

Susana Martinez

Martinez: Up on block grants, down on health care exchanges

By [Matthew Reichbach](#) | 03.02.11 | 12:29 pm

Gov. Susana Martinez is not a fan of health care exchanges, but she floated the possibility of health care block grants as a way to reform health care in the state, according to a report by [the KUNM Government Project](#) Tuesday. Martinez had been in Washington, D.C., to attend a gathering of governors which included a meeting with President Barack Obama.

The KUNM Government Project reported:

“We just came back from the White House and there was a lot of discussion in reference to what the states can do to better serve their own populations within those exchanges,” Martinez told reporters on Tuesday. “Is there a way to receive block grants instead so that the states decide for themselves? The president has actually said he is willing to have a dialogue with the governors and proposals that we may have forthcoming.”

This is not an uncommon refrain from Republican governors.

[Forbes details](#) what the GOP governors want from Medicaid:

Q: What do Republican governors want?

A: Ideally, they'd like Washington to cut them a big check for Medicaid and let each state decide how best to spend the money. The government calls that a block grant, and though some strings would be attached, it would give states a lot more flexibility. Republican governors would probably put most Medicaid recipients in some kind of private insurance.

Washington pays just under 60 percent of the Medicaid tab on average, though the federal share varies by state. The federal contribution will surpass \$275 billion this year.

However, Forbes warns, the governors are “not likely to get” the Medicaid block grants.

The [Center on Budget and Policy Priorities](#) wrote that instituting block grants to the states instead of the current Medicaid program “is a radical change that would significantly shift both financial risks and costs to the states.”

The [CATO Institute](#) wrote that under block grants “states would have a strong incentive to spend Medicaid funds more efficiently and to pursue innovative reforms unencumbered by federal regulations.”

Obama did allow for [some flexibility](#) in implementing health care reform. The Associated Press reported, “Obama supported letting states propose their own health care plans by 2014 — three years faster than the current law allows.”

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