

November 2, 2005

Support Our States, Strengthen Medicaid - Pass Medicaid Reform

Dear Colleague:

Medicaid has grown so big, so fast that governors tell us it is close to bankrupting our states. The program already consumes more resources than K-12 education and states are moving to drop people from coverage as they run short of funds.

How bleak are the prospects? "We are on the road to a meltdown," says National Governors Association President Mark Warner, D-Virginia.

If we want reform that encourages individuals to make responsible decisions regarding benefit use, then we must create a system that makes them a partner in the survival of Medicaid and not simply a beneficiary.

As my Governor, Phil Bredesen, D-Tennessee, said earlier this year in reference to Medicaid, "It is simple economics that if you want someone to make efficient choices, they have to have a little skin in the game, some personal responsibility. A free-market economy isn't top down, a free-market economy pushes decisions out into the world in a million small choices rather than a few central ones. The way that's done is by respecting people by letting them decide what they are willing to pay for and what they aren't."

This year's reconciliation package does for Medicaid patients what no one has done for them since the program was created in the mid-1960s: It gives them with a stake in their own health care, and it only costs \$5.

Although not well known, Medicaid has co-payments just like private insurance. But those co-payments haven't changed in more than 20 years and they're unenforceable. The system we've created encourages people to use emergency rooms for routine and non-emergency medical care. Our laws have turned America's emergency rooms into free 24 hour a day health clinics for Medicaid patients. This is simply unaffordable and dangerous.

Common sense tells us that if people pay something for their care -- even a small amount -- they'll be more responsible stewards of their Medicaid benefits. This policy change will preserve our emergency rooms for real times of crisis and protect access to care for those most in need. Collecting \$5 from a Medicaid patient will not cover the costs of an emergency room visit, however it will ensure that beneficiaries are cognizant of the cost associated with routine medical care.

The plan also continues to exempt the poorest, neediest and youngest beneficiaries from having to pay anything for their care.

Should you have any further questions, feel free to contact me or Josh Mullen on my staff at 5-2811.

Sincerely,

Marsha Blackburn
Member of Congress