



Medicaid Dollars Put GOP in Quandary

By [Debra Saunders](#)

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The latest issue roiling the Republican Party is Medicaid, specifically whether Republican governors should expand Medicaid with federal Affordable Care Act money -- especially if they want to be on the GOP national ticket in 2016.

It's a hot issue because Obamacare allows states to expand their pool of eligible Medicaid recipients. For the first three years, Washington promises to pay 100 percent of the freight for new enrollees; later, federal support would shrink to 90 percent. (Washington covers about half the cost of today's pre-ACA enrollees.)

It's as free as free money gets in this country -- nearly \$1 trillion over 10 years, which leaves Republican governors with a dilemma. To snatch or to spurn, that is the question.

More than 20 states with a Republican governor or legislature have refused the new Medicaid scheme. Texas Gov. Rick Perry and Louisiana Gov. Bobby Jindal lead the pack of GOP guys who have said no. Jindal said the so-called free Medicaid money "would cost Louisiana taxpayers up to \$1.7 billion over the next 10 years and move nearly 250,000 Louisianans from private coverage to Medicaid."

Last week, the Club for Growth called out an Idaho congressman for accepting the endorsement of an industry group that supports Medicaid expansion in Idaho. Club spokesman Barney Keller told me the issue isn't exactly a litmus test, but "anyone who thinks that the feds are going to make good on their promises to pay for the Medicaid expansion" is kidding himself.

This month, Sen. Rand Paul, R-Ky., told Fox News that New Jersey Gov. Chris Christie could be sorry the Garden State is expanding Medicaid under Obamacare. "I don't think that is going to resonate in the Republican primary," quoth Paul, who himself seems eager to run in 2016.

Christie is in good company. Other GOP governors -- John Kasich of Ohio, Jan Brewer of Arizona and Rick Scott of Florida -- are taking advantage of the Obamacare Medicaid terms.

Sparring with Laura Ingraham on Fox News Channel, Kasich gave an impassioned defense of his decision. It's his job to "bring Ohio money back to Ohio," Kasich said. His constituents pay

federal taxes; if he says no to Obamacare dollars, "they're not going to put (the money) in a piggy bank."

And: "It's not like it's cost-free to turn this down."

Kasich played up his brand of compassionate conservatism: "Conservatism means that you help people so they can help themselves and that they can enter into the economic strength of our country." After Kasich went around Ohio's GOP Legislature to add 275,000 to his state's Medicaid rolls, his anemic poll numbers increased.

Wisconsin Gov. Scott Walker split the baby. He proposes moving 77,500 people off Medicaid and into private subsidized plans. He also would enroll new people into Medicaid with ACA dollars. "Some governors chose not to take the expansion. Some chose to take it," Walker told Politico. "I wanted to find a way to reduce the number of people who were uninsured and still do something in a way that did not put my taxpayers on the hook."

Given problems Cheeseheads are having signing on to the federal exchanges, Walker has put his "smarter, simpler and better" plan on hold.

I don't see the Obamacare Medicaid money as free. In three years, states will have to pay up. Washington could cut federal payouts. Also, seeing as states underpay providers, more Medicaid recipients could mean longer waits to see a doctor. Still, a governor is elected not to run for the White House but to do what's best for his state. How can groups such as the Club for Growth expect elected officials to say no to what their constituents see as free money?

"That's why the left loves Medicaid," responded health care wonk Michael F. Cannon of the libertarian Cato Institute. "It's socialism on stilts. You've got a program where each side" -- state and federal -- "contributes half the money (and) each side has enormous incentive to expand it." If there's fraud or waste, the federal government pays for half of that bad spending -- and all of it for new Obamacare enrollees -- and state politicians reap all the benefits.

Cannon doesn't trust Washington not to cut subsidies tomorrow that it promises today. GOP governors, he warned, beware.

"When this law passed, no one thought there would be this much resistance to the Medicaid expansion," Cannon continued. Though he found it predictable that some GOP governors signed on, "what is amazing is that so many states have said no. That's the story."