

April 2009

## **Misdiagnosis: The Bid to Kill Medicaid Reform**

*By Dr. Michael Bond*

Medicaid is in serious financial trouble. Absent major changes, the growth in Medicaid spending threatens to eviscerate the funding available for other vital state priorities. That's one reason why Florida got a Federal waiver to try a new approach: a pilot project using managed care in five counties.

Money wasn't the only concern, however. Just as bad as its fiscal condition is Medicaid's well-deserved reputation as a low quality healthcare plan. In some regions at least one-third of all practicing physicians refuse to accept Medicaid patients -- and more than 60 percent will not accept *new* Medicaid patients.

As a result, Medicaid beneficiaries wind up in emergency rooms at twice the rate of the uninsured and four times that of patients with private insurance. Worse, Medicaid is also routinely abused by providers, with many instances of outright fraud.

Despite these problems, some well meaning people still want to preserve Medicaid in its current form. We can see this in the relentless attacks on Florida's Medicaid Reform Demonstration, a bold experiment now in its second full year of operation.

Typical was a recent news report alleging that more than 25 percent of Medicaid providers had dropped out of

the reform plans. Because this was so different from the data I had seen, I checked out this claim. It turned out to be utter nonsense.

Here's what really happened: After the reform was implemented, Florida Medicaid began monitoring HMO provider networks more closely to evaluate their adequacy. The state is now conducting monthly checks to ensure that the providers whom the HMOs list are still accepting Medicaid patients.

This process initially produced some "cleansing" of the provider lists. The reporters obtained information about this process, compared the old lists to newly audited lists, and then concluded that 25 percent of the physicians had dropped out of the reform.

But the "loss" was actually just a recalculation to ensure that the data on provider participation would be valid. The latest data indicates that only about 3 percent of the providers have elected not to participate in reform.

Another attack before the reform was even implemented came from the Georgetown Health Policy Institute (HPI), which has continued to claim that reform is failing. As in the past, the basis for this claim is surveys of "stakeholders," focus groups of beneficiaries, and surveys of physician association members.

As before, the numbers surveyed or interviewed were extremely small. For example, only 75 “stakeholders” were interviewed. These included hospitals, consumer groups, and other medical providers, many of whom have always been hostile to reform.

Beneficiaries – patients -- were paid to participate in the focus groups. They totaled 120. Mind you, that’s 120 out of 200,000 participants in the reform plans – hardly a representative sample.

Physicians participating in the survey totaled either 210 or 276 -- the HPI briefing inexplicably provides two different numbers. This was in response to surveys directed at Broward and Duval County Medical Associations, groups that have also been hostile to managed care.

Meanwhile, critics have largely overlooked improvements. My research indicates, for instance, that the various reform plans made 12 co-pay reductions and 112 benefit expansions. That’s in stark contrast to HPI’s claim of co-pay increases and benefit reductions.

In a May 2008 briefing, HPI finally conceded that its numbers were incorrect. When I pointed this out to several reporters who had kept relaying HPI’s criticisms of the reform, their response was that they didn’t think HPI’s mea culpa was relevant.

Finally, the reform has been blamed for Wellcare’s decision to withdraw from these counties. Yet a more likely reason is that Florida’s budget problems forced a reduction in premium payments. Nonetheless, AHCA insists that there is sufficient capacity to transfer Wellcare enrollees to other plans and that new plans are coming in.

Critics agree that Wellcare’s pullout is itself a problem because participants’ relationships with their doctors could be disrupted. Not necessarily. Many patients

who move from one plan to another are able to keep the same physician.

Given traditional Medicaid’s unsustainable fiscal trend and substandard care, critics of reform would do well to offer a viable alternative that slows the spending increases and improves the quality of care.

Yet when it comes to offering alternatives to Florida’s ambitious reform, the critics have been silent because they have nothing much to offer except more of the same.

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