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Pragmatism in Florida

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IN THE hierarchy of Obamacare haters, Rick Scott, the Republican governor of Florida, ranked near the top. In 2009 the former hospital executive bankrolled adswarning of government-run health care, with horror stories from Canada and Britain. In 2010 Mr Scott campaigned with the promise to scuttle the health law. Florida led states' efforts to challenge Obamacare in court. When the Supreme Court upheld the law in June, Mr Scott declared, "This is just another burden the federal government has put on American families and small businesses."

Though conservatives despaired over the ruling, some took comfort in the fact that it gave states the option of rejecting a major part of the law: the expansion of Medicaid, which funds health care for the poor. Given the choice, Mr Scott declared that Florida would opt out of the Medicaid expansion. He even wrote a column titled, "More Medicaid? No Thanks."

So Mr Scott's announcement on February 20th that he would, after all, expand Medicaid is, to say the least, a blow to conservatives. "He has squandered his credibility as an opponent of Obamacare", wrote Cato's Michael Cannon, who served on Mr Scott's gubernatorial transition team. The move is "a huge threat to Florida's financial future", declared Americans for Prosperity. "Terribly disappointed" is how Erick Erickson summed up his reaction. Conservatives are displeased, but they should not be surprised.

The maths are too obvious to ignore. Mr Scott will expand Medicaid for only three years (he says), when the federal government will cover the full bill. So in 2016, for example, Washington will pump an extra \$6.7 billion into Florida's Medicaid programme, 49% more than would've been spent had Florida not expanded the programme, while the state's tab will increase by less than 1%.

Florida has 1.3m uninsured adults who will be newly eligible for Medicaid, according to the Urban Institute. Without an expansion, 995,000 would be without insurance, eligible for neither Medicaid nor the subsidies to buy insurance on a federal exchange. (Mr Scott has drawn the line at creating his own health exchange.) "While the federal government is committed to paying 100% of the cost of new people in Medicaid," Mr Scott explained, "I cannot, in good conscience, deny the uninsured access to care."

The politics are obvious, too. Barack Obama won Florida in November, and Mr Scott is up for re-election next year. His tea-party inspired governing has so far led to dismal

approval ratings, so he has begun to reverse course in some areas. In the case of Medicaid expansion, the governor was lobbied hard by the state's hospitals. During the debate over health reform, hospitals agreed to payment cuts in exchange for the promise of more insured patients. But without a Medicaid expansion, this is a bum deal. Florida's hospitals, in particular, stand to benefit from a bigger Medicaid programme—Medicaid payments to hospitals would jump by \$33.6 billion from 2013 to 2022. This 31% increase is larger than that of any other state.

Though it is unlikely to quiet his conservative critics, Mr Scott can at least claim to have gotten something in return for his reversal—a waiver from the feds allowing him to privatise the management of Medicaid. This may not have been an explicit trade, but the timing of the two announcements certainly makes it seem that way. In a sop to conservatives, Mr Scott also declared that Medicaid expansion would expire after three years. But this seems unlikely to happen. Whoever is governor of Florida in 2017 will not want to yank insurance away from 1m people.

Mr Scott is not the only Republican to support Medicaid's expansion. The governors of Arizona, Michigan, Nevada, New Mexico, North Dakota and Ohio have said they will expand Medicaid, too. As more of them come around, the pressure mounts on hold-outs to get their slice of the pie. When such a sweet deal is on offer, it is tough to resist.