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GOP governors may still go for Medicaid expansion - and cash

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Republicans counting on a year of nonstop Obamacare-bashing may be in for an unwelcome surprise: more red-state governors ditching the political script to take a second look at the law's huge expansion of Medicaid.

The party plans to make Obamacare and its early stumbles a central campaign issue in 2014; the House plans two anti-Obamacare votes Friday. But in the states, the Medicaid expansion — a giant, dangling carrot worth billions of federal dollars to states that sign up — has proved attractive to nearly a dozen GOP governors, and a handful more are on the fence.

Governors like Rick Perry of Texas and Bobby Jindal of Louisiana remain firmly in the “no way” camp. But Pennsylvania and Tennessee are actively working with the Obama administration to expand Medicaid, although their efforts to squeeze policy concessions on the GOP wish list — like requiring enrollees to pay more — could be a dead end.

Indiana and Oklahoma are eyeing alternative versions of expansion and were granted a one-year reprieve by the Obama administration to extend existing state health care programs while they think about it.

(PHOTOS: [The GOP governors who said yes to Medicaid expansion](#))

Virginia, where Democrat Terry McAuliffe is succeeding Republican Gov. Bob McDonnell, is considered a likely candidate to embrace expansion this year. In Maine, Democrats in control of the state Legislature are pressuring Republican Gov. Paul LePage to accept the Medicaid expansion this year, during his reelection effort. New Hampshire, too, where only a Republican-led Senate has blocked expansion, is considered a likely candidate to flip this year.

Governors in small, Republican-dominated states like Wyoming, Kansas and Utah say they're keeping an open mind in 2014, despite their hatred for the overall health law. And in every undecided state, an unusual alliance of powerful hospital, business and religious interests has been leaning on Republican leaders to reverse course.

In short, the 26 states that have already approved Medicaid expansion are likely to be joined by at least a few more in 2014 — and the “hell no” states could find themselves an increasingly isolated bunch, concentrated in the South.

“We really are not taking any state for granted,” said Tim Phillips, president of the conservative Americans for Prosperity, which is fighting expansion efforts around the country. He expects Republicans will distance themselves from expansion the closer the

elections get, but says AFP won't leave it to chance. "We're going to continue to run a very aggressive grass-roots and paid media campaign," he said, with ads running in states on a case-by-case basis, as they consider expansion proposals.

(PHOTOS: [25 unforgettable Obamacare quotes](#))

Already, seven states have approved expansion with the blessing of Republican governors — including Arizona's Jan Brewer, Ohio's John Kasich and New Jersey's Chris Christie. Medicaid is growing quickly under Obamacare, with an estimated 3.9 million people determined eligible for the program in the first three months. Supporters say that if all 50 states expanded Medicaid, another 5 million people would become eligible.

In general, Republican-dominated states outside of the South aren't taking as hard a line against expansion as conservatives would prefer.

Kansas Gov. Sam Brownback, who three years ago sent back a major \$31.5 million federal grant to set up a state-run health insurance exchange, hasn't shut the door on expansion this year.

"Gov. Brownback is still considering whether or not to expand Medicaid," spokeswoman Sara Belfry wrote in an email. "The governor will consider all bills passed by the Legislature this session."

Kansas's top hospital trade group signaled that it's readying a new Medicaid offensive in the coming legislative session. Just before the holidays, the Kansas Hospital Association hired former HHS Secretary Mike Leavitt, who's advising GOP states on Obamacare implementation, to craft a Medicaid expansion plan that its members could pitch to reluctant state lawmakers.

In deep-red Utah, state lawmakers and a special Medicaid commission have met over the past few months to consider conservative approaches to the Medicaid expansion. After winning special concessions from the Obama administration last year for the state's small-business exchange, Utah policymakers seem poised to once again test the feds' health care flexibility, say advocates closely tracking the debate.

