

# Government handicaps the handicapped

By U.S. Senator Tom Coburn, M.D.

In 1997, a physical altercation left 19-year-old Nate Waters paralyzed from the neck down. Instead of ruining his life, the tragedy transformed the high school dropout into a successful college graduate.

Rather than letting people feel sorry for him, over the past 11 years Nate has inspired hope in millions and epitomized American independence and determination.

Instead of bitterly blaming his mother's boyfriend for the injury that cost him the ability to walk, Nate chose a path of forgiveness. Nate credits his personal faith in God for turning "lemons into lemonade." He's said that God and newly found friends gave him the encouragement and support to graduate from Oklahoma State University in 2005, pass the Series 3 National Commodities Futures Exam in 2006, and secure his current job as a successful accountant.

Nate now gives motivational speeches, serves as a board member of numerous organizations, and plans to start graduate school next fall. Any young professional would envy his success.

However, there is one challenge that Nate - despite every effort possible - cannot overcome: freeing himself from dependence on government aid.

Nate is one of 9.5 million disabled Americans that rely on the Medicaid program to "fill in the gaps" that the Medicare program doesn't provide: nursing home services, meals, personal care assistance and some medical costs.

The state assistance has enabled Nate to get on his feet over the last 11 years, but he now wants to pay his own way in life.

Even before his paralyzing injury, Nate worked multiple jobs at a time after dropping out of high school. He has always strived to make his own way in life.

Nate was the first in his family to break the cycle of poverty, but now he wants to break the cycle of government dependence. To gain independence, Nate has calculated he needs to start saving now to build a nest egg to support himself in the future.



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What's stopping him? Is it the fact that he's a quadriplegic? No. Is it that he can't get a good-paying job? No. It's the arcane Medicaid rules that decide the moment he has a dollar more than \$2,000 in the bank, he'll abruptly lose his Medicaid benefits.

The moment he earns a penny more than \$30,000 a year, he'll face

month in bills.

This phenomenon is called the "cliff effect" in qualifying for state Medicaid assistance. If a person makes too much or has too much in the bank they go over a cliff financially. While intended to target government

help to those who need it most financially, the rigid requirements effectively constrain those who want to be free of that government help. Nate feels trapped by the rules because they prevent him from accumulating the savings he needs to one day pay his own way like everyone else. He says, "I'm handicapped by being handicapped."

Nate has ambitious plans to invest in high-rated bonds, purchase government securities and CDs, own stock in Fortune 500 companies, establish college 529 plans for his niece and cousins, and create wealth for himself.

According to Nate, "I want to take risks in life like entrepreneurs do."

When Nate quotes John F. Kennedy's "Ask not what your country can do for you, but what you can do for your country," he adds, "How can I do things for my country if our entitlement programs won't allow me to?"

Medicaid should give individuals who want to be independent of the government the ability to gradually assume more of their benefit responsibil-

ities, not abruptly end aid at arbitrary income and asset levels. Instead of doling out one-size-fits-all benefit structures, states should work with individuals to tailor personalized financial independence plans.

For example, Nate could certify his intent to take complete financial responsibility for himself.

He and the State could work out an agreement to gradually decrease the State's benefit contribution as Nate gradually increases his savings and income.

Taxpayers win by decreasing the burden on the \$319 billion Medicaid program and, perhaps more importantly, Nate wins through the new ability to "work hard and sacrifice to be whatever he wants to be."

Oklahoma and other states can experiment with this idea and others that promote independence and improved quality of life through state-specific demonstration waivers.

Implementing common-sense policy solutions like this could transform the Medicaid program from a handout to a hand up.