

THE CLAIM THAT THE PRIVATE OPTION IS NOT OBAMACARE

By David Ferguson

A few Arkansas state legislators, who voted for the so called “*Private Option*,” now claim: **(1) To be against Obamacare; and (2) That the Private Option law they passed has nothing to do with Obamacare or Medicaid Expansion.** They would like voters to believe that the Private Option became something different from Obamacare Medicaid expansion when Arkansas received a federal waiver on how Medicaid expansion is delivered in Arkansas.

Many people in their conservative base are opposed to Obamacare. Instead of explaining why they voted for a part of Obamacare, they tried to hide Obamacare. Whether this tactic works will ultimately be decided at the ballot box. At this point, however, it is clear that both conservatives and liberal commentators, who are familiar with the issue, recognize the claim for what it is – smoke and mirrors.

Nick Horton of the conservative blog, **Arkansas Project** wrote “*At this point, about the only people left who believe the “private” option has “nothing to do with Obamacare” are the legislators who voted for it.*”¹

Max Brantley of the liberal **Arkansas Blog** of the Arkansas Times responded to candidate John Burris’ claim that the General Assembly rejected Medicaid expansion: “*Burris is dodging, too. Medicaid HAS been expanded, regardless of the fact that private insurance companies now provide some of the coverage with federal dollars. But at least he makes it clear that he’s not responding to the question as posed before continuing his own rear-covering obfuscatory tactics.*”²

If a candidate is successful with this tactic, expect to see other legislators use it in the General Election.

¹ <http://www.thearkansasproject.com/feel-that-breeze-its-senator-sample-spinning-on-the-private-option/>

² <http://www.arktimes.com/ArkansasBlog/archives/2014/04/23/treasurer-candidates-dodge-and-parry-on-private-option-question#more>

SETTING THE RECORD STRAIGHT

It is clear that Medicaid expansion is an integral part of Obamacare. It is also clear that the Private Option is Arkansas' method of implementing the Medicaid expansion. Federal and state materials and news media articles make it obvious that the Private Option is Obamacare Medicaid expansion.

Medicaid Expansion is Obamacare

The term "Obamacare" refers to the "Patient Protection and Affordable Care Act" which is also referred to as the "Affordable Care Act" or "ACA." The label "Obamacare" was first used by opponents of the Affordable Care Act and was then adopted by supporters of the law. The Affordable Care Act isn't just about the health care exchanges. As part of its plan for health coverage it includes Medicaid expansion.

1. The national media recognizes the Affordable Care Act to be Obamacare. Check out reference from **Fox News, CNN, Washington Post, Huffington Post, Forbes, Real Clear Politics** etc.³ Do an Internet search for yourself by searching for the phrase "*Obamacare aka Affordable Care Act.*" The search will return enough articles to keep you busy reading all day.
2. An article appearing on the **U.S. Department of Health & Human Services** website and written by **Kathleen Sebelius**, former Secretary of Health and Human Services, uses the terms synonymously by using Obamacare in the title and Affordable Care Act in the body.⁴
3. The **U.S. Department of Health & Human Services** makes it clear that Medicaid expansion is included: "*All Americans will have access to affordable health insurance options. The Marketplace allows individuals and small businesses to compare health plans on a level playing field. Middle and low-income families will get tax credits that cover a significant portion of the cost of coverage. And the Medicaid program will be expanded to cover more low-income Americans. All together, these reforms mean that millions of people who were previously uninsured will gain coverage, thanks to the Affordable Care Act.*"⁵

³ <http://www.foxnews.com/on-air/special-report-bret-baier/2014/04/18/all-star-panel-will-obamacare-help-or-hurt-dems-midterm-elections>; <http://politicalticker.blogs.cnn.com/2013/12/04/obamacare-or-affordable-care-act-wording-matters-in-health-care-debate/?iref=allsearch>; <http://politicalticker.blogs.cnn.com/2013/09/27/poll-obamacare-vs-affordable-care-act/?iref=allsearch>; <http://politicalticker.blogs.cnn.com/2013/09/27/poll-obamacare-vs-affordable-care-act/?iref=allsearch>; <http://www.washingtonpost.com/blogs/fact-checker/wp/2014/04/25/the-bogus-claim-that-obamacare-has-boosted-the-number-of-uninsured/>; http://www.huffingtonpost.com/joan-e-dowlin/congresswoman-allyson-sch_1_b_5208200.html

⁴ <http://www.hhs.gov/healthcare/facts/blog/2013/09/lgbt-health.html>

⁵ <http://www.hhs.gov/healthcare/facts/timeline/timeline-text.html>

Private Option is Medicaid expansion

Both federal and Arkansas documents show that the Private Option is Obamacare Medicaid expansion. Arkansas media also recognize it for what it is.

