

Kentucky's Obamacare Dilemma a Warning for National GOP

If Matt Bevin won't undo the Medicaid expansion with the stroke of a pen, what will Republicans in Congress do?



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Republicans scrambling to balance Obamacare repeal promises with the concerns of newly insured constituents may be in for a longer slog than expected—just ask Kentucky Gov. Matt Bevin.

More than a year after Kentucky elected Republicans up and down the ballot, including Bevin, on the promise of unraveling the health care law, major tenets of the Affordable Care Act still remain in place. GOP leaders, faced with hundreds of thousands of constituents who gained coverage from law, have turned their focus to reforming the state's Medicaid expansion, as opposed to full repeal. Even the state's two Republican senators, Majority Leader Mitch McConnell and Rand Paul, remain split on how to tackle the issue at the federal level.

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For national Republicans, many of whom saw taking control of the White House as their last roadblock to health care reform, the warning signs from Kentucky are daunting.

Kentucky's Medicaid expansion, done by executive order under Democratic Gov. Steve Beshear, could be undone just as easily by Bevin, who early in his gubernatorial campaign suggested such a move. But just as congressional Republicans returned to raucous town halls in their districts across the country last month, the political reality in Kentucky has proved much more complicated.

Under Beshear, who gave the Democrats' response to President Trump's joint address Tuesday night, Kentucky accepted federal dollars and added nearly a half-million people to its insurance rolls. The state saw the biggest drop in the number of uninsured people in the country.

"Our expansion ended up bringing about 500,000 people into coverage, most of them for the first time in their life," Beshear said in an interview Wednesday. Outlining the numerous studies he commissioned on the move as governor, Beshear said there was "no objective evidence that expanded Medicaid in Kentucky is not sustainable or affordable."

As they have on the national level, Republicans in Kentucky vehemently dispute the Democrats' success story. Josh Holmes, who served as chief of staff under McConnell, said the program drove up premiums for residents not in the program, and ran insurers out of the state.

Now, Republicans say they've been left holding the bag on a program the state can't afford to continue after the federal funding decreases, but that would be a political nightmare to end.

"The main thing about Obamacare, whether it's Kentucky or any other state, is that it's not sustainable," Rep. James Comer of Kentucky said in an interview with *National Journal* Tuesday.

"Bevin said during the campaign he was going to disconnect the exchange and repeal on day one," said Comer. "Obviously the major tenets of Obamacare are still in place in Kentucky. The problem is, the bill is coming, and the governor is right in that we need to look to the future."

If Bevin, one of the most conservative governors in the country, can find a satisfactory path to preserving his state's expanded health care system, Kentucky could offer a glimmer of compromise on an issue that has so far left national Republicans gridlocked.

Notably, Paul's proposal in the Senate calls first for a full repeal of Obamacare, but then for a replacement plan that kicks Medicaid expansion back to the states, where they would have to pay for it themselves.

“The problem with the Medicaid expansion is that the people who want it need to explain how are they going to pay for it,” Paul said. “Having the federal government pay for it doesn’t pay for it.”

Instead of ending the state’s Medicaid expansion—which Bevin says is still on the table—the governor requested a waiver that would allow the state to make changes to the program, reining in the costs. It needs approval from the Health and Human Services Department, and Democrats complain that it would put some of the country’s toughest restrictions on people seeking Medicare coverage.

Bevin insists that his thinking hasn’t changed on the idea of who should be covered by Medicaid, and he said in an interview Wednesday that he’s still “not enamored with” the expansion. As for the politics, Bevin said his plan is aimed at solving a problem with coverage quality, not to avoid a political pitfall of kicking constituents off the rolls. If the waiver isn’t approved, he says he’ll end the expansion immediately, and isn’t afraid of backlash from constituents.

“This is an opportunity, through this waiver, to transform this in Kentucky, but also in America because if we can do it here, it will be a model for the nation,” Bevin said.

Democrats are quick to point out that under Republicans’ own estimations, the waiver program would cover nearly 90,000 fewer constituents over the course of five years. But, compared to the hundreds of thousands who received coverage, such a compromise might not be that bad.

“People are waking up to the considerable benefits that the ACA has provided, and in Kentucky you saw a little preview of that,” said Emily Parento, the executive director of Kentucky’s Office of Health Policy under Beshear. “There hasn’t been a large constituency, at least in Kentucky, who have put their names behind repealing the Affordable Care Act or otherwise scaling back access to care. Nobody is clamoring for reduced access.”

And while Bevin’s moves may be a warning sign for Republicans, Democrats see in them signs of hope.

“The fact that the governor here campaigned on doing away with the whole thing and now is simply trying to get a waiver to reduce the number of people who are involved, may be a good omen for the future,” Beshear said.

Alex Rogers contributed to this article.  SHARE  TWEET  EMAIL

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