



## **GOP faces limited options on Medicaid**

By Nathaniel Weixel and Rachel Roubein - 02/08/17 02:51 PM EST



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Changing Medicaid is one of the touchiest fights within the GOP effort to replace ObamaCare, and could become even more toxic if Republicans decide to bring children's health insurance into the mix.

Among the options under discussion to reform the state-federal health insurance program for the needy is tacking the provisions onto a separate funding renewal for the Children's Health Insurance Program, according to several lobbyists familiar with the negotiations.

“It could be the same vehicle, whatever the vehicle is,” Rep. **Tim Murphy** (R-Pa.), chairman of the House Energy and Commerce Oversight and Investigations Subcommittee told The Hill Extra. Murphy added his priority is to reform Medicaid first. Figuring out a way to get those reforms passed “is still to be decided,” Murphy said.

Congressional Republicans campaigned on repealing ObamaCare’s Medicaid expansion and making massive changes to how it is financed. Those members are now scrambling to understand the ramifications of fulfilling their promises, and GOP governors have also made it clear they will hold Congress responsible if people start losing insurance coverage.

“Right now, Republicans are looking at exploring and contemplating any vehicle that could get them to a place where they could check the box to fulfill their campaign rhetoric,” one Medicaid lobbyist said.

Moving Medicaid to block grants or per capita caps and other reforms promised by Republicans is especially tricky since some GOP governors bucked their party and expanded the program. And those who didn't expand the program want to make sure they're not punished for adhering to the original party line. The majority of states — 31 and Washington, D.C. — have taken federal funding to expand Medicaid coverage, including 16 Republican governors.

Getting the changes through Congress could be a problem. Getting them tacked onto "must pass" legislation is seen as the most likely path, but there are limited options this year for that approach, including renewal of the Food and Drug Administration user fees, CHIP funding and the likely-to-pass ObamaCare reconciliation bill.

But the path forward is yet to be determined, as negotiations are ongoing.

### **Political difficulties.**

The GOP won't be able to pass Medicaid restructuring as standalone bills without Democratic support in the Senate, and there aren't many other ways for it to get done. Republicans looking at CHIP could use it to try to force the hands of Democrats.

CHIP is seen as a must-pass bill. Its funding is up for renewal, and it is historically bipartisan. Advocates say Republicans should know better than to hijack the program to try to jam Democrats with Medicaid reform.

“If you think about the politics, you're not going to get a lot of support” for using CHIP, **Bruce Lesley**, president of the children’s advocacy group First Focus, told The Hill Extra. “There’s a recognition, particularly on the Senate side, [that] that’s a little nonsensical.”

And Democrats won't be so willing to negotiate.

“Medicaid is a holy grail for Democrats,” a lobbyist on Medicaid issues said. If Republicans want to take the risk of CHIP running out of money, Democrats will be more than willing to let them.

“I would oppose any effort on their part to repeal the Medicaid expansion or block grant Medicaid or make any changes to Medicaid that would reduce funding or reduce coverage,” Rep. **Frank Pallone Jr.** (D-N.J.), ranking Democrat on the House Energy and Commerce Committee, told The Hill Extra.

### **Legislative vehicles.**

Speaker **Paul Ryan** (R-Wis.) has said Republicans aim to pass an ObamaCare repeal reconciliation bill — the fast-track budget maneuver needing just 51 votes to pass in the Senate — by March. The aim is to include some Affordable Care Act (ACA) replacement measures, but that doesn’t leave much time for Republicans to solve their intraparty differences on Medicaid.

Another must-pass measure is the reauthorization of Food and Drug Administration user fees. Additional measures are likely to deal with issues like drug pricing and FDA reforms, and Medicaid changes aren’t in the scope of what user fees can accomplish.

Then there's CHIP, which must be reauthorized Sept. 30 so it doesn't run out of money. Adding Medicaid legislation makes sense in theory, some lobbyists said, because the two programs' goals are closely aligned — providing health coverage to those who can't afford it.

But advocacy groups and health experts say there’s growing recognition from lawmakers that Medicaid is going to be much more politically messy than they had anticipated.

If Congress wanted to try to pass **President Trump**'s idea to turn Medicaid into a block grant program, “you’ll set off the biggest funding formula fight in our nation’s history. There’s a growing recognition that’s asking too much since lawmakers would likely impact the very people who carried the new President and Congress into power,” Lesley said. “You can’t have a vehicle where everyone ends up being against it.”

Several advocates for groups particularly vulnerable to changes in the way Medicaid is funded are gearing up for a pitched battle.

“We think those living in rural areas could be hit the hardest if Medicaid dollars get reduced,” said **Bruce Bowden**, a National Association of Counties health care lobbyist. Of 11 million people insured through Medicaid expansion, 21 percent live in rural areas, he said.

And some question how long neglected services such as mental illness and drug addiction treatments will fare if federal Medicaid funds to the states are slashed.

ObamaCare offered states the ability for the first time to provide Medicaid coverage to adults without children, with the federal government paying most of the bill. That change, and the law’s mandate that all insurers cover addiction treatment at the same level as medical and surgical procedures, has allowed states to ensure low-income people can get the care they need, said **Linda Rosenberg**, CEO of the National Council for Behavioral Health.

“If Washington curtails its commitment to Medicaid, most states would be unable to come up with the extra money and would have to scale back efforts to get more people into treatment,” said Rosenberg. “Not only would low-income adults already in treatment be in jeopardy of losing coverage for their continuing care, but budget-strapped states likely would be unable to help others get out of homeless shelters and jails and into treatment.

A spokesman for the Corporation for Supportive Housing (CSH), a national group that works to create permanent housing for the homeless and others in need, agreed.

“It would be disastrous to make draconian cuts to Medicaid, regardless of how they are packaged,” said **Robert Friant** of CSH. “The decade-long decline in homelessness speaks to the success we have had housing people, getting them off the streets, making them healthier and placing them on paths to independence. Why would Congress now pull the rug out from under their feet by taking away the health coverage that’s been instrumental in changing their lives?”

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