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## Give Medicaid recipients more control

BY DEVON M. HERRICK

Medicaid, to put it simply, is an unsustainable program.

Kansas and most other states are struggling to counter low-quality service and rising costs. Indeed, Medicaid costs are expected to overcome all other areas in the budget if left unreformed.

Kansas must begin thinking differently about how Medicaid operates if it is to remain viable going forward.

Fortunately, some states have already begun this process, and Kansas policymakers can utilize their experience in crafting reform. A few years ago, for example, Arkansas, Florida and New Jersey began experimenting with what is referred to as cash and counseling. In this program, certain Medicaid recipients were offered the chance to control a portion of the dollars spent on their non-health care needs.

These experiments worked well because patients had greater choice over their providers, and the providers looked to the patients as customers, rather than to the state. Now, about half of the states have received waivers

from the U.S. Department of Health and Human Services for similar demonstration projects.

According to the Heritage Foundation's James Frogue, "The initial successes of the cash and counseling experiments explode the myth that Medicaid beneficiaries are not capable of making their own decisions. In fact, it shows just the opposite: They can, they want to, and -- once given that chance -- do a very good job of it. This is amply demonstrated by satisfaction rates with the program that approach 100 percent."

It is time to expand such experiments and create similar programs that allow Medicaid patients greater control over their health care dollars. Florida, New Hampshire and South Carolina are already in the early stages of implementing such an approach.

Under Florida's plan, counselors assist Medicaid recipients in choosing benefit packages that best meet their needs from among a host of providers. In fact, the program essentially allows participants to "opt out" of

Medicaid by purchasing private coverage with their state-paid premium.

Health care providers will create benefit packages, and participants -- with the help of choice counselors -- will choose the plan that best meets their needs.

To induce people to economize and lower costs, they must be given a stake in the outcome. In Florida, patients holding down costs by improving their lifestyle will be able to earn extra funds to buy increased coverage or services through their care plan.

The exact structure of a similar program here in Kansas, though, is less important than the need to begin thinking more creatively about the way Medicaid operates and how the program can be retooled to both improve outcomes and reduce costs that would otherwise spiral out of control.

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