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Governor Decision Making: Expansion of Medicaid Under the Affordable Care Act

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Governor Decision-making:
Expansion of Medicaid under the Affordable Care Act

By

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Abstract

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This is a study of factors that influence gubernatorial decision making. In particular, I ask why some governors decided to expand Medicaid under the Accountable Care Act (ACA) while others opted against it. Governors, like all chief executives, are subject to cross-pressures that make their jobs challenging. Budgetary pressures may differ from personal ideology and administrative infrastructures may not allow for decisive moves. Add to the equation political pressures – in particular the pressure to align with partisan positions – and a governor is faced with a myriad of opposing and interrelated factors, each requiring attention, when taking a particular position. The calculation required of a governor when deciding upon a salient issue is thus extremely complicated and nuanced.

Although interesting in its own right, governor decision making is of additional significance because it may shed light on how the effects of increasing party strength and polarization are playing out at the state level. Partisan gridlock has dominated Congressional decision-making for much of the last decade. In Washington today partisan ideology dominates decision making. In particular, Republican elected officials increasingly espouse conservative policies and vociferously denounce any attempt at compromise. This study asks whether this ideology driven decision-making also exists at the state level. Specifically, I assess whether Governors are susceptible to the same partisan influences as elected officials in Washington and whether partisan politics and/or ideological polarization dominate governor decision-making as they do congressional actions. In particular, I study the factors involved in the decision-making process of each governor when deciding whether or not to support Medicaid expansion in his state. The focus of this study is the governor's calculations and considerations *prior to* "going public" with his position, irrespective of his success in getting his position adopted by the legislature. Specifically I explore the role the governor's party, the governor's personal ideology, the electoral results from the 2012 presidential election, the state's policy heritage, advocacy by state stakeholders, and the state economy played in the governor's calculations.

A mixed method research design is used, with each component (the quantitative and the qualitative) addressing a different level of question. The first part of this study is a descriptive and statistical quantitative review of all governors, assessing the various weights the 50 governors appear to give each of the seven factors discussed above. This in turn provides a

context for the second part of the research, an in-depth case study providing a comprehensive analysis of how two governors made this politically salient decision

There are two main findings from this study: First, Mayhew's conclusion that congressmen legislate in a manner that promotes their reelection appears to apply in this case of governor decision-making. The partisan salience of the Medicaid expansion decision is a particularly strong test of this idea given that electoral pressures may influence less nationally prominent decisions, but weaken when partisan pressures are present and decisions are highly visible. And secondly, when studying variation across states, a mixed methods approach offers enhanced and nuanced findings as compared to a more quantitative model.

This study has found that many factors influence governors' decision-making. However, electoral pressure was not only the most significant in the general model but also appeared central to the case study portion of this research. While other factors (e.g., economics, existing institutions, the role of stakeholders, and the governor's religion) were found to be statistically significant in the general model, data from the qualitative portion of this research suggests that many of these factors may have played a role not in taking a position, but rather as justification for the position taken. In both cases, the underlying driver for the decision appears to be electoral interest: both governors studied were primarily concerned with ensuring that their decision on this highly salient issue was consistent with what they believed the majority of their electorate would support. As necessary, they used other factors to help frame their final decision in a manner that they believed would appease their electorate.

This study also highlights the power of a mixed method approach. While many of the findings of the general model are upheld by the case studies, without the rich information gleaned from the qualitative data augmenting the general model, the conclusions would have been too simplistic. The case study data portrays a number of examples in which the macro model over simplified the outcome and ultimately led to an incomplete or even erroneous conclusion. First, existing state political institutions (i.e., commissions, ballot initiative processes) and previous policy decisions render each governor's decision unique despite the fact that each maintains the same ultimate goal of political survival. Specifically, in Ohio the entire process of moving the decision out of the budgetary process and to the Controlling Board in Columbus was an attempt to avoid a polarizing vote and to allow otherwise ideologically opposed legislators to remain silent on expansion and ultimately retain party cohesion. This was clearly spearheaded by party leaders in support of their governor and instead of the internal party division projected by the general model.

Overall, this study affirms that small "d" democracy is alive and well. Because governors, like congressmen, are profoundly concerned with how their position presents to their constituents and thus their political futures, they ensure that their position on salient and visibly issues is either consistent with that of their voters or at least can be explained to their voters in a manner that neutralizes any divergence from the majority position. In the end, all politics is local and politicians must maneuver a frame to address their situation. In order to accurately assess how a governor manages the sometimes opposing pressures of ideology and politics, an in-depth case study is called for.

TABLE OF CONTENTS

LIST OF TABLES AND FIGURES

ACKNOWLEDGEMENTS

I entered my PhD studies believing I had little interest in research; it was in fact the classroom to which I was drawn and to undergraduate students in particular. However, the process that saw me through this study has changed my mind. I have loved every part of this effort and have to believe that it is because of all those that supported me that I am here.

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CHAPTER 1: INTRODUCTION

This is a study of factors that influence gubernatorial decision making. In particular, I ask why some governors decided to expand Medicaid under the Accountable Care Act (ACA) while others opted against it. Governors, like all chief executives, are subject to cross-pressures that make their jobs challenging. Budgetary pressures may differ from personal ideology and administrative infrastructures may not allow for decisive moves. Add to the equation political pressures – in particular the pressure to align with partisan positions – and a governor is faced with a myriad of opposing and interrelated factors, each requiring attention, when taking a particular position. The calculation required of a governor when deciding upon a salient issue is thus extremely complicated and nuanced.

Although interesting in its own right, governor decision making is of additional significance because it may shed light on how the effects of increasing party strength and polarization are playing out at the state level. Partisan gridlock has dominated Congressional decision-making for much of the last decade. In Washington today partisan ideology dominates decision making. In particular, Republican elected officials increasingly espouse conservative policies and vociferously denounce any attempt at compromise. This study asks whether this ideology driven decision-making also exists at the state level. Specifically, I assess whether Governors are susceptible to the same partisan influences as elected officials in Washington and whether partisan politics and/or ideological polarization dominate governor decision-making as they do congressional actions.

Political scientists have drawn different conclusions about the degree of polarization among the general public. While there is broad acknowledgement that the political elite are polarized, there is less consensus regarding the polarization of the electorate.[1] Furthermore, the question of the influence of national parties on their state affiliates is also unclear. James Gimple argues that state political parties are in fact independent and do not always follow with the national parties' platforms. These questions lead to a larger question about the role of democracy in our states. Specifically, does voter preference shape gubernatorial decision making or do governors succumb to party pressure regardless of policy alignment with their voters?

Governors - because of their state-wide constituencies - are likely to face more divergent opinions than are congressional representatives, many of whom represent safe districts as a result of aggressive gerrymandering. In states where partisanship and personal ideology is competitive (i.e., either party could potentially win an election), if gubernatorial partisanship drives position taking, a troubling disconnect may exist between mean voter preferences and the policies they are proffered. On the other hand, if a governor is susceptible to the desires of his[2] constituents and adjusts his positions accordingly, one may be encouraged that democracy has prevailed.

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[1] Morris Fiorina, Samuel Abrams, Mark Hetherington among others argue that the elite are polarized, not the general public and that therefore there is a disconnect between elected officials and their constituents (Fiorina and Abrams, 1977; Hetherington, 2009). Conversely, Alan Abramowitx finds that voters are more polarized and better aligned with their parties, suggesting that representation is consistent (Abramowitz, 2010). Consistent with Abramowitz' position, a recent Pew Survey found that Republicans and Democrats are divided along ideological lines with deeper and more extensive partisan antipathy than at any point in the last two decades (PewResearch, 2014).

[2] Throughout this paper I use the masculine pronoun when discussing governors unless I am writing about a specific female Governor.

Some may argue that because a governor cannot directly author or enact legislation he is dependent upon the state legislature and thus his position-taking is for exhibition only. Instead I argue that the governor, as the leader of his party and as the most visible state official, carries power through persuasion and direction and thus his position is both meaningful and important. Accordingly, knowing what factors, and to what degree each influences a governor's decision making can provide increased understanding of the process and in turn an increased ability to influence policy making.

In this study I assess factors involved in the decision-making process of each governor when deciding whether or not to support Medicaid expansion in his state. The focus of this study is the governor's calculations and considerations *prior to* "going public" with his position, irrespective of his success in getting his position adopted by the legislature. Specifically I explore the role the governor's party, the governor's personal ideology, the electoral results from the 2012 presidential election, the state's policy heritage, advocacy by state stakeholders, and the state economy played in the governor's calculations.

State policy making, and therefore I argue, gubernatorial position-taking, is likely to take on greater importance given the Supreme Court's decision in *National Federation of Independent Business (NFIB) v. Sebelius.* Because of this case, future and existing funding arrangements between the federal and state governments may fundamentally change. States now have increased latitude when deciding how and when to participate in joint federal-state programs (e.g., Medicaid, SCHIP, TANF, educational and housing program) (Rosenbaum and Westmoreland, 2012). Given this potential for new flexibility at the state level, an increased understanding of how governors make decisions will be critical. Additionally, because states collect a growing proportion of all government revenue and play an ever-increasing role in providing social welfare benefits, studying state action and how/why certain decisions are made is potentially crucial to understanding the future viability of social welfare programs (Campbell, 2013).

This project will add to the existing literature on state politics and policy making in three ways. Currently there is little in the literature regarding governor decision-making. Instead, the literature regarding executive decision-making among elected officials mainly focuses on presidential decision-making. Secondly, because I assess the role of partisanship vis-à-vis electoral interest, this study will add to the literature on political polarization. In particular I ask whether the same partisanship that has crippled policy making at the federal level drives governors to promote partisan policies that may be inconsistent with the state's electorate's priorities. Finally, the findings of this this study will contribute to the literature on federalism and the politics of state adoption and implementation of federal-state programs.

CHAPTER 2: BACKGROUND

President Barack Obama signed the Patient Protection and Affordable Care Act (ACA) was signed into law by President Barack Obama in March 2010. The legislation, having passed both legislative chambers with no Republican support.[3] As enacted, the ACA was expected to expand health insurance coverage to an additional 32 million Americans (KFF, 2010). Under the law the previously uninsured would receive health insurance through their employment,[4] by obtaining coverage through newly created web-based Health Insurance Exchanges (Exchange), which were being established to facilitate and subsidize the purchase of health insurance, or by enrolling in Medicaid. Those with incomes between 133-400% of the federal poverty level (FPL) would receive federal subsidies towards the purchase of health insurance procured through an Exchange. Those with incomes below 133%[5] of FPL would be enrolled in their state Medicaid program; receiving health care coverage through the existing publically financed program.

Medicaid, enacted in 1965 as the government program intended to cover indigent women and children, is now the nation's single largest health "insurer," covering an estimated seventy million children and adults, or more than one-fifth the population of the United States (KFF, 2010). In 2008, the total spending for Medicaid was in excess of $430 billion; nearly 60 percent of which was federally funded. As with many federal-state partnerships, and consistent with the federalism clause of the Constitution (i.e., the Tenth Amendment) which limits federal powers while providing broad authority to the states, there is great variation in Medicaid programs across the country (Baumgartner and Jones, 2009; Gray, Hanson and Kousser, 2013; Rosenbaum and Westmoreland, 2012). While state participation in Medicaid is voluntary, once they choose to participate states must meet minimum program options with regards to eligibility, benefit coverage and administrative requirements in order to receive federal matching funds. While every state ultimately chose to implement Medicaid,[6] states addressed the program options differently. Federal requirements and state choices under Medicaid have not been static. Rather they have evolved over the years through statutory amendments, regulatory processes and/or via individual waivers granted to specific states allowing them to amend their program. Over the past four decades since the enactment of Medicaid, states have refined their programs, rendering each program a reflection of the state's unique social and political culture. Some states have expanded eligibility and/or benefits while others have drastically reduced coverage. For example, many states – particularly those in the South -- used their control over eligibility to limit coverage, with some only covering those as low as a quarter or less of the federal poverty level. Other states (particularly those in the Northeast and Northwest) used their discretion to widen eligibility sometimes even to include adults who do not have children (Grogan and

[3] Senator Olympia Snowe voted in support of the Senate Finance committee thus moving the legislation out of committee and onto the Senate floor. No Republican voted in favor of the final bills on the floor of either House.

[4] Employers with more than 50 employees must either offer coverage or pay a penalty. Employers with more than 200 employees must automatically enroll employees into employer offered health insurance (KFF.org, 2010).

[5] The text of the ACA says 133 percent, but the law also calls for a new methodology of calculating income, which will make the effective minimum threshold 138 percent; thus both 133% FPL and 138%FPL are used in the literature (APHA, 2014).

[6] Arizona was the last state to launch a Medicaid program, waiting 18 years before implementing its Arizona Health Care Cost Containment System (AHCCCS) program in 1982 (Kaiser Commission on Medicaid and the Uninsured, 2012).

