

# GOP governors outline health care plan, Medicaid changes

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Ohio Gov. John Kasich walks out of the White House in Washington, Friday, Feb. 24, 2017, to speak with reporters following a meeting with President Donald Trump. (AP Photo/Evan Vucci)

Republican governors from seven states are calling for dramatic changes to Medicaid, which provides insurance to more than 70 million low-income Americans, as they nervously watch President Donald Trump and GOP congressional leaders move to repeal and replace the Obama-

era health law.

At the same time, they're telling Washington: Don't scrap the Affordable Care Act without a viable alternative.

According to a draft of the proposal obtained by The Associated Press, the governors are urging Congress to adopt an alternative that would change Medicaid from an open-ended federal entitlement to a program designed by each state within a financial limit. Led by Ohio Gov. John Kasich, a frequent critic of some GOP proposals on health care, the governors plan to present their proposal at their annual meeting in Washington on Saturday.

In addition to Kasich, the governors are Arizona Gov. Doug Ducey, Tennessee Gov. Bill Haslam, Utah Gov. Gary Herbert, Michigan Gov. Rick Snyder, Nevada Gov. Brian Sandoval and Wisconsin Gov. Scott Walker.

At the heart of the document is concern among Republican governors they would bear the consequences if Congress scraps the health care law, shifting costs to the states, and jeopardizing coverage for millions of people who gained it under Obamacare's expansion.

"We must ensure that people do not have the rug pulled out from under them and are not left without access to care, especially during the transition," the draft says.

The proposal, if adopted by the Republican Governors Association on Saturday, would be submitted to leaders in the GOP-controlled Congress as House Republicans prepare to unveil their plan. Kasich met in Washington on Friday with Trump to discuss the plan, and described the president as having "listened very carefully to what I had to say about it."



Ohio Gov. John Kasich responds to reporters as he arrives at the White House in Washington, Friday, Feb. 24, 2017, for a meeting with President Donald Trump. (AP Photo/Evan Vucci)

The governors represent states that expanded Medicaid despite strong GOP opposition and others that did not. Arizona, Michigan, Nevada and Ohio all agreed to expand Medicaid coverage under the federal law, in return for federal reimbursement to cover uninsured lower-income residents who would not have otherwise qualified. Tennessee, Utah and Wisconsin did not.

According to the Kaiser Family Foundation, Medicaid consumed an average 19 percent of state budgets in 2015, the most current year available, ranging from 7 percent in Utah to 41 percent in New Hampshire.

The governors' proposal calls for putting states in charge of the program, but the federal government would continue to pay for most of it.

"Flexibility is necessary to improve Medicaid program performance, but states also need adequate funding within a new financing structure to effectively manage the Medicaid program," the draft plan said.

It's far from clear whether House Republicans would accept such a deal. Many congressional Republicans want to rewrite the basic financial contract for Medicaid. Republicans are proposing to limit future federal funding in exchange for allowing states much more leeway to run their programs.

Budget hawks including House Speaker Paul Ryan, R-Wis., support the kind of program flexibility GOP governors are seeking, but chiefly want to spend less on Medicaid.

Despite facing a likely battle, the governors involved in the plan represent states with influential Republican senators.



New Jersey Gov. Chris Christie, left, talks with Arizona Gov. Doug Ducey while attending a luncheon hosted by Vice President Mike Pence with other governors at the Naval Observatory Washington, Friday, Feb. 24, 2017. (AP Photo/Susan Walsh)

The plan also seeks an unspecified but "appropriate transition period," as it could be years for a new system to be enacted.

One of the vexing questions before lawmakers is how an alternative to the seven-year-old law would compensate states to subsidize coverage for Medicaid. The Republican governors come down decidedly against block grants, flat sums with far fewer restrictions than the federal law.

Instead, they support "per-capita caps" that can be adjusted for factors such as the number of people being covered. One of the most expensive groups of beneficiaries, those enrolled in Medicare and Medicaid, would

not be included in the caps.

On the coverage side, states would eventually gain authority to control their Medicaid rolls to manage costs, could establish employment criteria for "able bodied" adults and charge recipients a modest amount.

A recent Kaiser Family Foundation poll shows that 8 in 10 people nationally say lawmakers should preserve federal funding that has allowed states to add coverage for roughly 11 million low-income people. Almost 7 in 10 Republicans agreed, according to the survey by the nonpartisan group.

Nevada's Sandoval said Medicaid enrollment doubled to 640,000 in his state as the result of the state's expanding coverage under the health care law. He, as is noted emphatically in the proposal, wants governors to be part of the decision-making.

"I think it's important that before they make any decisions, they communicate with us," Sandoval said. "I don't want to see a cost shift. That would create a greater burden for my state as well as many others."

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