



A Field Guide to the Politics of ObamaCare Implementation

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The Affordable Care Act of 2010 has remained in the national spotlight through tense Congressional votes, cliffhanger court decisions, and the pivotal 2012 election. But now the dramatic storylines are unfolding in fifty states. Will each state accept federal dollars to expand Medicaid to uninsured low-income adults? Will states set up “exchanges” where residents can comparison-shop for health plans and learn if they are eligible for premium subsidies?

With core parts of Affordable Care set to take nationwide effect on January 1, 2014, most states are following partisan scripts to answer these questions. But not entirely, because Republicans are cross-pressured, with business groups often at odds with Tea Partiers. Citizens and analysts need a field guide to implementation challenges that vary by political context.

Twenty Full-Go States, Home to 44% of Americans

So far, twenty states have decided to expand Medicaid and either set up their own exchanges or do so in partnership with the federal government. States where Democrats hold governorships and dominate the legislature are uniformly committed. But the full-go states also include four with split control of governorships versus legislatures (New Mexico, Nevada, Arkansas, and Kentucky), as well as Iowa where the Republican governor has worked out approaches acceptable to legislators in both parties. In these states, what to look for is clear:

- Will the new exchanges offer people a choice of effectively regulated plans at good prices?
- Will strong outreach programs inform uninsured residents about eligibility for Medicaid or premium subsidies on the exchanges? Do efforts reach the poor, minorities, and rural people?
- Will premiums for individuals and small businesses spike or only moderately rise for benefits of superior quality? Whether reform is a “good deal” will be hotly debated.
- As inevitable glitches and delays occur, how steadily will they be fixed?

Varied experiments will be equally fascinating to track. Arkansas, for instance, hopes to use Medicaid funds to subsidize private insurance purchases by poor residents, and Vermont aims to set up a unified public insurance system by 2017. Hawaii and Massachusetts already have nearly universal insurance coverage. They worry that new national rules could lower standards, and hope to use ObamaCare to improve quality and lower costs.

Twenty-five Refusnik States, Where 53% of Americans Live

Half the states crowd into the “just say no” camp. They won’t take 100% federal subsidies to expand Medicaid, and they are deferring to national officials to create their exchanges. Many of these states have legislatures with Republican “super-majorities” able to stop Democratic governors or override vetoes. Others have GOP governors adamantly opposed to ObamaCare – such as Rick Perry in Texas, Bobby Jindal in Louisiana, Scott Walker in Wisconsin, and Paul LePage in Maine. But others have Republican governors who have been persuaded by hospital executives and business groups that it would be economically wise for their states to accept billions of dollars in new Medicaid funds. So far, such compromise-minded GOP governors as Rick Snyder in Michigan, John Kasich in Ohio, and Rick Scott in Florida have not been able to persuade their legislatures to go along – although things could change in the next year or two, as they may in divided states like Virginia.

The story lines to follow in refusnik states are obviously different from those for full-go states:

- Affordable Care requires exchanges to be set up by the federal government if states refuse. Will officials in some refusnik states quietly cooperate? Where they do not cooperate, can federal officials manage to set up an exchange and do effective outreach to citizens?
- In states that do not accept the Medicaid expansion now, will hospitals, health care providers, and consumer advocates continue to push Republicans to act in time for 2015 or 2016? In debates and elections, will pro-Medicaid interests outmaneuver (or be defeated by) ultraconservative Republicans opposed to health reform on ideological principle?
- Will refusnik politicians suffer for turning away new Medicaid money or, instead, benefit from blocking ObamaCare? Especially in states such as Florida, Maine, Michigan, Ohio, and Pennsylvania carried by Obama in 2012, the next election in 2014 may bring early answers.

A Handful of States Doing the Unexpected

Not every state falls into the polar camps. Republican-dominated Idaho, for example, refuses the Medicaid expansion yet is setting up its own business-friendly health insurance exchange. And three other GOP-led states – North Dakota, Arizona, and New Jersey – have bucked their party’s near-consensus to sign on to the Medicaid expansion. Will their Medicaid reforms be successful, and how will their choices shake out politically – especially for leading politicians like Republican New Jersey governor Chris Christie, who has obvious presidential aspirations?

When Will We Know the Bottom Line?

Although politicians and media commentators want to reach instant conclusions, 2014 is only the opening round. Telling changes will unfold in 2015 and beyond. Here is what to look for:

- Outreach is vital. **Will uninsured minorities, rural residents, and young people sign up?**
- Opponents may hype every setback, but **fair-minded observers will assess trends in the full-go states** – and probe to see which ones steadily improve outreach, regulation, and cost controls.
- **Will there be enough care providers?** Key things to note are regulatory reforms to empower nurse practitioners, plus the expansion of community health centers to serve poor populations.
- **How will states influence one another?** Will clusters of refusnik states hold out and leave many uninsured? Will states that excel at outreach and cost control set the standard for others?

By 2024, ObamaCare may cease to be a partisan flashpoint, as most states converge on relatively effective ways to guarantee coverage and control costs. Most Americans will judge reform a success if they experience concrete improvements in access to affordable, secure coverage.