HEALTH POLICY CORNER: PART II

Health Care Reform 2013: What is Different About the South?

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Many states, including most Southern states, responded vehemently against policies in the Affordable Care Act (ACA) of 2010, and the most recent battle has been about the expansion of Medicaid programs in the South. During a four-hour pre-course at the SGIM Southern Regional Meeting in February 2013, we examined factors that drive the negative Southern response to health care reform—particularly the refusal to expand the Medicaid program. We explored the historical, economic, political, and social factors that have united the Southern states against President Obama’s plan for health care reform and ended with speculation as to whether the pro-reform advocacy message should reflect priorities of Southern political leaders.

History

Health care benefits offered by employers or the federal government have historically been used as a “means to an (non-health) end.” For example, health care benefits included in the Farm Security Act of 1937 were used to stabilize a workforce that produced an essential commodity. Industrialist Henry Kaiser used the provision of health care services to increase productivity of his workers in building the Hoover Dam and later fabricating liberty ships. New York Mayor Fiorello La Guardia traded the promise of health care benefits for unionized worker votes. During the wage and price freeze after World War II, employers used health care benefits to attract the best workers.

Economic Development in the South

In the South, although the post Civil War “cotton economy” has little to do with health care policy views, economic development has shaped and molded attitudes of Southern politicians. Although we have gained significantly in the last several decades, the South still lags behind Northern states in economic infrastructure and industrial development. Thus, resources available to fund the demands of the ACA are significantly constrained for Southern businesses and state governments compared to Northern states. For example, the state of Massachusetts had a baseline uninsured rate of about 12% and a well-established free-care pool. In contrast, South Carolina, with an uninsured rate of 17%, and Texas, with an uninsured rate of 26%, face dramatically different economic challenges in meeting the demands of ACA. Although the ACA finances Medicaid expansion at a 100% rate for the first four years, in subsequent years the cost incurred by states increases and competes against other priorities for limited state expenditures. Many Southern governors view the opportunity costs of the expansion of Medicaid in the out years as too high when viewed against using those dollars to improve economic infrastructure.

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Political Factors
The economic priority to build business infrastructure synergizes with a political philosophy that values self-reliance and personal responsibility over provision of benefits, such as health care, to poor and vulnerable populations. In a recent survey of US governors about the ACA Medicaid expansion published in the *New England Journal of Medicine*, several governors viewed Medicaid expansion as creating “dependency.” Furthermore, most Southern governors argue that the Medicaid program is “broken” and advocate for Medicaid “state block grants” to allow states to make program changes at the state level. Finally, many governors also reported that they did not trust the federal government to live up to its commitments in Medicaid expansion.

Discordant Views from the Audience
During this presentation, we used an audience response system to survey attendees on their views of Medicaid expansion. An overwhelming 96% of audience members responded that they supported Medicaid expansion in their state. Figure 1 shows responses to the question, “Why do you support the ACA?” As an attempt to understand Southern politicians who oppose Medicaid expansion, we challenged attendees to vote on what message they believed their political leaders would want to hear, and the stark difference is shown in Figure 2.

One of the main “take home” messages from this pre-course was that advocates for health care reform who live in the South should consider tailoring their advocacy message to the apparent economic priorities of Southern legislators. In many ways, Southern politicians continue to view health care as a “means to an (economic development) end,” and perhaps we need to begin a dialogue to find common ground in health and economics when trying to advance health care reform in the new South.

References