



January 14, 2019 Atlanta - Georgia's 83rd Governor Brian Kemp speaks after he took the oath of office during the swearing-in ceremony at McCamish Pavilion in Campus of Georgia Tech on Monday, January 14, 2019. HYOSUB SHIN / HSHIN@AJC.COM Photo: HYOSUB SHIN / AJC

Brian Kemp: Georgia will seek Medicaid waivers

Says program would 'expand access without expanding a broken system.'

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Gov. Brian Kemp said Thursday that his administration would request a federal waiver to seek new flexibility to use Medicaid dollars, using his first State of the State address to embrace an idea to “expand access without expanding a broken system.”

Long an opponent of Medicaid expansion, the Republican said he would set aside \$1 million in the state health department’s budget to develop a waiver that would “drive competition and improve quality while encouraging innovation.”

The idea was promoted by former U.S. Health and Human Services Secretary Tom Price, a onetime Georgia congressman who resigned from President Donald Trump’s Cabinet in 2017 amid criticism about his use of taxpayer-funded charter jets.

Georgia Democrats said they welcomed Kemp’s approach as a way to trigger a new high-stakes debate over health care policy, even as they urged him to reconsider his stance that expanding Medicaid would be too costly in the long run.

“It’s an opening. It’s a first step,” said state Rep. Calvin Smyre, a Columbus Democrat who sits on an influential health panel. “It’s a start -- we don’t know what the ending point will be yet. But he put the olive branch out there.”

It was part of a speech that outlined a 2 percent pay raise for all state employees and a \$3,000 annual salary increase for public school teachers. He called the latter initiative a “sizable down payment” on his vow to raise teacher pay by \$5,000 a year, which would be the largest increase for teachers in state history.

Kemp said he would work with legislators to lower the state income tax rate – though he didn’t specify by how much – and fully fund the state’s k-12 public education formula. Last year was the first time in more than a decade that lawmakers fully financed the system.

He also called on lawmakers to “expand access to high-speed internet, quality health care and good education” in rural Georgia – where he won by huge margins – but didn’t issue any specific demands.

Kemp earlier said he would devote \$69 million to a grant program for one-time funding of school security and \$500,000 for a new state anti-gang task force. He said Thursday that he would use existing funds to finance a state database that tracks gang activity and immigrants here without authorization who commit crimes.

‘A lot of opportunity’

Kemp has tried to strike a chord of bipartisanship and unity after his narrow victory over Democrat Stacey Abrams, an election she and many supporters saw as tainted by voter suppression and his refusal to step down as secretary of state.

And since his victory, he has made no public mention of the conservative promises he made during the campaign to expand gun rights, restrict abortion and sign a “religious liberty” bill.

He also didn’t address any changes to election laws or a proposal to replace outdated voting machines, though his budget included \$150 million for a new voting system.

Several leading Democratic lawmakers said they were taking a cautious, if open-minded, approach toward the broad policies that Kemp unveiled, part of the Republican’s sunnier stance that sharply contrasts with his bruising campaign style.

“I was encouraged by a lot of things the governor shared, and I see a lot of opportunity,” said state Sen. Emanuel Jones, D-Decatur. “However, they lack specificity.”

State Rep. Dar’shun Kendrick, a top-ranking Democrat from Lithonia, took to social media after Kemp pledged to pursue legislation geared at boosting small businesses.

“Georgia the No. 1 place for small businesses?” she wrote. “Ok, Governor Kemp. I can get down with that.”

A new promise in waiver

The governor's pursuit of a Medicaid waiver was the most significant new proposal he has unveiled since his election, and it underscores the changing dynamic of the health care debate in Georgia.

He and other leading Republicans have consistently opposed Medicaid expansion, saying it's too costly in the long run. And during the campaign he supported a broad Affordable Care Act waiver to help stabilize insurance premiums.

But Thursday was the first time he specifically backed a waiver to the Medicaid program, an idea former Gov. Nathan Deal's administration explored but never embraced.

It's not immediately clear whether Price, who served on Kemp's transition team, will be directly involved in pursuing the waiver. But Kemp said in a radio interview that Price "knows about how these processes work" to guide them toward federal approval.

A Medicaid waiver, if approved by the federal government, could expand coverage under the program for the poor and disabled in a more tailored way. Some Republicans, for example, have promoted using waivers to include a work requirement for certain recipients.

In past years, the mention of waivers sent some conservatives scrambling. Deal quietly abandoned a wide-ranging waiver in 2015 that would have sought more Medicaid money to help rural hospitals and "safety-net" facilities amid pushback.

But a growing number of Georgia Republicans now back Medicaid waivers as an avenue to shore up struggling health care facilities, and a few GOP legislators support working across party lines to back an all-out expansion.

Democrats, meanwhile, say that only an expansion of Medicaid will spur economic growth and help cover 500,000 uninsured residents. To reinforce the point, House Democrats filed a measure Thursday demanding the program's expansion.

"Despite the rhetoric, your ZIP code in Georgia does determine your access to health care, and Medicaid expansion is the path to address that," said Bob Trammell, the House's top Democrat. "It's a positive development that we're at least talking in this space, but Medicaid expansion remains the conversation that we have to have."

Other highlights of Kemp's speech:

- Speaking from the cramped House chambers, Kemp singled out two people in the gallery representing constituencies key to his victory: a farmer whose livelihood was threatened by Hurricane Michael and a Covington police officer who was almost killed when he was shot between the eyes.
- In an emotional moment, he read aloud the names of six law enforcement officials who were killed last year in the line of duty. Kemp attended funerals for several of those

officers, a fact that he mentioned to crowds during his post-election “thank-you” tour. “Their service will never be forgotten,” he said, “and we are forever grateful.”

- The governor thanked state Rep. Carolyn Hugley, once the No. 2 Democrat in the House, for giving her seat to his wife, Marty, to attend the address. In a surprise, he told Marty that it was the same place her late father, former Democratic state Rep. Bob Argo, once sat.