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When a Deal Isn't a Deal

By Michael W. Thompson

6/6/2014 -- As the fiscal year comes to an end on June 30, the General Assembly has not yet agreed to a two year budget. The stumbling block is that the Governor and the State Senate want to include a huge increase in Medicaid coverage to as many as 400,000 people not now covered. The House believes that the state budget should be passed without Medicaid expansion and that issue should then be debated in a Special Session of the legislature later this year when it can be discussed calmly and without the all of other issues swirling around a state budget.

Rarely, if ever has the state budget been the vehicle to force a brand new government program onto the taxpayers. Normally, a proposal such as this would be debated separately where issues can be discussed, experts brought in, ideas batted about and a piece of legislation can be crafted that can then be debated and voted on. Holding education funding, county and city funding, transportation funding and all the rest hostage to Medicaid expansion seems to be dangerous precedent that should not be taken.

Several days ago, one of the three Republican State Senators who supports Medicaid expansion, Emmett Hanger, suggested a “compromise” that would decouple the budget from Medicaid expansion so that the budget can be passed. Then the current Medicaid Innovation and Reform Commission (MIRC) voting agreement would change. Instead of having to have a majority of the five Senators and a majority of the five Delegates voting to approve any expansion, Senator Hanger would change this to a majority of the entire Commission. So six votes would be needed to pass Medicaid expansion.

Of course, this so-called “compromise” didn't get very far. Senate Majority Leader Dick Saslaw threw cold water all over it in the matter of several minutes. And the House leadership isn't buying either.

What is interesting in this is that Senator Hanger clearly knows that the state budget should not be tied to the Medicaid expansion issue. And this follows reports that the Chairman of the Senate Finance Committee, Democrat Senator Chuck Colgan, told a local Chamber of Commerce that the budget should be passed without the issue of Medicaid expansion tied to it. But back to the MIRC voting issue. This commission was a key part of passing the historic transportation plan last year. Many feel it was the MIRC creation that allowed the transportation plan to pass. So changing it a year later – that is, breaking the deal – is not something that a lot of voters will support. This is especially so, when it is such a transparent way of approving Medicaid expansion since all it would take is one of the five Delegates on the MIRC to break ranks and vote for expansion. So this change won't fly.

But what would be interesting to see if a MIRC voting change is seriously considered, is to do what the voters in Virginia would approve; have the entire General Assembly vote on Medicaid expansion and not simply a General Assembly approved “Gang of Ten.”

The General Assembly should have this authority. If the Hanger Plan is to be negotiated, what the counter-offer should be is this: Do away with MIRC’s final voting authority and keep it as the special committee to bring an expansion idea to the General Assembly, or to decide not to expand the program. Then let the General Assembly vote with a majority of the Senate and a majority of the House having to pass legislation to expand and/or reform Medicaid. This is how the legislative process is supposed to work.

What is going on with the state budget really is like watching a bunch of spoiled kids saying: do it my way or I am going to screw up as much as I can (holding the state budget hostage hurts everyone in the state). The other side is more mature in saying this: pass the state budget and then let’s sit and talk about Medicaid expansion and reform. This means MIRC would have to be changed since it now has the sole power on this issue. Such a final “deal” would allow the state budget to pass and the localities and school districts get their budgets by June 30. Then a Special Session would by its definition displace MIRC with a vote by the General Assembly as a whole on whether and how to reform and/or expand Medicaid.

This “Game of Budget Chicken” is unworthy of our state and our elected leaders. Let’s pass the budget and then debate and vote on the expansion of Medicaid. This Medicaid issue is a worthy one deserving full, honest and complete debate.

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Michael Thompson is currently the Chairman and President of the Thomas Jefferson Institute for Public Policy, a non-partisan Virginia focused foundation dealing with the issues of improving education, government reform, economic development and environmental stewardship. This foundation is the state’s premier independent public policy foundation and has gained broad based respect from political and business leaders throughout Virginia.