

## What's Crazy about Medicaid

By Michael Fine

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Get out the earplugs and blindfolds, Susie, they are at it again.

Brothers and sisters, get ready for another round of yelling about Medicaid, which will be all heat and no light. As some of us know, the mean Republicans have committed themselves to cut \$880 billion out of the federal budget over the next ten years (so they can fund tax relief for the rich, some say), and all the experts among the dumb Democrats have decided that they will be cutting Medicaid. Or Medicare. Or both, because only those two programs have that kind of money in them.

Now the mean Republicans haven't said where those cuts will come from yet. But the dumb Democrats have already worked themselves into a preemptive tizzy because they think that getting everyone all worked up may save their beloved program. What's crazy on the front end is that the mean Republicans may well try to cut, or block grant Medicaid in fact, which means thousands or hundreds of thousands of people will lose health insurance; and that the dumb Democrats are already getting everyone worked up -- and that may well prevent those cuts, or at least that's what happened the last time we walked this walk, about eight years ago.

Medicaid, as you may know, is a federal/state program that provides health insurance to the poor. It was created by Lyndon Johnson and authorized by Congress in 1965. (Wonk alert: there are some incredibly wonky details coming. Feel free to ignore the next paragraph or two if the details are too much for you, as they are for many people. Usually including me.) Federal legislation and guidelines. State run, according to state rules at the state level but governed by Federal oversight rules – so lots of bureaucrats get jobs. Fifty percent of the money comes from the Federal government, and fifty percent comes from the states, except sometimes: for the people who were enrolled after 2010 as part of the Affordable Care Act, ninety percent of the money comes from the Federal government, and ten percent comes from the states. For a while. Or something like that. Medicaid now insures about 72 million people in the US, or more than one quarter of the US population. And costs about \$900 billion a year.

Now providing health care for the poor is a good thing, anyway you want to think about it. It gives our kids an equal chance at life. It helps working people have the health they need to

work, and kids be healthy enough to go to school. It lets everyone participate in democracy. It helps prevent poor people from getting sick and spreading disease. Or dying on the street. Sometimes. As long as they are housed.

But there's a problem. When you use insurance to buy health care, you put money into the hands of lots of people who aren't anywhere near poor. Insurance companies. Hospitals. Doctors. Pharmaceutical companies. Administrators of community health centers. People who make hundreds of thousands, and sometimes millions of dollars a year, of public money, which we'd like to see going to the poor but finds its way into other pockets, again and again. And lots of those people donate money to people in both parties, and have lobbyists, who do their level best to keep things as they are. Talk about your fraud and abuse.

Are there better ways to get poor people needed health care, without funneling money into the pockets of the already rich? You bet there are. We could make sure that everyone had a primary care doctor and practice, so people don't have to use emergency rooms and get preventive care -- and pay those doctors and practices per-person-per-month, fairly and directly and cut out the middlemen, who take twenty percent or more off the top. We could contract with hospitals directly for the care of the poor, because it isn't hard to predict what their costs will be for the population of poor people they serve. We could even manufacture our own generic drugs and have our primary care practices dispense those drugs directly to people who need them, which would cost pennies on the dollar we are now spending but would keep our friends in Woonsocket and others in the pharma biz from making the big bucks.

If we were smarter than we are, we'd use this moment to rethink how we provide medical care for poor people, so we spend public money effectively and efficiently.

But that rethinking ain't happening. Buckle your seat belts, moms and dads. We're going to hear the same fight, all over again, which will likely produce the same result, or something like it. And fix nothing.

That's crazy. Here's an opportunity to put our heads together and fix an expensive mess.

Instead, we are going to call one another names.

Again, we have met the enemy, and he is us.