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Monday Morning Medicaid Must Reads

Helping you consider differing viewpoints. Before it's illegal.

October 7th, 2019

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In this issue...

Article 1:

New Bombshell Report Reveals Obamacare's Epic Medicaid Waste, Sally Pipes, Forbes

Clay's summary: It's almost as if when you pass a gigantic, economy transforming bill without reading it, forcing everyone to go along or else they're evil- and there happen to be some train wrecks, negatives we find out years later. But I have no doubt the Medicaid Left will only ever sing its praises as if it is a complete and total success until the end of time.

Key Excerpts from the Article:

...according to a new study published by the National Bureau of Economic Research, it's the insurer of record for a significant number of middle-class Americans. The cost to taxpayers? Hundreds of millions of dollars.
The culprit for this epic amount of government waste shouldn't be a surprise—Obamacare...By the end of 2016, some 11.5 million able-bodied adults had enrolled in Medicaid because of the expansion, more than double the original enrollment projections. This brings the total number on Medicaid to 65.6 million.The cost of the expansion has been higher than expected, too—76% more per person.

Read full article in packet or at links provided

Article 2: ***Are the Right People on Medicaid? - Flathead Beacon, Bob Keenan, Tom Burnett***

Clay's summary: Most people don't mind taking money from them ("taxes") to help their needy neighbor. They do

mind when it turns out bennies are not actually eligible. Even in Montana.

Key Excerpts from the Article:

... 25% of Medicaid expansion enrollees were likely ineligible in both California and New York. A state audit in Louisiana found 82% of expansion enrollees were ineligible at some point during the year they were enrolled. 25% of Medicaid expansion enrollees were likely ineligible in both California and New York. A state audit in Louisiana found 82% of expansion enrollees were ineligible at some point during the year they were enrolled.

Read full article in packet or at links provided

Article 3: ***Analysis: Medicaid deals offer election headache for Edwards, AP, Melinda Deslatte***

Clay's summary: Sometimes Medicaid helps you get elected (like when you ran on expansion Mr. Edwards). Sometimes it might get you un-elected (like when you are blamed for the current procurement fiasco with MCOs). Good luck with that.

Key Excerpts from the Article:

...The contracts pay for private companies to oversee care for about 90% of Louisiana's Medicaid enrollees, an estimated 1.5 million people — mostly adults

covered by Medicaid expansion, pregnant women and children. The contracts are among the largest in state government, accounting for roughly one-quarter of the state's annual operating budget...Losing bidders for the next round of multibillion-dollar contracts to manage health services for Medicaid patients are accusing the Edwards administration of bias and conflicts of interest. Republican and Democratic lawmakers are worrying publicly about whether health care access will be disrupted for half a million Medicaid enrollees, many of whom are in Edwards' expansion program.

Read full article in packet or at links provided

New Bombshell Report Reveals Obamacare's Epic Medicaid Waste

SourceURL: https://www.forbes.com/sites/sallypipes/2019/09/03/new-bombshell-report-reveals-obamacares-epic-medicaid-waste/#5966c8303e31

New Bombshell Report Reveals Obamacare's Epic Medicaid Waste

Sally Pipes Contributor

Medicaid was created in 1965 to provide health coverage to impoverished Americans. But according to a new study published by the National Bureau of Economic Research, it's the insurer of record for a significant number of middle-class Americans. The cost to taxpayers? Hundreds of millions of dollars.

The culprit for this epic amount of government waste shouldn't be a surprise—Obamacare. The 2010 healthcare law dramatically expanded Medicaid, by making

everyone with income below 138% of the federal poverty level eligible. This expansion was supposed to be mandatory starting in 2014. To help states with the cost, the federal government covered 100% of the costs of expansion from 2014 through 2016, 95% in 2017, 94% in 2018, 93% in 2019, and 90% in 2020 and thereafter.

A 2012 Supreme Court decision made it optional; 37 states plus the District of Columbia opted to follow Obamacare's diktats. Voters in Idaho, Maine, Nebraska, and Utah have approved Medicaid expansion via ballot initiative.

