If she were a governor today, Kathleen Sebelius would take the Medicaid expansion the federal government is offering.

Sebelius, a former Kansas governor and the current secretary of the U.S. Department of Health and Human Services, said it just makes fiscal sense for states.

“If the deal that currently is on the table for states around the country to expand Medicaid, mostly on the federal dime, was offered to me when I was governor of the state of Kansas, I would have jumped at the offer because the toll of uninsured individuals, the toll that that takes on a state, takes on a workforce, takes on a school system, is enormous,” said Sebelius.

She listed the people in communities across the country that would reap benefits from such expansion. People in jails could be productive members of society if they had access to substance abuse and mental health treatment.

“There are certainly people sitting in emergency rooms putting an enormous toll on safety services and clinics and also who are not as productive in the workforce as they possibly could be; kids sitting in schools who don’t learn as well as they could if they had full health care,” she said.

She assured state leaders the expansion—which would be covered 100 percent by federal funds the first three years, followed by a gradual reduction in federal funding never to go below 90 percent—is paid for through fees and charges included in the Affordable Care Act.

She has talked with some state leaders who have expressed concern about changes in the federal funding formula. Some states have included a provision that if the formula changes, those states will pull out of the expansion.

“I think that is a totally reasonable precedent to set,” Sebelius said.

The department is working with various states, she said, on a number of initiatives, including such things as incorporating health incentives and healthy lifestyles into their plans, or focusing on the dual eligible population or hot spots.

“We want to see what states have in mind,” she said. “One Size Fits All may be a classic Frank Zappa album, but it’s really not the way we are approaching this expansion.”

States that don’t expand Medicaid, she said, are leaving a lot of money on the table and a lot of people out of the health care system.

“The vast majority of those individuals are in the workforce. They are going to work every day. They just do not have affordable health care in their workplaces and they don’t have a salary that allows them to afford health care on the private market,” she said.
She asked those policymakers from states that haven’t approved expansion to reconsider the proposal.

Sebelius also addressed another big part of the Affordable Care Act—the insurance marketplaces that will be open for enrollment Oct. 1 to March 31.

While the discussion continues to overturn the act, Sebelius said it is no longer a political debate.

“It’s what we call the law,” she said. “It was passed by the U.S. Congress. It was signed into law by the president in March of 2010. It was upheld by the Supreme Court in July of 2012. The president was re-elected. It’s the law and it will be the law as long as President Obama is in place.”

The U.S. House of Representatives voted Friday to defund the act. But Sebelius said the impact of such an action has not been discussed.

Among the consequences, such a vote would defund Medicare and the department wouldn’t have funds to pay doctors. It would dismantle many of the Medicaid fees. The 30 percent of senior citizens enrolled in Medicare Advantage plans would have to enroll in fee-for-service because the department couldn’t pay the Medicare Advantage plans. It would dismantle much of the Children’s Health Insurance Program.

On the flipside, she said, the act has already reaped benefits—those with insurance have more consumer protections; parents can keep their adult children on insurance policies until age 26; and senior citizens are paying less for prescription drugs because the act closed the so-called donut hole in coverage for those drugs.

“This is an historic opportunity for a lot of people in this country who have never had the health security that comes with knowing you can take care of yourselves and your families when something happens,” she said, “that if you get a diagnosis of a disease you could take advantage of the best health care system in the world and do something about it.

“We don’t have to any longer, as a country, live sicker and die younger than many of our global competitors because so many of our individuals who don’t have easy access to the health care system,” she said. “Losing your home should never come with being sick. Losing your job doesn’t have to mean you lose your insurance.”

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