Patashnik, 2003). Ease of enrollment into the program and delivery models for participants (e.g., the use of private health plans) also vary across states. And recently, several states have even debated terminating their Medicaid program, although none have done so to date (Rosenbaum and Westmoreland, 2012).

A significant component of the ACA was an amendment to Medicaid, which increased the income eligibility level to 133% FPL and eliminates the categorical requirement needed to qualify for coverage (i.e., a person no longer needs to be pregnant, be a parent, or be disabled in addition to being poor)[7]. Non-compliance with these enhanced eligibility requirements would jeopardize a state's existing Medicaid program; thus rendering these changes mandatory. The change was projected to cover an additional 16 million people in Medicaid (KFF, 2010). Importantly, because of compromises made during the legislative process, the expansion population would not be subject to the existing Medicaid federal matching assistance program (FMAP) which ranges from a minimum of 50% Federal financial share to a 73.4% share (in Mississippi). Instead, under the ACA, the costs for the newly eligible population will be largely paid for by the federal government, which for the first three years (2014–16) will pay 100% FMAP. The federal contribution level will then decline to 95% in 2017–19 and to 90% in 2020 and thereafter[8] (KFF.org, 2010).

On the same day in March 2010 that the ACA was enacted, Attorneys General from fourteen states filed suit against the federal government challenging the constitutionality of the law. In the months that followed, an additional thirteen states joined the suit (Jacobs and Skocpol, 2012). In June 2012, in their *National Federation of Independent Business (NFIB) v. Sebelius* decision, the US Supreme Court upheld the constitutionality of the requirement that all Americans have affordable health insurance coverage. In the same ruling, the Court found the mandatory Medicaid eligibility expansion unconstitutional.[9] However, five justices, led by Chief Justice John Roberts, ruled in favor of *allowing* the Medicaid expansion to continue with the enhanced federal funding without jeopardizing their existing program, thereby rendering the expansion voluntary and leaving the decision of whether or not to expand up to each state (*National Federation of Independent Business (NFIB) v Sebelius, Secretary DHHS,* 2012; and Rosenbaum and Westmoreland, 2012).

The decision to allow states the discretion to decide whether or not to expand Medicaid to those under 138% of FPL is key to the success of the ACA's goal of providing coverage to all

[7] Prior to this change, Medicaid eligibility was tied to both poverty level and categorical qualification. For example, a pregnant woman would qualify for Medicaid with an income level below 133% FPL, a parent (living with a child) would qualify with an income below 75% and an adult without children would not qualify at all (KFF.org, 2010).

[8] Note, for those currently eligible, but not enrolled, states will receive federal matching funds at the original FMAP when they enroll. Additionally, the matching formula for administrative costs will remain at the current rate (between 50-75%).

[9] The Justices invoked the coercion doctrine, deciding that there was no real choice to expand or not, given that non expansion would result in termination of the existing Medicaid program. Additionally, because the existing Medicaid programs accounted for more than 20% of the average state budget and a 100% federal match was too coercive. States argued that this provision of the ACA was more like a "gun to the head" for states and thus inconsistent with federalism and state rights. (Rosenbaum and Westmoreland, 2012)

legal residents. In states that decided not to expand, millions of Americans will be left without health care coverage. Although the timeline for expansion is open-ended, to maximize federal funds - i.e., draw down the entire three years of 100% federal dollars, states must implement the expansion beginning January 1, 2014.[10]

In consideration of the timeline to maximize federal funds, each governor would have to indicate his position in either his budget or state-of-the-state address as the first step in the state political process in January or February of 2013. After the governor proposed his policy position, it was then up to the state legislature to determine whether or not to enact laws regarding the expansion of Medicaid, either consistent with or in defiance of the governor's position. The governor typically promotes and advocates for his position throughout the legislative process, hoping to influence the outcome. In the end, however, he cannot promulgate law and thus is relegated to either signing or vetoing any law if the resulting policy is contrary to his beliefs. It is however, important to note that the assumption is that no action by the legislature (whether consistent with the governor's recommendation or not) results in the status quo: non-expansion.

As of June 25, 2013 – the cutoff point of this study - 24 governors supported expansion in their states while 19 opposed it. An additional seven governors had not yet stated their positions (or have expressly left the decision to the legislative body without explicit guidance). Those supporting Medicaid expansion made statements like: "The Supreme Court's ruling removes the last roadblock to …bringing health care to millions of uninsured citizens. California will implement the expansion; it is the right thing to do as it will help provide health care to those in need" (Brown, 2012). Others argued that "it would benefit no one … to see taxes skyrocket and our economy be crushed as our budget crumbles under the weight of oppressive Medicaid costs; …this is nothing less than government takeover of our healthcare system and an overstep of the federal government into our business" (Governor Rick Perry of Texas, 2012).

In a quick perusal of the data, no one factor appears to explain the variation among governors' positions (See Appendix A1). Supporting the idea that no single issue drove the decisions, Lawrence Jacobs and Theda Skocpol assert that State variations in implementation of the ACA reflect "distinct business conditions, political proclivities, and administrative capacities of each state" (Jacobs and Skocpol, Forthcoming). This research attempts to disentangle those characteristics and identify the critical factors that informed the decision making process for each Governor.

[10] All Medicaid expenses for the expansion population will receive 100% federal match between January 1, 2014 and December 31, 2016. Thereafter, the Federal match will decrease to 95% FMAP for 2017; 94% FMAP for 2018; 93% FMAP for 2019 and 90% FMAP for 2020 and beyond (KFF.org, 2010).

CHAPTER 3: LITERATURE REVIEW

Alan Rosenthal, in his book The Best Job in Politics: Exploring how Governors Succeed as Policy Leaders, argues that the job of governor is the best job in politics. He summarizes the job as one in which the governor makes political appointments, manages/administers the state, responds to crises, promotes the State, leads his party sets the agenda, and makes policy (Rosenthal, 2013). He claims that governors, as compared to presidents, have greater control of their environment (p4), can lay claim to a number of accomplishments (p5), can set the agenda, make decisions and focus on solving problems (Rosenthal, 2013). In addition, he points to the pay, the formal residence, the ability to live in one's own state, and the overall sense of accomplishment that comes with the job (Rosenthal, 2013). But of greatest interest to this study, Rosenthal argues that since 1911, when Woodrow Wilson was governor of New Jersey and drew up an agenda of bills and tried to get them enacted by the legislature, governors switched from being reactors to legislatively proposed policy to agenda setters of their own (Rosenthal, 2013).

Responding to crises and issues outside of the formal agenda is common. "Sometimes the governor must 'play [the] hands that are dealt,' focusing on the issues forced upon him, rather than following his own agenda." When this happens the governor gets diverted from other policy priorities (Rosenthal, 2103, p24). Former Governor Engler (R-MI) is quoted by Rosenthal as saying "[I had to do] many things, [I] didn't have much choice" and Former Governor Ashcroft (R-MO) said "Events set the agenda – [I didn't] have much control as often economic conditions and national disasters drive the agenda" (Rosenthal, 2013). Similarly, Former Governor Lamar Alexander (R-TN) reported that the governor's main role was to be an issue catalyst, picking up issues from the public, observing issues as they played out, and/or reacting to history or unanticipated events and then facilitating a process for problem solving and conflict resolution; this more so than pursuing one's own agenda (Ferguson, 2013). In summary, whether a governor sets his own agenda or reacts to items placed on his agenda by external events, he is the chief administrator of his state and thus is called upon to define the issue, direct his administration, to problem solve and to lead his state in the direction of he chooses.

One constraint governors may face is the opposition of those who believe differently; and likely affiliate with the other party. There are a number of theories regarding polarization politcs in the United States. Fiorina and Abrams argue that it is the political class that is polarized; not the voting public, which they argue are much more moderate in ideology. They therefore claim that there is a disconnect between the political elite and voters which ultimately results in a failure of representation because the positions of both groups vary (Fiorina and Abrams, 2009). Karol, Bawn and others similarly argue that "intense demanders" form political parties hoping to ultimately win and thus legislate in the "blind spot" of most voters in order to meet their own interests (Bawn, Karol, et. al. 2001). Mark Hetherington agrees that it is the political elite who are polarized not the general voting public. Instead he believes that the general public is sorted by party; thus when the elite lead their parties in opposite directions, the party faithful follow suit (Hetherington, 2009).

Abramowitz, on the other hand, argues that the public is in fact polarized; that voters no longer hold moderate opinions (the middle is disappearing) and they are more serious and more interested in politics than ever before. He believes the polarization in Washington in facts

mirrors that of the engaged public. He argues that this has happened because the parties are better sorted, there are more safe districts (districts that are not competitive across party affiliation), and that voters are better educated. All this, he asserts, leads to more partisanship with Democrats becoming more liberal and Republicans more conservative. Unlike Fiorina and Abrams, Abramovitz believes there is no disconnect in representation (Abramowitz, 2010). Consistent with Abramovitz' argument, a recent PewResearch survey found that Republicans and Democrats are more divided along ideological lines with deeper and more extensive partisan antipathy than at any point in the last two decades (PewResearch, 2014).

One cannot discuss polarization in the US without understanding the role of the Tea Party. The Tea Party promotes extreme right policy positions and punishes anyone willing to even discuss policies anathema to their position. The Tea Party was officially launched on February 19, 2009 when CNBC's Rick Santelli spoke against the president's foreclosure relief plan: "It's time for another Tea Party… The government is rewarding bad behavior! ...We need to take our country back," he said (Shor, 2009; Fried and Melcher, 2012; Skocpol and Williamson, 2013). Santelli struck a chord for many Americans – by some estimates over 46 million Americans (one fifth of voting age adults) identify as Tea Party members because they were worried about the future of their country (Skocpol and Williamson, 2013).

Those who have studied Tea Party members describe them as being conservative, promoters of business interests and, to a lesser degree, advocating limits on abortion, gay rights, and contraception. They tend to be more ideologically extreme than other conservative Republicans. In fact, some identify themselves as Independent when asked about political party affiliation; due to the fact that they are see themselves as more conservative than the Republican party as a whole (Skocpol and Williamson, 2013). Most Tea Party members are older white men, well-educated and economically comfortable, when compared to Americans in general. The plurality is made up of churchgoers and small business owners who are adamantly opposed to taxes, believing that market forces without restraints can resolve social inequity, and believe in state sovereignty (Skocpol and Williamson, 2013; see also Fried and Melcher, 2012). For many, rejecting government programs is connected to the idea that giving assistance helps the undeserving,[11] is unfair to working Americans, and undermines the work ethic (Fried and Melcher, 2012). For many Tea Party members, President Obama's experience as a community organizer is seen as evidence that he works on behalf of the undeserving poor and wishes to mobilize government resources on their behalf. Theda Skocpol and Vanessa Williams, in their on-site observations of Tea Party meetings and one-on-one interviews with Tea Party loyalists, found that Tea Party members strongly believe in these core principles: "Smaller government, the Constitution, and personal responsibility." In fact, most meetings were called to order with a reading of the constitution (Skocpol and Williamson, 2013). Another finding of Skocpol and Williamson's onsite interviews was that although Tea Partiers have negative views about all of their fellow citizens, they make "extra-jaundiced assessments of the work ethic of racial and ethnic minorities." Although Tea Partiers are skeptical and scornful about establishment Republicans who "willingly compromise and are thus untrue to their beliefs," they ultimately

[11] Medicare and Social Security, unlike Welfare and Medicaid, are "earned" over a life-time of paying into the system. This separates the "deserving" beneficiaires - those who paid for their benefits -- from the "underserving," those who collect benefits without having "earned them." Interestingly, the lionshare of Tea Party members depend on Medicare and Social Security. Instead, they are against programs that affect "others" – programs in which hard workers are put upon to support the "lazy" who haven't "earned" the welfare, Medicaid, or food stamp benefits they receive (Skocpol and Williamson, 2013).

vote Republican as a vote against President Obama (Skocpol and Williamson, 2013). Because Tea Party ideology functions as an extreme conservative ideology within the Republican Party, the Party may not present with a unified voice. This is of particular concern during a primary election, when candidates are further pulled to the right to appease their more conservative brethren if not outright challenged by a more conservative candidate. The presence of a Tea Party voice within a state adds a distinctive element to governor decision-making as the Republican Party must be viewed in parts.

