

# Los Angeles Times

## Medicaid expansion divides GOP governors

By Paul West, February 7, 2013

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WASHINGTON — Some of the nation's most prominent Republican governors have moved to embrace a key feature of President Obama's healthcare law, providing a significant boost to the administration and highlighting a fissure inside the GOP on an emerging campaign issue.

At stake is the goal of expanding health insurance under the Medicaid program, one of two main ways the law is to provide coverage to those who lack it. Starting in 2014, the law broadens Medicaid to cover people who earn up to about \$15,500 a year, but under last year's Supreme Court decision upholding the law's constitutionality, states have the option of rejecting the expansion and the federal money that comes with it.

Opponents wanted to unite all Republican governors against participating in the Medicaid expansion; they have lined up 15, including Rick Perry of Texas and Bobby Jindal of Louisiana. Opposition in Republican states means the law will probably cover about 5 million fewer people in the first few years than originally expected, the Congressional Budget Office reported this week.

The opposition governors say that despite the federal promise to pay the full cost of expansion for the first three years and 90% thereafter, the change eventually could lead to unsustainable costs.

But the unified strategy has begun to crack in recent days. This week, GOP Govs. John Kasich of Ohio and Rick Snyder of Michigan announced they would support the expansion, bringing the number of Republicans in favor of it to six.

With governors in several major states yet to be heard from, conservatives have attacked those who are backing the Medicaid expansion, accusing them of putting political expediency ahead of the GOP's small-government principles.

"Kasich is up for reelection, and he wants to win, and he is simply judging where the people of his state are," Rush Limbaugh said on his radio show. "He's reading tea leaves. Other governors are doing the same thing."

Obama carried Ohio and Michigan last fall, but not Arizona, where Republican Gov. Jan Brewer is pushing for expansion. The GOP's two Latino governors, New Mexico's Susana Martinez and Nevada's Brian Sandoval, are also among those who have endorsed the Medicaid expansion. In all three of those states, a large percentage of citizens are Latinos, a group that will benefit disproportionately from the expansion, which mainly affects adults who are unemployed or work part time.

Republican governors who have dropped their opposition to the Obama plan defend their decision in economic terms. Kasich said it would keep his state competitive with others in attracting jobs. Snyder and others have said it will save the state money by reducing the number of people who rely on emergency rooms for primary care.

In many states, the hospital lobby has aggressively pushed governors to accept the expansion. By covering millions of people who currently lack insurance, expanding Medicaid is expected to save hospitals billions of dollars in uncompensated care.

Fifteen Democratic governors, including Jerry Brown of California, Pat Quinn of Illinois and Martin O'Malley of Maryland, favor the expansion. Most or all of the remaining Democratic governors are likely to agree — though expansion is contingent on approval by state legislatures.

The decisions this week by Kasich and Snyder have focused attention on a couple of governors who remain undecided, particularly Florida's Rick Scott, who faces a tough 2014 reelection battle in a state that voted twice for Obama. A former healthcare magnate, Scott has already moved toward the political center on issues including education spending and expanded voting hours. More than 1.2 million people in Florida would gain health insurance if the state expanded its Medicaid program, according to an Urban Institute study last fall for the nonpartisan Kaiser Commission on Medicaid and the Uninsured.

The only governor up for reelection this year, Chris Christie of New Jersey, will also be closely watched in a state that Obama carried. Republican strategists expect that most presidential contenders, a group that could include Christie and Govs. Scott Walker of Wisconsin and Mike Pence of Indiana, will decide

to reject the expansion. Repealing "Obamacare" was a staple for GOP candidates in 2012 and a central promise of Mitt Romney's presidential campaign.

Already, the debate over expanding Medicaid has deepened the split between GOP moderates and the party's conservative factions.

"It's kind of a powder-keg issue for Republicans," said Craig Robinson, a former political director of the Iowa Republican Party who edits the Iowa Republican blog. Medicaid expansion is causing "tough discussions within the Republican Party," he said. "And that's not necessarily good."

Robinson said he did not believe that Republican voters would rule out someone like Kasich, who ran for president once and could do so again, simply for endorsing the Medicaid expansion. "It's going to be an automatic disqualifier for some people — the tea-party types and libertarian-minded folks — but not everybody," he said. Still, "if you're trying to position yourself to run for national office, or leave the opportunity open, it's something you need to avoid."

An early test could come soon in Virginia. Republican Gov. Bob McDonnell and Atty. Gen. Ken Cuccinelli, the GOP nominee to succeed him, oppose expansion. But Republican Lt. Gov. Bill Bolling, who is considering a run for governor as an independent, has broken with them, citing a study financed by the hospital industry that estimates broadening Medicaid would create 30,000 jobs and save the state money.

Michael Tanner, a healthcare analyst with the libertarian Cato Institute, says he doesn't foresee the expansion being adopted in the broad swath of conservative states that stretches from South Carolina across the Deep South to Texas and Oklahoma.

But based on past experience, opposition may wear away as the hundreds of billions of dollars in federal payments to the states for expansion overcome ideological resistance. Medicaid expansion has no deadline. States that take either side now could shift in the future.

"Over time, the vast majority of states will take advantage of opportunities to expand Medicaid when federal funding is available," said Alan Weil, executive director of the National Academy for State Health

Policy. "We know, from when Medicaid started, that it doesn't happen right away. It's certainly not going to be all the states in year one. But it's going to be most of them."