

■ KENTUCKY VOICES

Medicaid spending important to health care and economy

By Dr. Thomas L. Young

Many of us think of Medicaid as a program for poor children and adults on welfare. While this may have been true in the past, today's Medicaid affects us all.

In Kentucky, more than 600,000 children and adults receive Medicaid insurance for health care or long-term nursing care. Children in low-income working families make up the highest number of Medicaid recipients. Low-income elderly, many of whom are our parents and grandparents, account for more than half of Medicaid expenditures. Few of us do not have family members who benefit directly from Medicaid.

Medicaid provides for no luxuries; it offers the basics, such as physical and mental health care, long-term nursing care, dental care, care for children with special health-care needs, glasses for children. Since welfare reform, the vast majority of Medicaid recipi-

ents are from working families.

Kentuckians whose loved ones are not receiving Medicaid are affected by the tremendous economic impact of Medicaid spending. For every state tax dollar that Kentucky spends on Medicaid, it receives more than \$2 from a federal match.

Results of a recent Kentucky Legislative Research Commission economic impact study highlight the tremendous effect Medicaid spending has on the state's economy. The study evaluated only the effect of the federal match, not state funding.

Kentucky receives \$2.2 billion from the federal government for Medicaid each year. Through a multiplier effect, that money results in 95,000 jobs and adds another \$2.2 billion to the state's economy. About half the jobs are in the health sector and the rest are in such fields as food service, real estate and office supply. In many rural areas, this may be the major engine of employment.

Just imagine what Kentucky

could do if each \$1 billion spent had an economic impact of more than \$4 billion and helped create 95,000 jobs.

Because Medicaid is so important to the health of our children and low-income elderly, and because Medicaid spending has such a powerful effect on our economy and employment, Kentucky must not fail to maximize its Medicaid efforts.

This legislative session, legislators are discussing what types of cuts to make to deal with a projected shortfall in the Medicaid budget. While it is important that Medicaid be cost-effective, Kentucky cannot afford for its children, its elderly or its economy to lose the effects of maximizing Medicaid funding.

There is no other program that has the economic and health impact. This is a win-win situation for Kentucky.



Dr. Thomas L. Young of Lexington is a pediatrician.