Direct Democracy and the Fate of Medicaid Expansion

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In the midst of a global pandemic, voters in Trump-leaning Missouri and Oklahoma have voted to endorse state constitutional amendments expanding Medicaid under the Affordable Care Act (ACA). The vote margin in Missouri (53%) was more comfortable than in Oklahoma, where slightly more than 50% of voters endorsed expansion. Yet the consequences of both states' amendments are considerable. By 1 estimate, more than 200,000 Oklahomans with low incomes will gain Medicaid coverage, while Missouri's Amendment 2 will close the coverage gap for roughly 230,000 people. Moreover, because both of these expansion efforts were passed as constitutional amendments, their gains will be difficult for governors or legislators to reverse.

Oklahoma and Missouri are the most recent states to expand Medicaid under the ACA through direct democracy rather than legislation or executive decisions. Medicaid expansion is arguably the ACA's most important policy accomplishment. Of the 21 million people who gained insurance coverage within 10 years since the law's passage, more than half have received it because of Medicaid expansion. The expansion has been linked to considerable improvements in health outcomes, with 1 life saved annually for every 239 to 316 adults gaining insurance. Yet its implementation has also revealed how states' choices about participation in intergovernmental programs are driven not merely by fiscal incentives or administrative negotiations but wider political realities. During the 2010 midterm elections, conservative backlash to the Obama administration spilled over to the states. The number of states with unified Republican governments doubled, enabling coordinated efforts to redistrict state legislatures in Republicans' favor. In the absence of strong electoral competition, the debate over Medicaid expansion was in many states dominated by conservative network organizations, such as the American Legislative Exchange Council, which urged Republican governors and state legislators to steadfastly refuse Medicaid dollars.

In this partisan atmosphere, ballot initiatives have emerged as an important mechanism to expand Medicaid in states where governors or state legislatures oppose it. This allows voters to engage in conflict expansion, transforming the decision from an interpartisan squabble among elected officials into a referendum on a broadly popular benefit. Since 2017, voters in 5 states, including states where opposition to Obamacare has appeared strong, have successfully passed Medicaid expansion at the ballot box. Does direct democracy represent a way out of the divisive, polarized politics that has dominated health policy in recent years?

To answer this question, we can first examine the results from Medicaid expansion initiatives in 6 states (Idaho, Maine, Utah, Nebraska, Oklahoma, and Missouri). In the first 3 of these states, Medicaid expansion passed by wider margins than those that decided the state's 2016 presidential contest. Even in states where Donald Trump won overwhelming and governors had pledged not to lift a finger to cooperate with the ACA's implementation, Medicaid expansion performed far better than Democratic presidential candidates. Consider, across the 6 states where it was on the ballot, that Medicaid expansion received a higher share of support than did the 2016 Democratic presidential candidate in all but 8 counties. Thus, while county-level support for Hillary Clinton was still a factor strongly associated with support for Medicaid expansion, partisanship has evidently not been the same barrier to expansion in the electorate that it has been in the state legislatures or Congress itself.

When barriers to expansion have emerged, they have had more to do with the initiative process itself. Of the dozen states that have not yet expanded Medicaid, only 4 allow voters to introduce

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initiatives or constitutional amendments. Even in those that do, initiative processes can place burdens on voters. In the nonexpansion state of Wyoming, for example, initiatives must receive a number of signatures equal to 15% of votes cast in the previous general election; if an initiative fails, it cannot reappear on the ballot for 5 years. Furthermore, once voters have given their approval, gubernatorial and legislative hostility has in some cases stymied Medicaid expansion. While Utah’s Proposition 3 passed in 2018 with 53% of the vote, ballot initiatives in Utah can be repealed and amended by the legislature immediately after enactment, and Proposition 3 soon met with stiff opposition from Governor Gary Herbert (a Republican). The Republican-controlled legislature ultimately passed an alternative plan (SB96), which expanded Medicaid for a capped number of adults with incomes up to 100% of the federal poverty level—as opposed to 138% of the federal poverty level, as in ACA and Proposition 3—while also adding work requirements as a condition of eligibility.4

These cases serve as a powerful reminder about the remaining institutional and political barriers to voter-initiated expansions of Medicaid. It is also worth noting that the states that have expanded Medicaid at the ballot box have had large White populations. Of the 4 states that have not yet expanded Medicaid and could do so via direct democracy, 2 (Mississippi and Florida) are far more racially diverse than the others. Public opinion data suggest that the support of White people for Medicaid expansion is asymmetrically associated with states’ adoption of the policy, whereas support from a state’s Black population has virtually no such association.6 Still, evidence from the vote in Missouri—by far the most racially diverse of the states where Medicaid has been on the ballot—may provide some evidence that the effects of racial backlash can be muted by strong voter turnout.

In sum, direct democracy has provided a crucial avenue for expanding Medicaid in a climate of extreme partisan polarization. Even in states where organized pressure to resist expansion was strong and efforts to retrench Medicaid were underway, most voters have articulated a clear preference for enhancing access to care. Yet direct democracy is by no means a panacea. Administrative burdens in the initiative process, pushback from governors and state legislatures, and entrenched legacies of racism continue to hobble expansion efforts in the 12 states that have not yet expanded Medicaid. What is more, as the coronavirus disease 2019 pandemic and its attendant economic crisis wear on, state Medicaid programs are likely to experience considerable fiscal strain. State budget shortfalls over the next 3 years are projected to be as high as $615 billion, not including new costs resulting from the virus itself; current federal emergency measures will make up only a fraction of the difference.7 That is a problem direct democracy cannot fix. But Congress can.

ARTICLE INFORMATION

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REFERENCES


