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Chamber targets rising Medicaid costs

Leader urges use of managed care

BY JOE WALKER

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Expanding managed care and encouraging wellness can help curb Medicaid costs that are growing more than twice as fast as the state budget, according to the Kentucky Chamber of Commerce.

Chamber research shows a 67 percent increase, from \$1.5 billion to \$2.5 billion, in Medicaid spending since 2000, compared with a 33 percent rise in state government spending.

"Very significant dollars are shifting away from public education to Medicaid," chamber President Dave Adkisson said.

Adkisson said Tuesday that since 1986, Medicaid's share of the state budget has doubled to 13 percent, while the share for post-secondary education has dropped from 16.9 to 13.7 percent.

He will speak on the Medicaid problem today at a noon meeting of the Rotary Club of Paducah at the Irvin Cobb Hotel.

More than 745,000 low-income Kentuckians receive Medicaid, or about 17 percent of the state population. It pumps about \$54 billion into the Kentucky health care industry.

Kentucky has the fifth-lowest per capita income in the nation, and its Medicaid program is growing monthly by 3,000 recipients — three times the rate anticipated in the current state budget, according to chamber research.

Spending on prescription drugs

has replaced long-term care as the main health-care driver in Medicaid costs, said Diana Taylor, chamber policy consultant.

Medicaid managed-care programs such as the Louisville area's Passport Health Plan are part of the solution, Adkisson said. In 10 years, Passport has saved more than \$200 million in Medicaid costs in 16 counties.

The chamber recommends expanding the Passport model to more populated areas, as well as:

- Shifting an increasingly larger part of Medicaid spending from treating illness to promoting wellness.

- Requiring higher co-pays for Medicaid recipients who smoke.

- Giving health-care providers incentive to order wellness or preventive services for Medicaid patients.

- Having a statewide smoking-cessation program for Medicaid. Kentucky is one of five states without such a program.

Kentucky ranks second nationally in per-capita adult smoking, and two-thirds of the state population is overweight or obese, said Dr. Patrick Withrow, vice president and chief medical officer of Western Baptist Hospital. He said curbing those two problems would go a long way toward improving health and reduce medical costs.

"It has to start with education, but that's going to take generation after generation," he said. "There must be incentives to change behavior."

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