Concise Research Report: The Future of Medicaid: State Legislator Views on Policy Waivers

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INTRODUCTION

As the Medicaid program is defined increasingly at the state level, state legislators will have growing influence on the direction of a program that now covers 72.4 million low-income adults and children.¹ While Medicaid's federal-state partnership structure has long permitted states to adopt modifications to coverage design, the Trump administration has made it easier for states to receive Medicaid waivers,² including fast-track approvals and longer demonstration approval periods. The combination of greater state flexibility and reductions in overall funding could produce substantial shifts in state Medicaid policy; the recent approval of Kentucky's Section 1115 waiver, which included work eligibility requirements, may be a precursor to impending program changes rather than an outlier. Understanding state legislator views of the Medicaid program and proposed changes is therefore critical to addressing future policy directions.

METHODS

Using the National Conference of State Legislators (NCSL) database, we surveyed state legislators ($n = 7340$) on their priorities for Medicaid reform and perspectives on specific policy changes. We evaluated policies selected from approved and pending Medicaid section 1115 waiver applications.³ The survey instrument was pilot-tested with current state legislators and federal legislative staff to ensure policy relevance of questions and non-partisan language. We contacted all legislators by email up to three times and a randomly sampled subset of non-responders by phone. The survey was administered through Research Electronic Data Capture (REDCap version 7.2.2, Vanderbilt University). Descriptive analyses were

conducted to characterize how views differed by political party. The Institutional Review Board at the University of Pennsylvania approved this study.

RESULTS

Overall, 894 (12.2%) state legislators completed the survey, a response rate consistent with those in other studies of elite-level actors.⁴ Non-respondents were more likely to be non-health care committee members, Republican, male, and from the Midwest region.

Compared to their Democratic colleagues, more Republicans selected reducing health care spending (85.2 vs. 68.8%) and limiting the role of the federal government (74.1 vs. 6.0%) as a high priority (Fig. 1). In comparison, Democrats emphasized expanding access to care (97.2 vs. 18.8%) and narrowing disparities (95.7 vs. 40.9%). Republicans and Democrats agreed on a single goal—increasing the affordability of health care (84.4 and 99.2%, respectively).

The majority of Republicans supported linking Medicaid eligibility to work requirements for able-bodied adults (Fig. 2, 84.8 vs. 26.7% Democrats) and drug-testing beneficiaries (62.8 vs 3.8% Democrats). Republicans were also more likely to support increasing cost-sharing for Medicaid recipients (70.9 vs. 12.7%), shifting Medicaid-eligible individuals to private insurance using premium support (64.0 vs. 9.7%), mandatory health savings accounts with minimum monthly contributions (60.4 vs. 9.1%); and introducing financial incentives or disincentives for health-related behaviors (55.2 vs. 23.8%, $p < 0.0001$ for all comparisons).

Half of Republicans and 60.1% of Democrats supported a tiered benefit structure such that lower-income Medicaid recipients would pay less for benefits than others with relatively higher incomes. Nearly two thirds (60.2%) of Republicans and 85.8% of Democrats favored policies to reduce the prices paid for drugs. Few legislators supported shifting some Medicaid funding towards addressing social determinants of health, such as housing (15.1% of Republicans vs. 14.2% of Democrats). Finally, neither Republicans nor Democrats supported capping enrollment (19.1 and 1.3%, respectively) reducing services and benefits (34.4 and 1.7%), or reducing the income eligibility threshold for Medicaid beneficiaries (39.4 and 3.7%).

Figure 1. State legislators' support for Medicaid reform goals. Authors' survey of state legislators using the National Conference of State Legislators database. Figure 1 shows, by party, the level of support for each of five health reform goals. The vertical axis represents the percentage of state legislators who supported or strongly supported each goal, as shown on the horizontal axis.

DISCUSSION

As states gain more autonomy to design their own Medicaid programs, a key question is whether waiver provisions and other changes will further Medicaid's overall objective to provide medical coverage for low-income and disabled populations.⁵ While limited by the potential for non-response bias, our findings suggest partisan uptake of policy proposals, like work eligibility requirements and drug testing Medicaid recipients, that extends beyond the few

states with pending Section 1115 demonstration waivers featuring these provisions. Taken together, stark differences across political parties could translate into major changes in the design of Medicaid programs across the country, depending on the balance of power within each state's branches of government. As states pursue and implement changes to Medicaid policy, there is a critical need to evaluate the impact on access to care and health outcomes for the Medicaid population.

Figure 2. State legislators' support for Medicaid policy changes. Authors' survey of state legislators using the National Conference of State Legislators database. Figure 2 shows the percentage of state legislators, by political party, who support or strongly support various Medicaid reform proposals.

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Compliance with Ethical Standards:

Conflict of Interest: The authors declare that they do not have a conflict of interest.

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