Iowa State Report – A Purple State’s Hard Road to Approving Medicaid Expansion

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Iowa is a purple state

Iowa has a Republican Governor, Republican House and a Democrat Senate. Our governor, Terry Branstad, joined other Republican governors and declared his opposition to Obamacare by opposing its enactment in 2010, joining the legal fight against it in the Supreme Court in 2011, campaigning against it in 2012 and finally declaring it unsustainable and unaffordable in 2013. Thus, the Governor and the Republicans were opposed to Medicaid Expansion.

Democrats, who held the majority in the Iowa Senate, saw it differently. We wanted to pass Medicaid Expansion to fully participate with the Affordable Care Act in expanding health care to 150,000 newly eligible Iowans. All 81 health care lobbying stakeholders, including the Iowa Hospital Association, Iowa Medical Society, American Cancer Society, AARP and other organizations, joined us.

The Advocates Held Firm

The House and Senate Republicans held firm to their opposition to “Expansion” following the Governor’s lead – the federal government was broke and the state would eventually be holding the invoices for millions of health care costs. The partisan lines were drawn. The Democrat majority in the Senate and our Democrat colleagues in the House held to the basic argument that “Expansion” was an investment in Iowans’ health, it lowered costs, it would change the payment system to pay by outcomes and it would deliver health care through medical homes or through Accountable Care Organizations.

Engaging the Medicaid advocates was one of the strongest strategies that lead to the passage of Expanded Medicaid. Three months into the session, the Governor proposed his plan. It expanded healthcare to half as many Iowans at twice the cost to Iowa taxpayers. It received no stakeholder support and only moderate Republican support. They could only declare that the Governor’s proposal was a “beginning” but there was no real effort to engage Democrats in a compromise. Near the end of the session, the House Republican chair of the Budget Committee on Health and Human Services said, “I can not tell you today that I can support it [the Governor’s bill]”. That simple but courageous statement was a warning shot to the House Republican caucus that they better get serious about meeting with the Senate Democrats.

The pressure grew on the Republicans as the session progressed. The stakeholders exerted an enormous amount of pressure on the House Republicans and Governor. There were dueling press conferences between the Governor’s office and stakeholders and Senate Democrats. The Governor and Republican legislators were bombarded with calls and emails, and the advocates attended their weekend forums. This constant pressure started immediately after the Supreme Court’s decision; first, by the Iowa Hospital Association, clearly one of the most powerful lobbying groups in Iowa, then followed by AARP, Medical Society and 81 additional stakeholder groups.

This created a constant drumbeat that was reported by every newspaper in Iowa. The Des Moines Register, the only statewide daily, began their editorial support for Medicaid Expansion and their opposition to the Governor’s Plan. Their aggressive stance against the governor ignited his irritation by using the paper’s fourteen editorials against him as a fundraising ploy in trying to create sympathy for his position. It did not work. Every major daily disapproved of his plan and supported the Democrats plan.

Democrats would not Adjourn until Medicaid Expansion passed

To compliment my Republican colleagues, they knew that the Governor’s proposal was weak but the political positions were just too entrenched against a compromise early in the session. To add to the pressure, Democrat Senators declared early that we would not adjourn the session until we passed Medicaid Expansion. The Governor doubled-down and said the federal government was broke, the state couldn’t afford it and Obamacare would destroy America as we know it. These political positions were created soon after the Supreme Court decision and carried throughout the legislative session. Clearly, one position was substantive and the other was rhetoric; the outcome would determine the ownership of these two positions.
Republican legislators felt the Heat

The Democrat Senate caucus was unanimously in support for full implementation of the ACA and we knew that the significant lobbying effort was only building to a climax that our Republican colleagues could not resist. But the session was quickly coming to a close and both sides were digging in – like a long summer hot spell, there seemed like no relief – we were in the middle of a political show down.

The first sign of an opportunity came when the Governor and the Democrat Senate Majority leader tried to broker an end of the session deal to adjourn and then call a special session to deal with Medicaid. The Senate Democratic caucus would have nothing to do with it.

Quid Pro Quo

But a breakthrough was eminent. The Governor wanted commercial property tax reduction as much as we wanted to Expand Medicaid. After three years of negotiating with the Democrats, there was an acceptable deal on reducing commercial property taxes. The Democrats maneuvered to direct more relief to small business owners while allowing the Governor to claim a political victory. The problem for the Governor was the members of the Democrat majority would not allow a vote on the compromise until we negotiated an agreement on Medicaid.

The Governor now allowed his people to “cut a deal”. The Republican House was ready to act as well. Their members were tired of the constant pressure of the health care lobby and the newspapers’ criticism of their support of the Governor’s plan and their opposition to the Democrat’s Plan. The leading Senate Democrats responsible for shepherding Medicaid Expansion began to engage friendly Republicans in the House. Negotiations started with just five days before the session would end. The lobby intensified its work and in the end, we included the Expanded Medicaid program into our HHS Budget bill. While we added a few “innovations” that required approval from CMS through an 1115 waiver, at the end of the day, Medicaid Expansion was fully authorized and Democrats claimed total victory.

We passed the bill with bipartisan support in the House but without any Republican support in the Senate. The Governor signed the bill in a public ceremony and without any hesitation declared, “the bill is both sustainable and affordable” but nothing had changed from a year earlier. The Governor was just positioning himself to offer a deal for his twice-rejected Commercial property Tax bill. He found an opportunity in Expanded Medicaid.

At least the casualties in this battle were not the poor, sick or forgotten; they will now be able to equally access the healthcare system as other Iowans. The casualties are political and only the voters in 2014 will determine whom they trust.