

## Birds of a Feather?

The Virginia General Assembly has agreed to convene in September to debate Medicaid Expansion. McAuliffe's communication director, Brian Coy, was quoted in the News Virginian as stating, "The governor hopes the Republicans in the General Assembly will finally put what's best for Virginia families ahead of petty ideological politics and offer a serious proposal to cover the coverage gap." The Oxford dictionary defines 'ideology' as "a system of ideas and ideals, especially one that forms the basis of economic or political theory and policy." Merriam-Webster defines ideological as "relating to or concerned with ideas." So Mr. Coy's statement is correct, but it is also politically misleading. The question is whether or not the Republican ideology is based on facts or on self-serving political intent.

A recent Freedom Of Information Act disclosure showed the total Medicaid expenditure in Virginia for the State's FY2013 was \$7,634,426,339 (\$7.6 billion). \$3,862,307,078 (\$3.9 billion) was paid by Virginia's State funds and the remainder by Federal Funds. In reality Virginia taxpayers paid for all of it, either in Federal or State taxes. (An aside: Virginia receives \$2 from the Federal Government for every \$1 its citizens pay in Federal taxes.)

If you divide the \$7.6 billion by the 1,043,330 Virginian recipients the results is \$7600 expenditure per Medicaid recipient. McAuliffe wants to cover an additional 400,000 individuals in Virginia with Medicaid. If the expenditure per patient is the same then the total additional cost will be \$3.0 billion. That is new cost, additional cost, meaning additional revenues must be raised to pay for it. There are three means: increase taxes, borrow the money, or print more paper money. There are approximately 2.735 million taxpayers in Virginia, click [HERE](#). Thus to pay the \$3.0 billion McAuliffe wants would mean an average tax increase of \$1100 per taxpayer. To borrow the money means more national debt and the interest on that debt. To print more paper money means devaluation of every dollar a tax payer earns thus higher costs.

So the matter does not appear to be "petty ideological politics" but rather a more real one of whether or not we can afford Medicaid Expansion. And the matter of what is needed and what can be afforded pertains to more than just Medicaid. In Augusta County, as elsewhere, there are very real and pressing issues. On average, Augusta County pays \$42 thousand per professional firefighter, click [HERE](#). At present the County has 80 paid and 642 volunteer firefighters. According to [recent statements](#) made by a member of the Augusta County Board of Supervisors four paid firefighters will be added in 2014. That means an additional cost of \$170 thousand in tax dollars. In addition, there is a Federal mandate to replace our county-wide radio system, at a cost of \$4.5 million. Furthermore, the County Sheriff Department needs an additional 4 deputies. And lets not forget the Augusta County School Board's insatiable appetite for new construction. That will cost tax payers an additional \$4 million this year. These few items sum up to approximately \$9 million in new tax burden. If we assume the ratio of number-of-taxpayers-to-total-population for Augusta County is the same as for Virginia as a whole then there are ~ 24.5 thousand taxpayers in Augusta County. Thus the \$9 million in additional expenditures requires ~\$365 in additional taxes for each taxpayer. And before we leave this list lets not forget that to spend the \$4 million for school construction means taking out a loan, the interest on which is another \$1 million. And none

of this takes into account the insatiable appetite for other forms of school spending or other aspects of government such as transportation and social services.

So the issue is not “petty ideological politics.” It is an issue of the cost of government spending. It is an issue of how much of a person’s income goes to government in the form of taxes. And none of the above asks the important question: “How much are we already spending to take care of those 400,000 McAuliffe wants to add to the Medicaid recipient roll? Part of the answer lies in the following.

There are 53 free clinics in Virginia under the [Virginia Association of Free Clinics](#). Another organization, the [Virginia Community Healthcare Association](#), lists [150 locations](#) within its system. There are [200 or more Hospitals in Virginia](#) that provide emergency care service and in-hospital care whether or not the patient is insured. For an overview, go to the [Virginia HealthCare Foundation Webpage](#). The 2014 Virginia budget provides the 200 hospitals an extra \$81 million over two years, approximately \$250 thousand per year per hospital, to pay for the cost of serving the uninsured. It provides an extra of \$47 million for mental-health services. And it provides \$18 million to free clinics. The total is \$146 million, click [HERE](#). So there is significant medical service provided by tax dollars for those without coverage.

To complicate the matter further, the system providing the medical service, both public and private, is severely understaffed and burdened far beyond its capacity. This is easily seen by witnessing the patient load in hospital emergency rooms and on medical floors. It is not unusual for one nurse to have 6 patients for whom there are medicines to be administered, records to be filled, beds to be tended, blood to be drawn or given, shots to be injected, families to be dealt with, etc., etc., etc., etc. The clamor by McAuliffe and others for Medicaid Expansion does not take this fundamental fact into account. Moreover, the State agencies and hospital staff required to process the paperwork of the existing Medicaid service is inadequate. It is not unusual for processing of paper work to qualify payment of services for those who qualify under the current Medicaid plan to take weeks. During the processing period a prospective Medicaid recipient who came come in for emergency treatment must remain in a hospital bed, whether or not needed, because Federal Regulations restricts releasing the individual until it is determined whether or not Medicaid service is available. If the service is available then the hospital is paid a fraction of its costs and if not then the hospital “absorbs” the entire cost. But the reality is the hospital simply passes the cost on to those who have health insurance. And if Medicaid is expanded, as is called for under Obamacare, then the taxpayer will also pay for not just medical service but also for the additional paperwork and the processing time that will be mandated by the Federal Government. As Milton Friedman said: “There is no free lunch.”

Furthermore, there is indication that the amount taxpayers would pay for the Expanded Medicaid is far more than if the government were kept out of the matter. There are data that indicate under a private policy the annual cost would be approximately \$1200 for a \$500 deductible and a co-pay of \$20 instead of the annual \$7600 under the Medicaid plan listed at the beginning of this paper. So no it does not appear that the Republican position in the General Assembly House is based on “petty ideological politics.” It is a matter of the cost of government being in charge, the competition for dollars by other community needs, how much free service is already being provided by tax dollars, and that the medical service

community is already overwhelmed. If there is anything that is “petty ideological politics” it is Governor McAuliffe and his Democrat cohorts.

And finally this footnote:

Speaking of Democrat cohorts, the News Virginian article mentioned at the beginning of this paper quotes State Senator Emmett Hanger as saying he would reach out to McAuliffe when the governor returns from a foreign trade mission next week, “There are a number of us basically on his side,” said Hanger.

I interpret Hanger’s statement to mean three State Senators, Hanger, Walter Stosch, and John Watkins. If Senator Hanger thinks there are more I would like for him to name them because as far as I know there are no more in the Senate and certainly none in the House.

A lot of people feel Emmett Hanger, although he runs as a Republican, has in effect become a Democrat. A lot of those people like Emmett as a person, I am one of them, but his political position has become extremely liberal. It is not just Medicaid for which he seems eager to spend tax dollars and cause government growth. He has repeatedly submitted “Dreamer” bills to approve the education of children of undocumented aliens as though they were legal Virginia residents and to use State and Federal tax dollars to supplement the cost. And the State Budget overflows with spending called for by Senator Hanger. In past elections, primaries included, Senator Hanger has depended on Democrats to cross over and vote for him. Perhaps he should simply admit that his feathers are no different from those of McAuliffe. Perhaps the time has come that he should simply run as a Democrat.