

In the News - Medicaid Changes

Medicaid was created in the 1960's as a means to help provide health coverage to the uninsured. It is a joint program between the federal government and the states, with the federal government picking up almost 60% of the costs. (Goldstein, 2006) For most beneficiaries, States could not charge premiums, and could impose only nominal cost sharing. Cost sharing was prohibited in many instances, especially with regard to children and pregnant women.

The free reign of health benefits ended with the Deficit Reduction Act of 2005. In an effort to trim billions from Medicaid costs, the federal government removed many restrictions from state governments. (*Deficit Reduction Act of 2005: Implications for Medicaid*, 2006)

In an attempt to curb rising costs, states quickly took action. West Virginia required its users to sign a member agreement, otherwise benefits would be lost. Kentucky instituted higher co-payments and limits on prescriptions. Kentucky encouraged patients to sign up for a disease management program, which provided patients with extra benefits, such as eyeglasses. Florida worked on privatization. Some states began to focus more on prevention. (Goldstein, 2006)

The Kaiser Commission recently issued a 50 state Medicaid review. It concluded the recession is causing more people to enroll in Medicaid, resulting in increased spending. In 2009, enrollment grew by 5.4 percent and spending by 7.9 percent. Even with increased costs and enrollment, states managed to provide services. This was due to congress allocating money and the American Recovery and Investment Act. This funding is scheduled to terminate at the end of 2010. ("A Foundation for Health Reform:

Findings of An Annual 50-State Survey of Eligibility Rules, Enrollment and Renewal Procedures and Cost-Sharing Practices in Medicaid and CHIP for Children and Parents During 2009," 2010)

The figures above show the interrelationship between our health care funding and the economy. While the economy is weak, spending cuts will continue. The uninsured will face stricter guidelines to qualify for Medicaid, the income cutoffs may become stricter, and cost sharing could become cost-prohibitive for many. The last hope entry point for healthcare is (very) gradually closing its doors to the uninsured. Medicaid, an option for reducing America's uninsured, may soon contribute to the growing uninsured population unless significant reforms in the health care system take place.

References

Deficit Reduction Act of 2005: Implications for Medicaid. (2006). Washington D.C.: The Henry J. Kaiser Family Foundation.

A Foundation for Health Reform: Findings of an Annual 50-State Survey of Eligibility Rules, Enrollment and Renewal Procedures and Cost-Sharing Practices in Medicaid and CHIP for Children and Parents During 2009. (2010). Retrieved January 26, 2010, from The Henry J. Kaiser Family Foundation, <http://www.kff.org/medicaid/kcmu120809pkg.cfm>

Goldstein, A. (2006, Monday, June 12). State's Changes Reshape Medicaid. *The Washington Post*, from <http://www.washingtonpost.com/wp-dyn/content/article/2006/06/11/AR2006061100815.html>