



We Buy It, We Own it

As Virginia's General Assembly enters what should be its last two weeks of the 2018 regular session, one significant hurdle stands in the way. House and Senate proposals for our biennial budget, the year's most important and consequential legislation, are miles apart. Separating them are issues of adding over 300,000 Virginian's to the state's Medicaid role and \$600,000,000 (that's with a 'm') in additional spending, both advocated by the House.

My goodness, how things have changed. The idea that we're counting on the Virginia Senate to protect taxpayers from actions of the House of Delegates seems implausible. I commend Senate Majority Leader Norment and his caucus for its focus on making health care more affordable.

In 2013 members of the House knew that future budgets could not absorb the costs of Medicaid expansion as designed under Obamacare thus I worked alongside my colleagues to defeat it. That's not to suggest we didn't see the need to expand access to health care but we knew there was a better way. At the time, Secretary of Health and Human Services Kathleen Sibelius promised "great flexibility" for states to implement Obamacare. Despite direct requests from Governor McDonnell however, she nor the Obama administration offered to elaborate. To paraphrase our instruction, [expand today and we'll work out details later. And by the way, once you expand, there is no turning back]. **Is that a deal that any pragmatic business person or family would take?**

In 2014, although out of office, I presented a free-market alternative to legislative leaders, not as a comprehensive plan but as ideas to test 'flexibility', hoping the Governor might be open for ideas. For Governor McAuliffe however, it was an 'All' or 'Nothing' bet. The Governor held firm and for four years, 'Nothing' won. With the election of President Trump, alternatives are again on the table and Governor Northam appears willing to discuss at least, outside-the-box ideas. **Is now the time for fiscal conservatives to punt?**

I have tremendous respect for my former colleagues and our new Speaker. Yet, nineteen of the seventy-two Republicans in our state legislature appear ready to expand Medicaid, albeit with certain qualifiers. Among them, a requirement that able-bodied, childless, working-age recipients must enroll in a training program, get a job, actively seek a job, or perform public service. As always, the devil is in the details, details that will be defined after the fact by our state's Department of Medical Assistance Services. Also, after the fact is the waiver process that we anticipate, but are not certain will be approved in Washington. We'll just work out the details later. Sound familiar?

How demanding will these requirements will be. Several people have dropped by my business over the years to ask if we were hiring. Many were unprepared, unqualified, and unwilling to work, but simply there to get a signature required for another month of unemployment benefits. Will DMAS use the same standard for Medicaid? What will constitute a qualifying public service? To be clear, I am encouraged by the introduction of a working requirement and recipients paying a portion of a co-pay or premium as they transition to private insurance. But already, progressive politicians and activists are calling such requirements 'stigmatizing' and 'punitive'. **If working for benefits is so demoralizing, how should those who work hard and pay taxes to fund these entitlement programs feel?** More importantly, how long before these groups find an activist judge that overturns such requirements? Regardless, once we buy into Medicaid expansion, we own it.

In 2013, I sat with then-candidate Terry McAuliffe discussing concerns with expansion, noting that the federal government is unlikely to fulfill its promise to pay 90% indefinitely. His response...we'll simply drop the coverage. I'll suggest to my former colleagues the same thing I suggested then. The Fed will not live up to this promise and you nor the courts will allow 300,000 Virginian's, entrenched in the system, to have it ripped away overnight. In the history of this great nation, I challenge anyone to name one entitlement with a working 'kill switch'. Again, once we buy into Medicaid expansion, we own it.

Make no mistake. Obamacare was designed to lead America into a single-payer system. Thought through to its end, there is no logical path elsewhere. Five years ago, we were labeled conspiracy theorists for suggesting this was a path to Socialism, a fact that today's Democratic Socialists and Progressives make no

attempt to veil. On the contrary, many recently elected delegates made single-payer and other socialists-borne programs key elements of their campaigns.

Among my many objections to Socialism is its one-size-fits-all philosophy. Not only because citizens should have the right to determine their own goals and individual priorities, but in order to encapsulate everyone, only the lowest common denominator of services will be provided by government. Moreover, it is terribly inefficient. Democrats have long proclaimed that Virginia taxpayers are sending \$5m per day to other states for their expansion and our state's former Secretary of Health suggested the 10-year total would be \$25 billion. Folks, by any measure that's a lot of money. I endeavored to contrast that with the cost of building and operating clinics around the state and the facts are astounding. More on that in a moment.

