a number that was supposed to increase to 32 percent within a decade, and 39.4 percent by 2040, without the advent of federal health reform. Now, with health reform, Medicaid's share of the budget will be 45.9 percent within a decade, and 49.4 percent by 2040-2041, according to the report, costing more than \$460 billion during that biennium.

"Over the next three decades, the amount of state tax revenue Medicaid will consume will increase at least 900 percent," Wohlgemuth said. "By then, one of every three dollars that Texans pay in state taxes will be obligated to this one federal program."

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