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I write sharp takes on the business, policy and work news of the day.

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Utah's Reversal Means Most States Now Support Obamacare Expansion

It may have taken nearly four years, but a majority of states have now committed to some form of Obamacare's Medicaid expansion.

The tipping point? Utah Governor Gary Herbert's Thursday announcement to—grudgingly—accept the Affordable Care Act's dollars in order to expand coverage in his state.

“Doing nothing is not an option,” said Herbert (who [waited longer](#) than any other governor to do *something*).

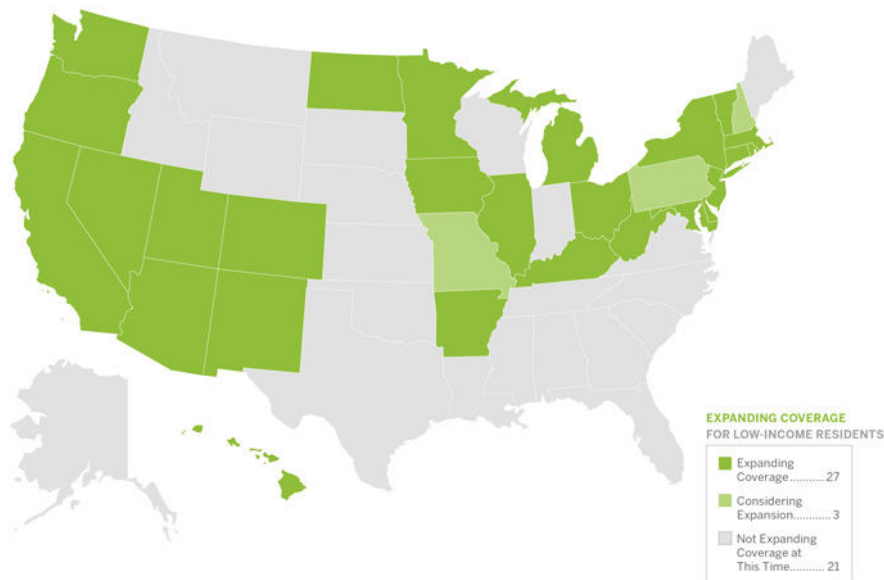
What Herbert's actually going to do is still a mystery; the Republican governor said he's going to share details during the legislative session that begins on Monday.

But what we do know is that Herbert's announcement is a milestone, of sorts. His state will be the 26th to formally opt into Obamacare's coverage expansion—the first time that the balance has tipped toward states favoring the often-controversial provision.

We've spent 18 months tracking those state-by-state decisions at the Advisory Board Daily Briefing, ever since the Supreme Court [made the expansion optional](#), not mandatory. Here's a [current list](#) of where all the states stand, and you can see a map of who's in below.

Where the States Stand on Medicaid Expansion

26 states, DC, Expanding Medicaid—January 24, 2014



Notes: Based on literature review as of 1/24/14. All policies subject to change without notice.

HHS has announced that states can obtain a waiver to use federal funds to shift Medicaid-eligible residents into private health plans. The District of Columbia plans to participate in Medicaid expansion and will operate its own exchange.



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Herbert explained his decision was propelled by the coverage gap that's emerged in non-expansion states. Because of a quirk in the ACA—the drafters expected that the Medicaid expansion would be mandatory, but the Supreme Court chose to make it optional for states—millions of Americans have been caught in a kind of twilight zone: They make too much money to qualify for their state's current Medicaid program, but are too poor to qualify for federal tax credits that would help them buy private coverage on HealthCare.gov.

About 60,000 impoverished Utahns fall into the coverage gap.

“It's not fair,” Herbert said on Thursday.

The Medicaid expansion was originally intended to bridge that gap, but it's unlikely that Herbert would accept it in the standard form of growing the state's safety net. Utah's Republican-led state legislature is instead leaning toward pursuing a federal waiver to implement something that would resemble Arkansas's model of subsidizing residents to purchase plans through the private market.

That's not surprising, given the state's conservative leanings. At the *Incidental Economist*, Adrianna McIntyre explored why the Arkansas model would be [especially appealing](#) for red states.

Still, the decision's a reversal for Utah, given that Herbert has been a consistently vocal opponent of the ACA.

One point of contention: That the law would hurt his state's finances, by requiring extra spending. “[T]he Medicaid expansion tacks on an additional \$240 million the first decade, and \$480 million the next,” Herbert wrote in the *Washington Times* in July 2012.

“In other words, even if Utah does nothing, Obamacare will completely unravel our state's uniquely positive financial outlook,” he added at the time.

But as Herbert came to realize, doing nothing wasn't an option any more.

This article is available online at:

<http://www.forbes.com/sites/dandiamond/2014/01/24/utahs-reversal-means-most-states-now-support-obamacare-expansion/>