Southern Lawmakers Rethink Long-Standing Opposition to Medicaid Expansion

Lawmakers in Alabama and some other Southern states are reconsidering their opposition in light of strong public support.

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As a part-time customer service representative, Jolene Dybas earns less than $15,000 a year, which is below the federal poverty level and too low for her to be eligible for subsidized health insurance on the Obamacare marketplace.

Dybas, 53, also does not qualify for Medicaid in her home state of Alabama because she does not meet the program requirements. She instead falls into a coverage gap and faces hundreds of dollars a month in out-of-pocket payments, she said, to manage multiple chronic health conditions.

“I feel like I’m living in a state that doesn’t care for me,” said Dybas, a resident of Saraland, a suburb of Mobile.

Alabama is one of 10 states that have refused to adopt the Affordable Care Act’s expansion of Medicaid, the government health insurance program for people who are low-income or disabled.

But lawmakers in Alabama and some other Southern states are reconsidering their opposition in light of strong public support for Medicaid expansion and pleas from powerful sectors of the health care industry, especially hospitals.

Expansions are under consideration by Republican legislative leaders in Georgia and Mississippi, in addition to Alabama, raising the prospect that more than 600,000 low-income, uninsured people in those three states could gain coverage, according to KFF data.

Since a 2012 Supreme Court ruling rendered the ACA’s Medicaid expansion optional, it has remained a divisive issue along party lines in some states. Political opposition has softened, in part because North Carolina’s Republican-controlled legislature voted last year to expand the program. Already, more than 346,000 residents of the Tar Heel State have gained coverage.

And lawmakers in nearby states are taking notice.

“There has certainly been a lot of discussion of late about Medicaid expansion,” said Georgia House Speaker Jon Burns, a Republican, in a speech to the state chamber of commerce shortly after the legislative session began on January 8.

“Expanding access to care for lower-income working families through a private option — in a fiscally responsible way that lowers premiums — is something we will continue to gather facts on in the House,” Burns said.

In addition to Georgia, state House speakers in Alabama and Mississippi have indicated a new willingness to consider coverage expansion. All three states have experienced a large number of hospital closures, particularly in rural areas.

Medicaid expansion has become “politically safer to consider,” said Frank Knapp, president of South Carolina’s Small Business Chamber of Commerce. In his state, Republican lawmakers are weighing whether to appoint a committee to study expansion.

It’s the kind of momentum some health policy analysts view as a favorable shift in the political discourse about expanding access to care. And it comes as a new crop of conservative leaders grapple with their states’ persistently high rates of poor, uninsured adults.

An additional incentive: Under President Joe Biden’s 2021 American Rescue Plan Act, the federal government pays newly expanded states an additional 5 percentage points in the matching rate for their regular Medicaid population for two years, which would more than offset the cost of expansion for that period.

But even as new discussions take place in legislatures that once froze out any talk of Medicaid expansion, considerable obstacles remain. Republican Mississippi Gov. Tate Reeves, for example, still opposes expansion. And several nonexpansion states appear to have little to no momentum.

“A lot of things need to come together in any given state to make things move,” said Robin Rudowitz, director of the Program on Medicaid and the Uninsured at KFF.

Under Medicaid expansion, adults earning up to 138% of the federal poverty level, or about $35,600 for a family of three, qualify for coverage.

Expansion has reduced uninsured rates in rural areas, improved access to care for low-income people, and lowered uncompensated care costs for hospitals and clinics, according to KFF analyses of studies from 2014 to 2021. In states that have refused to expand Medicaid, all of those challenges remain acute.

Alabama’s legislative session began February 6. Republican House Speaker Nathaniel Ledbetter has suggested that he’s open to debating options for increased coverage. So many hospitals are in “dire straits,” he said at a Montgomery Area Chamber of Commerce meeting in January. “We’ve got to have the conversation.”

Expansion could make as many as 174,000 uninsured people in Alabama eligible for coverage, according to KFF data. Still, Ledbetter prefers a public-private partnership model, and has looked at Arkansas' program, which uses federal and state money to pay for commercial insurance plans on the Obamacare marketplace for people who would be eligible for Medicaid under expansion.

