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## Guthrie Looks to Give States More Control of Medicaid

By Marissa » « Evans , CQ Roll Call

After watching spending and enrollment balloon in his state's Medicaid program, the chairman of the House Energy and Commerce Committee's Medicaid task force says he is determined to find a way to curb costs in the entitlement program.

Kentucky Republican **Brett Guthrie** said in an interview that his vision for overhauling the joint federal-state health insurance program for the poor is summed up in three words: sustainable, transitional and flexible.

"We don't want [beneficiaries] there forever because it's not fair to them to be trapped in a program," Guthrie told CQ Roll Call. "If we can transition them to where they can be productive for themselves and improve themselves, I think upward mobility is what they're looking for."

Since November, the eight-member Republican task force has been conducting an informational deep dive, wrestling with how to overhaul the program. So far, no draft legislation or hearings have been scheduled.

With the Obama administration winding down, Guthrie acknowledged that any overhaul efforts will have to wait until a new president takes office in 2017. Ideas being floated include changing Medicaid entitlement spending to a system with per capita spending caps and giving states more room for creativity. It is a heavy legislative lift that Guthrie said could be on par with the welfare rewrite in the 1990s.

Guthrie said Republicans will push hard for changes that he hopes will help people move up the economic ladder and save states money.

"It's just not sustainable to have the growth that Medicaid has had," Guthrie said of the program's \$495.8 billion price tag.

### Home State Growth

Guthrie's own state is a prime example of dramatic growth.

Under an executive order from former Democratic Kentucky Gov. Steve Beshear, the state expanded eligibility for the program. The state saw its uninsured rate drop 8.4 percentage points between 2013 and 2014, according to a Kaiser Family Foundation report. Enrollment in Medicaid and the Children's Health Insurance Program grew by 87 percent.

The 2010 federal health care law (**PL 111-148, PL 111-152**) allowed states to expand Medicaid eligibility to individuals with incomes up to 138 percent of the poverty level. By 2020, states will have to cover 10 percent of the cost. Thirty states and the District of Columbia have taken up the offer.

While Kentucky has been long lauded as a federal health care law darling, Republican Gov. Matt Bevin is considering waivers to remake the expansion but has not detailed how he would change the program. He dialed back campaign rhetoric when he said in 2015 that he wanted to roll back expansion altogether for 400,000 Kentuckians.

Guthrie said the problem is the Kentucky legislature expanded the program before overhauling it.

"They want to be fiscally responsible, they want to be sustainable and they're trying to figure out how to do that," Guthrie said. "If they can't do that they're going to have to make their own decisions on how it moves forward."

That "states know best" approach is something Guthrie said he wants to bring to a Medicaid revamp. He hesitates to call Medicaid expansion a mistake, as "every state has to decide can they make it work for their population." However, Guthrie said that given the enormous federal debt, state governments should be cautious about relying on federal matching funds that he predicted could decline below promised amounts.

More federal leniency is something task force members are considering. Guthrie said talks so far with former and sitting governors have revealed long-held desires for more flexibility with Medicaid. Federal waivers have been a point of hope and contention for many Republican governors who are considering Medicaid expansion. The Department of Health and Human Services has shot down Republican aspirations such as mandatory employment and work training program enrollment for expansion beneficiaries as part of waivers.

Indiana's Medicaid expansion has been particularly intriguing for the task force, according to Guthrie. The Hoosier State's expansion provisions include requirements for beneficiaries to pay premiums and denials of re-enrollment for six months if beneficiaries do not pay their premiums. Guthrie said paying small amounts for their insurance is one way to help beneficiaries eventually transition to private coverage. Sometimes beneficiaries have the chance to earn more income but choose not to because they would be disqualified from receiving Medicaid, Guthrie said.

"It puts people into a tough economic decision," Guthrie said. "What you hear from governors with flexibility is the whole idea is that people, even though in Medicaid, they are still kind of in the insurance world so it lets them transition."

For now, Guthrie said the task force is aiming to be the go-to experts in the House on all things Medicaid. If the group writes legislation, Democrats will likely be invited to the table.

"You're going to see from both sides of the aisle . . . if we don't give reforms to the program that it's going to be difficult for all governors, whether you're Republican or Democrat, to be able to have this program," Guthrie said. "It has to be financially stable for everybody, or else it's not going to work."

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