

Bill Kaplan: GOP state Senator Olsen says consider Medicaid expansion

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With the end of stay-at-home and often no masks, COVID-19 is surging in the Sun Belt and increasing in Wisconsin (WI). Now over 2.4 million cases nationally, 27,000 plus in WI; over 125,000 U.S. deaths and approaching 800 in WI. Individuals in their 20s are driving the increases (Dane and La Crosse Counties). The CDC said COVID-19 may have infected 24 million Americans. However, Trump continues to downplay the COVID-19 threat.

Same on the economy. Trump tweeted: "Our economy is roaring back and will NOT be shut down". However, double-digit unemployment will likely persist into 2021, and jobless claims rose above 1 million for the 14th week. Moreover, the Sun Belt surge, need by states for new safeguards and a global economic downturn sent the stock market plunging. The collateral damage from COVID-19 has resulted in about 27 million jobless losing their private health insurance, including 446,000 in WI (Kaiser Family Foundation). An unprecedented catastrophe!

Circumstances in WI have changed dramatically. Retiring GOP state Senator Luther Olsen, vice-chair of the Joint Finance Committee, gets it. Olsen boldly stepped up saying it was time to reconsider Medicaid expansion: "When you've got that kind of money on the table and a lot of other Republican states have taken it, I think you have to look at that. When you change your mind in politics, you have to have a reason to do this. And, this is a reason" (COVID-19, rising uninsured rate and budget shortfall).

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Olsen understands that the health care system in WI is fragile, especially in rural areas. Studies show many rural hospitals are financially vulnerable. Rising numbers of uninsured mean increased uncompensated care for hospitals and doctors. The impact on a disproportionately elderly, ill and poor rural population will be sheer misery. Rural hospitals lack intensive care beds, protective medical equipment and adequate transit and professionals. Medicaid expansion would be an economic and health boon. Why?

“Case studies of (Medicaid) expansion states indicate that budget offsets – that is, related reductions in other categories of state spending (such as direct funding to safety-net hospitals) – allows states to expand coverage without significantly increasing spending from state revenues. Importantly, this means that Medicaid expansion costs are not competing with other spending priorities” (JAMA). And, Health Affairs reports: “Rural hospital financial viability deteriorated in states that did not expand eligibility for Medicaid”

So there is no mystery why 10 GOP-led states expanded Medicaid or current GOP-led states kept Medicaid expansion established by Democratic predecessors. Or that the American Medical and American Hospital Associations support Medicaid expansion. WI Medicaid expansion would mean 90 percent federal funding replacing the current 59 percent federal funding for about 150,000 enrolled in Medicaid (2019). And, tens of thousands of Wisconsinites could also be covered.

Wisconsin Democratic Governor Tony Evers has tried to expand Medicaid, most recently emphasizing it would reduce health disparities, pay for COVID-19 expenses and make “good financial sense”. I hope Evers is talking with Olsen to pass Medicaid expansion. Bipartisan progress.

– Kaplan wrote a guest column from Washington, D.C., for the Wisconsin State Journal from 1995 – 2009.