

**TO EXPAND
OR NOT
TO EXPAND**

By Ambreen Ali

**It's been nearly
10 years since the
Affordable Care Act
enabled states to
expand Medicaid
programs.**

**The debate over
whether and how to
do so is going strong.**

THE DEBATE OVER THE AFFORDABLE CARE ACT IS NOT OVER.

expanded Medicaid, according to Stateline, a news service of the Pew Charitable Trusts.

“One thing we know for sure is that Medicaid expansion does reduce uncompensated care in hospitals, especially in hospitals that heavily rely on government subsidies and see a lot of uninsured people,” says Donna Friedsam, health policy programs director at the University of Wisconsin’s Institute for Research on Poverty.

The idea of enrolling more low-income Americans in the government-provided health care system remains politically charged in many state legislatures. But what has steadily shifted over time is public support for Medicaid. In 2013, 67% of Republicans opposed expanding Medicaid, according to the Kaiser Family Foundation. Five years later, the group found that 65% of Republicans—along with 82% of

Democrats and 74% of independents—held a favorable view of Medicaid. Some states have seen ballot measures passed to expand Medicaid after years of political stalemate. Voters in Utah, Idaho and Nebraska did exactly that in November 2018.

SHIFTING SENTIMENT

In Utah, 54% of voters backed a ballot measure to expand Medicaid. A poll five months prior to the election found support for the proposition among 63% of moderates, 52% of “somewhat conservative” Utahans and 34% of “very conservative” Utahans. “Utah is very compassionate,” says Stacy Stanford, health policy analyst for the Utah Health Policy Project, which supported the proposition. “We have talked to so many Republicans who need the support or care.”

What happened after the proposition passed underscores how politically fraught expansion remains. In February, Utah’s governor signed a replacement bill that narrowed expansion of Medicaid coverage, limiting eligibility to 100% of the federal poverty level—\$12,140 for an individual—instead of the 138% upper limit approved by voters. The governor argued that individuals

too little money to qualify for federal subsidies in the private marketplace but too much to qualify for Medicaid, according to the Kaiser Family Foundation. The effects of this coverage gap are widely felt across the health care system: Uninsured individuals lack hospital systems and state budgets, which must cover the cost of care for those unable to pay. Rural hospitals at risk of closure are heavily concentrated in the states that have not

Larry Berg and his wife, Carol, at their home in White Sulphur Springs, Montana. A dip in their income qualified them for Montana’s Medicaid expansion program. The insurance came in handy when Berg was diagnosed and treated for a rare medical condition affecting blood flow in his neck.



Chris Bemis helps his girlfriend’s son Shane Edwards, 12, with his homework at their apartment. Bemis was cut off from MaineCare in 2016, and he didn’t make enough money to get insurance through the Affordable Care Act. With Medicaid expansion, Bemis is now eligible for coverage.

ing federal funding. Such waivers are a key tool some state governments are using to stop short of the full expansion enabled by the ACA. Georgia Gov. Brian Kemp signed legislation in March that enables his administration to seek federal support for a limited expansion that would cap eligibility at or below the federal poverty level.

“By passing this legislation, we have decided to abandon the status quo,” Kemp said at the signing of the bill, adding, “Our Medicaid program costs too much and fails to deliver like it should.... Our state will reform a broken system with conservative solutions.” In May, the state announced plans to hire a consulting firm that will help formulate these solutions.

In Idaho, where 60.6% of voters backed a proposition to expand Medicaid last November, the state Legislature passed work and volunteer requirements similar to Utah’s. Earlier this year Montana’s Legislature also passed such requirements. The state expanded Medicaid back in 2015—but only for four years. Less than two months before the sunset date of June 30, 2019, the Legislature passed a bill to extend expansion for six years, adding some limitations including work and community engagement requirements. The Trump administration has approved waiver requests relative to Medicaid work require-

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whose income falls in between those levels can seek out subsidized care in the private marketplace, although such plans frequently carry high deductibles and copays.

The Utah Legislature also stipulated that unemployed individuals must supply proof that they are actively seeking work in order to gain coverage through the expansion. Such requirements have popped up in states across the country, with supporters seeing them as a fiscally responsible way to promote self-sufficiency and employment.