Governors who align with the Tea Party[12] likely hold more extreme positions while establishment Republican governors are more likely to soften their position and compromise when needed. Many Republican governors, with their stalwart anti-tax, socially conservative and anti-regulatory views, were "Tea Party" before there was a Tea Party (Fried and Melcher, 2012). Tea Party supported candidates won 11 new governorships in 2010 (Fried and Melcher, 2012). All of the new governors praise business and talk about becoming "business friendly" (Fried and Melcher, 2012). Early in each of their respective terms, Tea-Party supported governors (e.g., Scott Walker (WI), John Kasich (OH), Rick Scott (FL), Tom LePage (ME)) cut taxes, eliminated business regulations, reduced benefits for school-teachers and other public workers, attacked the bargaining rights of unions and cancelled federally funded rail projects (Skocpol and Williamson, 2013). All of these governors have signed the anti-tax pledge promulgated by Grover Norquist and his Americans for Tax Reform; steadfastedly refusing any compromise that may result in increased taxation.[13] While many of these Republican elected officials truly believe that talking to Democrats would be a waste of time, and compromise or agreements with them verge on the irresponsible, others worry about Tea Party activists "punishing" them for any sign of negotiation or compromise. In either case, whether holding this extreme position as their duty by conviction (a position common among those governors with little previous government experience such as Nikki Haley (SC), Bobby Jindal (LA), and Tom LePage (ME)), or adopting this outlook out of a belief that this behavior in necessary to win and maintain Tea Party support, governors elected under the Tea Party banner are steadfast and uncompromising in their right-wing ideology (Skocpol and Williamson, 2013).

[12]Fried and Melcher studied governors who were identified in the mass media as reflecting Tea Party themes, were beneficiaries of Tea Party support, or proclaimed themselves as Tea Party backers (Fried and Melcher, 2012).

[13] Governors who have signed the American Tax Reform Pledge to not increase taxes are: Bentley (AL), Parnell (AK), Scott (FL), Deal (GA), Jindal (LA), LePage (ME), Bryant (MP), McCrory (NC), Kasich (OH), Fallin (OK), Corbett (PA), Haley (SC), Perry (TX), Walker (WI) (Americans for Tax Reform, 2014)

CHAPTER 4: THE THEORETICAL MODEL

The question to be answered is: What factors influence a governor's decision-making? Politicians make policy decisions based on their electoral concerns, their ideological beliefs and their pragmatic judgments about what is best for their constituents, their state and the country (Rom, 2013). A state's location (its region) and its cultural and economic history will define the backdrop for the decision. I believe there are at least 7 factors that play into a governor's calculus when deciding whether or not to expand Medicaid: 1) the governor's partisan affiliation, 2) the governor's personal ideological proclivities, 3) the cost-benefit ramifications of the decision upon the state's economy, 4) the potential electoral ramifications of the decision, 5) the strength and political power of stakeholders, 6) the state's past policy history and establishment of institutions, with regards to Medicaid and other social policies, and 7) the governor's personal story.

4.1 Party

Theda Skocpol, in a lecture on the topic, argued that because "the story of Partisanship is at an all time high in every aspect of national politics … including health care… and is in effect in state government," governors are under extreme pressure to follow their party line (Skocpol, Wildavsky Lecture, 2013). Not a single Republican in Congress voted in favor of the ACA's passage, while nearly all Democrats did. It therefore comes as no surprise that the battle lines between Democratic supporters of the ACA and Republican opponents continued into the debates at the state level (Jacobs and Skocpol, 2012). Jacobs and Callaghan too argue that party control is closely correlated with the implementation of Medicaid expansion. They found that states with Democrats in power generally moved faster and farther in implementation than did states with Republicans in power (Jacobs and Callaghan, 2013).

To understand the influence of party control, one must first determine what is meant by "party." Definitions of party typically include both electoral and governing functions (Morehouse, 2001). Anthony Downs defined party as "a team seeking to control the governing apparatus by gaining an office in a duly constituted election." Downs asserts that political parties formulate policies in order to win elections instead of winning elections to formulate policy (Downs, 1957; Schlesling, 1996; Epstein, 1996; and Morehouse, 2001). Others argue that parties are meant to serve candidates. In this model, parties are tools used by politicians/office seekers. An individual candidate pursues their personal goal: a long political career. Herein parties are used to overcome the collective action problems foreseen by Mancur Olson; namely that without parties, no one would step forward to organize an election campaign (Downs, 1957, Olson, 1965; Aldrich, 1995). In this model, parties are institutions that serve candidates by providing resources to address campaign financing and expertise needed to win elections. In a third definition, parties are seen as a coalition of interest groups, each with narrow policy interests, that work together to find a candidate that meets their collective needs. In this model, active party members are intense issue "demanders" who work to keep voters as oblivious as possible in order to maximize focus on their personal policy interests. In this case, parties are not about helping candidates win office, but rather about finding candidates to help the the interest groups that make up the party get their policy preferences enacted (Bawn, Karol et. al., 2001). Ultimately, in this model, the purpose of parties is to protect the interests (financial and otherwise) of those who are core to the party; the candidate (and then the elected official) is there

to serve the party (Crook and Hibbing, 1985; Cox and McCubbins, 1993; Abramovitz, 2001; Bawn, Karol et. al., 2001; Karol, 2009; Cohen, Karol, Noel, and Zaller, 2009). Under the first two definitions, the goal of a party is to win elections, rather than to promulgate policy. Policies are espoused and enacted not as a means to themselves, but rather to garner votes. In the third definition however, the party is organized in order to ensure that the policy goals of those backing the party are met. The goal here is to find a candidate who can win and thus promulgate the preferred policy. Regardless, in all three definitions, the candidate is indebted to the party to ensure his election and thus must not stray too far afield or risk losing support. It would therefore be safe to assume that if a party has a particular position, elected officials in the party would follow suit.

The next critical question is: Do state political parties behave similarly to their "parent" national parties? James Gimpel, in National Elections and the Autonomy of American State Party Systems, argues that state parties are autonomous party systems given that "local party coalitions are consistently different from the national party coalitions." He further writes that because state parties are not pawns of national parties, policy differences across state parties are likely (Gimpel, 1996).

As discussed above, elected officials are likely indebted to their political party. While the strength of this allegiance may differ by state based on the strength of the state party and the type of primary election structure in place, the increased draw of dollars across state lines and the intensely partisan politics of the day appears to have better aligned candidates with their party's platform. Those who argue that partisan politics is paramount to the decision whether or not to expand Medicaid might argue that given the prominence of the ACA and its association with a Democratic president, the parties would divide clearly on the issue. For example, Boris Shor argues that, in a legislative vote, Republicans should do all they can to gut "Obamacare"[14] while Democrats should do all they can to consolidate it (Shor B. , 2013). Consistent with this argument, the ACA passed both houses of Congress without a single Republican vote.[15] Further, there have been dozens of votes in the US House proposing the repeal of the ACA, none of which received a single Democratic vote (O'Keefe, *Washingon Post,* 2014). Similarly, in state legislatures, votes to expand Medicaid are predominantly on party lines. Boris Shor found that 99% of Democrats in State legislatures voted for Medicaid expansion. However, in the same study, Shor found that 17% of Republicans also voted for expansion (Shor, 2013). The question then becomes whether governors too act in partisan ways or follow that minority of Republicans that voted contrary to their party line.

4.2. Ideology

A second factor that likely plays into a governor's decision-making is his personal ideology; that is, his personal beliefs vis-à-vis the role of government. Though ideology increasingly maps

[14] The term "Obamacare" was initially coined by Republicans as a derogatory term referring to the ACA. However, since its first usage, President Obama has embraced the term and it is now often used interchangeably with other nomenclatures for the law (e.g., ACA, PPACA, and Affordable Care Act).

[15] Olympia Snowe (R-ME) provided a single Republican vote during the legislative process, thereby moving the Senate bill to the Senate floor and out of the Senate Finance Committee. However, she later voted "no," along will all Republican Senators, when the bill came up for a vote on the Senate floor.

onto party, there is considerable variation in ideology, especially at the state level. McCarty, Poole and Rosenthal define ideology as "a means of systematically simplifying politics with the knowledge of what goes with what" (McCarty, Poole and Rosenthal, 2008). For example, according to McCarthy, Poole and Rosenthal, "those labeled 'conservative' generally prefer a smaller government, oppose redistributive programs, oppose regulation, oppose efforts to champion the rights of racial, gender and sexual minorities and tend to be more moralistic rather than permissive when compared to 'liberals'" (McCarty, Poole and Rosenthal; 2008). However, an impediment to comparing decision-makers' respective ideologies is the lack of comparable policy determination under identical external political conditions (Shor, 2011). Furthermore, over time the populace has sorted by ideology in such a way that conservatives have moved to the Republican Party and liberals to the Democratic Party, leading to a higher correlation between ideology and partisanship (Levendusky, 2009). Even within a party, ideology plays a role in driving agendas.

Some researchers argue that partisan affiliation masks personal ideology, which is the actual driver of decisions. For example, in an analysis of the votes of legislators across the country, Boris Shor argues that ideology at the individual level was the most important predictor of voting on state exchanges, Medicaid expansion, and anti-mandate roll calls, far more so than legislator party, district characteristics, or public opinion[16] (Shor, 2013).

4.3. Economics

Different than those who believe that Party affiliation or personal ideology drive policy decisions, others have found that that Republicans and Democratic officials "ultimately enact the same policies when given the responsibility of governing; reacting to social needs and economic constraints of the state as the expense of campaign pledges or ephemeral political considerations" (Erikson, Wright and McIver, 1993). Within this context, a pragmatic response to the economic pressures of increased federal funding under the Medicaid expansion may ultimately drive the governor's decision. The huge increase in new dollars will inject funds into the state's economy directly supporting tens of thousands of health care providers across the country, including hospitals, community health centers, nursing facilities, group homes, and managed care plans. However, equally importantly, Medicaid funds indirectly support other businesses and affect jobs, household spending, and state and local tax collections (Kaiser Commission on Medicaid and the Uninsured, Nov 2013). The indirect support, or multiplier effect, can have profound impacts on the broader state economy. For instance, state businesses and residents spend their earnings on purchases from other businesses or residents in the state, who in turn make other purchases and so on. In addition, with respect to Medicaid expansion, newly covered participants may have an increased ability to spend money in the local economy in lieu of saving for future health care needs. Overall the economic impact is generally quantified in terms of employment, income, state revenue and overall economic output (also referred to as business activity, gross state product, or value added) (Kaiser Commission on Medicaid and the Uninsured, Nov 2013).

[16] Note, the problem with assessing personal ideology as a separate factor from party identification is the strong correlation between party identification and personal ideology. Teasing out the influence of one factor over the other may not in fact be possible and is a concern to this study.

At the inception of Medicaid in 1965, states were offered federal financial support (their FMAP) to encourage the states to provide coverage to their poorest and sickest residents. Within the first fiscal year that federal funding was available, nearly half of the states had an operational Medicaid program. By four years of enactment, nearly all states had implemented a Medicaid program, even in face of substantial state investment (as much as 50% of the cost of the program). By 1970 – 5 years post enactment - only two states had not adopted a Medicaid program (Kaiser Commission on Medicaid and the Uninsured, 2012). While many state officials were opposed to implementation of Medicaid, they ultimately succumbed to the economic pressure created by covering the uninsured without Federal financial support. For example, by 1982, Arizona, the lone hold-out, finally succumbed to that financial pressure when it too adopted Medicaid. Advocates for the adoption of AHCCCS – the Arizona Medicaid program – were county government leaders who wanted fiscal relief to address of care for their uninsured population. County officials and their supporters criticized state legislators for failing to capitalize on an opportunity to receive millions of dollars in federal support. They argued that Arizonans were paying federal taxes to support Medicaid programs in other states, without receiving federal help for their own indigent health care programs. In response, the governor and legislative leaders designed AHCCCS, becoming the final state to implement a Medicaid program (Brecher, 1984).

States continued to meet new federal requirements to extend Medicaid coverage as the law evolved and others have expanded beyond minimum coverage levels at the regular federal matching rate (Kaiser Commission on Medicaid and the Uninsured, 2012). In 2009 and 2010, in response to Tea-Party pressure at the state level, several states estimated the financial impact of opting out of the Medicaid program. Several significant detrimental fiscal impacts at the state level were identified, including dramatic increases in uninsured and uncompensated care costs; revenue losses for providers and hospitals; cost shifting to private insurers in the form of higher premiums; and loss of federal revenues that support other state agencies, such as mental health departments. Studies further noted that there are likely even broader economic impacts on jobs and businesses (Kaiser Commission on Medicaid and the Uninsured, 2012). In the end, no state dropped the program.

Researchers such as Theda Skocpol argue all states will expand Medicaid again as a result of the intense economic pressure in favor of expansion (Skocpol, Wildavsky Lecture, 2013). If all states implemented the Medicaid expansion, an additional 13.1 million people could be enrolled in Medicaid by 2016 (KFF, 2010). Over the 2013-2022 period, states could see an additional $800 billion in federal dollars provided to states to support the expansion (offset by an estimated $76 billion in state costs), this without accounting for any spending offsets due to lower uncompensated care costs, reductions in other state spending or other broader economic effects) (Holahan J. et al.., The Cost and Coverage Implications of the ACA Medicaid Expansion: National and State-by-State Analysis, 2012). Multiple studies have projected increased state economic activity such as increases in state output, Gross State Product (GSP) and state and local revenues as well as a positive effect on jobs and earnings a result of increased Medicaid funding.