On its own, this eligibility adjustment represented a substantial shift in the program's purpose. Medicaid was established to serve the genuinely needy: low-income Americans,seniors, the disabled, andpoor children. Obamacare flooded the program with able-bodied, working-age adults—that is, people who could likely secure private insurance on their own.

By the end of 2016, some 11.5 million able-bodied adults had enrolled in Medicaid because of the expansion, more than double the original enrollment projections. This brings the total number on Medicaid to 65.6 million.The cost of the expansion has been higher than expected, too—76% more per person.

And then there's the waste. Many of the newly enrolled should actually be ineligible because they make more than 138% of the federal poverty line. The new NBER study, co-authored by professors at the University of Kentucky and Georgia State University, calculates that more than half a million ineligible people have enrolled in Medicaid across the expansion states examined.

Some states have struggled particularly hard with eligibility issues. Consider Kentucky, which clocked in some of the biggest insurance coverage gains in the country after accepting the Medicaid expansion. In 2014, nearly four in ten Kentuckians who enrolled—about 73,000 people—weren't actually eligible for Medicaid. And in April, the state Department of Health revealed that more than 1,600 of the new Medicaid enrollees were making at least $100,000 a year.

Importantly, the NBER analysis only covered nine expansion states—one-fourth of the total that have expanded their Medicaid programs. So the total number of ineligible enrollees is almost certainly far higher.

For proof, consider Louisiana, which was not included in the NBER study. There, officials allowed Medicaid recipients to self-report their paychecks between their initial application and the renewal of their coverage. An audit revealed that

among 100 Medicaid recipients randomly selected between July 2016 and March 2018, 82 were ineligible for 47% of monthly payments made to Medicaid companies. As a result, the state may have squandered more than $85 million on these enrollees.

This rise in enrollment among ostensibly ineligible people is one illustration of how Medicaid expansion "crowds out" private insurance. People who already have coverage in the private market switch over to the public dole.

Indeed, a report from the Foundation for Government Accountability projects that among states that have yet to expand Medicaid, more than half of potential enrollees already have private coverage or have access to a low-cost exchange plan.

This crowding out burdens taxpayers. Look back at Louisiana. Adding a new enrollee to that state's Medicaid program costs about $6,200 per year, according to the Pelican Institute. Enrolling locals who otherwise would have been covered in the private market adds up to some $460 million a year.

Given Medicaid's history, such waste shouldn't be surprising. The Government Accountability Office has designated the program as "high-risk" since 2003, meaning that it is "vulnerable to waste, fraud, abuse, and mismanagement" or needs "broad reform." In 2018, about one of every ten dollars in program payments was improper. That's equivalent to about $36 billion.

Medicaid has expanded well beyond its original mission of taking care of the most vulnerable members of society. Hundreds of thousands of people who have no business claiming taxpayer-funded health coverage are doing just that. This waste must stop.

Are the Right People on Medicaid? - Flathead Beacon

Are the Right People on Medicaid?

DPHHS needs to tighten its income verification procedures

By Bob Keenan and Tom Burnett // Sep 1, 2019

Medicaid was established for low-income children, pregnant women, the disabled, and seniors. In 2015 Montana's Medicaid program added adults without children, costing taxpayers another $800 million a year. But are recipients really low-income?

There's a huge problem in some of the states that "expanded" Medicaid, as Montana did. Many individuals "appeared to gain Medicaid coverage for which they were seemingly income-ineligible." Writing in the Wall Street Journal, Brian Blasé and Aaron Yelowitz say, "there's evidence of massive improper enrollment … According to 2018 reports by the Inspector General's Office at the Department of Health and Human Services, 25% of Medicaid expansion enrollees were likely ineligible in both California and New York. A state audit in Louisiana found 82% of expansion enrollees were ineligible at some point during the year they were enrolled. People who entered no income while exploring their options via the federal exchange website were automatically enrolled in Medicaid."

A legislative audit here in Montana found the Department of Health and Human Services (DPHHS) "does not verify income prior to enrollment … and does not verify income information from FFM (federal website) applications," and individuals do not have to, "report changes in income or resources." One-fourth of flagged cases received no follow-up.