“What you’ve seen is a string of efforts among some states to say that there can’t just be a straight health care coverage expansion. There have to be some strings attached,” says Elaine Ryan, the AARP’s vice president of state advocacy and strategy integration.

SEEKING WAIVERS

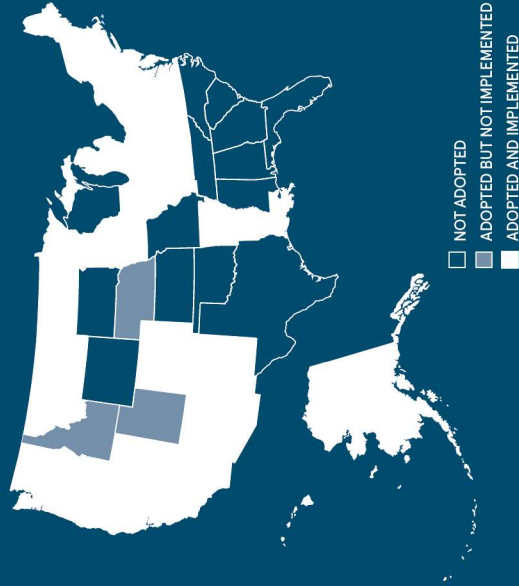
Like many states pursuing a partial expansion, Utah is seeking a waiver from the federal government to proceed with its reduced Medicaid expansion while retain-



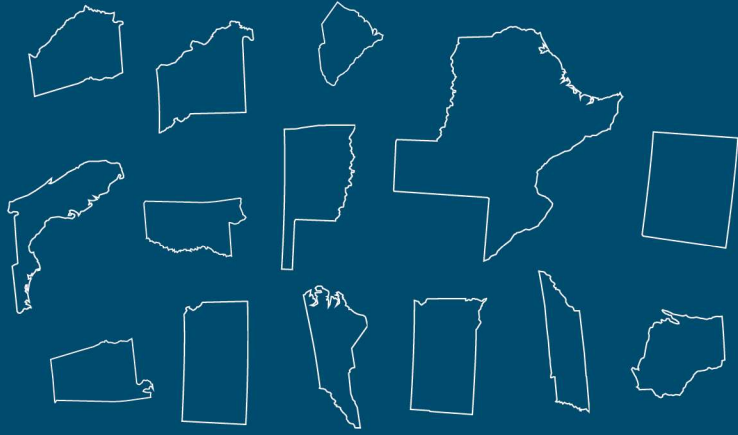
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STATE BY STATE

A large majority of states, along with the District of Columbia, have expanded their Medicaid programs through the Affordable Care Act.



Not Adopted



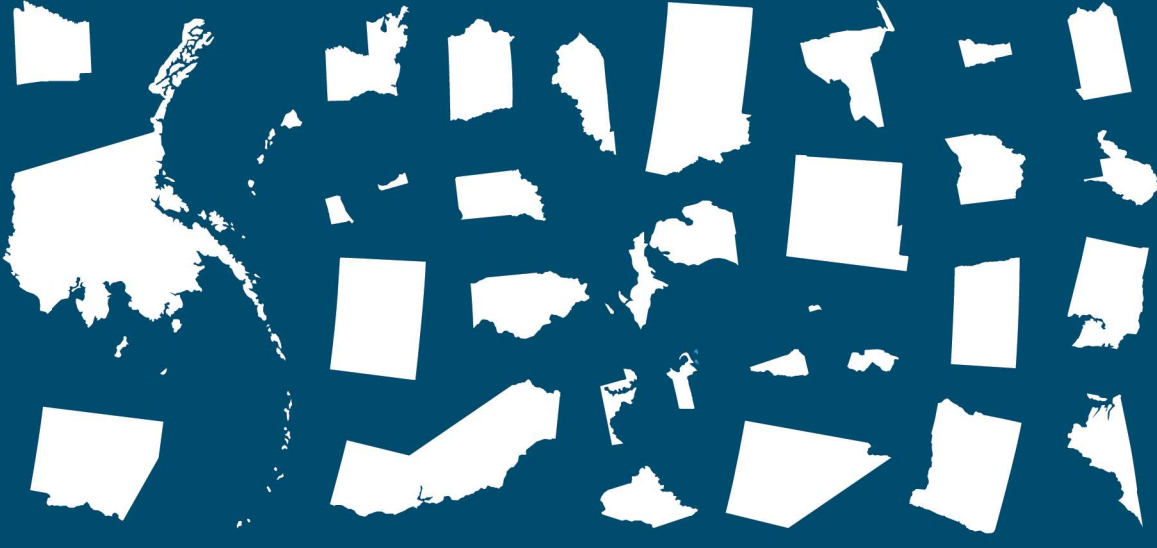
Alabama, Florida, Georgia, Kansas, Mississippi, Missouri, North Carolina, Oklahoma, South Carolina, South Dakota, Tennessee, Texas, Wisconsin, Wyoming

