

# Arkansas' model Medicaid experiment in jeopardy

December 17 2014, by Andrew Demillo

---



In this photo taken April 23, 2013, Arkansas Gov. Mike Beebe, center, surrounded by legislators, comments after signing a Medicaid bill at the Arkansas state Capitol in Little Rock, Ark. Arkansas became the first southern state to expand its Medicaid program in a way that many Republicans found acceptable. (AP Photo/Danny Johnston)

(AP)—Arkansas became the first southern state to expand its Medicaid program in a way that many Republicans found acceptable. The state bought private insurance for low-income people instead of adding them

to the rolls of the Medicaid system, which GOP lawmakers considered bloated and inefficient.

Now Arkansas could be on the brink of another distinction: becoming the first to abandon its Medicaid expansion after giving coverage to thousands of people.

A wave of newly elected Republican lawmakers who ran on vows to fight so-called "Obamacare"—including the state's "private option" Medicaid expansion—has raised doubts about the future of a leading model for conservative states to gradually adapt to the federal [health care law](#). Arkansas' incoming Republican governor, Asa Hutchinson, is remaining mum on the plan's fate.

"I think there's one thing that's clear and that's the private option is not going to exist in its current form," said Senate President Jonathan Dismang, one of several Republicans who helped craft the program and is pushing for its continuation.

What happens when the Legislature meets next month could show whether there's a way forward for anti-Obama states to adopt parts of the [health care](#) law.

The prospect of losing their new insurance is already causing anxiety among some of the 213,000 people in Arkansas who got coverage.

"It's a big concern," said Arwen Dover, who works at a Little Rock store that sells flags and has been seeing a doctor for [high blood pressure](#). "Right now, I'm dependent on the medicine I am taking. To lose it completely would be like starting all over again."

Twenty-seven states and the District of Columbia, most of them dominated by Democrats, agreed to expand their Medicaid programs to

cover more low-income people under the health overhaul. The states that rejected the expansion, and the federal funds that came with it, were mostly Republican-leaning. A few GOP-led states looked for compromises. This week, Tennessee's Republican Gov. Bill Haslam announced plans for an alternative model to expand coverage.

Arkansas' hybrid approach was worked out by outgoing Democratic governor Mike Beebe and the Republican-controlled Legislature. The program uses money that would otherwise go to expanding Medicaid to purchase the private insurance for the newly eligible.

Subsequently, Arkansas, which has a high poverty rate, experienced the largest drop in uninsured in the country—from 22.5 percent in 2013, to 12.4 percent, according to a Gallup survey released in August.

But the Republican Party made major gains nationally in the midterm election by running hard against the federal health care law. Democrats in Arkansas, who have been unanimous in their support for the expansion, were routed. Beebe is leaving office in January because of term limits.

Hutchinson has acknowledged the expansion's benefit to hospitals, which wound up caring for fewer uninsured patients, but said he's worried about Arkansas' eventual share of the costs, which begins at 5 percent in 2017 and rises to 10 percent by 2020.

"There's a cost aspect to it which I've said throughout the campaign needs to be measured," said Hutchinson, who said he won't reach a decision before late January.

Continuing the program will also require a three-fourths vote in the House and Senate. Supporters barely cleared that threshold in the last session, and that was before the arrival of the newly committed anti-

Obamacare candidates.

"I don't believe we can afford it," said Republican David Wallace, one of the new House members.

Supporters say the program will at least need to change, but offer little details on what they're considering.

Executives of hospitals are pushing hard for the program's continuation.

"I think the private option is working exactly as intended," said Bo Ryall, president of the Arkansas Hospital Association.

The fight in Arkansas mirrors the larger fight within the GOP over whether to focus on changing the health law or just repealing it.

"Arkansas is going to be ground zero for which side of the argument wins," said Joan Alker, executive director of the Georgetown University Center for Children and Families.

Yvonne Rosebud, a housekeeper who lost her job at a West Memphis hospital that closed earlier this year, said she's uncertain what she would do if she loses the coverage she's receiving under the private option. Rosebud makes \$255 a week in unemployment payments, and said she wouldn't be able to afford insurance on her own.

"I wouldn't have been able to go to the doctor like I should without this," said Rosebud, 61, who has high blood pressure and diabetes. "With this insurance, it's really helping."

© 2014 The Associated Press. All rights reserved.

Citation: Arkansas' model Medicaid experiment in jeopardy (2014, December 17) retrieved 23

May 2024 from <https://medicalxpress.com/news/2014-12-arkansas-medicaid-jeopardy.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.