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Lawmakers Protect Bases, Ignore Medicaid

By Kay Monaco

New Mexico Voices for Children

A May 24 article in the Journal underlines the efforts of New Mexico's congressional delegation to stall base closings scheduled for 2005. The fear is that one or more of New Mexico's four military installations would be closed.

What wasn't said in the article— and didn't need to be said because it's commonly accepted— is that closing one of the bases would have a huge impact on New Mexico's economy. Gov. Bill Richardson calls the bases "critical to sustaining the economic well-being of the state," and has vowed to "fight hard" to keep them open.

On the other hand, New Mexico's Medicaid program— which attracts more federal funding than Cannon, White Sands and Holloman combined— has been characterized as "spinning out of control," and is targeted for cuts even though average annual increases in New Mexico's Medicaid costs actually lag increases in the price of private health insurance.

Why is it that when the federal dollars and jobs at risk come from our state's Medicaid program, the response from New Mexico's policymakers is far from unanimous and much more equivocal? What exactly is it that makes a federal dollar spent for military purposes more beneficial to New Mexico than a federal dollar spent on health care?

A side-by-side comparison of New Mexico's military presence to its Medicaid program reveals some obvious differences, but also some striking similarities.

Medicaid is a federally funded health insurance program for low-income children, pregnant women, elderly and disabled people. New Mexico's \$410 million annual investment in Medicaid is matched by more than \$1.3 billion federal dollars, a rate of over three federal dollars to every state dollar.

Most Medicaid money flows directly to private practitioners who treat Medicaid patients. Roughly one in five New Mexicans are insured through Medicaid. The doctors and hospitals that provide medical care to these New Mexicans would not get paid, and might leave New Mexico, if it were not for Medicaid.

The federal government's \$1.3 billion investment in New Mexico Medicaid supports more than 28,000 New Mexico jobs, most of which are in the relatively high-wage health care sector. These jobs are distributed throughout the state; but their loss would be felt most acutely in rural areas where hospitals and clinics are sometimes the only source of good jobs, and most payments to health care providers come from Medicaid or Medicare.

New Mexico's four major military installations: Kirtland, Cannon, Holloman and White Sands also attract a lot of federal money— about \$3.5 billion annually. They, too, employ thousands of New Mexicans. Just like the doctors and nurses paid by Medicaid, base personnel spend their federal paychecks in New Mexico communities, supporting jobs in local grocery stores and restaurants and

making the bases integral to many rural economies.

Military bases are also similar to Medicaid in that both require some investment by the state. As the Journal article points out, New Mexico politicians are already working hard to keep New Mexico bases off the list of military installations slated for closure when the Pentagon releases the next round of Base Realignment And Closure recommendations next May.

The governor has appointed a Military Base Planning Committee, and the Legislature has funded the Economic Development Department to study the criteria used by the Pentagon in deciding which bases to close. The state is also improving the roads and schools around the bases, and last session created a new tax deduction to attract more military contractors.

New Mexicans willingly tolerate the environmental costs of the military's presence in our state—air, noise and ground-water pollution and the potential for accidents—because the economic benefits justify their costs.

The same is true of Medicaid—the 300 percent guaranteed annual return on every dollar the state invests in Medicaid is certainly the most profitable investment New Mexico could make. The collateral economic benefits such as higher productivity, healthier schools, and lower insurance costs for employers make Medicaid an even better deal.

The stark contrast between our state's embrace of military installations and ambivalence toward Medicaid does not reflect our priorities. I don't believe New Mexicans value nuclear weapons over children's health insurance. It's more an issue of perception, one that illustrates how muddled our thinking on these issues has become.

Because Medicaid helps people who are struggling physically and financially, it connotes dependency. Defense spending, on the other hand, implies strength.

The reality is that an economy reliant on military spending is every bit as dependent as one that relies on publicly financed health care. The irony is that our refusal to acknowledge Medicaid's importance to New Mexico will undermine its ability to provide health care to New Mexicans and, in doing so, further diminish our state's strength.

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