The magnitude of the impact depends on the level of current and anticipated new Medicaid funding (Kaiser Commission on Medicaid and the Uninsured, Nov 2013).[17]

Thus, many argue that the magnitude of federal funding likely to enter the state's economy as a result of Medicaid expansion will ultimately convince the decision-makers that this offer is too good to turn down. One set of researchers went as far as to say that "buying states' acquiescence" is one way to get the ACA implemented (Jacob and Skocpol, Forthcoming). Forgoing 100% funding for two years and 90% funding thereafter must be considered as an opportunity cost of saying no to expansion. This is especially the case for the many states that supplement their Medicaid programs with their own funds by expanding the program beyond the Federal program constraints. In this case, even conservatives have to reckon seriously with the costs and benefits of this policy in a pragmatic, rather than purely symbolic sense (Shor, 2013). At the conclusion of her April 4, 2013 speech for the Wildavsky Forum at the UC Berkeley Goldman School of Public Policy entitled The ObamaCare Challenge: Partisan Conflict and the Implementation of a Nationwide Reform in Fifty States, Theda Skocpol was asked: "In 10 years' time, how many states will have opted to expand Medicaid?" Ms. Skocpol unequivocally answered: "All of them…they can't afford not too; there's too much money at stake" (Skocpol, Wildavsky Lecture, 2013). Thus, as was the case with the initial implementation of Medicaid in 1965, many researchers argue that in time all states will expand Medicaid consistent with the ACA as the Federal funding on the table will make it too costly to state economies to turn expansion down.

4.4. State Policy History

States are different and so are the policies they enact. Although their agendas and policies are frequently linked – often due to environmental influences (e.g., political trends, fiscal crisis, droughts, media), sequential to policy from the national level, or even following the example of another state - how the policies are implemented differ by state (Baumgartner, Gray and Lowery, 2009). According to Virginia Gray, these differences are driven by a set of socioeconomic factors which include population size and composition, immigration, physical characteristics and natural resources and by types of economic activities stemming from a state's physical endowments, wealth and regional economic factors (Gray, 2013) Gray also cites the broader political context such as political culture, previous actions taken by the state, other states' actions and national political forces that affect state governments' ability to address concerns (Gray, 2013). In fact, Gray states that the multitude of differences across states helps explain the existence of federalism. Others argue that because of Federalism, variation is expected; and that variation in state responses to federal policy, including explicit refusal to implement federal

[17] Compared to their costs without the ACA, 8 states are expected to see savings from implementing ACA with the Medicaid expansion (CT, DE, IA, MA, MD, ME, NY, and VT); in these states, the federal government pays a higher share of costs for some current eligibles. About half of the states could see their costs increase by less than 5% from 2013 through 2022. The remaining states could see their costs rise by 5 to 11% due to the size of their expansion and some increased enrollment among currently eligible people (mainly children), with the federal government paying each state's regular Medicaid match rate for current eligible. Specifically, and to show the range, Vermont will see a savings of 8.5%, Texas an increase of 6.1% and Nevada an increase of 11.3% in costs over their existing Medicaid programs (Holahan J. e., The Cost and Coverage Implications of the ACA Medicaid Expansion:, 2012).

policy (Derthick, 2001; Shelly, 2008; Nicholson-Crotty, 2012) and less explicit decisions to delay implementation (Miller and Blanding, 2012) are expected.

Whether it is the differences among states that drove the existence of federalism, or vice-versa, state action under federalism varies due to a multitude of factors. Ultimately a state's region (i.e., South, Northeast, Mid-West, Mountain, West), ideology, culture and history all play into the position each individual state may take on any particular policy issue (Gray, 2013). For example, regional differences in manufacturing and labor-markets result in divergent benefits and coverage for welfare, unemployment insurance and Medicaid across the states. For example, due to the absence of strong labor movements, voting requirements that have historically restricted the votes of the under-privileged and non-whites,[18] and migration trends, southern states have traditionally opted for less generous provisions than have states in other regions (Springer, 2012; Gray, 2013; Jacobs and Skocpol, Forthcoming). Historically, the politics of individual southern states have varied according to the proportion of people of color; the deep-south states (i.e., Alabama, Georgia, Louisiana, Mississippi, and South Carolina) with the highest concentration of non-whites were much more politically conservative than the peripheral south states (i.e., Arkansas, Florida, North Caroina, Tennessee, Texas and Virginia) (Gray, Hanson and Kousser, 2013). Demographic, immigration and mobility trends continue to reconstitute the politics of the nation and the states. These changes affect state politics in many ways as political leaders must address the competing – and sometimes conflicting – preferences, needs and demands of longtime residents and newcomers (Gray, Hanson and Kousser, 2013). For example, because Latinos have been concentrated primarily in the Southwest (i.e., Arizona, Nevada, New Mexico and California), immigration policies and other issues of importance to the Latino vote are center stage and highly salient in these states (Gray, Hanson and Kousser, 2013). States also differ in the age of their populations, the composition of their families, and the ethnicity of citizens, each with potential significance for their policies (Rom, 2013). Florida, for example, has a high percentage of elderly living within its border; thus focusing much political attention to long-term care (including Medicaid[19]) policies. Voter income too drives regional differences in voting: wealthy voters in poorer states such as Mississippi and Alabama consistently support Republican candidates for elected office, while their counterparts in the more well-to-do-states, such as Connecticut and California, regularly back Democrats (Phillips, 2013; Gelman et.al., 2010).

These regional differences may be a reflection of what Sydney Verba calls "political culture." He defines political culture as the system of empirical beliefs, expressive symbols, and values which defines the situation in which political action takes place." These beliefs, symbols, and values are widely shared in a society and have an enduring quality that is based on history and tradition (Verba, 1965); see also Key, 1950; Elazar, 1984; Jewell and Morehouse, 2001). Because this political culture is a result of a shared history, population mobility creates pressure on the prevailing beliefs, suggesting a continual evolution of existing political culture. Because

[18]With the legacy of Jim Crow and the disproportionately restrictive electoral laws aimed at limiting participation at the polls in Southern States, there has been a persistent nonvoting culture throughout the past century. Merely making voting and registration more convenient is not necessarily sufficient to alter, or overcome this legacy (Springer, 2012).

[19] Although the elderly make up only about 25% of the Medicaid caseload nationwide, they are responsible for over 2/3 of the Medicaid dollars; primarily due to long-term care expenses (KFF.org, 2013).

no two states share exactly the same history, each state's political culture is unique, resulting in individual responses to federalism.

Aside from Gray's socioeconomic facts and Verba's political culture, ideology regarding the role of government and provision of social benefits also plays a large role in state decision-making (Goggin, 1999; McGrath, 2009; Bowman et. al., 2010; Rosenthal and Westmoreland, 2013; and Shor, 2013). Medicaid, for example, touches on the core dispute between the ideological left and right – the extent of government versus market control over the health care delivery system - via regulation and redistribution policies. As Boris Shor writes "it is difficult to build the case that conservatives can find something to like in traditional Medicaid expansion, which involves making public provision of health insurance coverage even bigger" (Shor, 2013).

There is a correlation between the ideology of state voters and the state's policies (Erikson,Wright and McIver 1989 ; 1993; Kousser and Phillips, 2012). Ideological purity among governors is rare, as leaders may attune their partisanship tendencies to match the ideological orientation of their state's electorate. For example, Democratic governors in conservative states like Alabama, Kansas and Wyoming and Republican governors in liberal places such as California, Massachusetts, and Vermont craft agendas that are more moderate than their partisan labels would otherwise indicate, reflecting the ideological norms of their states (Kousser and Phillips, 2012; Shor, 2011).

And, once policy decisions are made and programs enacted, future decisions are constrained as options are limited. Paul Pierson argues that systems of federated governance influence social policy development by "chang[ing] the power, preferences, and strategies of social groups [and generating] … new institutional actors" (Pierson, 1995). Or, as Jacobs and Callaghan write in paraphrasing Pierson: ""policy creates both politics and context within which lawmakers determine feasible options" (Pierson quoted in Jacobs and Callaghan, 2013). For example, the level of coverage expansion brought about by SCHIP was found to be a function not only of the upper income eligibility for SCHIP, but also of the "floor" where Medicaid coverage stops and SCHIP coverage begins (Rosenbach, 2003). And specific to the question being studied here, "state decision making toward adopting the ACA's Medicaid provisions may be influenced by prior policies toward low-income people and the uninsured – especially policies toward eligiblity and benefits that were established prior to the ACA" (Jacobs and Callaghan, 2013). Thus, a state's past policy choices not only reflect its past ideology but also what policies are likely to be enacted in the future. Knowing a states' policy history can help anticipate future decisions: states with a liberal policy history are likely to continue promulgating liberal policies while conservative states will not likely promulgate liberal policies.

4.5. Electoral Pressures

In his book Congress: The Electorate Connection David Mayhew argued that much of the organization of Congress and the actions taken by Congressmen can be explained as re-election seeking behavior. Specifically, Mayhew wrote "What a congressman has to do is to insure that in primary and general elections the resource balance (with all other deployed resources finally translated into votes) favors himself rather than somebody else." In Mayhew's view, a Congressman is a full-time professional politician who makes politics a life career. His goal is re-election (Mayhew, 1974). To be re-elected, Congressmen engage in "advertising, credit-

claiming, and position-taking." Advertising, per Mayhew, is any effort to disseminate one's name among constituents in such a fashion as to create a favorable image (i.e., name branding). Credit-claiming is defined as acting so as to generate a belief one is personally responsible for causing something desirable to occur. Finally, position-taking is the public enunciation of a judgment/opinion on items of political interest; regardless of likelihood of accomplishment (Mayhew, 1974). Fiorinia agreed with Mayhew, writing that "Policymakers are usually seen as seeking through their activities and votes to 'claim credit' with constituents and clientele groups for actions taken in their interests (Fiorina, 1977). In a 2001 review of his earlier work, Mayhew again asserted that "[he] remain[s] convinced that politicians often get rewarded for taking positions rather than achieving effects. The member-centered electoral drive seems to be alive and well on Capitol Hill" (Mayhew, 2001). And even more recently, Justin Phillips found that "once in office, officials' own ambitions – their desire to win reelection – give them the incentive to legislate in a way that is consistent with what their constituents want. Officials who offer policies that prove unpopular can be replaced at the next election by other politicians who offer something different" (Phillips, 2013).

Another tool used by politicians to improve their re-election likelihood is blame avoidance. Weaver asserts that politicians must be at least as interested in avoiding blame for (perceived or real) losses to their voters that they either imposed or acquiesced to as they are in 'claiming credit' for benefits they have granted. Thus both credit claiming and blame-avoiding motivations influence policy decisions. Formally he describes them not as credit-claiming maximizers but as blame minimizers (Weaver, 1986). In this manner, politicians may cede discretion to another official(s) or an independent agency to make what may be viewed as politically costly decisions. Politicians diligently calculate their actions, their words, and the policies with which they are associated as being either supportive of or detrimental to their ultimate goal: re-election.

Credit-taking and/or blame-avoiding both play in the detailed calculations of elected officials, at least at the national level, when deciding on an action to take. Both Mayhew's and Weaver's assertions invoke Rational Choice Theory which asserts that actors carefully calculate the cost and benefits of any action, aiming to maximize the good (Downs, 1957; Olson, 1965; Fiorina, 1977; Chong 2000; Oshifski and Cunningham, 2008).

The theory of "retrospective voting" posits that the "voters look at the results rather than the policies and events which produce them" and that the voters reward or punish incumbents for current conditions (Key 1950; Fiorina 1977, King, 2011). Specifically, if voters are unhappy with the direction of state policy and government, they will likely blame the governor for their discontent, casting a vote for his opponent. Additionally, voters assess past performance as cost-effective means of determining likely behavior during the next administration (Downs 1957; Fiorina 1981). Whether deciding to reward/punish the current office holder or appraise past performance as a proxy for future performance, voters focus on incumbent officeholders when casting their ballots. In elections, while incumbent governors have no choice but to run on their records (e.g., positions on salient issues), other factors play a role.

Many researchers have studied the factors that effect gubernatorial elections. Foremost are the governor's popularity and the economic status of the State (Jewell and Morehouse, 2001; King, 2011; Ferguson, 2013). Perhaps obviously, voters are more likely to vote for popular governors. Governor popularity is commonly measured by the percent of the vote received in the

last election and by statewide opinion polls (Ferguson, 2013). Additionally, Governors are watched by the media; the quantity and tone of reports play into the recognition and degree of popularity of the governor (Ferguson and Barth, 2002; Ferguson, 2013). When assessing the impact of the economic performance of a state on a governor's popularity, the strongest measure (negatively correlated) is the unemployment rate (King, 2011; Kousser and Phillips, 2012; Ferguson, 2013). In fact, King argues that unemployment rates dominate the economic factors responsible for incumbent re-election. He finds that a governor's approval rating drops by an estimated three points for each percentage point the state unemployment rate exceeds the national rate (King, 2011). Other scholars have found that a gubernatorial election is viewed as a "referendum on the President" with voters voting for or against the President's party and thus voting for or against the incumbent governor, depending on whether or not he shares the President's party (Simon, 1989; Jewell and Morehouse, 2001; King, 2011). Thus, the likelihood of a governor's re-election is based on a complicated calculation of factors that include a governor's popularity, the type of pre-ballot requirements, the type of primary election, the economy of the state, and the salience of the issue. Therefore, when deciding what position to take on a salient policy issue, a detailed calculus must be undertaken; not only must the candidate assess the impact on the different stages of an election (i.e., a primary or general election) and the different constituents at each stage, but also the possibility of elections for future offices.

