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# 'No end in sight' to Medicaid costs

*Budget drain: Demand for services on the rise, lawmakers warned*

**By Jim McLean**  
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Kansas legislators looking for an answer to rising health-care costs were told Monday that the problem is likely to get worse.

Bob Day, director of medical policy for the Kansas Department of Social and Rehabilitation Services, warned lawmakers to brace for significant increases in Medicaid costs as more Kansans qualify for services and the demand for prescription drugs goes up.

The Medicaid program -- which provides health insurance to low-income families, the disabled and the frail elderly -- is now the third-largest provider of health benefits in the state behind Blue Cross and Blue Shield of Kansas and Medicare, a federal program that provides coverage for seniors regardless of their income.

"This is all about utilization (of services,)" Day said during a briefing to members of a special House-Senate budget committee.

Day said Medicaid expenditures have increased from \$544 million in the 1999 budget year to \$730 million in the current budget year.

Sixty percent of the money for Medicaid comes from the federal government. But the state's share of the cost in the current budget year is \$250 million.

Rep. Kenny Wilk, R-Lansing, chairman of the House Appropriations Committee, said the steady rise in Medicaid costs is crippling the state's ability to maintain adequate funding for other programs.

"And there is really no end in sight," he said.

Wilk said he is particularly concerned about what will happen when the bulk of the baby boom generation reaches retirement age and puts additional demands on an already-strained system.

"It's scary," he said. "We've got to start looking at 10- to 15-year projections and figuring out how we're going to deal with the costs."

During any given month, about 180,000 Kansans receive Medicaid benefits, Day said. They submit an average of 32,000 claims a day.

Most Medicaid money goes to provide health-care services to frail elderly and disabled Kansans in their homes or in long-term care facilities. An SRS analysis indicates the cost of providing prescription drugs to Medicare recipients has gone up an average of 15 percent a

year for the past six years.

Approximately 35 percent of the state's Medicaid expenditures are for the health-care needs of children.

Public health advocates suggested that one way to hold down costs was for the state to emphasize preventive care. They urged committee members to consider increasing their financial support of the 99 county-operated public health departments across the state. Currently, the departments receive about \$2.2 million in state operating grants. They also receive federal grants and county funding.

However, Kay Kent, president of the Kansas Association of Local Health Departments, said the levels of state and federal funding haven't increased in five years.

"Local governments cannot continue year after year to fill the gaps in public health funding," Kent said, adding that money problems are forcing county health agencies to cut back on services.

Kent, who runs the Lawrence-Douglas County Health Department, said because of a lack of money for outreach, the state is falling well short of its goal of immunizing 90 percent of Kansas children against common childhood diseases. The same is true of elderly Kansans who need vaccinations to protect them from potentially life-threatening strains of flu and pneumonia.

"It takes more than having the vaccine available; you have to let people know they need it," Kent said. "It's not enough to have a clinic and be there waiting for people to come in."

Kent said ensuring that more Kansans receive immunizations would reduce the frequency and severity of certain diseases and in some cases help the state avoid the high costs of hospitalization and long-term care.

The committee will use the input to set funding priorities for next year's Legislature.

(The Associated Press contributed to this report).

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