The audit states: "When ineligible people are enrolled in Medicaid and obtain Medicaid services, federal and state taxpayer dollars cover Medicaid services for people for whom they were not intended. This potentially leaves fewer resources for those actually eligible for benefits."

DPHHS needs to tighten its income verification procedures to make sure taxpayer dollars are available to assist those with low incomes.

Sen. Bob Keenan, R-Bigfork
Rep. Tom Burnett, R-Bozeman

Analysis: Medicaid deals offer election headache for Edwards

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Analysis: Medicaid deals offer election headache for Edwards

By MELINDA DESLATTE Associated Press

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BATON ROUGE, La.
Gov. John Bel Edwards promotes his Medicaid expansion program as a central reelection selling point, but the contracts that provide those health services are becoming an unwanted election-year complication that could mess up his story line.

Losing bidders for the next round of multibillion-dollar contracts to manage health services for Medicaid patients are accusing the Edwards administration of bias and conflicts of interest. Republican and Democratic lawmakers are worrying publicly about whether health care access will be disrupted for half a million Medicaid enrollees, many of whom are in Edwards' expansion program.

The accusations and criticism come in the middle of an election season when the Democrat Edwards is fighting to win a second term against two major Republican opponents, U.S. Rep. Ralph Abraham and businessman Eddie Rispone, who are criticizing Edwards' management of the government-financed Medicaid program.

The contracts pay for private companies to oversee care for about 90% of Louisiana's Medicaid enrollees, an estimated 1.5 million people — mostly adults covered by Medicaid expansion, pregnant women and children. The contracts are among the largest in state government, accounting for roughly one-quarter of the state's annual operating budget.

The Edwards administration chose four companies for new managed care deals slated to start in 2020. Five companies currently do the work under contracts expiring at the end of this year. Louisiana Healthcare Connections and Aetna Better Health have Medicaid managed care contracts with the state, but weren't chosen for new deals. They filed protests , accusing the health department of improprieties.

More than 560,000 Medicaid recipients who receive coverage through Aetna and Louisiana Health Care Connections will have to transfer to new health plans if the contract awards are upheld, and several lawmakers have fretted about the logistics of accomplishing that by January.

In a letter to Edwards, Democratic U.S. Rep. Cedric Richmond said Louisiana's health department has had technology problems that would likely make it difficult to shift patients to new health plans without "at least some of these patients falling through the cracks for a time."

Several lawmakers asked how Humana Health Benefit Plan of Louisiana, which hasn't done Medicaid managed care work in the state but won a contract starting in 2020, will quickly ramp up a new health plan with a network of doctors, clinics and hospitals available to Medicaid patients.

The governor and his health department are defending the bid evaluation and contractor selection, saying it followed the detailed requirements laid out in Louisiana procurement law. Edwards told callers to his radio show last week that the process is working as it should.

"We anticipate that we're going to be able to move forward without any interruption in services," the governor said.

But his health department undermined that claim in paperwork filed with the state procurement office about the dispute over the contracts.

In a letter to Louisiana's chief procurement officer , the health department warned that if the ongoing legal challenges cause delays in contract negotiations, that could "disrupt and jeopardize the provision of health care to more than 1 million of Louisiana's most vulnerable citizens."

The losing bidders for the new deals are claiming state law wasn't followed in selecting the winning contractors. Lawyers for Louisiana Healthcare Connections called the process "tainted with conflicts of interest and bias from the start." Attorneys for Aetna accused the health department of using a "biased and arbitrary scoring methodology."

The companies argue the bid evaluation was skewed to benefit Humana. Louisiana Health Care Connections claims a health department official that helped in the contract award process even fell asleep during its oral presentation.

Because the Medicaid managed care deals are so lucrative, disputes over new contract awards seemed almost inevitable.

But the Edwards administration could have avoided such a high-profile dispute in the middle of an election cycle if it had sought new bids for the work before the existing contracts were slated to expire in December 2017. Instead, the health department urged lawmakers to extend the current deals for another 23 months, placing decisions about new contracts smack in the middle of campaign season.