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The Future of Medicaid: State Legislator Views on Policy Waivers

Abstract

A survey of state legislators revealed clear partisan differences in Medicaid reform priorities and policy preferences that states are pursuing in Section 1115 waiver applications. While there was some agreement across parties on broad goals for the Medicaid program, such as reducing health care spending and increasing affordability of health care, there was little consensus on specific policy changes needed to meet these goals.

Keywords

Medicaid, state legislators, work requirements, policy

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Research BRIEF

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THE FUTURE OF MEDICAID: STATE LEGISLATOR VIEWS ON POLICY WAIVERS

Jane M. Zhu, Manik Chhabra, David Grande

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KEY FINDINGS

A survey of state legislators revealed clear partisan differences in Medicaid reform priorities and policy preferences that states are pursuing in Section 1115 waiver applications. While there was some agreement across parties on broad goals for the Medicaid program, such as reducing health care spending and increasing affordability of health care, there was little consensus on specific policy changes needed to meet these goals.

THE QUESTION

States have significant control over the design of their Medicaid programs, which now cover 72.4 million adults and children. The role of state legislators in setting Medicaid policy has become more pronounced since the Trump administration streamlined the process through which states receive Medicaid Section 1115 waivers, which allow states to waive some federal rules to test and implement coverage approaches. This increased flexibility, and reduced overall Medicaid funding, signals coming changes that could vary substantially by state. State legislators will play a major role in defining Medicaid program agendas.

In this study, the authors surveyed 7,340 state legislators to examine their Medicaid reform priorities and views towards certain policy changes. What do these policymakers see as the future direction of the program, and where is there partisan disagreement, as well as potential agreement?

THE FINDINGS

Among 894 respondents, the authors found partisan differences in prioritization of three of five major Medicaid reform goals (**Figure 1**). In a sign of common ground, most Republicans and Democrats gave high priority to making health care more affordable (84.4 percent of Republicans v. 99.2 percent of Democrats) and lowering spending (85.2 v. 68.8 percent).

However, there was little agreement on prioritizing goals such as limiting the role of the federal government (74.1 percent of Republicans v. 6.0 percent of Democrats), guaranteeing access to health care (18.8 v. 97.2 percent), and reducing health care disparities (40.9 v. 95.7 percent).

The survey also asked about legislators' support for proposed Medicaid policy changes (**Figure 2**). A majority of Republicans prioritized implementing Medicaid work requirements for able-bodied adults (84.8 percent of Republicans v. 26.7 percent of Democrats), beneficiary drug testing (62.8 v. 3.8 percent), and increasing beneficiary cost-sharing (70.9 percent v. 12.7 percent).