As flawed as it is, Medicaid has been a blessing for some but **it is neither an adequate or sustainable substitute for health insurance for all**. Different circumstances call for different strategies. Consider these groups and how they might best be helped:

1. Those who are unable to work due to age or disability.
2. Able-bodied working age but unemployed.
3. Employed, but in jobs lacking the earning potential to afford insurance.

We have an obligation to care for citizens who are truly unable to care for themselves and perhaps reformed Medicaid is the most practical means for helping those who cannot work due to age or disability. For others however, we must focus on reducing the number of people who would rely on government for health care by promoting education and job growth while making insurance more affordable. I was pleased to see the Senate introduce several bills to advance these goals. There's yet another important consideration that I've heard less about this year, a resource that should be the key component for providing interim health services as able-bodied adults transition to private insurance plans.

In recent years, I've had the pleasure of working with several dedicated staff members and volunteers at Lackey Free Clinic. Through review of its annual financial report and discussions with executives, I am inspired by the quality and efficiency of services provided by this community gem. Lackey serves over 2000 individual patients annually, providing general medicine, wellness, OB-GYN, Lab,

Dental, Diabetic, Cardiology, and numerous other mental and physical health services. It also provided over 33,000 prescriptions last year. The facility, equipment, and staff is as professional as any doctor's office that you and I will visit. Today, it would cost approximately \$5.5 million to build and equip this facility. Thanks to its partnership with area hospitals for diagnostic and in-patient/out-patient surgery, contributions from pharmaceutical companies, and its many paid and volunteer staff, Lackey provides these services with an annual operating budget of \$1.9 million.

Using Lackey's model and former Secretary Hazel's \$25 billion claim, **Virginia could build, equip and operate 150 state-of-the-art clinics for the next 10 years and have \$22 billion to spare.** Folks, 150 clinics serving 2000 patients each covers...you guessed it, 300,000 individuals without health insurance. And, when the federal government defaults on its obligation, the clinics remain.

To be fair, it would be challenging to duplicate Lackey's contributions and 21,252 volunteer hours at 150 facilities around the state. Even retail value however, would not require \$25 billion. The actual cost would likely fall somewhere in the middle, leaving room for expanded intellectually and developmentally disabled programs and increased reimbursement rates while still sending billions to states overwhelmed by the true costs of straight expansion.

I share this example to illustrate the inefficiency of our broken Medicaid system and the faulty reasoning of expanding it. Besides, the current program is expanding on its own, now exceeding 1,000,000 participants and adding 1 of 3 newborns in Virginia every day. Even without expansion, Medicaid will absorb 23% of our state's new \$57 billion budget and if last year is any indicator, this estimate is far too low.

Free clinics are not a sole-solution to our health insurance problem but they should play a major role in providing health care services as we work to transition citizens from government dependence to independence. Additional factors such as tort and COPN reform, expanding scopes of practice for practitioners, medical school debt relief, and other strategies to increase physician participation and access must be addressed. Most importantly, we must do all we can to grow job opportunities in Virginia while educating our citizens to fill them. Anything less will simply add to our health care challenge.

Over the next two weeks House and Senate leaders will work to hash out their respective budget differences. The House proposal of promoting jobs for benefits is on the right track but should be pursued outside of a broken Medicaid system. I urge my friends to reconsider their votes to expand and instead support the Senate's jobs and affordable insurance strategies. Then in the Spring, begin work on a bold and innovative state-run plan for able-bodied adults that warrants block grants to bring our money back to the Commonwealth. There may never be a better opportunity. If you agree, please call your representative's office today and ask them to reject expansion and to develop a better plan.

We've got just one chance to get this right, then we own it.

(Want to read this portion of the budget, click [Amendment Item 303#1h](#))



Paid for by Friends of Mike Watson

Note

I know this was lengthy. Thank you!

If you read this to the end, please click here to let me know.