Midterm Election Boosts Medicaid Expansion, But Challenges Remain

By Phil Galewitz

NOVEMBER 8, 2018

Medicaid — which has been a political football between Washington and state capitols during the past decade — scored big in Tuesday’s election.

Following the vote, nearly 500,000 uninsured adults in five states are poised to gain Medicaid coverage under the Affordable Care Act, advocates estimate. Three deep-red states passed ballot measures expanding their programs and two other states elected governors who have said they will accept expansion bills from their legislatures.

Supporters were so excited by the victories they said they will start planning for more voter referendums in 2020.

Medicaid proponents also were celebrating the Democrats’ takeover of the House, which would impede any Republican efforts to repeal the ACA and make major cuts to the federal-state health insurance program for low-income people.
“Tuesday was huge for the Medicaid program,” said Katherine Howitt, associate director of policy at Community Catalyst, a Boston-based advocacy group. “The overall message is that the electorate does not see this as a Democrat or GOP issue but as an issue of basic fairness, access to care and pocketbook issue. Medicaid is working and is something Americans want to protect.”

But health experts caution that GOP opposition won’t fade away.

David Jones, an assistant professor in the Department of Health Law, Policy and Management at Boston University, said ballot organizers now have a blueprint on how to expand Medicaid in states that have resisted. “I see this as a turning point in ACA politics,” he said. Still, he added, “it’s not inevitable.”

Medicaid is the largest government health program, insuring at least 73 million low-income Americans. Half of them are children. To date, 32 states and the District of Columbia have expanded it under the ACA. Before that law, Medicaid was generally limited to children, sometimes their parents, pregnant women and people with disabilities.

The ACA encouraged states to open the program to all Americans earning up to 138 percent of the poverty level ($16,753 for an individual in 2018). The federal government is paying the bulk of the cost: 94 percent this year, but gradually dropping to 90 percent in 2020. States pay the rest.

GOP opposition has left about 4.2 million low-income Americans without coverage in various states.

“It’s not over until it’s over is the story of Medicaid expansion and the Affordable Care Act as the politics never ends and the opportunity for obstruction never ends,” said Jones. “But the trend overall has been to increasing implementation and increasing coverage.”

**Montana Fails To Endorse Funding**

Two years after President Donald Trump carried Idaho, Nebraska and Utah by double-digit margins with a message that included repeal of the ACA, voters in those states approved the ballot referendums Tuesday. Together, the states have about 300,000 uninsured adults who would be eligible for the program.

In addition, Democrats secured the governor’s offices in Kansas and Maine, which will increase the likelihood those states pursue expansion. Legislatures in both states have previously voted to expand, only to have GOP governors block the bills. Maine voters also passed a referendum in 2017 endorsing expansion, but Republican Gov. Paul LePage again refused to accept it.
Current and incoming Republican governors in Utah and Idaho said they wouldn’t block implementation of the effort if voters approved it. Nebraska Gov. Pete Ricketts said Wednesday he would follow the will of the voters but would not support paying for it with a tax increase.

It wasn’t a clean sweep, however, for Medicaid on Tuesday.

In preliminary results, a ballot issue to fund Montana’s Medicaid expansion — which is already in place and slated to expire next July — was failing. Tobacco companies had mounted a campaign to stop the measure, which would have partially financed the expansion with taxes on tobacco products.

The Montana legislature and the Democratic governor are expected to address the issue in the session that starts in January. No state has reversed its Medicaid expansion, even though GOP governors in Kansas and Arkansas have threatened to do so.

Nearly 100,000 Montana residents have received Medicaid since its expansion, twice as many as expected.

Nancy Ballance, the Republican chairwoman of the Montana House Appropriations Committee who opposed the bill that expanded Medicaid in 2015, said she is confident the state legislature will extend the program past July. But she expects the legislature to put some limits on the program, such as adding an asset test and work requirements.

“There are some people in the state who may not have disabilities but need some help to access coverage,” she said. “I think we can pass something without people having a gap in coverage. … That will be a priority.”

“It was never our intent to simply sunset the expansion and have it go away,” she said. Rather, the legislature put the sunset provision in to revisit the provision to make any changes.

Chris Jacobs, a conservative health policy analyst in Washington, D.C., said the Montana results showed that when voters are given a choice of having to pay for Medicaid expansion through a new tax they were not willing to go along.

But in Utah, voters did agree to fund their state plan by adding 0.15 percent to the state’s sales tax, just over a penny for a $10 purchase.

Fernando Wilson, acting director of the Center for Health Policy at the University of Nebraska Medical Center, said the vote on the state’s ballot question indicated many people wanted to help 80,000 uninsured Nebraskans gain coverage.
“I think it showed there was a clear need for it,” he said. The legislature likely won’t block the expansion, Wilson said, though it may try to add a conservative twist such as adding premiums or other steps.

Sheila Burke, a lecturer in health policy at Harvard Kennedy School, said voters approved Medicaid expansion not just because it would help improve health coverage for their residents but to help stabilize their hospitals, particularly those in rural areas. Hospitals have said this step helps their bottom lines because it cuts down on uninsured patients and uncompensated care.

“The broad population does see the value of Medicaid,” she said. “They saw it as a loss by their states not to accept the federal funds,” she said.

Despite the victories, Burke said, advocates should not assume other states such as Florida, Texas and Tennessee will follow suit.

“I don’t see a radical shift, but it moves us closer,” she said.

‘Fertile Ground’ For More Referendums

If advocates press for more referendums, Florida might be a tempting target. More than 700,000 adults there could become eligible, but the campaign would likely also be very costly.

Jonathan Schleifer, executive director of The Fairness Project, which financed the ballot initiatives in Maine in 2017 and the four states this year, refused to say which states would be targeted next.

The group is funded by the Service Employees International Union-United Healthcare Workers West, a California health care workers union.

“The GOP has been bashing the ACA for nearly a decade, and voters in the reddest states in the country just rejected that message,” Schleifer said. “It’s a repudiation and a tectonic shift in health care in this country.”

“There is fertile ground” for more such ballot votes, said Topher Spiro, vice president for health policy at Center for American Progress, a liberal think tank. “It is clear that public opinion is on the side of Medicaid expansion and the election results merely confirm that.”

“This will build momentum for expansion in other states,” he added.
The election results also could have consequences on efforts by states to implement work requirements for Medicaid enrollees.

New Hampshire and Michigan — which expanded the program but recently won federal approval to add controversial work requirements — could revisit that additional mandate as a result of Democrats winning control over both houses of the legislature in New Hampshire and the governor’s office in Michigan.