



Little progress expected on most Medicaid holdouts in 2016

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Only a few states look likely to expand Medicaid under Obamacare next year, although the entitlement program is set to be a hot topic in state legislatures across the country.

Twenty states have not expanded Medicaid to people at or below 138 percent above the federal poverty level, with opposition to Obamacare and cost the primary reasons. Experts say high costs associated with the program could continue to play a leading role in deciding not to expand.

Next year, governors in three red states are expected to push for Medicaid expansion and must convince skeptical legislatures to do so. Those states are South Dakota, Wyoming and Louisiana, said Jesse Cross-Call, policy analyst for the left-leaning think tank Center on Budget and Policy Priorities.

Louisiana appears primed to take up Medicaid with a new Democratic governor, John Bel Edwards, taking office in a few weeks. Edwards ran on a platform of expanding the entitlement program.

Wyoming is a bit of a different story, in that its Republican Gov. Matt Mead has signaled his support for the expansion.

South Dakota Republican Gov. Dennis Daugaard earlier this month released a plan to expand Medicaid as part of the state budget. Daugaard's plan would expand only if it doesn't cost the state's general fund anything, according to his budget address.

Daugaard plans to do that through reaching an agreement with the federal government to pick up the tab for more healthcare costs for American Indians.

A state currently picks up part of the tab if an American Indian who is Medicaid-eligible gets care from a provider that isn't the Indian Health Service. The state is working on an agreement with the federal government to pick up all of the payments. The revenue that would be recouped from the state Medicaid program not having to pay for those costs would go toward expansion.

But a major problem is runaway costs of the Medicaid program, said Michael Cannon, director of health policy studies for the libertarian think tank Cato Institute.

"The costs of this program are exceeding projections for the states that are expanding," he told the *Washington Examiner*.

An April report from the right-leaning think tank Foundation for Government Accountability reported on several states that had high enrollment, which affected the federal costs.

Under Obamacare, the federal government initially foots the entire bill for a state's Medicaid expansion, but then requires states to pick up about 10 percent of the tab after several years.

In Colorado projected enrollment was supposed to be about 187,000 but turned out to be 340,000, the report said.

"States will begin to pay these costs in their fiscal 2017 budgets," the report noted.

Other states aren't as likely to take action on Medicaid this year, especially since it is the same year as a presidential election, Cross-Call said.

"There are states such as Utah, Virginia and Idaho, which have had robust debates about whether to expand," he said. "They just reached dead ends and it wasn't doable."

Some states such as Alabama are turning to the federal government for help in the form of waivers that allows for changes in how the expansion is implemented.

Montana and Indiana were able to get support from moderate Republicans by securing waivers that increase the cost-sharing requirements for certain Medicaid beneficiaries.

Florida, in particular, had a fierce battle this year over whether to expand but reached a roadblock. Now advocates are trying to get enough signatures to put expansion up for a vote.

They have to get more than 680,000 signatures by the end of January to get the measure on the ballot, which would amend the state constitution to expand Medicaid.

"That is a high threshold that they have to meet. It is very much a question of whether they get signatures," Cross-Call said.

Cannon said the uncertainty of congressional action on Obamacare may play a part in the state battles. The House and Senate recently passed a measure that would repeal major parts of the law, but Obama is sure to veto it.

All of that could change if a Republican wins the White House next year.

The congressional repeal efforts "sends a signal to the states that haven't implemented the expansion and those that have that this might not be around in [its] current form," Cannon said.