4.6. Interest Groups

According to David Truman, groups are natural and inevitable, forming and mobilizing when their interests are threatened. Groups are formed to help people pursue their own interests and to fight others with divergent interests; thus the formation of one group may spur the formation of another (Truman, 1951). Furthering group formation is the salience of the issue on the agenda. Highly salient issues are likely to spur increased participation among individuals and groups; with competing interests and individuals active on various sides of a question in hopes of obtaining benefits or avoiding losses (Oshifski and Cunningham, 2008). Additionally because of the multiple levels of governing under Federalism, groups often need the resources and motivation to organize at the national, state, and local levels (Wolak et. al., 2002).

The number of interest groups in states varies, but has more than doubled between 1980 and 2009. Along with this growth, there has been an increase in specialization of interests and in the number of single-issue groups (Nownes and Newmark, 2013). In their study of interest group density in states, Virginia Gray and David Lowery found that the single best predictor of the density of interest groups is the number of potential constituents available to organize. For example, if there are no manufacturing firms in a state, there will be no manufacturing association to engage in lobbying even if the legislative parties are competitive, differ in ideology, and choose to address manufacturing policy. States with larger economies have more heterogeneous and diversified economic interests, and similarly, larger states have more heterogeneous political systems as well (Gray, Lowery, et. al., 2012). As issues take on different forms and cross into diverse venues, a single issue area may be altered over the years from a one-sided mobilization of interests to a much more conflictual and multifaceted configuration (Baumgartner and Jones, 2009). In findings reminiscenct of Lowi's and Wilson's positions that policies drive politics, researchers have found that organized interests are more commonly drawn to legislatures by the attention they pay to policies under consideration, not the reverse.

Specifically, they find that policy agendas are not so much generated by interest organizations as interest groups respond to policy agendas (Gray, Lowery, et. al., 2012). Gray and Lowery also argue that states with strong parties and less political competition are less fertile for policy change. Specifically, they find that the payoff from lobbying in states with more limited party competition is likely to be lower; the status quo is simply more secure (Gray and Lowery, 2012). Conversely, those states with full policy agendas, competitive party systems and a weaker party mode are more likely to be subject to intense and successful lobbying campaigns (Nownes and Newmark, 2013).

In Essay No. 10 of The Federalist Papers, Madison writes of his fear that a small number of citizens with similar interests will form factional groupings in pursuit of their own special interests without regard to the less organized or influential citizens. In some regard, these fears appear well founded given that multiple studies show that business interests are the most powerful in the state (Brace, 1993; Nownes and Newmark, 2013); that the politically active are more likely to see their policy preferences realized in government policy (Campbell, 2013); and that the broad unorganized mass of middle and lower-income people are unlikely to achieve redistributive policy changes (Jacobs and Skocpol, Forthcoming). Furthermore, business interest spans many issues and occurs at all levels of government. Because of the potential economic effect of social policy, the performance of state economies has become more subject to manipulation by state policymakers driving increased political action by business at the state level (Brace, 1993).

Although the Republican party has historically catered to business and corporate interests (Hacker and Pierson, 2010), business groups have become increasingly nervous about uncompromising stances in budget battles. While business groups like fewer regulations and lower corporate taxes – hence their political alignment with the Republican party that supports smaller government and increased market forces – they want things to get done, for the nation and the state to function and thus in recent times have strongly advocated for compromise, agreement and movement on issues such as the debt ceiling. These Republican business allies do not always see eye-to-eye with the ideological purists and grassroots populists in the Tea Party (Dreier, 2011; Skocpol and Williamson, 2013). Additionally, aside from this tension between wanting more market forces and less government to dictate economic policies on one hand, and a functional government keeping the economy running on the other, businesses also face internal tension between wanting to reduce government programs and benefiting from the lucrative contracts that result from expansion of those same programs (Skocpol and Williamson, 2013). Businesses therefore actively lobby both sides of the aisle, wanting to ensure that their economic interests are met.

In a two party system, because no specified business party exists, peak associations form to represent the business voice (Vogel, 1996; Thelen, 2001; Martin and Swank, 2004). Peak associations (commonly known as trade associations) are established for the purpose of supporting their members in occupational issues, lobbying government and general promoting their members' interests. The growing emergence of trade associations has enabled and facilitated the coordination of information among businesses, leading to greater political power. This increased centralization and coordination of employers can augment support for or opposition to social policy (Edsall, 1984; Brace, 1993; Martin and Swank, 2004). Examples of commonly known associations are the National Association of Manufacturers, The American

Medical Association (AMA), and the American Hospital Association (AHA).[20] For example, the AHA – founded in 1898 – along with its state affiliates, represents and serves nearly 5,000 hospitals, health care systems and networks across the country. Through its representation and advocacy activities, AHA ensures that members' perspectives are heard and needs are addressed in national health policy development, legislative and regulatory debates, and judicial matters. In addition, the AHA provides education for health care leaders and is a source of information on health care issues and trends. AHA works with its members, state, regional, and metropolitan hospital associations and other organizations to shape and influence federal legislation and regulation to improve the ability of its members to deliver quality health care (AHA.org, 2013).

Group formation can be spawned by other than shared economic interest. As mentioned above, recent ground swelling of conservative ideology birthed the Tea Party. Skocpol and Williamson describe Tea Party "organization" as "three individual prongs" coexisting and feeding off one another. Specifically, there are the grass-root activists who felt Rick Santelli was speaking directly to them and sought out other compatriots. This prong is generally made up of a number of singular small groups of people who meet locally to discuss issues. They operate on shoe-string budgets, providing volunteer hours to ensure their values are addressed in government. Secondly, there are a few vocal media figures (e.g., Glenn Beck, Sean Hannity) and the Fox News Network that seized upon the groundswell to pontificate about shared concerns. They seized on an opportunity to connect with a fiercely partisan and therefore loyal following. Finally, the third prong is made up of a group of national funders who are seeking to leverage the grass-roots activism to achieve their long-time goal of reduced government (as a means of furthering their own personal wealth). Among these funders are the billionaire Koch, Coors, Scaife and Olin families. These funders have used their resources to revitalize existing national advocacy organizations. Under the leadership of former House Majority Leader Dick Armey (R) and with Koch brothers' financing, two existing organizations, Freedom Works and Americans for Prosperity, were re-galvanized to bring sustained national attention to the Tea Party cause. Additionally, new organizations, such as the Tea Party Express, were launched to help funnel the millions of dollars to candidates who supported the same beliefs. These organizations sponsored bus tours and helped to engage the grassroots enthusiasts (Skocpol and Williamson, 2013). Although all identifying as Tea Party members, those in the different prongs of the Tea Party are not necessarily unified in their policy goals. Tea Party elite (e.g., the professional organizers and funders) purposefully use vague terms such as "deficit reduction" without identifying specific cuts, as it is unlikely that the grass-roots activist members of the Tea Party would support the inclusion of Medicare and Social Security in the cuts, something the Koch brothers and movement funders advocate for (Skocpol and Williamson, 2013). Despite these national organizations and large sums of money, few state Tea Party groups have organized beyond the singular individual group level. Instead, a few unelected leaders of ultra free-market advocacy groups based in Washington DC often speak in the name of the grassroots organizations. The Tea Party is therefore neither a top-down nor a bottom-up organization. Rather, per Skocpol and Williamson, it is three separate "movements" who build upon one another all in the name of THE Tea Party (Skocpol and Williamson, 2013).

Recently, with the exponential increase in the costs of political campaigns, financial support for elections is often sought from outside the state, thereby ingratiating the candidates to not only

[20] Note most national trade associations have state (and often county) "affiliates."

their state donors but also to national supporters (Confessore, *New York Times,* 2012; O'Connor,*Wall Street Journal* 2014 and Kertscher, *Political Fact Check Wisconsin,* 2012). Much of these funds are provided via Political Action Committees (PACs) – PACs with power across states and nationally – working to erode state differences in party platforms, instead aligning the candidates to the demands of the intense political demanders, the same demands surfacing across the country and within National parties (Confessore, *New York Times,* 2012 and Kertscher, *Political Fact Check Wisconsin,* 2012).

These interest groups, representing both national and local economic and political interests, align and realign regularly around issues. Interest group alignment varies as a result of the divergent patterns of policy implementation across states. For example, while businesses and the affluent continue to resist program expansion in the South, states that developed generous Medicaid policies have strengthened the coalitions among advocates of the poor and local government as well as hospitals, physicians, and nursing home operators (Jacobs and Skocpol, Forthcoming). As any given policy is being discussed, differing coalitions of interest groups with a stake in the issue will strive to influence policy makers to support their interests.

Particular to the issue of Medicaid expansion, the potential influx of dollars into each state is enormous; likely enticing heretofore unorganized interest groups into the fray. Given that the new influx of federal funds will virtually eliminate uncompensated care costs (at least those costs associated with US citizens), it will shore up the finances of providers, thus convincing existing provider groups to advocate for an expansion of Medicaid, something that may not have previously engaged them. Furthermore as discussed above, these new federal funds may take the place of spending that is now solely state and local responsibility, thus freeing up state funds for reallocation to other uses; all of which can translate into jobs and economic benefits for the state and local communities (Rosenbaum and Westmoreland, 2012). Theda Skocpol, in her Wildavsky talk, argued that stakeholder groups (in particular hospital and business groups) will ultimately carry the burden of ensuring expansion in all 50 states (Skocpol, Wildavsky Lecture, 2013). As with many issues that affect their bottom-line, the interest group community will likely engage and play an active role in influencing the governor's decision-making regarding Medicaid expansion.

4.7. Personal Belief

As stated above, Mayhew contends that re-election prospects are paramount in influencing policy making. Others focus less singularly on winning elections as the ultimate goal, adding good policy and power as motivators (Fenno, 1978). Fenno argued that in addition to winning elections as a motivation, policymakers may also seek to make 'good' policy - i.e., they may act because they think an action is worthwhile even if it has no political payoff (Fenno, 1978). If a candidate's personal belief of what is good policy is potentially at odds with the policy that is most likely to win an election, candidates must decide whether to hold true to their policy preferences and take the risk of staking out a distinct position or moderate their platform to increase the odds of winning (Gray, Lowery, et. al., 2012). In modern times elected officials have made policy decisions that were inconsistent (if not contrary) to the beliefs of their constituents. For example, Republicans were willing to shut down the government in early 1990s and again in 2013 despite the fact that large majorities of voters opposed both actions. Timothy Barnett's research suggests that members cared more about doing what they perceived

to be the right thing than whether they were reelected (Barnett, 1999). In addition to pursuing good policy, governors may have other reasons for making decisions; family history and future goals, along with other variables, may all play into decision-making. As a complex human being, a governor brings various personal beliefs, experiences and values to his job, resulting in difficult to assess influences upon his decision-making.

CHAPTER 5: DECISION-MAKING: THE CALCULATION

As discussed above, the political science literature promotes divergent theories about what factor drives gubernatorial decision making. Many theorize that a governor's political party is the overarching mechanism for driving gubernatorial position taking, therefore arguing that that governors will decide consistent with their party's position (Jacobs and Callaghan, 2013). Others promote personal ideology of decision makers as the over-arching factor (Shor, 2013). Economic and budgetary influences, stakeholders and policy history also influence policy making (Skocpol, 2013; Pierson, 1995) Finally, electoral pressures and appeasing the voters in order to retain an office are often cited as sources of decision-making (Mayhew, 1974).

Given the partisan sparring occurring throughout the country, it would not be farfetched to assume that all Republican governors would choose not to expand Medicaid while their Democratic counterparts would expand. To Republicans, any affirmation of President Obama's landmark policy may be perceived as a non-starter. In its 2012 Platform, the Republican Party states that Medicaid

> "is simply too big and too flawed to be managed in its current condition from Washington… Excessive mandates on coverage should be eliminated. … We propose to let them [GOP Governors] do all that [market-based reforms] and more by block-granting the program to the States, providing the States with the flexibility to design programs that meet the needs of their low income citizens. Such reforms could be achieved through premium supports or a refundable tax credit, allowing non-disabled adults and children to be moved into private health insurance of their choice, where their needs can be met on the same basis as those of more affluent Americans" (Republican Party, 2012-2013).

Allegiance to the Republican Party would therefore drive all Republican governors to reject expansion of Medicaid.

