

TENNCARE TRUTHS NEED TO BE TOLD



Neither TennCare nor private insurance is perfect. TennCare needs to be expanded to cover 300,000 poor working people, and private insurance needs to stop denying coverage and benefits to a similar number of people.

by Tony Garr



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On October 13, the Senate Finance Committee passed its health reform bill out of its committee. Now there are two very different bills in the U.S. Senate and three different bills in the House. Regarding how reform will be paid for, and what role, if any, the states will play in funding reform, the bills in Congress are very different. Contrary to my previous comments, the Senate Finance bill will ask the states to fund reform by covering about 300,000 poor Tennesseans under its TennCare program using the same matching formula that is about 34% of the cost.

However, we are far from a final bill, and the push back from the U.S. House and state governors is significant. The result will likely be that the states will be asked to pay for some of the reform but much less than what the Senate Finance bill is proposing.

Can the states even afford to do this? Expanding the states' Medicaid programs to include all the poor will happen in 2013 or 2014. There is anticipation that by then the economy will return to pre-recession levels. In addition, some current health safety-net programs to hospitals, clinics, and so forth will not need to be funded at the current level. In addition, several state health insurance programs such as CoverRx, CoverTN, and AccessTN will go

away with reform. These three programs are entirely funded by state dollars. States will be asked to use these types of funds (savings) to help fund reform.

Previous Comments

It is time for our congressional officials to stop denigrating Tennessee's TennCare program, which serves more than 1.2 million Tennesseans, more than half of whom are children. The current debate on healthcare reform could use a little truth-telling about TennCare. Let's begin with Senator Lamar Alexander, based on his statements in a commentary in the Chattanooga Times Free Press ("Medical muddle: Proposals would slap high costs on the states," August 9).

Statement: "Both bills before Congress look at the idea of dumping . . . an additional 300,000 low-income Tennesseans into (TennCare). . . . Then they're going to shift the cost to the states after about five years, the equivalent of a 5 percent to 10 percent new state income tax in Tennessee."

Fact: For Medicaid coverage expansions after 2014, the House Energy and Commerce Committee's bill would shift 10 percent of the costs to the states. After 2015, the Senate HELP Committee would require states to pay their full Medicaid share, 35 percent of medical expenses.

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Explanation: The two bills before Congress are very different with regard to what states may have to pay. After 2014, the House bill would require states to pay \$120 million annually for covering 300,000 people. The Senate does not have a final bill. It is highly unlikely that the final Senate bill will shift any costs to the states. These costs certainly would not be equivalent to a 5 percent to 10 percent new state income tax. This year, the state legislative Fiscal Review Committee stated in their fiscal note for SB 2054-HB 2182 that a graduated-rate income tax with a top marginal rate of 7.75 percent would raise \$4.2 billion. There is a big difference between that and \$120 million.

Statement: "Right now 40 percent of doctors won't see Medicaid patients."

Fact: Four managed-care companies, AmeriChoice, AmeriGroup, BluCare and TennCare Select, have doctors in their health plans that serve 1,229,007 people. Eighty-three percent of TennCare enrollees seek care with a primary-care provider as opposed to the emergency room. This is the same percentage as those with private insurance seeking care in Tennessee.

Explanation: TennCare beneficiaries have to go to a doctor who has signed up for their plan.

Statement: "The failed Medicaid program (known as TennCare) . . ."

Fact: The average cost per enrollee is less than \$4,000 a person. The average cost in the private market in Tennessee is over \$6,000 a person. A report by the UT Center for Business and Economic Research (CBER) indicated that 78 percent of TennCare enrollees rate their care as excellent or good. Privately insured Tennesseans rate their care as excellent or good 78 percent of the time, as well.

Explanation: TennCare is one of the most efficient Medicaid programs in the country. The UT survey shows that it is far from failure. The report concluded: "The survey reveals that from the perspective of the recipients, the TennCare program continues to work as expected. TennCare recipients see physicians more often, visit emergency rooms less for routine care, and are able to see a physician without excessive travel or waiting time." Neither TennCare nor private insurance is perfect. TennCare needs to be expanded to cover 300,000 poor working people and private insurance needs to stop denying coverage and benefits to a similar number of people. Our congressional officials are the only ones who can correct both of these deficiencies. ■

Tony Garr is executive director of the Tennessee Health Care Campaign.