Adopted but Not Implemented



Idaho, Nebraska, Utah

Adopted and Implemented



Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Hawaii, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Montana, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Dakota, Ohio, Oregon, Pennsylvania, Rhode Island, Vermont, Virginia, Washington, West Virginia



ments; the big question is whether these policies will survive legal challenges.

In Nebraska, where an expansion approved by voters will take effect next year, the governor has proposed a tiered system that would restrict full Medicaid benefits to individuals who work, apply to jobs, volunteer, attend postsecondary school or care for a family member. Tiffany Friesen Milone, policy director of the Nebraska-based think tank OpenSky Policy Institute, says the policy is about encouraging people to earn more income so they can get out of the Medicaid system.

“Especially in Nebraska, there is a big push for smaller government,” she says. The think tank did not take a position on the expansion measure approved by voters but is opposed to coverage requirements being sought. Milone says they could be costly for the state to administer if those enrolled must register their compliance with work requirements every six months, as proposed. “It could end up creating a bigger state government because you have to hire people to process applications,” she says.

THE VALUE OF EXPANSION

The states that expanded their Medicaid programs early this decade can offer insights into whether the benefits touted by proponents or the fears of those opposed have been realized.

New Jersey, which provides Medicaid coverage to over 1.8 million residents at a cost of nearly 2.0% of its state budget, expanded the program in 2014 with widespread support from across the political spectrum. Even before the ACA, the state government had sought to expand Medicaid but could not find a way to fund it.

“Really, all the ACA did was give the state a lot of federal funding to cover more people. It wasn’t a philosophical shift; it was a way to better cover the program,” says Matt D’Oria, who leads the Medicaid Policy Center at the New Jersey Health Care Quality Institute.

After the expansion, New Jersey added 552,000 people to Medicaid. As a result, the level of uninsured individuals fell from 13% to 9%, the lowest it has ever been. The money the state spent on charity care to subsidize hospital visits by uninsured individuals has fallen by half. “Overall, it’s been financially better for the state, better for the hospitals, better for people,” D’Oria says.

Jerald Brooks, left, one of the original participants in a Seattle program called Law Enforcement Assisted Diversion, or LEAD, goes shopping for groceries with Chris Cates, right, his caseworker, in Seattle. Funding from the expansion of Medicaid in some states has made repeat drug offenders such as Brooks eligible for coverage, which could be a new tool for shifting addicts out of the criminal-justice system as an alternative to the drug war.

Other states that have expanded Medicaid have seen similar benefits. For example, Virginia captured \$421 million in state budget savings after its expansion in 2018.

APPEALING BENEFITS

Will such savings last forever? A shared concern on both sides of the debate is whether the federal funding meant to incentivize expansion will last. As of 2020, the ACA will require the federal government to foot 90% of the cost of Medicaid expansion. Some worry state governments will ultimately be on the hook to cover costs—costs projected to keep rising beyond inflation.

Yet as the health care industry strains to rein in costs, the overall benefits of insuring more people—supported with federal funding incentives—are clearly becoming more appealing. That’s true even in traditionally red parts of the country.

“You’re seeing the economic value of this is really making a difference,” the AARP’s Ryan says. “Public sentiment is changing.” ■



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