



The Story of Medicaid and County Costs

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In 1964 Bobby Kennedy, who absolutely hated President Johnson, decided he no longer wished to serve in his cabinet as Attorney General, and announced that he would run for United States Senate from New York.

Despite the huge lead of President Johnson, his election was hardly assured for several reasons:

1. He was challenging a fairly popular incumbent Senator in Ken Keating;
2. New York was being led by a very popular, effective and wealthy Republican Governor, Nelson Rockefeller; and
3. A Buffalo congressman, Bill Miller was running as the Vice Presidential Nominee with Goldwater, promising to bring out the Republican vote, especially in Western, New York.

As the election season progressed, the new Medicaid/Medicare proposal was being marked up as a bill in congress.

This bill, which would amend the federal social security act, sought to establish the new large scale great society programs of both Medicaid and Medicare, and as such, became a major campaign issue in New York.

Robert Kennedy, whose support rested in large part on the martyrdom of his assassinated brother John, could not distance himself from this new Medicaid/Medicare proposal, which his then President brother had originally sent to congress back in 1962.

It was intended to be a major extension of the wildly popular social security program, established thirty years before, as part of the New Deal legislation of Franklin Roosevelt, in 1935.

Robert Kennedy, concerned about his polls numbers, and a true believer in the extension of government benefits to both the elderly and the indigent, went all in to support this new proposal.

Across the state, as he campaigned for United States Senate, he claimed that Medicare and Medicaid, as envisioned by his brother, would prove in the best interests of New York and its citizens.

Although the New York State electorate has always been fairly liberal on social issues, since the time before the civil war, it has also always been fairly conservative on fiscal policy.

Consequently, because Bobby Kennedy knew our state and its voters demanded justification for any new bold and costly government programs, he made a financial argument in support of congress enacting these new programs, not just a humanitarian one.

As a result, Kennedy sought to sell this new Medicaid/Medicare proposal, not just on the mantra that it would help the poor, disadvantaged and destitute, but also that it was, in his view, good fiscal policy for New York.

Accordingly, while campaigning throughout New York, Robert Kennedy argued that these new, expansive federal programs (which were actually part of one bill package) would actually bring back much needed federal monies to New York, to thereby help its localities (principally counties) offset costs that they were already allegedly expending to provide medical care for the poor.

By adding federal and state dollars to pay for such medical treatment and nursing home care, which many counties were already paying for through municipal nursing homes and hospitals, Kennedy asserted, that Medicaid (for poor and indigent) and Medicare (for Senior Citizens), would not only help the elderly and poor, but would also help the tax payer.

For, he argued, that by supplanting federal and state monies for local dollars that counties were already spending, the real property tax burden of these counties and their citizens, would actually be reduced.

He contended that through the many local government nursing homes and hospitals (and Schenectady County had both), that this new proposed federal medicare/medicaid legislation would insure federal and state dollars to offset local costs.

Kenneth Keating (the far more conservative of New York's Senators with Jacob Javits as his partner) disagreed.

Keating suggested that the proposed federal Medicaid program had blindly low revenue estimates and that its proponents far underestimated its costs.

Time not only proved Senator Keating correct, but even his contentions were drastically lower than what has actually transpired.

This issue was a major concern to voters, and it is interesting to note, that it was only after several New York State appearances on Kennedy's behalf by the VERY popular President Johnson (with Kennedy having to swallow great personal and political crow to have Johnson bail him out of what could have been the end of his political career) that Kennedy was able to squeak out one of the a far narrower Senate victory than was expected (a separation of only 700,000 votes when President Johnson won New York state by over two million).

Nine months later, on July 9, 1965, when the Medicaid/Medicare bill was finally brought to the floor of the United States Senate for a vote, the Democratic Party decided to highlight this new (7 month) junior Senator from New York, Robert Kennedy, by placing his arguments and support of this new federal program bill center stage.

Although sponsorship of this now nearly four year old bill was maintained by Senator Long, the populist Senator from Louisiana, Kennedy was allowed to sponsor and pass a major amendment to the bill, which allegedly would favor New York in getting more Medicaid funds by requiring hospitals to meet certain quality standards before they could draw down the federal monies (which the vast majority of New York hospitals already did because of state laws and regulation).

Moreover, to especially highlight the new Senator Kennedy's role and support, dating from the time of his service in his brother's administration to his Senate Campaign, Robert Kennedy was given the honor of actually presiding over the Senate, taking the chair, during the floor debate of the bill.

At the time of its passage Robert Kennedy heralded this legislation as one of the most important accomplishments in American history, and he repeatedly rebuffed anyone who asserted that its costs would be overwhelming.

Since the time the Medicaid/Medicare bill was signed by President Johnson, at the Truman Homestead in Independence on July 30, 1965, the medicaid program has grown to become not a replacement of county expenditures, but rather a huge draw on all taxpayers.

It has, like so many other great society entitlement programs, enveloped federal, state and local budgets.

Worse yet, since the time the Democrat's gained control of the New York State Assembly in 1975, New York interests, which dominate that chamber, and whose constituents pay very limited real property taxes, have hugely expanded the state requirements and

mandates of coverage of the Medicaid program, thereby further raising the real property tax burden of all upstate taxpayers, This expansion of Medicaid has had a lesser cost to New York City residents, who seek to use the program to drive money to their hospitals, and support their problems of large scale social service recipients.

To make a long story short, the history of Medicaid has been one of false justification and poor planning.

From its very start, it has been a classic illustration of Liberal policies, claiming that big government programs will solve all our problems and actually cost us next to nothing.

Is it any wonder, in the light of history, that any knowledgeable person who looks at the many single payer health care proposals, shudder at the possibilities. Higher cost for reduced quality of care. Government insurance programs, like the most recent Obama-care have meant dramatic expansion in costs, with less health care availability, and reduced quality of service.

With these big government programs, grab your wallet, and be prepared for reduced care. Medicaid has enveloped both our state and county budgets.

It is astonishing that this same left wing philosophy, which has not only failed with Medicaid, but with Obama-care as well, in the provision of historically inefficient, ineffective and over expanded, hyper bureaucratic, low quality, astronomically costly health care, now wishes for citizens to cede even more control. The same philosophy that promised us that it would not cost too much and would actually save us money to enact Medicaid, and who then dramatically expanded the programs and mandates of the Medicaid system in New York, to become broader and more expensive than any other state in the nation (we spend more money on Medicaid than California and Texas combined), are now seeking to impose single payer, government sponsored health care with no private sector options.

There is little question that government can do some things well. Our military is the finest in the world. It does do a relatively good job protecting our freedoms, operating our courts, providing transportation networks, managing utilities such as water, sewer and in some cases electrical power.

It does not, however, by any stretch of the imagination, do a good job at providing or paying for health care or insurance. The Veterans Administration has long shown how bad government is at the healthcare business. The Obama-care debacle only further highlighted it. There are lots of ways to promote universal coverage and affordable quality healthcare without having the government run it. If we find the other ways, and there have been myriad proposals out there, we will be much better off. Not only the seniors and the indigent, but everyone.