



## **SMALL COUNTIES WARY ABOUT EXPANDING MEDICAID**

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Christine Sexton

Some of Florida's smaller and poorer counties are worried that expanding Medicaid access to low-income childless adults could force them to raise property taxes.

The "fiscally constrained counties" expressed their concerns to Florida economists, who are conducting an analysis of a proposed constitutional amendment that would require the state to expand Medicaid to low-income childless adults.

In a July 8 email, Small County Coalition of Florida lobbyist Chris Doolin told Amy Baker, the state's chief economist, that it would be "important to identify" which counties are at or near a tax cap that limits the amount of revenue that can be collected by counties through property taxes.

Counties are concerned about the issue because they contribute to the state's required share of the cost of the Medicaid program, which provides health care to the poor, elderly and disabled. The Agency for Health Care Administration annually calculates how much counties must contribute to the overall cost, which is shared by the federal government.

In fiscal year 2019-20, Florida counties will contribute \$302 million to the \$29 billion health-care program.

The expansion of Medicaid is of acute concern for the 29 fiscally constrained counties, which are rural counties in North Florida and in the south-central portion of the state, because they do not generate a lot of money from property taxes.

"It is true that they share in part of the costs of the Medicaid system. And if you grow the Medicaid population by this newly eligible expansion group, then that does have a feedback," Baker told The News Service of Florida. "It's not one-to-one but that does increase the costs pressure on governments."

Baker mentioned the county's concerns during a meeting of the Financial Impact Estimating Conference last week, where economists agreed that about 260,000 people would enroll in

Medicaid program if Florida were to expand the program as allowable under Obamacare. The 260,000 estimate is about 44 percent of the Floridians who would qualify for the program under an expansion.

The economists will spend the next two weeks delving further into the counties' concerns. But Baker warned that, until new enrollees show up “and we know where they are from, we may not be able to tell the effect on individual counties.”

Baker also suggested that an expansion may not be bad news for the small counties.

If new enrollees are “concentrated more in the larger counties, or more than normal in the larger counties in the state, it’s possible you could have a very small county that could even end up better off,” Baker said.

The proposed constitutional amendment would require the state to expand Medicaid access to low-income childless adults as allowable under the federal health care law known as Obamacare. The Financial Impact Estimating Conference is required to conduct a financial analysis of all proposed citizens' initiatives.

While it is unknown where the enrollees will live, the economists have agreed that the majority of the people who would qualify for the expanded program would be placed in the statewide Medicaid managed-care program. Managed-care plans, economists agreed last week, would be paid an average \$396.50 per member monthly to provide benefits to the new enrollees.

The Medicaid HMO rates are just one piece of the puzzle concerning costs. Economists also must determine the savings, if any, associated with an expansion. The federal government currently covers 60 percent of the state’s Medicaid costs. But the federal government is much more generous with its share of the so-called "Obamacare population," or low-income adults who don't have children.

For that population, the federal government contributes 90 percent of the costs.

Advocates, meanwhile, argue an expansion would save nearly \$200 million in 2022-23.

The Republican-controlled Florida Legislature has in recent years rejected efforts to expand Medicaid, but supporters of the effort are trying to bypass legislators by letting voters decide whether the state should be required to expand eligibility.

The proposed constitutional amendment, backed by the Florida Decides Healthcare political committee, would expand Medicaid eligibility to low-income adults between the ages of 18 and 65 who earn 138 percent of the federal poverty level. The committee has collected nearly 80,000 signatures in support of the amendment, enough to reach the threshold triggering judicial and economic reviews of the proposal.

Florida Decides Healthcare must collect more than 766,000 signatures from registered voters for the proposal to make it onto the 2020 ballot.

The Medicaid measure will become the first to be evaluated under a contentious new law designed to make it more difficult for citizen initiatives to get onto the ballot in Florida. State economists have been required to review proposed amendments in the past, but those reviews haven't included a detailed financial analysis until now.