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E: An open, fair, transparent and highly competitive market where both the patient and provider care about cost(

G: An Amazon of health care that gives patients both an Expedia and a Priceline

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Fill the coverage gap created by ObamaCare for parents and certain adults with

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Florida Health Choices Plus is not an entitlement but a marketJbased approach to designing a health care safety net that promotes better health, private coverage, personal responsibility, reduced poverty and independence.(

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Participants will have a robust choice of plans, including comprehensive coverage options that meet Affordable Care Act standards, lower cost Health Savings AccountJ eligible plans, basic plans with focused fixed dollar benefits, and shortJterm plans for less than 12 months of coverage.(

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Allowing individuals to personalize their health coverage lets Florida Health Choices Plus support new providerJ

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These large access barriers force many Medicaid patients to seek nonJurgent care from emergency rooms. Research published in the *Journal of the American Medical Association* found that Medicaid patients are six times more likely than privately insured patients to seek treatment of preventable conditions at ERs.[EN] In fact, Medicaid patients used emergency rooms in this manner three times as often as the uninsured.[EP] (

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While this type of ER use has steadily declined for both uninsured and privately insured patients, it has grown 38 percent for Medicaid patients.[E=] In fact, four out of five patients who seek emergency room care on a frequent basis are enrolled in either Medicare or Medicaid.[EQ] (

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It is no surprise this poor access results in poor health outcomes. Medicaid patients often have much greater mortality risks during common surgeries. According to research published in the *American Journal of Cardiology*, for example, Medicaid patients were three times more likely than privately insured patients to die after heart surgery.[E`] They were also substantially more likely to have a major adverse cardiac event within 30 days of discharge.[GI] Medicaid patients even had higher risks than patients with no insurance.[GE] These greater risks persisted for more than a year after discharge.[GG] Even after adjusting for age, sex, race, income, location, hospital characteristics, comorbidities and severity of disorders, Medicaid patients still face greater risk of mortality.[G:] (

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Research published in the *Journal of the American College of Surgeons* finds similar mortality results following 10 types of heart valve surgery.[GK] Medicaid patients were also more likely to suffer complications following surgery, including wound, infection and pulmonary complications.[GN]

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areas.[KP] This is even more troubling considering the large number of physicians nearing

Seniors are also more likely to have complex or chronic conditions that require more frequent care. Roughly 87 percent of seniors have at least one chronic condition and 67 percent have multiple chronic conditions.[NP] Accordingly, the need for routine visits to physicians ensures any supply shortage will disproportionately impact seniors. This means seniors will wait longer, drive farther and generally have a harder time finding a physician who can treat them in a timely manner.

Medicaid spending and enrollment growth will continue in the coming decades. Even without Medicaid expansion, the Affordable Care Act is expected to add at least 357,000 more people to Florida's program.[PE] And that assumes that fewer than a quarter of the people who are eligible for Medicaid, but not yet enrolled, will sign up.[PG](

Without expansion, Florida is still expected to spend $270 billion on its Medicaid program during the next 10 years.[PJ] For comparison, Florida spent just $154 billion on Medicaid during the past 10 years.[PK] Should Florida choose to expand Medicaid—thus adding another 1.2 to 1.3 million people to the program—total Medicaid spending would rise to $341 billion during the next ten years.[PN](

These enrollment and cost numbers could be even higher if the Affordable Care Act operates as intended. The individual mandate, for example, is expected to increase enrollment among currently eligible individuals. Likewise, health insurance exchanges are required by law to automatically enroll users into Medicaid if they are eligible.[PP] As illustrated above, even minor changes in price, utilization and participation assumptions could make these estimates skyrocket.(

This will inevitably shift an increasing amount of resources away from core services to continue funding Medicaid. If the federal government shifts more Medicaid costs to the state, as even President Obama has proposed, this funding crisis will become worse. Scarce education dollars would simply give way to ever

A number of groups have made projections on the impact of Medicaid expansion in Florida. While they all look at the same policy decision, the projections among these different groups vary dramatically.

In order to produce accurate cost estimates, one must first know how many people will actually enroll in Medicaid after expansion. However, projected participation rates are hugely different from one study to the next.