Conservatives generally believe in "personal responsibility, limited government, free markets, individual liberty, traditional American values and a strong national defense. [They] believe the role of government should be to provide people the freedom necessary to pursue their own goals. Conservative policies therefore generally emphasize empowerment of the individual to solve problems" (Student News Daily, 2014). This is in contrast to liberals who "generally believe that it is the duty of the government to alleviate social ills and to protect civil liberties and individual and human rights and to ensure that no one is in need. [Therefore], liberal policies generally emphasize the need for government to solve problems" (Student News Daily, 2014). Given this dichotomy, one can conclude that among governors, those with conservative ideologies would oppose expanding government (e.g., Medicaid) to provide for those in need while the liberal officials would embrace it.

States must balance their budgets. This interjects an element of pragmatism in the decision making process. In 2010, states collected general revenues totaling nearly $1.6 trillion, thirty-seven percent of which came as intergovernmental transfers from the federal government and, to a much smaller degree, from local governments. The remainder came from state taxes, fees, and miscellaneous receipts (Williams and Shadunsky, 2013). And, as previously discussed, the influx

of funding can have great multiplier effects on the economy over all. The influx of federal funds is therefore key to maintaining healthy state economies.

On the other hand, the cost of uncompensated care is often seen as a liability to a healthy state economy. In 2008 researchers estimated the cost of uncompensated care to be $57.4 billion (Hadley et. al., 2008). This cost is borne by the entire health care system, whether through increased Medicare and Medicaid payments from the federal government (i.e., Disproportionate Share Hospital (DSH) payments, cost-shifting to private payers, draining of personal savings, or charity care). While there are some costs associated with expansion that will fall to the State, these costs are projected to be minimal. If all states were to expand Medicaid under the ACA, the average increase in state cost would be 2.9%, with the highest projected increase being 11.3% in Nevada. Many states, particularly those in the New England area, with see savings to their state costs with Vermont realizing an 8.5% savings (due to its already very expansive Medicaid program and the ability to shift many Medicaid beneficiaries into the exchange and thus private health coverage) (Holahan et. al., 2012). Thus, from a purely economic perspective, the influx of 90-100% federal funding for the cost of what was previously uncompensated care should drive all governors to expand the program.

As discussed above, Mayhew and others argue that an elected official's main goal is to be re-elected. Thus, when making a policy decision with great visibility and political salience, an official must consider the electoral ramifications of his decision. Specifically, he must consider whether the decision would help or hurt his prospects in his next election. Polls, focus groups and continuous assessments all play a role. In addition, successes in past elections should be considered. Since the ACA – and Medicaid expansion as part of this legislation – was a major point of focus during the 2012 presidential election between President Obama and Governor Romney; with many calling it a "referendum on ObamaCare," how a state's constituents voted during that election may be viewed as electoral support for (or opposition to) expansion (Anderson, *Weekly Standard*, 2012; Editorial, *New York Times*, 2012; Hancock, *PBS News Hour*, 2012). That is, if a state's Electoral College went for President Obama, it is likely that the state's voters would support the ACA and thus expansion of Medicaid. Conversely, states that went for Governor Romney in 2012 would likely be less supportive of expansion.

The expansion of Medicaid would bring in millions of federal dollars into a state's economy. No group would be more sensitive to these new funds than hospitals, the providers of the lion's-share of uncompensated care. The need for new funding for the previously uninsured is especially necessary given the concurrent loss of existing DSH funding (a provision of the ACA) that had previously helped to subsidize hospitals that provided disproportionate amounts of uncompensated care. Thus state hospital associations and other provider groups are likely to be strong supporters of expansion. How these associations and other interest groups (e.g., medical associations, advocates for the uninsured, and business interests) manage to convey their position could greatly influence the governor. My contention is that if there is an active statewide hospital association and advocacy coalition supporting expansion, a governor is more likely to decide in support of expansion.

When making the decision whether or not to expand Medicaid, each governor must consider what that means in their state based on the current status of the Medicaid program. Because Medicaid has been operational over many decades, earlier decisions have played a role in bringing each state's program to its current status quo. While some states have expanded their

programs beyond the statutory minimums to include parents at higher incomes, others have used waivers to go even further, even including childless adults. Conversely, other states have maintained a very minimalist approach, covering only those mandated for coverage under federal law and program requirements. The same diversity exists with benefit coverage and delivery system details; whereby some states have retained a fee-for-service system and others have embraced Medicaid managed care, thereby moving their Medicaid population into private health plans. Thus, each governor has a unique starting point, one that renders his decision different than that of any other governor.[21] The political and economic ramifications of embracing the expansion under the ACA are thus different for each governor from a purely programmatic standpoint.

And finally, on a personal level, each governor brings a unique resume and set of life experiences to his position and therefore his policy decisions. Personal, educational and religious proclivities, along with previous career experience all contribute toward making the governor the person he is and thus render his decision, and how he weighs the different variables, unique. These biographical differences must also be considered when assessing factors that influence the governor in his decision-making.

Were a Governor to actually calculate the strength of the varying factors when making his decision, a function formula such as the one below might be considered:

Expand = *f* (Party, Ideology, Economics, Policy History, Electoral Pressures, Interest Groups, Personal)[22]

Specifically, the calculation involved with the decision to expand would begin with the influence of a governor's party (pro (+) expansion if Democratic and against (-) expansion if Republican). The next element to be considered would be the governor's personal ideology. His belief in the role of government versus markets when addressing social ills would result in a pro/con influence respectively. The third factor, the economic factors, is likely to be a positive influence for expansion in all states given the vast amount of incoming Federal funds versus the relatively minimal amount of states costs associated with a pro expansion decision.[23] B4, future elections, is a fourth factor which in turn has two sub-considerations: the governor's likelihood of surviving a potential primary challenger from within his own party, and whether or not the state voted for the presidential candidate of the same party as the governor. For example, if the governor is a Republican, he may be concerned with a Tea-Party challenger in the primary. This has to be weighed as part of the calculations. Assuming he were to survive a primary, if the state electorate voted for Obama in 2012 – and thus is likely supportive of the ACA - the pressure

[21] States with already expansive Medicaid programs (e.g., CT, VT) would realize savings in state funds from expanding under the ACA as state dollars currently used to support the program (under existing FMAP) will be freed up when the expansion population shifts to 100% Federal spending. Conversely, states with minimal programs would realize an overall increase in dollars to the program (not just a shift in source of dollars). In all cases, states will see an increase in federal dollars into their economy.

[22] Note, no interaction variables are accounted for in this formula despite the fact that many of the factors either strongly correlate or interact with one another (e.g., Governor Ideology and party). See further discuss in Appendix C and in the Conclusion.

[23] Other frames on this variable are presented later in this paper. Specifically, many governors opposed to expansion have used arguments such as: a) given the state of the federal budget, the promised federal funds will not present or b) the expansion of Medicaid under the ACA will result in an expansion of the continuing Medicaid program, costs that are not covered at 100% FMAP.

would be to expand Medicaid. The fifth factor in the formula is that measuring the impact of stakeholders. Like the economic factor, this should result in a pro-expansion influence as all economic stakeholders should support expansion. The penultimate factor is policy history; the governors in states with liberal policies and more progressive political institutions (e.g., direct democracy such as initiatives) are likely to support expansion whereas governors in states with more conservative past policies are less likely to do so. And finally, a governor's personal belief, factor B7, can add either pro or con pressure to the decision, depending on the belief.

Ultimately, the purpose of this study is to determine the relative roles each of these factors play upon a governor who is considering expanding Medicaid under the ACA. However given that many of these factors are highly correlated, a statistical problem exists when trying to assess a hierarchy across them (see Appendix C for a more in depth discussion). A main goal therefore is determine which variables really matter and which ones, although clearly correlated with the outcome, might be spurious.

CHAPTER 6: THE FIFTY GOVERNORS

Because I seek, as Russell Schutt writes, "a descriptive story-line describing the causes and effects of how different social phenomena change or vary in response to variation in some other phenomenon" (Schutt, 2009) a covariate analysis alone was deemed inadequate unto itself. Therefore, following a statistical and descriptive analysis I augment the fndings with a descriptive quantitative comparison and a case-study. This mixed method approach is particularly powerful given the high correlation across variables, the inability to gain context from a quantitative study, the lack of descriptors within the measurements, the fact that definitions are not equal across states[24] and the small number of cases (Brace and Jewett, 1995; Hall, 2006; Stonecash, 1996; McGrath, 2009; Shor and McCarty, 2011).[25]

This project therefore includes two distinctive parts, each addressing a different level of question and thus requiring a different research approach. The first part of this study is a descriptive and statistical quantitative review of all governors, assessing the various weights the 50 governors appear to give each of the seven factors discussed above. This in turn provides a context for the second part of the research, an in-depth case study providing a comprehensive analysis of how two governors made this politically salient decision.

6.1. Methodology

For the quantitative portion of this study, I perform both a descriptive and a statistical analysis of the data. For the statistical portion of this research, I first preform simple logistic regressions individually assessing the effect of five of the factors being studied (i.e., governor's party, governor's ideology, state economics, state policy history, and electoral pressures)[26] on a governor deciding to expand Medicaid. Logistic regression was selected because the response variable is a dichotomous variable (i.e., "yes" or "no" expansion).[27] Subsequently, a multiple logistic regression is performed to assess the effect of each of the factors[25] when controlling for the others. (See Appendix C for further information on the data and analysis.)

By using available data assembled from various sources (e.g., government and non-profit databases; previous researchers'analyses), I was able to provide richer contexts for the study with

[24] Shor and McCarty found a large amount of overlap among the party medians across states (e.g., a Connecticut Republican was far may be more liberal than a Democrat in Georgia) rendering the labels inconsistent (Shor and McCarthy, 2011l).

[25] Jeffrey Stonecash would agree given his argument that the study of state politics will become more central to the broader field only if it moves from a focus on covariation to a focus on explaining political processes and outcomes. Which, he argues, can only be done with a methodological shift from correlation to case and comparative case study (Stonecash, 1996).

[26] No regression is performed to assess the effect of stakeholders or personal factors related to the governor as no national data was collected. It is my belief that these factors require on-sight qualitative study to assess.

[27] A final decision on whether to support a Medicaid expansion or not needed to be made in the first quarter of 2013 in order to make it through the state's legislative process in time to meet the 2014 implementation date. Note, a decision to not make the 2014 implementation date is considered a "no" for expansion for the purposes of this project.

minimal additional resources (money and time) and in an unobtrusive manner (Woodrun, 1984; Johnson and Joslyn, 1991; Hoyle, Harris and Judd, 2002; Krippendorf, 2004; Schutt, 2009). In this way, I was able to assess more measures using data that was likely collected via more rigourous research procedures than were I to collect primary data on each variable. This was a means of leveraging previously funded research projects in which the basic research is already done, thereby expanding my potential for analysis (Schutt, 2009). However, one concern with using pre-existing data is that because the data was not collected to directly answer the research question, thus creating the potential to be misinterpreted and there is no ability to test and refine the method of collection and/or to engage in an iterative process (i.e., ask following up questions) to ensure comprehension and applicability (Schutt, 2009). Another concern is that the data could be incomplete and/or biased, again creating the possibility of skewing the result (Woodrun, 1984; Johnson and Joslyn, 1991).

6.2. Data

The variables I obtained using existing quantitative data include the dependent variable: Did the governor decide to expand Medicaid or not? Additionally, I collected information on governor characteristics (e.g,, party, gender, eligibility for re-election, popularity in his state at the beginning of 2013, whether he is considered a presidential candidate, his ideology). State desriptive data was also collected including the percentage of voters in the state that voted for President Obama in 2012; the percentage of the population that is uninsured; the state's FMAP for Medicaid, the current eligibility levels for Medicaid as a percent of the Federal Poverty Level (FPL); and the unemployment rate in the beginning of 2013, etc. Each of the factors required the measurement and assessment of different data; some allow for direct answers (e.g., the Governor's party) while others required a cobbling together of information from different sources.

6.2.1. Dependent Variable

Because the question of whether or not to expand Medicaid derived from the passage of a federal law and a Supreme Court decision and because a timeframe by which the decision must be made (in time to begin implementation by January 2014 and thus maximize federal dollars) existed, the issue was automatically placed upon the governor's 2013 policy agenda. Although setting the agenda was not an issue in this case, controlling the issue was paramount. Deborah Stone describes the power of using policy narratives; language that influences how one views an issue and puts the issue into a meaningful context. When applied to policy making, a narrative can define the issue as a problem, thereby allocating blame and ultimately driving the solution (Stone, 2002). Each governor therefore had to develop the narrative that worked for him and his state in order to control the outcome.