In Alabama, lawmakers have introduced a plan that would levy a state tax on gaming revenue and could help fund health insurance coverage for adults with annual incomes up to 138% of the federal poverty level.

Robyn Hyden, executive director of advocacy group Alabama Arise, which supports Medicaid expansion, has seen progress on efforts to increase coverage. "The devil's going to be in the details," she said.

Mississippi's new House speaker, Jason White, a Republican, has said he wants to protect hospitals and keep residents from seeking regular care through the emergency room. More than 120,000 uninsured people in Mississippi would become newly eligible for Medicaid under expansion, according to KFF data.

White told KFF Health News in a written statement that improving access to health care is a priority for business leaders, community officials, and voters.

"The desire to keep Mississippians in the workforce and out of the emergency room transcends any political party and is a vital component to a healthy workforce and a healthy economy," he said. State legislators are determined to work with Reeves on the issue, he said.

Burns, the Georgia House speaker, has said that he's open to a proposal for an Arkansas-style plan. Republican Gov. Brian Kemp said he would reserve comment until after the legislative process, according to spokesperson Carter Chapman.

He emphasized Kemp's commitment to his recently launched plan requiring low-income adults to work, volunteer, or receive schooling or vocational training for 80 hours a month in exchange for Medicaid coverage. As of mid-January, the cumulative enrollment was right around 3,000. Expansion could make at least 359,000 uninsured people in Georgia newly eligible for Medicaid, according to KFF data.

In South Carolina, Republican lawmakers are considering legislation that would allow them to form a committee to study expansion. State Sen. Tom Davis, a Republican from Beaufort who sponsored the bill and previously opposed expanding Medicaid, said he's not endorsing or opposing Medicaid expansion at this time.

"We need to have a debate," Davis said during a committee meeting in January.

The state legislature would likely have to work with Gov. Henry McMaster, a Republican, who, according to spokesperson Brandon Charochak, remains opposed to Medicaid expansion.

North Carolina started enrolling residents under its expansion December 1. They included Patrick Dunnagan, 38, of Raleigh. The former outdoor guide said he hasn't been able to work for years because of kidney disease and chronic pain.

He has relied on financial support from his family and said his medical debt stands at more than $5,000. Medicaid coverage will provide financial security.

Dunnagan said people with chronic health conditions in nonexpansion states "are accumulating medical debt and not getting the care they need."

Bills proposed in Texas' legislature didn't get a vote last year. And the state doesn't allow voter-initiated referendums, which have been a route to expansion in some Republican-led states. An estimated 1.2 million uninsured people would be eligible for coverage — more than in any other state still holding out — if Texas expanded.

Republican lawmakers in Tennessee and Florida have said they won't allow Medicaid expansion. In Florida, advocates have launched a petition drive for a ballot initiative, but the earliest it could go to voters is 2026.

In Kansas, Gov. Laura Kelly, a Democrat, is once again pressing her state's Republican-controlled legislature to adopt Medicaid expansion, calling it a "commonsense proposal" that would lower health care costs for all consumers and protect rural hospitals. But the state's House speaker remains opposed to Medicaid expansion.

Advocates believe it's only a matter of time before Medicaid expansion happens nationwide as opposition eases and people continue to suffer the consequences of being uninsured.

For Dybas in Alabama, the prospect of gaining coverage is enough to make her consider relocating. In Minnesota, where she once lived, "I wouldn't have this problem," Dybas said.

Perhaps, as in Arkansas, conservatives will adopt models that rely more heavily on commercial insurance.

But many holdout states in the South — where death rates for heart disease, cancer, and diabetes are mostly worse than in other states — see growing disparities between the health of their citizens and those of neighboring states that have expanded, said Lucy Dagneau, a senior director for the American Cancer Society's advocacy arm, the Cancer Action Network. The group lobbies state legislatures for expanded insurance coverage.

"There will be a tipping point for all these states," she said.

KFF Health News South Carolina correspondent Lauren Sausser and senior correspondent Renuka Rayasam contributed to this report.

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