Georgetown's Health Policy Institute, for example, predicts that just 57 percent of uninsured Florida residents newly eligible after expansion would actually enroll in Medicaid.[1] On the other hand, actuaries with the federal Centers for Medicare and Medicaid Services predict a 95 percent participation rate.[2] The difference between these two estimates is nearly 500,000 individuals.[3] A third projection by Florida's Social Services Estimating Conference falls in between the two, predicting 80 percent participation.[4]

Studies also vary widely on the projected per-person costs of the expansion population. Some predict covering childless adults will cost roughly the same as covering low-income parents. In its 2012 estimates, however, Florida's Social Services Estimating Conference predicted covering the expansion population of childless adults would be 8 percent cheaper than covering parents.[5]

But the states that already expanded Medicaid eligibility to childless adults actually spent much more to cover them than to cover parents. Childless adults have cost between 1.7 and 4.3 times what parents cost in those states.[6] After the Social Services Estimating Conference's 2012 assumptions were questioned, it revised its 2013 estimates and now predicts childless adults will cost 60 percent more than parents.[7]

Source: Foundation for Government Accountability

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Even modest differences in assumptions about enrollment rates and perJperson costs can
have a huge impact on projected overall costs. The annual cost for the Medicaid expansion

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(in millions)

2.38   2.41   2.40

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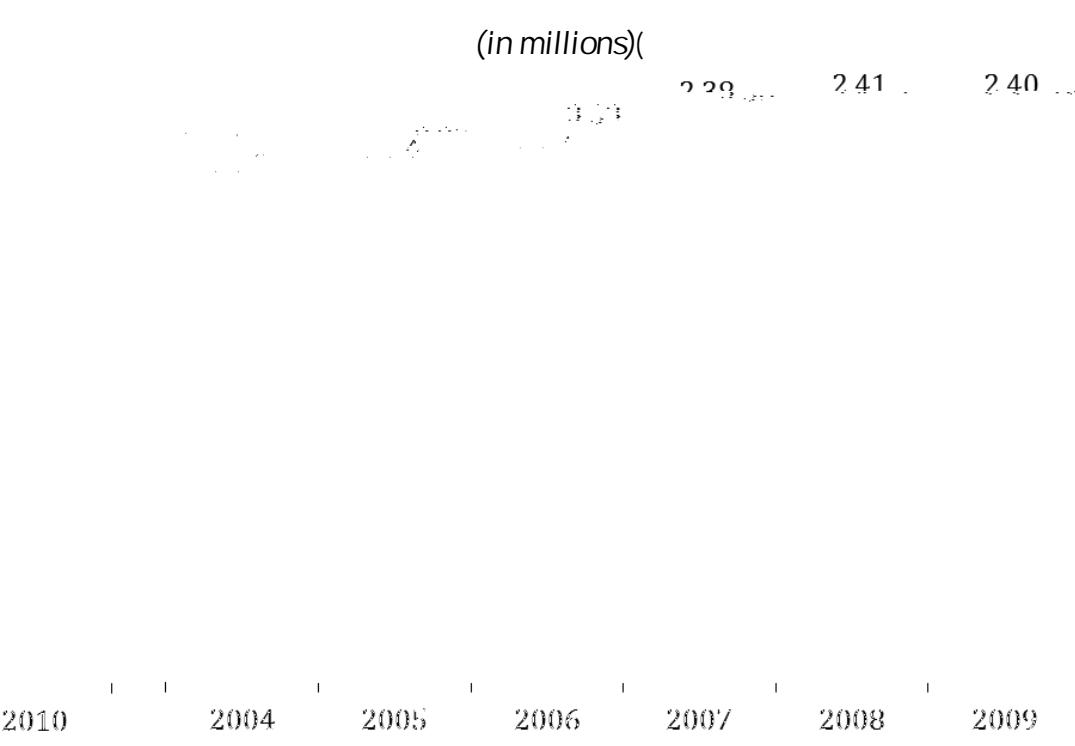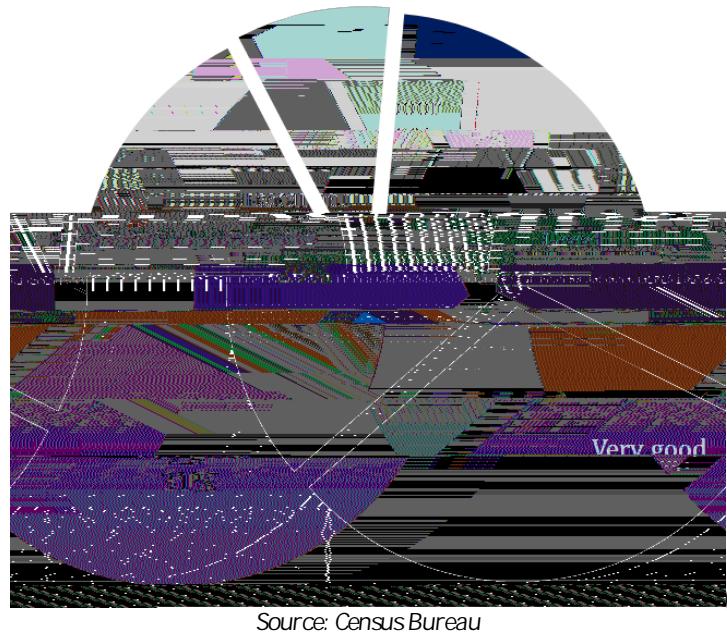
Source: Massachusetts Health and Human Services

