The Smoking Gun

in the Medicaid Mystery

by Phyllis Schlafly January 22, 1997

Medicaid, the federal program that provides health care to people on welfare, is one of the biggest problems that the 105th Congress will have to tackle if it is serious about balancing the budget in the foreseeable future. Medicaid costs more than $100 billion a year and is rising far more rapidly than inflation, demographics, or poverty can justify.

The smoking gun, which proves why this dramatic increase is taking place, has just surfaced in an amazing letter sent by the Illinois State Board of Education to school district superintendents. Signed by the Board's "Medicaid Consultant," this letter describes in detail how public schools can exploit Medicaid in order to funnel a fresh flow of taxpayers' money into public schools that bypasses all traditional funding sources and accountability.

The letter's enthusiasm for spending this new money on virtually anything the bureaucracy desires is matched only by its arrogance in explaining the deviousness of acquiring it. Stating that "the potential for the dollars is limitless," the letter boasts that "Medicaid dollars have been used for purchases ranging from audiometers to mini-buses, from a closed captioned TV for a classroom to an entire computer system, from contracting with substitutes to employment of new special education staff, from expanding existing special education programs to implementing totally new programs."

Most Americans think that Medicaid is just fulfilling its original purpose of providing health care to people on welfare. They should think again, because this letter reveals how politicians and bureaucrats, after taxing us for "entitlements" for needy people, then conspire to increase the cost by loading on any projects that their avaricious hearts desire.

This Illinois State Board of Education letter "encourages" local public schools to use the experienced State School Board staff in order to "maximize federal reimbursement" of Medicaid dollars and use the "opportunity" to bill Medicaid for money already spent in 1994, '95 and '96. The letter describes two ways that public schools "have found Medicaid to be a viable funding source."

The first initiative provides Medicaid funding through school-based health services. Schools may bill

Medicaid not just for therapies, but also for "social work and psychological services, nursing and audiological services, hearing/vision screenings, and transportation."

The second initiative allows all schools to claim Medicaid dollars for Early and Periodic Screenings, Diagnosis, and Treatment. The letter states that such services include "public awareness [i.e., government propaganda], identification and referral [i.e., putting private medical information on a government computer], initial health review and evaluation [i.e., such as the shocking, unauthorized genital exams given without parental consent to 59 sixth-grade girls in East Stroudsburg, PA], health provider networking [with Planned Parenthood?], and family planning referral [to abortion clinics without parental consent?]."

In fiscal year 1996, $31,700,000 in federal funds were paid to Illinois schools for the first initiative and $40,800,000 for the second.

Medicaid was set up to cover only people on some form of welfare: either Aid to Families with Dependent Children or Supplemental Security Income. Medicaid is a federal-state matching program, at a ratio of about 60-40.

In 1986, Congress inserted into the law permission for the states to expand Medicaid to cover children in families whose incomes were below the poverty line, whether their parents took welfare or not. That expansion slipped by without the taxpayers discovering it, so in 1990 Congress required states to provide Medicaid coverage to all poor children by the year 2002, and allowed states to extend Medicaid even further to the non-poor.

This is one reason why Medicaid costs are going through the roof. In 1986, Medicaid cost about $27 million. This year, Medicaid will cost about $105 billion. By 2002, when the mandate is in full swing, Medicaid will cost at least $133 billion.

Many people were puzzled when Bill Clinton bragged during last fall's campaign that "he" had provided health care for an additional million children. Medicaid is how he did it.

No way have Hillary Rodham Clinton, Ted Kennedy and Ira Magaziner abandoned their goal of forcing America to adopt federal health care; they are just bringing it in through the schoolhouse door. When health care is provided by and in the public schools, there is no separating welfare kids from the others. They are all eligible.

The Illinois State Board of Education letter, signed by Jean Rowe, Medicaid Consultant, was dated October 8, 1996, but was not made public and has just been discovered. The copy that came into my hands was addressed to the Barrington, Illinois District, which is one of the wealthiest districts in the United States and proves that Medicaid is no longer a program for the "poor," but is the vehicle to saddle us with the federal medical system that the American people have rejected.