Figure 1. State Legislators' Support for Medicaid Reform Goals

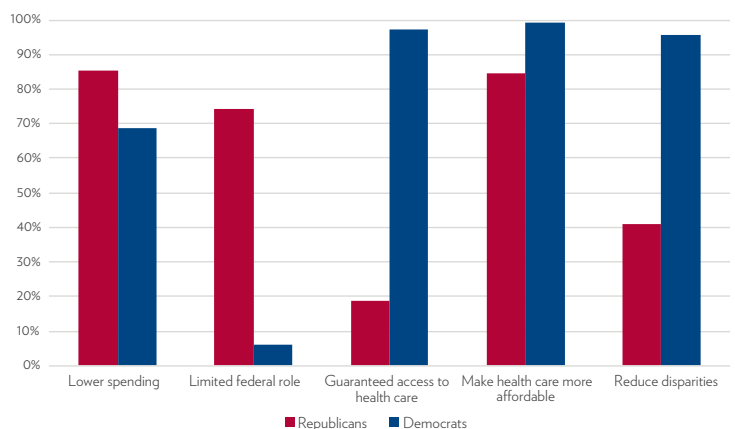
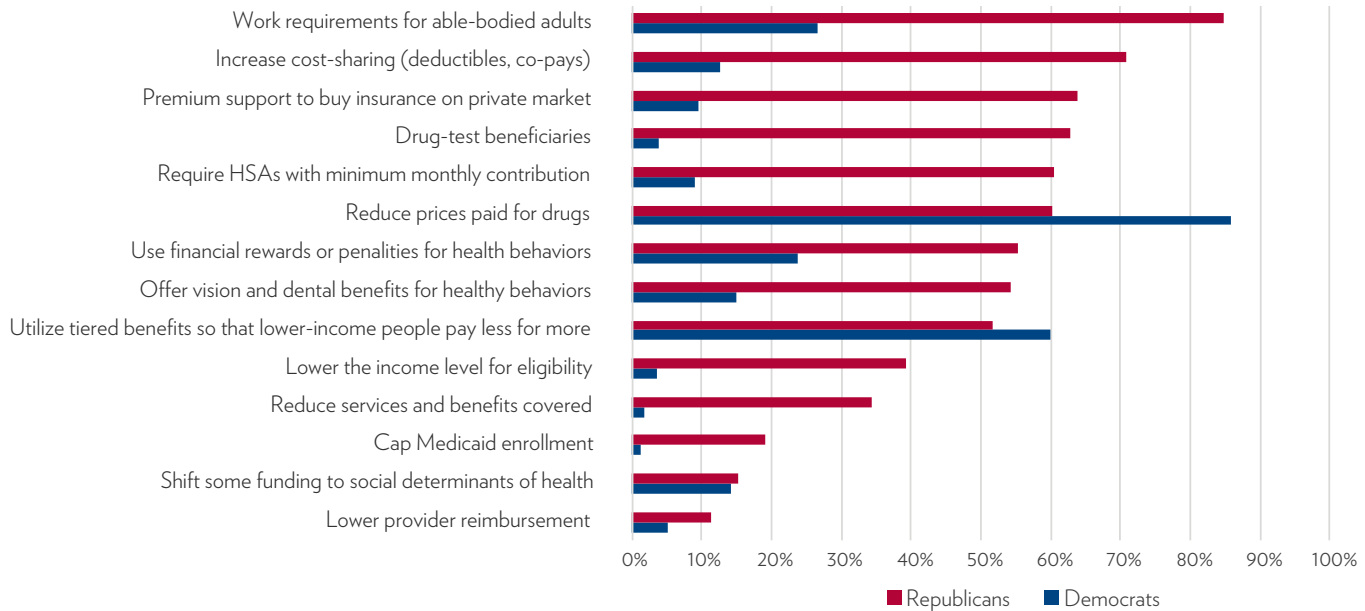


Figure 2. State Legislators' Support for Medicaid Policy Changes



There were, however, some areas of agreement. A majority of legislators in both parties identified reducing drug prices (60.2 percent of Republicans and 85.8 percent of Democrats) as a high priority. Few legislators in either party (15.1 percent of Republicans v. 14.2 percent of Democrats) supported directing Medicaid funding towards social determinants of health, such as housing.

THE IMPLICATIONS

While there is some agreement between parties on broader priorities for the Medicaid program, such as increasing affordability and lowering spending, there is little consensus on specific policy changes to achieve them. The results of this study reveal strong partisan differences around Medicaid policy proposals in state Section 1115 waivers, including work eligibility requirements, beneficiary drug testing, and increasing beneficiary cost-sharing, among others. The study also reveals little support among either party for shifting funding to address the social determinants of health, despite a strong evidence base on their impact on health.

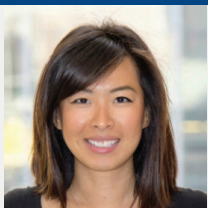
Medicaid makes up more than half of all federal revenue to states. Understanding state legislators' perspectives on Medicaid policy will be critical to informing the program's future as states gain greater control and pursue various changes. Stark ideological differences and reductions in funding could drive significant variation in program design across the country. As these changes unfold, it will be important to

disseminate current evidence to state legislators about the effects of various Medicaid policies on vulnerable populations, and to conduct more timely research on how proposed policies may affect access to care and health outcomes for Medicaid beneficiaries.

THE STUDY

The authors surveyed state legislators to evaluate policymaker priorities for Medicaid reform and preferences for Medicaid policy changes that states have proposed in pending and approved Section 1115 waiver applications. The survey was pilot-tested with state legislators and federal legislative staff, and then emailed to 7,340 state legislators listed in the National Conference of State Legislators database. The authors emailed legislators three times and contacted a small sample of non-respondents by phone, with 894 final respondents (12.2 percent response rate). Non-respondents were less likely to be health care committee members, and more likely to be Republican legislators, male, and from west or mid-west regions. While this limitation could affect the generalizability of findings, the overall response rate was consistent with that of similar studies.

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