In two legislative hearings in November and December, "it became abundantly clear they're going to push beyond" reforms Obama administration said it would allow for the Medicaid expansion program, said Jason Stevenson, communications director for the Utah Health Policy Project. Gov. Gary Herbert has remained on the sidelines of the expansion debate so far, but he's expected to weigh in soon.

Wyoming Gov. Matt Mead also isn't ruling anything out.

"At this time Gov. Mead is not recommending that the Legislature go ahead with the optional expansion. He plans to monitor the implementation of the ACA and remains open-minded if improvements are made to address his concerns," said Mead spokesman Renny MacKay. That's not an endorsement, but it's not the kind of flat rejection that governors like Perry have made.

Deborah Bachrach, a consultant who works on Medicaid, said even more Republicans might move toward expansion after the primary season. If they escape intraparty challenges or win a primary, they won't be as scared about the politics of Obamacare, she said.

Bachrach also described an intensifying push by hospitals and business coalitions to lean on undecided states, which are missing out on federal dollars every day they shun expansion. She said this effort, combined with the opportunity for states to propose alternative, private-sector-style Medicaid models “lead us to believe that more states will consider (or reconsider) and ultimately approve expansions.”

Entrenched political opposition will likely leave the Obama administration without its biggest Medicaid expansion prizes — Florida and Texas, which have a combined 2 million people expected to be eligible for Medicaid expansion.

Although Florida’s Republican Gov. Rick Scott supported expansion last year, his GOP-led Legislature rebuffed him, and efforts at compromise appear to have stalemated. Scott, who is seeking reelection, has since made efforts to distance himself from the Medicaid expansion.

“I think the politics make the policy more difficult now,” said Don Gaetz, Florida’s Senate president, a Republican. “The politics have gone sour for Obamacare, and that makes it more difficult, I think, to work out something with the federal government to do things their way.”

Gaetz said any chance of moving toward the Obama administration’s position slipped away during the law’s miserable rollout in October — and he’s relieved Florida waited to move forward.

“We have a newly elected senator who was an infantry captain in Iraq. He reminded me that sometimes it’s good to be the second one in the minefield,” he said. “I think that’s a good way for states to look at Obamacare.”

Another set of Republican states began 2014 by reaffirming their commitments to shun Medicaid expansion. Idaho Gov. Butch Otter, for example, said he won’t touch expansion this year. Nor will Republican governors in Alaska and South Dakota, despite bright-red North Dakota’s surprise embrace of the policy last year.

“On the issue of Medicaid expansion, we should not jump into the deep end without knowing what’s on the bottom,” Otter said in his annual address to state lawmakers on Monday. Otter, who last year lobbied hard for a state-run exchange, said he’s carefully tracking the expansion experience in conservative states.

Mississippi, too, appears unlikely to move in the new year. The state’s governor, Republican Phil Bryant, reiterated his opposition to expansion last week.

“We have a group that will not step over the political, Republican line to accept those funds,” said Bobby Moak, the Democratic leader of the Mississippi House.

It’s that entrenchment that has some experts doubting whether the Medicaid expansion map will change at all this year, in the shadow of the midterm elections.

“As more bad news emerges about costs, coverage, access problems, etc., polarization will prevent movement,” emailed Dennis Smith, a conservative health care consultant who has worked on Medicaid for President George W. Bush, Wisconsin Gov. Scott Walker and The Heritage Foundation..

Robert Blendon, a Harvard University health policy professor, predicted states would wait

for the outcome of the 2014 elections before committing to expansion because Republican legislators are afraid of primary challenges from the right. However, he added that expansion is more likely where governors have unilateral authority to expand.

To others, though, the allure of billions of dollars in federal funding and a sharply reduced uninsured population — as well as the fear that hospitals without enhanced Medicaid funding could shut down or shed jobs — will keep expansion in play in the unlikeliest of states.

“In general I agree that states like Texas, Louisiana, South Carolina, Georgia, Mississippi will not change,” said Ray Scheppach, former executive director of the National Governors Association. “I do think it is possible for some of the others as the numbers are overwhelming in terms of the positive economic impacts.”

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