



Can 'Insure Oklahoma' Survive Contentious Politics?

JeVonna Caine, University of Oklahoma

The health status of Oklahoma falls in the bottom fifth among all U.S. states, and many state residents lack health insurance coverage that could ease their access to ongoing care. Back in 2004, state authorities took an important step by enacting Insure Oklahoma to help many low-income working adults gain affordable coverage. But in recent years, conservative Republicans have gained control of state offices, and they are adamantly opposed to cooperating with the federal government to implement the national Affordable Care health reform law. Ongoing partisan battles endanger past gains and future options for insuring low-income people.

A Home-Grown Program

Starting in 2005, Insure Oklahoma provided subsidies to help pay for health insurance for working adults between the ages of 19 and 64 who earned annual incomes less than 200% of the federal poverty level. The federal government modified rules for Medicaid to provide most of the funding, and the state used revenues from a tax on tobacco products to cover 36% of the costs. The program helps low-income Oklahoma workers in two ways:

- *Employer-Sponsored Insurance* pays the employee portion of costs for private health coverage offered through businesses with fewer than 100 employees.
- The *Individual Plan* helps pay for coverage through Medicaid for low-income employees not eligible for employer-provided health insurance, and also for self-employed and temporarily unemployed adults and some disabled adults. The benefit package is modified from traditional Medicaid and individual workers are responsible for paying a greater share of the cost of their coverage than very poor people covered by SoonerCare, Oklahoma's traditional Medicaid.

By now, Insure Oklahoma helps around 21,000 Oklahomans obtain affordable health insurance – and in the process also benefits some 4,600 businesses and many health care providers in the state. What is more, even before national health reform was debated in Washington DC, Oklahoma was moving to build on the foundations created by Insure Oklahoma. Over two years leading into 2009, key stakeholders – officials, businesses, and health care providers – convened to consider ways to reduce the uninsured population. They developed what was called the State Coverage Initiative to further expand insurance. Backed by former Governor Brad Henry and the Board of Health, this plan called for additional state funds to subsidize coverage for the remaining uninsured, and it would also have instituted a health insurance mandate and guaranteed the availability of affordable health plan options.

The Affordable Care Act and a Transformed Political Climate

In 2010, the Affordable Care Act, national health reform, was signed into law; and in the same year elections across the country and in Oklahoma brought turnarounds for the history books. For the first time in Oklahoma history, all eleven of the executive branch positions were won by Republicans – in place of Democrats who had previously held most offices. The newly installed very conservative Republicans did not agree with the federal health reform law – including its version of expanding Medicaid coverage – and they sought to do everything possible to block implementation in the state. They also repudiated the State Coverage Initiative as the work of defeated Democrats with no place in the new order.

Beyond political deadlock over further expansions of health insurance with federal funding, the Oklahoma political stand-offs after 2010 also imperiled the continuation of the Insure Oklahoma reforms, which are now “noncompliant” with the national health law. From the perspective of Oklahoma Republicans, this situation amounts to yet another improper infringement of the federal government on states’ rights and Oklahoma sovereignty. Affordable Care’s nationwide expansion of Medicaid with new funding and rules is not understood as a benefit by these Republicans; instead, they reject it as a federal power-grab.

Flexibility is the key issue for GOP officials. They want to make decisions concerning Medicaid on the state level without much input – beyond no-strings money – from the federal government. The perceived lack of flexibility is a key reason current Oklahoma officials give for not wanting to compromise. On ideological principle, they reject the federal Medicaid expansion and are willing to risk the cessation of Insure Oklahoma. The federal government recently approved a special state request to continue that program unchanged for one more year, through 2014. But thereafter it will lapse if state and national authorities are unable to agree on modifications.

What Happens Next?

Prospects for subsidized health insurance for low-income Oklahoma residents lie in the balance as state authorities ponder options and trade-offs.

- Leavitt Partners, an independent consultant hired by the state recommended that **Insure Oklahoma be modified to make it fit into Affordable Care as a quasi-Medicaid expansion** with features specific to Oklahoma. But Republican legislators staunchly oppose this option.
- The state could simply **terminate Insure Oklahoma**, withdrawing insurance from more than 21,000 residents. Favoring this approach, conservative GOP Speaker of the Oklahoma House, T.W. Shannon, who has recently stepped down, believes that providing coverage to the uninsured is not a proper government function.
- Republican Governor Mary Fallin is reluctant to toss so many off health insurance and is trying to **persuade federal authorities to accept Insure Oklahoma without modifications**. For many Republicans in the state, sticking to their guns is the only appealing option. But federal authorities cannot suspend the national law for long.
- The final option is for Oklahoma to **accept the new federal funding and fully expand Medicaid under the Affordable Care Act**. This approach would reduce the large ranks of the uninsured and generate economic growth. But right now this course is politically impossible.

Ironically, the home-grown Insure Oklahoma program had gone some ways toward meeting the goals of national health reform before 2010. Will the earlier gains now fall victim to ideological battles? The future is uncertain, but clearly a compromise must be forged if Oklahoma is to protect and expand access to affordable health insurance and care for its most vulnerable people.