

US: Republican governors call for dramatic changes to Medicaid

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Republican governors in at least 10 US states are calling for dramatic changes to Medicaid, the health insurance program for the poor jointly administered by the federal government and the states. More than 70 million low-income Americans currently receive their insurance through Medicaid.

The governors' proposals come as congressional Republicans discuss changes to Medicaid as part of their plans to repeal and replace the Affordable Care Act (ACA). Under the legislation popularly known as Obamacare, about 16 million people became newly insured under an expansion of the Medicaid program and the connected Children's Health Insurance Program.

Medicaid is eyed for deep cuts and transformation under the various proposals being considered by congressional Republicans. These plans—as well as the various proposals by Republican governors—would go a long way toward gutting and ultimately dismantling Medicaid, which provides vital health coverage to families and some seniors and people with disabilities.

Republican plans—including those drafted by House Speaker Paul Ryan and Tom Price, Trump's pick for Health and Human Services secretary—call for eliminating the ACA's expansion of Medicaid and replacing it with either a per capita cap or a block grant to the states. Under both methods, funding would not keep pace with need, and those who should qualify for Medicaid would see their benefits either drastically cut or eliminated.

A draft plan by seven Republican governors obtained by the Associated Press calls for a change to Medicaid from an open-ended federal program to one designed by each state within a financial limit. While agreeing in principle with the Medicaid cuts, the governors want input on how to impose them under any Obamacare

replacement legislation.

The group of governors includes John Kasich, Ohio; Rick Snyder, Michigan; Doug Ducey, Arizona; Bill Haslam, Tennessee; Gary Herbert, Utah; Brian Sandoval, Nevada; and Scott Walker, Wisconsin. A Supreme Court ruling left it up to the states to decide whether or not they participate in the Medicaid expansion. Of this group, Arizona, Michigan, Nevada and Ohio agreed to the expansion, while Tennessee, Utah and Wisconsin did not.

A total of about a dozen states with Republican governors have taken part in the ACA Medicaid expansion, and they are concerned about the popular outcry and political fallout if beneficiaries are suddenly cut off the program. The proposal from the group of seven governors was to be presented to the Republican Governors Association meeting in Washington, DC on Saturday.

Under the current Medicaid law, adopted in 1965, spending is shared between the federal government and the states, with each paying a set percentage of the cost per beneficiary. In return for the matching funds, states must meet certain requirements for coverage set by the federal government.

Total spending on Medicaid topped \$552 billion across all states in 2015. It consumed an average of about 19 percent of state budgets, according to the Kaiser Family Foundation, which is why it is a major target for dismantling by the ruling elite and big business. Republicans in Congress and governors alike are attempting to advance the illusion that drastic spending cuts can be tempered by allowing states more "flexibility" in imposing them.

An internal documents obtained by Vox from the Republican Governors Association meeting states: "Given that both of the options described above would

transfer significant risk to the states, it is imperative that the federal-state partnership around Medicaid is transformed to ensure that states can efficiently and effectively manage their programs.”

Specifically, the Republican Governors public policy committee indicates that states would be willing to support significantly less funding for Medicaid expansion if they think people who lose coverage can find it in the private marketplace.

The chances of those individuals losing coverage finding quality, affordable health insurance coverage under either Obamacare itself or any of the Republican replacements are slim to none.

Under the ACA, some people receive subsidies based on income toward purchasing coverage from private insurance companies. Under all Republican plans, these subsidies would be scrapped, replaced with tax credits based on age only. Under one House bill, people under 30 would receive \$2,000 annually, and this would double to \$4,000 for people over 60. The credits would be the same for people of a similar age, whether they are billionaires or live below the poverty line.

According to the *Wall Street Journal*, more than a half dozen states are already moving to overhaul their Medicaid programs in advance of any repeal and replace legislation, seeking federal permission to impose coverage restrictions on recipients. These include unprecedented changes, such as drug-testing enrollees and imposing lifetime enrollment caps. Other states want to lower the income level for states to charge premiums.

Maine’s Republican governor, Paul LePage, is requesting a waiver to limit most people on Medicaid to five years of benefits and impose work requirements and a five-year lifetime cap for non-disabled adults. Mary Mayhew, commissioner for Maine’s Department of Health and Human Services, told the *Journal*, “We would not have been anywhere near as optimistic [previously] as we are with the Trump administration in their desire to provide flexibility to the states.”

Ohio Governor Kasich has put forward a proposal that would require some adults on Medicaid who earn above the federal poverty level to pay a premium. The provision was previously rejected by the Obama administration. Wisconsin Governor Walker wants to introduce drug-testing for beneficiaries.

A Senate bill in Missouri would direct the state to

seek a waiver to change the federal funding for Medicaid into a block grant, enabling them to design a program that could include work requirements, co-payments and premiums for some enrollees.

In their efforts to repeal Obamacare, Trump and the Republicans are seeking to do away with the few fig leaves of protection afforded by the ACA, such as subsidies and Medicaid expansion, to target Medicaid and ultimately Medicare—the health insurance program for the elderly and disabled—for cutbacks and privatization.

The Affordable Care Act has never provided anything approaching the near-universal, quality, affordable care touted by the Obama administration. Designed to channel increased profits to the health care industry and cut costs for the government and corporations, it is intrinsically tied to the for-profit health care delivery system in America.

Any Republican replacement for Obamacare will keep in place those measures that boost the profits of the insurance companies, pharmaceuticals and the giant health chains. They will also keep in force those mechanisms that aim to ration and cut costs, both in the individual market, employer-sponsored health care, and the Medicare program.

Obamacare is projected to cut Medicare spending by \$716 billion over the 2013-2022 period, and House budget proposals to date have kept these cuts in place.



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