1. According to the federal website, **Healthcare.gov**, Arkansas is listed as one of the Medicaid expansion states. It says: “Arkansas is expanding its Medicaid program to cover households with incomes up to 138% of the federal poverty level. That works out to \$16,105 a year for 1 person or \$32,913 for a family of 4.”⁶ The Medicaid expansion cited by the feds is the Private Option.
2. To implement the Private Option Arkansas needed approval from the Centers for Medicare & Medicaid Services. Arkansas submitted an 1115 waiver application to CMS. What is an 1115 waiver? Medicaid.gov says: “Section 1115 Research & Demonstration Projects: States can apply for program flexibility to test new or existing approaches to financing and delivering Medicaid and CHIP.”⁷ So, Arkansas applied for a Medicaid waiver to gain flexibility on how to deliver the Medicaid expansion.
3. Arkansas’ 1115 waiver application says “In short, absent the demonstration, Arkansas’ Medicaid expansion would rely on the existing Medicaid delivery system and perpetuate an inefficient, underfunded and inadequately coordinated approach to health care.”⁸ (Emphasis added) The application also includes references to the “Affordable Care Act” and “ACA”
4. In approving the Private Option Demonstration, the Centers for Medicare & Medicaid Services imposed a number of terms and conditions. The document imposing the terms and conditions, refers to Medicaid expansion saying “The State will compare total costs under the Private Option Demonstration to costs of what would have happened under traditional Medicaid expansion.”⁹
5. Check some headlines from the news media in Arkansas:
 - a. **Arkansas Gazette** – “The House of Representatives passed Tuesday an appropriation bill authorizing the state to fund the private-option Medicaid expansion for fiscal 2015.”¹⁰

⁶ <https://www.healthcare.gov/what-if-my-state-is-not-expanding-medicaid/#state=arkansas>

⁷ <http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/Waivers.html>

⁸ <http://medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/ar/ar-private-option-pa.pdf>

⁹ <http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/ar/ar-private-option-ca.pdf>

¹⁰ <http://www.arkansasonline.com/news/2014/mar/05/house-vote-private-option-20140305/>

- b. **Harrison Daily Times** – “The Arkansas House voted 76-24 to authorize funding for the state’s compromise Medicaid expansion plan known as the private option.”¹¹
- c. **Hot Springs Daily** – “Vote for Private Option Fails Second Day. For a second consecutive day, the Arkansas House failed an appropriation funding Medicaid expansion.”¹²
- d. **Southwest Times Record** – “Gov. Mike Beebe says the fate of newly approved tax cuts is linked to survival of the state’s private option for Medicaid expansion, but key lawmakers view the two as separate issues as they prepare for next year’s fiscal session.”¹³

The record is clear. The Private Option delivers benefits in a different manner but the record is clear – the Private Option is Obamacare Medicaid expansion.

IS THE PRIVATE OPTION REALLY PRIVATE?

The only thing the Private Option does that could be referred to as private is to deliver Obamacare Medicaid expansion through private insurance companies instead of issuing the enrollees a Medicaid card and using the traditional system. The **Foundation for Governmental Accountability** made a great point in a tweet saying: “Are Medicaid ‘private option plans REALLY private insurance? ‘This is like saying people on food stamps aren’t on government assistance because they buy their groceries from privately owned grocery stores.’ - Christie Herrera”

CONCLUSION

At first it was merely an issue of why a candidate supported one part of Obamacare. Resorting to smoke and mirrors to avoid criticism may raise a new issue – credibility.

¹¹ http://harrisondaily.com/arkansas-house-votes---for-private-option/article_7ac268c4-a3fd-11e3-bbae-001a4bcf887a.html

¹² <http://hotspringsdaily.com/vote-for-private-option-fails-second-day/>

¹³ <http://swtimes.com/news/state-news/lawmakers-tax-cuts-set-regardless-what-happens-private-option>