Source: Census Bureau
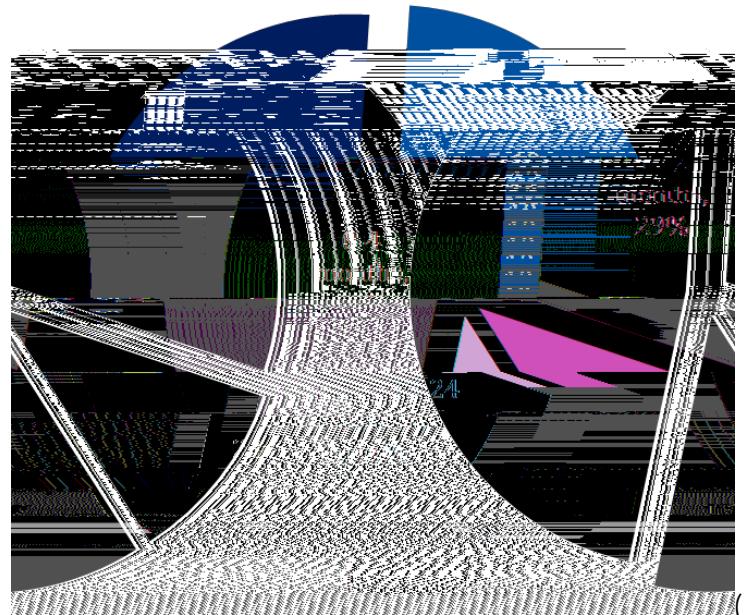
A significant portion of low-income uninsured residents qualify for public insurance programs, but simply chose not to enroll. Although there are more than 500,000 uninsured children in Florida, 62 percent of them live in households with income levels that qualify them for public insurance through Medicaid or KidCare.[G] A sizeable number of uninsured adults also qualify for Medicaid under current law.[J]

Lacking health insurance is also typically a temporary circumstance. Nationally, nearly half of all uninsured individuals are reinsured within four months and 70 percent are reinsured within a year.[K] Fewer than one in six remain uninsured for two or more years.[N]

Accordingly, more than 1.6 million uninsured Florida residents will be reinsured within four months and 2.6 million will be reinsured within a year. Just 586,000 Floridians, or 16 percent of the uninsured population, will remain uninsured for more than two years.

This generally means that the people who are uninsured this year are not the same people who were uninsured last year or the people who will be uninsured next year. These temporary periods of no insurance is largely explained by the general mobility of a modern workforce and tax rules that encourage insurance policies to be tied to jobs, not people.