In most cases, the first the public learned of the governor's position on this issue was in a speech; either the State of the State address or the governor's budget proposal for the coming fiscal year, both taking place at the beginning of the calendar year. By going public in a high-profile speech, the governor was able to frame the issue in a particular way and then proceed to persuade voters (and the legislature) as to why his particular position (to expand or not) is the ideal way to address the problem as he has chosen to define it (Neustadt, 1960; Kernell, 1986; Stone, 2002; Oshifski and Cunningham, 2008). For example, those governors who have decided

not to support expansion of Medicaid may have framed the issue as "government take-over of health care," "the federal government telling states what to do," or even "a financial gamble for the state given the lack of assurance that the federal government will be able to maintain a 90% match in subsequent years" in order to justify their "no" vote. To them, the problem may be defined as "the over-reaching federal government" or "lazy adults expecting government hand-outs." Alternatively, a governor who has decided to expand Medicaid may see the problem as "the large number of uninsured and the resulting cost of uncompensated care in the state." They would be more likely to frame the decision as "a means of insuring the uninsured in our state," "an economic decision to ensure payment to providers currently serving the uninsured," or "an opportunity to draw down additional federal funds to help finance our Medicaid program."

I used the Kaiser Family Foundation's "State Decisions on Health Insurance Exchanges and Medicaid Expansion, as of September 3, 2013" fact sheet as the source of my data; coding each state as a "yes" or "no" decision on expansion (KFF.org, 2013). Seven governors did not make a decision; some publicly leaving it to the legislature while others suggested alternatives and began negotiating with the federal government for a state specific option. For my statistical analysis, no decision was coded as "no" on expansion; as unless there was a "yes" decision, expansion would not happen. However, for the descriptive analysis a third category of "TBD" (to be decided) was used.[28]

6.2.2. Explanatory Variables

The explanatory variables (Governor's Party, Governor Ideology, Electoral Pressures, State Policy History, State Economy, and Stakeholders) each required a different source of data.

6.2.2.1. Party

A Governor's party affiliation is obtained from the National Governors' Association (NGA) listing of current governors (National Governors' Association, 2014).

6.2.2.2. Ideology

A number of established rankings of governor's (and other elected officials') ideology exist. I use OnTheIssues.org, "a non-partisan, non-profit organization established in 1996 to provide information to voters about candidates." Ontheissues.org has developed a framework for evaluating a candidate's political leanings based upon the candidate's positions on a number of issues.[29] Based on their analysis, each elected official is categorized as one of the following:

[28]I argue that not making a decision is in fact a political tool; see discussion on "blame avoidance" above (Weaver, 1986).

[29] OnTheIssues.org determines a candidate's positions by evaluating a candidate's response to a survey and then researching candidate statements, voting records and positions taken in debates. Issues considered fall into 4 categories: International, Domestic, Economic and Social Policy. Examples of issues considered are gun control, education, taxation, crime, government reform, jobs, welfare and poverty, health care, drugs, abortion, etc. The ideological framework is represented by a two-dimensional grid with liberal versus conservative on one dimension (measured by positions both on economic and social issues) and libertarian versus populist on the other dimension (OnTheIssues.com, 2014).

Hard Core Liberal, Moderate Liberal, Centrist, Moderate Conservative, and Hard Core Conservative (OnTheIssues.com, 2014). (See Appendix A1).

6.2.2.3. Economics

Another factor measured is the impact this decision would have on the state's economy. Bloomberg and other nonpartisan organizations have made financial calculations of the impact of expanding Medicaid on each of the states. In addition, the state's current FMAP percentage, the total amount of DSH dollars that will no longer flow to the state, and whether the state is in a deficit at the time of the decision were assessed. However, while the amount may differ by state, because of a 100% FMAP for the first 2 years and subsequent match rates to be no lower than 90% FMAP, all states would ultimately see a large influx of new funds were they to expand. In addition, there are additional financial gains to the state in the form of multiplier effects upon the larger economy (e.g., increased employment, expansion of medical services/products outside of Medicaid, increase in restaurant/hotel use near a hospital). Costs to the state include the 10% liability after the first 5 years, administrative costs to the program, and what is generally called the "woodwork effect."[30] Estimates of the net impact to states, that is the projected gross influx of new Medicaid dollars minus the projected costs to the state, were collected for this study.

6.2.2.4. Policy History

To obtain a state policy ranking, I use an index developed by Virginia Gray for her article "The Socioeconomic and Political Context of States" (Gray, 2013). For her state ranking of states' liberalness (i.e., an array of the states from the most liberal to the least liberal), Gray includes analysis of state statutes and policies on gun control, abortion laws, eligibility for Temporary Aid to Needy Families (TANF), tax progressivity and presence of "right to work" laws that impede unionization.[31] The resulting index is an ordinal ranking of states based on their liberal policy index (the most liberal state (California) receiving a rank of 1, the most conservative (Arkansas), a rank of 50). For the purpose of this project I use the 15th state as the cut-off for liberal states and conversely, the bottom 15 states (i.e., #36-50) as the cut-off for conservative states; leaving states #16-35 as centrist/moderate states. (See Appendix B).

6.2.2.5. Electoral Pressures

The most complex factor to measure was re-election; that is: How the governor's decision to expand (or not to expand) Medicaid will affect his re-election chances? (Or, for those governors potentially considering a presidential run: their president bid?) Multiple variables play into this

[30] The woodwork effect refers to the many people who are currently eligible for Medicaid (pre-ACA), but have not signed up for coverage. When/if these people come "out of the woodwork" and sign up for coverage – a likely event given the amount outreach around enrolling all persons under the ACA - states will be on the hook for their traditional Medicaid percentage as currently eligible people do not fall under the much more generous federal coverage of the ACA-expansion (Academy Health Blog, 2013)

[31] Each of the of the areas assessed are coded as follows: gun control policies are coded from strictest to loosest, abortion laws coded from most facilitative to most restrictive; conditions for receiving benefits under TANF coded from those most expansive eligibility to most restrictive; tax progressivity (the extent to which the tax burden falls on the top 5 percent of earners as compared with the lowest 40 percent), ranging from those systems that tax the rich the most heavily to those that burden the working poor the most heavily; and whether a state has laws that facilitate collective bargaining or whether it has a "right to work" law that impeded unionization (Gray, 2013, p5).

assessment. The first question is whether or not the governor is eligibility for another term. To make this determination, I used the NGA listing of current governors which includes information on term limits and the governor's eligibility for another term (National Governors' Association, 2014). Even if eligible, some governors decide not to seek an additional term. Retirement, personal issues, or seeking another office, are among the reasons a Governor may choose to not seek an additional term. To the degree this is known, the information was captured via news articles, interviews or political discussions.[32]

One important consideration in the re-election analysis is the likelihood that the governor may face a primary challenger from his own party because of this decision. Because of the political alignment around this issue, it is likely that only those governors that are out of 'sync' with their own party will face this prospect (i.e., Republican governors who choose to expand and Democratic governors who choose not to expand may face a challenger on the right or left, respectively).[33] Because of the ongoing pressure from the Tea Party upon moderate Republicans, this is of particular concern to Republican governors who support expansion. In these cases, the overarching question is: How strong is the incumbent Republican governor's influence on his own party? And of particular concern: Will the Tea-Party organize to oust the incumbent in a primary election? And if so, how viable a threat is this likely to be? To obtain this information a qualitative review of each state's political press needs to be performed. While proxies may exist (i.e., Tea Party endorsement of the Governor during his last election) determining the Tea Party climate in each state between the Supreme Court decision in June 2012 and the Governor's decision verbalized in early 2013 would be difficult at best. It is clear that the Tea Party would not support expansion; however the magnitude of a Tea Party threat upon a sitting governor because of a single decision cannot be assessed using existing quantitative data; rather a case by case qualitative analysis needs to be carried out. Therefore, for this stage of this project, I assume that if the governor decided to expand Medicaid and intends to run for re-election, he will have determined the risk posed by the Tea Party to be surmountable.

Assuming the Governor determines the threat of a primary challenge to be minimal (or at least not large enough to render a pro-expansion decision fatal), the next consideration is how this decision would play out for the governor in a general election. As discussed above, an incumbent governor is largely favored to win re-election in a general election. However three key indicators impact his chances at re-election: party distribution in the state, the unemployment rate, and the governor's job approval rating (Jewell and Morehouse, 2001; King, 2011; Ferguson, 2013). Accordingly, data collected includes the distribution of registered voters by party, the unemployment rate, and the governor's popularity at the time of the decision. Also of importance is the governor's margin of victory in his last election. For these measurements I used either each state's Secretary of State's or State Board of Election's website for party distribution by state; the Bureau of Labor statistics for monthly unemployment by state; the US Officials' Job Approval Ratings (JAR) database compiled by Beyle, Niemi, and Sigelman; and each governor's individual web page which delineates the vote distribution from each of their

[32] For example, both Governors Patrick Deval (D-MA) and Rick Perry (R-TX) have announced they do not intend to seek re-election although eligible (Boston Globe, 2012) and (Blake, *Washington Post*, 2013)

[33] Note governors of either party may face a primary challenger for any number of issues. But if this issue is to be the driving issue for the primary, then a same party challenger would not likely challenge the governor for a decision consistent with the party.

elections (see Appendix A3). An additional measurement of a governor's security in a re-election campaign is whether the voters in the state vote cross party lines when voting for governor and president. In other words, do voters consistently vote along party lines or can two statewide elections (i.e., gubernatorial and presidential) result in candidates from two different parties? How the state voted in the 2012 Presidential Election was coded as "red" for Romney and "blue" for Obama. This, cross tabulated with "red" for a Republican governor and "blue" for a Democratic governor then resulted in a state bearing one of three colors: "red," "blue," or "purple." A red state is one in which the governor is Republican and the state voted for Governor Romney, a blue state has a Democratic governor and voted for President Obama, and a purple state is one in which the voters voted across party lines (i.e., for a Democratic governor and Governor Romney or for a Republican governor and President Obama). This information was garnered from the political website Politico.Com, which tracks election results (Politico, 2012). I use the state color as an indication of the political competiveness of the state. Those states that are either Red or Blue (the governor's party and the electoral vote for president are the same) are not viewed as competitive. However, the purple states – where the governor's party is different than the electoral vote of the state in the 2012 Presidential election – are assumed to be politically competitive.

When considering how the expansion decision impacts future elections, a governor may be thinking about an election beyond his current office. In the past, many governors have sought the higher office of President and likely will do so again. At the time each governor had to decide to expand Medicaid or not, no candidate from either party had announced his intentions. Some projections can be made based upon earlier candidacies, interviews or fundraising efforts. To ascertain which governors may be considering a run for the presidency, a review of political analyses discussing potential 2016 presidential candidates was completed[34]. For example, numerous political observers have begun publishing short lists of likely candidates, see for example AP Press, 2014; Ballhaus, *Wall Street Journal,* 2014; Examiner, 2013; Hunt, *New York Times,* 2014; WSJ, 2014.

6.2.2.6. Interest Groups

When making his decision, the governor has to weigh the impact on stakeholders. Interest groups stand to gain or lose financially as a result of the decision. This in turn impacts their support (financial and otherwise) for the governor, rendering the decision even more political. On this issue, hospitals are profoundly impacted by this decision. Regardless of the governor's decision, under another provision of the ACA, hospitals are losing their Disproportionate Share Hospital (DSH) payments - a major source of funding for uncompensated care. In those states that do not expand Medicaid, there will remain a large number of uninsured people that hospitals will continue to be required to treat without the current financial safety net funding. Were the state to expand Medicaid, everyone under 133% of FPL would have access to coverage; thereby significantly reducing the number of uninsured and thus the amount of uncompensated care. Therefore, this decision will directly impact hospitals' bottom line and is a potential existential threat. In many small towns and rural areas of the country, the hospital is the largest employer,

[34] Given long lead-time to the 2016 election, no candidate – from either party -- has stated his/her intention to run. Thus all information at this time is conjecture and subject to change.

ultimately rendering this decision a critical economic decision for the entire state. For the purpose of this study, I confirmed, via a review of each of the states' hospital association website, that the association took a pro-expansion position.

In considering the position of stakeholders beyond hospitals, the researcher can think of no stakeholder that would oppose expansion for other than an ideological or partisan perspective. Providers of health care (e.g., health plans, physicians, behavioral health providers) should view expansion favorably as it would provide payments for previously uncovered persons. The business voice should support the decision as it would cover their low income employees (if they are exempt from the employer mandate) and thus reduce their penalty fee, and should lower their health care premiums as a result of reduced cost shifting from hospitals attempting to recoup uncompensated costs.[35] Rights and health care advocates would support expansion as would disease advocate groups. Ultimately, the only voice(s) against expansion would be from groups opposing taxation or partisan groups. This was verified in the two case-study states by a review of position letters to the governor. For the first phase of this study however, it is assumed that organized interest groups, collectively speaking, will collectively exert more pro than anti expansion pressure upon the governor.

All the data discussed above were collected and put into a database from which a high-level analysis was completed. As discussed above, although comparisons across states are being made, many of the data elements are proxies for core measurements (e.g., a Governor deciding to expand equating to an assessment that he believed the Tea Party threat to be minimal, or at least not mortal to his re-election; assumption that all economic stakeholders will be pro-expansion). Furthermore, measurements across states may not equate. For example, a Democratic governor in Massachusetts may espouse a very different ideology than a Democratic governor from Arkansas. Regardless, of these differences, both governors are labelled "Democratic" and are similarly grouped. Another issue with the quantitative evaluation done in this chapter is that each of the factors correlates with each of the others and interactions between the variables are not easily assessed given the low power having only 50 states provides. Accordingly, this level of analysis is performed mainly as a guide to a more in depth study at the state level.

