

Arizona Proposes Medicaid Fat Fee

By [JANET ADAMY](#)

Arizona's governor on Thursday proposed levying a \$50 fee on some enrollees in the state's cash-starved Medicaid program, including obese people who don't follow a doctor-supervised slimming regimen and smokers.

The plan, if approved by the Republican-dominated legislature, would mark the first time the state-federal health-care program for the poor has charged people for engaging in behavior deemed unhealthy.

Some companies have insurance surcharges for employees who smoke, but they aren't a staple of government-administered health programs.

Republican Gov. Jan Brewer proposed the idea as part of a broader plan to raise money that would allow the state to offset recent cuts she engineered to its Medicaid program. If ratified, the measure would revive coverage of organ transplants, which Arizona limited last year as a way to save money. It would also reduce the number of childless adults disqualified from Medicaid to 135,000, compared with the original proposal of 250,000.

"If you want to smoke, go for it," said Monica Coury, spokeswoman for Arizona's Medicaid program. "But understand you're going to have to contribute something for the cost of the care of your smoking."

She said the proposal is a way to reward good behavior and raise awareness that certain conditions, including obesity, raise costs throughout the system.

Ms. Brewer's surcharge would apply only to only certain childless adults: Those who are obese or chronically ill, and those who smoke. They would need to work with a primary-care physician to develop a plan to help them lose weight and otherwise improve their health. Patients who don't meet specified goals would be required to pay the \$50, under terms of the proposal.

In Arizona, 25.5% of residents were obese as of 2009, according to figures from the federal Centers for Disease Control and Prevention, ranking it about in the middle among states. About 46% of Arizona's Medicaid enrollees smoke daily, according to a 2006 survey by the state's Medicaid agency.

State Sen. Kyrsten Sinema, a Democrat, said such a fee would unfairly penalize those who can't control their weight. "If someone is obese because they're severely disabled or can't exercise, we shouldn't be punishing them," she said. "I mean, it's not their fault." Ms. Sinema said she would vote against the plan—mostly because of the enrollment cuts—and said such changes would require approval by voters rather than lawmakers.

Such a Medicaid fee typically would need authorization from the Centers for Medicare and Medicaid Services in Washington, and federal rules could prevent Arizona from enacting it. Mary Kahn, a spokeswoman for the agency, said no such levy has ever been approved.

Ms. Coury suggested federal rules may not apply to those affected by the proposal, because Arizona extends coverage to them beyond what Washington requires.

Unlike private insurers, which often charge different premiums based on customers' health status, Medicaid must enroll all those who meet its eligibility requirements.

Medicaid's rising cost has become one of the biggest problems for states struggling to balance their budgets. It is one of states' top two expenditures, along with education, and has ballooned in recent years as more people lose jobs and otherwise fall on hard times.

Ms. Coury said Arizona officials hadn't yet finalized how they would determine whether a person was obese or had sufficiently followed a wellness plan, but that measures such as body-mass index could provide some guidance. All childless adults enrolled in Medicare who smoke would be required to pay the annual \$50 fee.

If approved as is, the provision would take effect Oct. 1.

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