Medicaid cuts in Washington state highlight bipartisan attack on health care

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Last week Democratic Party Governor Christine Gregoire of the US state of Washington signed a bill that, if approved by the federal Department of Health and Human Services, will give officials of the state increased power to cut patients from Medicaid, the health care program for the poor and elderly. The bill is similar to a proposal advanced by Republicans on a national level.

Medicaid covers over 1 million people in Washington state and some 50 million people nationally. Up to 75 percent of nursing home residents depend on the program, along with millions of low-income children, pregnant mothers and the disabled. This segment of the population has been hardest hit by the economic crisis, leading to increased numbers of Medicaid beneficiaries.

Medicaid is jointly financed by the federal and state governments, with national regulations on who must be covered by each state program. The bill in Washington would remove these regulations, provide a set amount of spending from the federal government, and free up the state to cut benefits and services.

According to the bill, the state would receive "block grant authority" for its Medicaid program and would "operate as a laboratory of innovation for bending the cost curve, preserving the safety net, and improving the management of care for low-income populations." These are merely code words for massive cuts.

The bill would provide state legislators with "the ability to streamline eligibility determination, free from maintenance of eligibility requirements imposed by the federal patient protection and affordable care act or any future federal laws."

With these new rules, many will be told they are ineligible for care entirely. Others will face differential cost-sharing, increased prescription drug copays, selective contracting for certain services, and new payment methodologies. Most of these changes will boil down to an out-of-pocket increase in spending or a complete lack of coverage for needed services.

The Washington bill underscores the unanimity of Democrats and Republicans throughout the US in cutting billions from health care, including Medicaid. While a Republican senator drew up the bill, Democratic Governor Gregoire has been the main proponent.

The *Wall Street Journal*, in an article entitled "Liberal Washington State Tries to Kiss Medicaid Goodbye," noted the "remarkably nonpartisan" character of the bill. The *Journal* also noted the similarity between the state's plan for Medicaid and the block-grant program for welfare established as part of the Clinton administration's overhaul in 1996, writing, "With finite funding [for welfare], states were given an incentive to reform programs and reduce costs."

As a result of these measures, millions of people have been cut off from basic assistance. Washington state has itself reduced its welfare rolls by tens of thousands. Earlier this year, the state implemented a 15 percent cut in benefits.

In signing the Medicaid bill, Gregoire, who is currently the head of the National Governors Association, made clear that she sees it as a model for states throughout the country. "On behalf of the governors," she said, "I'm going to be presenting some agreed-upon ideas where we seek flexibility from health and human services in administering the Medicaid program." Gregoire is currently in Washington DC to press for acceptance of the proposal.

A similar block grant was given to the state of Rhode Island in 2009 under George Bush's presidency. Rhode Island has already reportedly cut $100 million from its budget as a result. At the time, Democrats postured as opponents of the measure.

Medicaid "block grants" are also a key component of the Republican Party proposals to dismantle health care programs introduced by Representative Paul Ryan earlier

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this year. The aim is to cap the grants at current levels, indexed to inflation instead of demand and costs, while eliminating federal requirements. This will force states to cuts services and push millions out of the program altogether.

In the media and the political establishment, most of the discussion on health care spending has focused on Medicare, the federally funded health care program for the elderly. Both parties are agreed on the need to cut trillions of dollars in spending on Medicare, but there is some disagreement on how this is to be done.

There has been almost no discussion of the cuts that are already being made to Medicaid. At least 15 states are currently planning sharp cuts in Medicaid spending, on top of tens of billions already cut.

The situation facing states has been compounded by the fact that the meager federal aid made available last year has dried up. The Obama administration also recently intervened to block individuals from filing legal challenges to state cuts to Medicaid.

The policy of block grants will shift the burden of carrying out many of the severe cuts onto the state administrations. This is significant when considering the health care overhaul passed by Obama and the Democrats last year. Supporters of the measure, which was an initial step toward cutting billions from health care spending, claimed that it would increase health care coverage by expanding Medicaid eligibility.

Certain populations are to be covered in 2014 by the state/federal Medicaid program based on new rules in Obama's plan. The states, however, with the complicity and support of the federal government, are moving in the opposite direction. Any individuals who actually gain access to Medicaid will receive the absolute minimum of care.

All of these health care cuts are overwhelmingly opposed by the population. After bailing out the banks, however, the entire political establishment is engaged in a ferocious campaign against all social programs that benefit the working class.

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