Source: Census Bureau
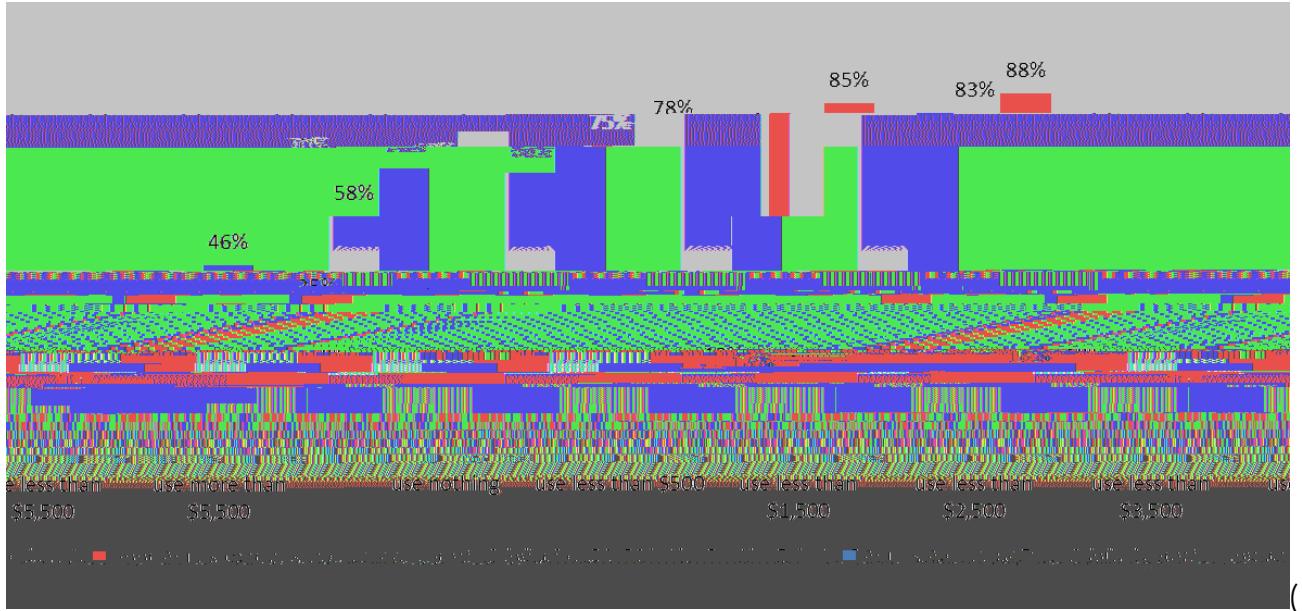
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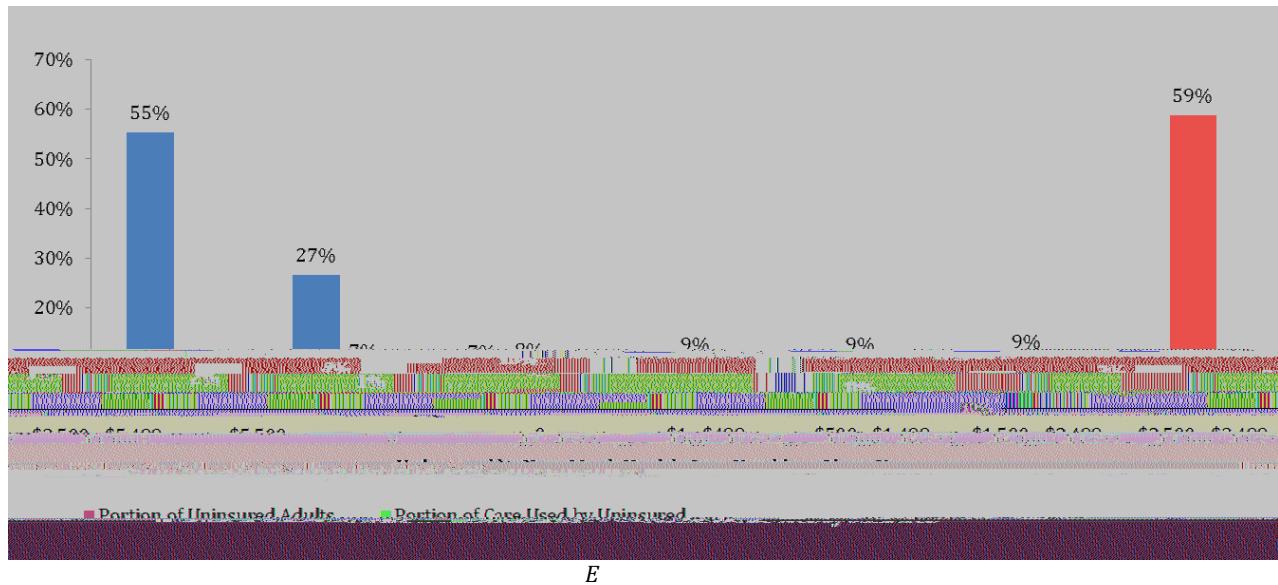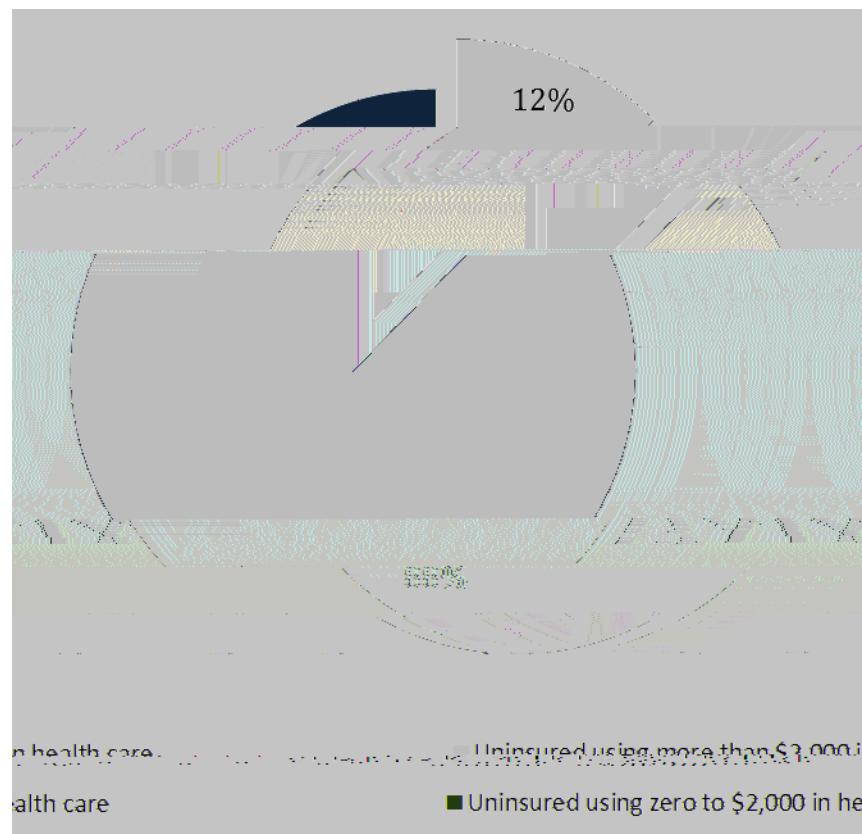
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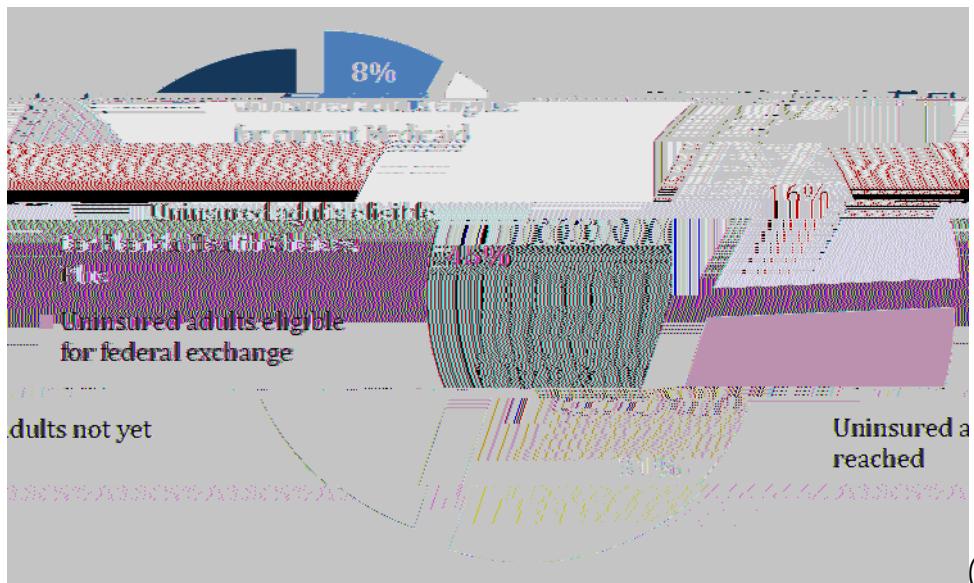
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for current Medicaid

Uninsured adults eligible for federal exchange

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Source: Census Bureau

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       Pays $25/month as her personal contribution(
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       Has 46% chance of using less than $500 in health care in given year(
       Best case (has coverage, uses nothing beyond preventive) (
           Has $1,133 more in her CARE Account than she paid in(
       Likely case (uses $500 in health care during year)(
           Has all health care expenses covered by CARE Account(
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[20] *Bureau of Labor Statistics, "Consumer Price Index," Federal Reserve Bank of St. Louis (2013),(*

[21] *Social Services Estimating Conference, "Medicaid estimates: An overview with TANF & KidCare," Florida Office of Economic and Demographic Research (2012), http://edr.state.fl.us/Content/presentations/social services/Medicaid.pdf.(*

[22] *John Holahan et al., "The cost and coverage implications of the ACA Medicaid expansion: National and state by state analysis," Kaiser Family Foundation (2012), http://www.kff.org/medicaid/upload/8384.pdf.(*

[23] *Ibid.(*

[24] *Ibid.*

[00] Ibid.(

[0`] Federal premium assistance is available to all taxpayers whose household income is between 100 percent and 400 percent of the federal poverty level. See 26 U.S.C. § 36B(c)(1)(A). See also 42 USC § 18071(b).(

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