

# Arkansas' 1st-in-the nation Medicaid expansion survives

February 5 2015, by Andrew Demillo

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(AP)—Arkansas' first-in-the-nation program using federal funds to purchase private insurance for the poor survived another year after the state House reauthorized the program on Thursday, despite an influx of new Republican lawmakers elected on a vow to kill the hybrid Medicaid expansion.

The House voted 82-16 to reauthorize funding through June 30, 2016, for the "private option" that was crafted two years ago as an alternative to expanding Medicaid under the federal health law. Arkansas was the first state to win federal approval for such an approach, touted as a compromise for Republican-leaning states.

The reauthorization heads to Republican Gov. Asa Hutchinson, who two weeks ago called on lawmakers to continue the program while a proposed task force looks at alternatives for covering the more than 213,000 currently on the program. The House approved legislation setting up the task force by an 80-16 vote, sending the bill to the Senate for a final vote.

The private option had sharply divided Republicans, who control the state Legislature and have made major gains primarily by running against President Barack Obama's [health care law](#). The future of the program appeared in jeopardy after the election of several new lawmakers whose campaigns focused almost exclusively on ending the private option.

Twenty-eight states and the District of Columbia have agreed to expand Medicaid under the health law since the U.S. Supreme Court ruled in 2012 that the decision was up to states and not mandatory.

Hospitals have credited the private option with cutting the state's uninsured rate and saving them millions of dollars. But opponents have cited the eventual cost when the state is required to pay for part of the expansion—5 percent in 2017 and 10 percent by 2020. Hutchinson noted the estimated cost to the state when it begins paying for 10 percent is nearly \$222 million.

Hutchinson's plan could set the stage for another fight over Medicaid expansion next year. The proposed task force would be required to issue recommendations next year, including larger reforms to the Medicaid system. Its recommendations could include calling for another hybrid approach to expanding Medicaid.

The Legislature also faces another vote on funding the program next year, since Arkansas' constitution requires the state to budget on an annual basis.

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