from Phyllis Schlafly

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CONSPIRING TO **MILK** THE FEDERAL TREASURY

Ever wonder why the more tax money we allow the politicians to take from us, the more they devise ingenious ways to spend still more?

A good example is what's happening to Medicaid, the program intended to provide health care for poor people. Medicaid costs federal and state taxpayers $120 billion per year, and is the fastest growing item in the federal budget.

The states administer the Medicaid program under a matching system under which the Federal Government pays 60 percent of approved Medicaid costs. After growing at the rate of 15 percent PER YEAR between 1985 and 1991, federal Medicaid spending jumped by an astounding 31 percent between 1991 and 1992, roughly 10 times the national inflation rate.

But that tremendous increase wasn't enough to satisfy the demand by the states for more taxpayers' money. The states could get more Medicaid money if they increased their 40 percent contribution, but public resistance to raising state taxes has slowed down this approach.

Missouri bureaucrats have come up with an aggressive, innovative way to snag more federal money into Missouri's Medicaid program without spending the additional state money that would normally be required under the 60-40 formula.

It's a plan to juggle the state funds earmarked for the public schools in such a way as to make it appear that Missouri is entitled to millions more federal Medicaid matching dollars than it really is. As House Budget Committee Chairman Chris Kelly said, "It demonstrates the genius of [Missouri Division of Medical Services Director] Donna Checkett."

If a public school district participates in this plan, the state transfers part of that district's state-aid school money into a new "health initiatives fund." The money stays in that account just long enough -- perhaps only 48 hours -- to apply for and rake in federal matching Medicaid funds.

For example, if Missouri puts $1 million into this ghost account, the Federal Government under the 60-40 formula adds $1.5 million. The conniving Missouri bureaucrats then split the pot of gold.

The school district doubles its money -- it gets the original $1 million it was due to get for public schools plus $1 million of new federal money. The state of Missouri picks up a windfall profit of
$500,000.

The schools can use the federal money for practically any health related purpose, such as school-based health clinics that provide referrals for contraceptives and abortions. They can spend it to teach children that health care is a "free" service provided as a matter of "right" by a benevolent government, independent of their parents.

The same public schools that have failed so miserably to teach reading, writing and arithmetic are eager to branch out into health care and convert the public schools into a "one-stop shopping center" for children. The National Education Association is a major player in this process because the NEA has repeatedly endorsed "national health insurance" with "universal access," euphemisms for socialized medicine.

The Independence, MO, school district blazed the trail for this plan last year. Independence received $1 million in Medicaid money and used it to add six new nurses and two therapists, as well as to provide various services selected at the discretion of the school staff.

Missouri state legislators thought that this was such a neat idea that they just passed a bill to extend the scam statewide. It is estimated that this trick will bring $33 million more federal matching money into the state purportedly for Medicaid purposes, but which will actually be a cookie jar fund for the state pureaucrats.

And how do they want to spend it? The day after the bill passed in May, the Missouri Division of Family Services announced that it plans to hire 505 new employees -- caseworkers, supervisors and clerk typists -- at a cost of $16 million. Already, more Americans work in government than in manufacturing!

Thus, the major goal of this money laundering is to hire new tax salaried employees and expand the turf of the already gigantic apparatus of social service professionals. These 505 new bureaucrats will spend a significant portion of their energies conniving to get more taxpayers' money in the future and emitting howls of anguish about "heartless cuts" if anyone tries to shut down their racket.

Congress did not vote to give this extra $33 million to Missouri. Medicaid is what we call an "entitlement." That means that some people are "entitled" to dip into the federal treasury under a formula that allows them to increase their "take" without a specific vote by Congress.

You can bet that Clinton's projections of the federal deficit haven't included calculations for Missouri's clever trick and for the way that the "Missouri plan" will spread to other states. So the federal deficit will be even greater than expected, and big government will get even bigger under the Clinton Administration.