

To: House Budget Committee Chairman Paul Ryan

Date: 07/06/2011

From: David Morris

Subject: Summary of [Park and Broadus Analysis](#) on Medicaid Block Grants.

Introduction

Edwin Park and Matt Broadus represent the Center on Budget and Policy Priorities. Despite research indicating improved Medicaid efficiencies from a block granting system, Park and Broadus argue against the saving prospects attributable to such a conversion. At the outset of their objections they note how \$180 billion less in funds would be available for states compared to the prevalent system, and their central argument holds that this deficiency would grow exponentially for states over time. Contrary to helping states budget more efficiently by means of a singularly consistent and predictable block grant, swapping from our current system would impose a heavier state burden, since the system would not automatically adjust in response to discrepancies in CBO Health Cost projections as attributable to technological changes, unexpected changes in enrollment, etc.

Recommended Response

Park and Broadus correctly point out that the conversion to a block grant system also creates greater savings for the federal government. It suffices to simply emphasize this concession granted that federal savings are a principle objective of the current political climate. Reverse their argument that is based upon the exponential growth of Medicaid savings for the government. In shifting their own argument in a positive light, you appear the “sane man” to audiences requiring persuasion.

Park and Broadus further worry about some state preparedness in response to recessions or other sudden health costs increases as well. In response, it should be emphasized that the improved flexibility of the block grant enables states to better plan in advance for such changes autonomously, independent of the federal government. Appealing to the American sense of egalitarianism, remind how the framers intended for greater independence for state governments. Cite data provided by historically sound states of how a block system improves their capacity to uphold their responsibilities in regards to medicare. Last, remind how the broader plan of you proposals will serve to reduce the total cost of health care on a whole, further assuaging such fears.