6.3. Findings

The subsequent sections discuss the role of each of the factors and how they relate to the governors' decision on expanding Medicaid. For each factor, I performed two levels of analysis 1) a descriptive analysis using a direct calculation of the percentage of governors responding in a specified way as compared to what a high-level consideration of the factor would suggest and 2) a statistical analysis using logistical regression calculating the effect of the factor in question upon a governor deciding to expand Medicaid. The summary data for the descriptive analyses

[35] Note, it is the researcher's position that the National Federation of Independent Businesses' (NFIB) position on the ACA in general, and the expansion in particular, is an ideological rather than a personal economic decision as the vast majority of its members (businesses with fewer than 50 employees) are exempted from the ACA mandate and would benefit from the expansion as their employees would gain coverage. This then becomes a larger anti-tax/smaller government argument instead of a business' own economic self-interest. This is substantiated by the fact that in most states the Chamber has come out in support of expansion. See Limitation Section for further discussion on this (and other) assumptions.

are presented below in table and figure forms. A more detailed statistical explanation of the findings can be found in Appendix C.

Of the seven variables considered, five of them are analyzed statistically.[36] As can be expected, there is a high level of correlation across the factors. For example, liberal candidates are more likely to be elected in states that have liberal policies and these candidates will likely be members of the Democratic Party. Table 1 displays the correlation coefficients across the main variables being measured. In particular there is a strong and significant correlation between a governor's party and his ideology. Specifically, a Republican Governor is negatively correlated (.84) with being liberal. Conversely and as expected given the party policy platforms and beliefs, a Republican Governor is extremely highly and significantly correlated with having conservative ideologies (.88). Both of these findings are significant at $p<0.001$. Also very significant is the correlation between Republican Governors and state policy history (-0.53 for liberal states, $p<0.001$). Also worth noting and not surprising, blue states – that is states that have a Democratic Governor and the electorate voted for President Obama in 2012 – are significantly correlated with liberal policies (0.61, $p<0.001$) whereas Red states (those with Republican governors and with an electorate that went for Governor Romney in 2012) are significantly negatively associated with liberal policies (-0.51, $p<0.001$).

Correlation Coefficient Means

	Republican Gov	Liberal Gov	Centrist Gov	Conservative Gov	Liberal State	Moderate State	Conservative State	Per Capita Dollars
Republican Governor	1.00							
Liberal Governor	-0.84****	1.00						
Centrist Governor	-0.14	-0.28	1.00					
Conservative Governor	0.88****	-0.74****	-0.44***	1.00				
Liberal State	-0.53****	0.58****	-0.14	-0.44***	1.00			
Moderate State	0.05	-0.12	0.14	0.02	0.54****	1.00		
Conservative State	0.47****	-0.47****	-0.03	0.46****	-0.45***	0.54****	1.00	
Per Capita Dollars	0.05	0.18	0.14	0.07	-0.28	0.06	0.21	1.00

*p<.05 **p<.01 ***p<.005 ****p<.001

Table 1

6.3.1. Party

As previously discussed, the premise is that Governors will decide about Medicaid expansion consistent with their party's platform (i.e., Republican governors will decide not to expand and Democratic governors will decide to expand). To complete this analysis a simple bivariate analysis was done assessing the likelihood of a Republican governor decided to expand as

[36]As will be discussed below in further detail, the economic and interest group factors are considered in this model to have no differentiation because of the assumptions made. Furthermore, the personal factor cannot be assessed across all 50 governors without an in-depth qualitative analysis. Accordingly, only four factors are considered in this model (i.e., governor party, governor ideology, policy history and electoral pressures).

compared to a Democratic governor.[37] In addition, an array of Governor by party and by a "yes," "no" or "to be decided" decision was established.

Governor Decision by Party

	Yes	NO	TBD	TOTAL
Democrat +Independent	CA, CO, CT, DE, HI, IL, MD, MA, MN, NH, NY, OR, VT, WA, WV, +RI **16**	MT **1**	AR, KY, MO **3**	**20**
Republican	AZ, FL, MI, NV, NJ, NM, ND, OH **8**	AL, AK, GA, ID, IN, LA, ME, MS, NE, NC, OK, SC, SD, TN, TX, UT, WI, WY **18**	IA, KS, PA, VA **4**	**30**
Total	**24**	**19**	**7**	**50**

Table 2

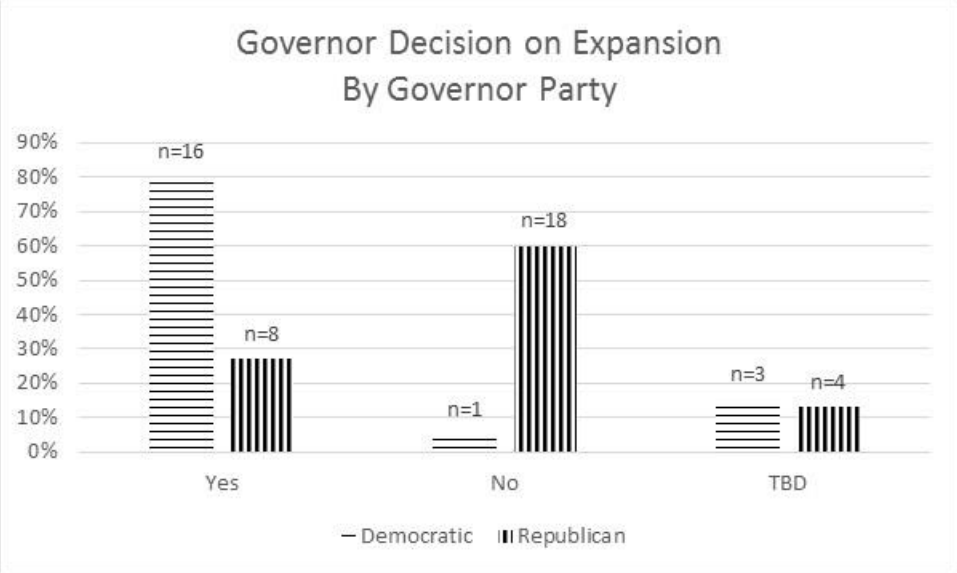

Figure 1

The chart and figure above delineate which governors (and how many) decided "yes," "no" or "TBD" on expansion by the governors' party affiliation. Specifically, of the 20 Democratic Governors, 16 decided to expand, 1 (Montana) decided against expansion and 3 did not make a decision. Similarly, of the 30 Republican governors, 8 decided to expand, 18 decided against expansion and 4 did not make a decision. Overall, 16 of 20 Democratic governors (80%) and 18 of 30 Republican (60%) governors decided consistent with their party platform (i.e., Democratic = yes and Republican = no) for a total of 34/50 (68%) predictive value. Of great interest herein

[37] See Appendix C for a more in-depth discussion of the statistical calculation including coefficients, standards errors, etc. for the various models.

is that 12 (40%) of the Republican governors did not decide in alignment with their party; supporting James Gimpel's argument (discussed above) that state parties are not merely pawns of national parties and thus policy differences can and do exist across states despite partisan affiliation (Gimpel, 1996). Statistically however, a Republican Governor was 43 percentage points less likely to opt to expand Medicaid than a Democratic governor (The 95% confidence interval from -0.54 to -0.33; z=-7.97, p<0.000.)

6.3.2. Ideology

With respect to ideology, the presumption was that governors would decide consistent with their personal ideologies. Specifically, liberal governors would decide to expand whereas conservative governors would decide against it. Using the OnTheIssue.com classification of governors' ideology, governors were cross classified by their ideology and decision on expansion. Using the five ideological classifications from OnTheIssue.com, the assumption was made that the "Hard Core Liberal" and the "Moderate Liberal" governors would decide in favor of expansion whereas the "Moderate Conservative" and the "Hard Core Conservative" governors would decide against it. A problem with this analysis is that no prediction can be made for the six governors who received the "Centrist" classification (see Table 3 and Figure 2 below). The findings of this data were again arrayed, this time by Ideology position and by a "yes," "no" and "to be decided" decision.

Governor Decision by Ideology

	Yes	NO	TBD	TOTAL
Hard Core Liberal	HI, MA, WA **3**			**3**
Moderate Liberal	CA, CT, DE, IL, MD, MN, NH, NY, VT, RI, OR **11**		KY, MO **2**	**13**
Centrist	CO, NV, ND, WV **4**	NE, MT **2**	AR **1**	**7**
Moderate Conservative	AZ, FL, MI, NJ, NM, OH **6**	AK, ME, MS, WI, SC, SD, TN, NC, UT, OK, WY **11**	IA, PA **2**	**19**
Hard Core Conservative		AL, GA, ID, LA, IN, TX **6**	KS, VA **2**	**8**
Total	**24**	**19**	**7**	**50**

Table 3

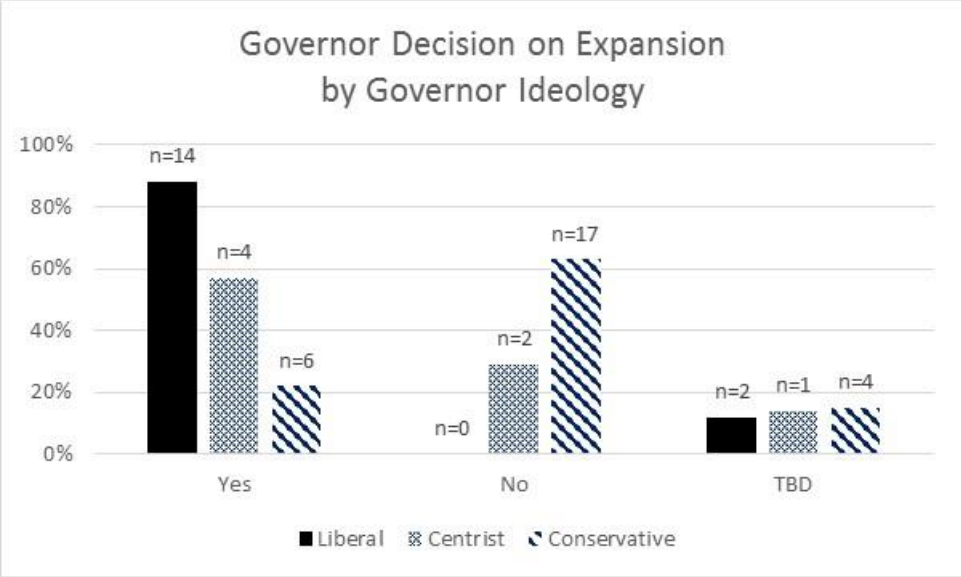

Figure 2

Fourteen of 16 liberal governors (88%) (i.e., combining the "hard core" and "moderate" liberal classifications), decided to expand Medicaid consistent with the researcher's assumption. Only 2 of the liberal governors (12%) were inconsistent, but neither of these cases decided contrary to the assumption (instead they avoided – or postponed the decision). Of the 27 conservative governors, 17 decided consistent with the hypothesis (not expanding) for a 63% fit. Four of conservative governors (15%) avoided the decision. The most interesting finding in this analysis is that 6 conservative governors (22%) decided contrary to what their ideology would have predicted. Again, the weakness of this measurement is that no prediction can be made for 7 of the governors (those who are classified as "centrist"). However for the 43 remaining governors, ideology predicts 31 of the governor's positions (72%). Statistically, not surprisingly, a Conservative Governor was 66 percentage points less likely to opt for expansion than a liberal governor (95% confidence interval between -0.89 to -0.44; $z = -5.77$, $p<0.00$).

6.3.3. Economics

Because the federal government is paying 100% of the costs of the expansion for the first two years, a funding level that will decrease to 90% in 2020, governors are faced with turning down a large sum of dollars (see Appendix A4 for projected totals by state). Given the dollar amount each state would draw down from the federal government, the assumption is that all states will opt to expand.

Governor Decision based on Economics

	Yes	No	TBD	Total
Total	24	19	7	50

Table 4

As of the time of this study, only 24 governors had decided to expand Medicaid; leaving 26 outside the expectation (a 45% predictive rate). But, as with Medicaid in 1965, it may take many years before the full weight of this factor is felt. Each current governor will have had to

consider the economic benefits of expansion as part of his calculus. There is no doubt, that even with the costs associated with expansion,[38] the overall financial analysis would result in a strong pro-expansion factor. A study in Health Affairs using RAND data concluded that states rejecting Medicaid expansion will forgo about $8.4 billion a year in federal funding and will have to spend an extra $1 billion in uncompensated care; while ending up with about 3.6 million fewer insured residents than had they expanded (Price and Eibner, 2013). While all states may eventually expand their Medicaid programs in line with the ACA, this factor currently does a poor job of predicting governor decision making.

In another attempt to assess the predictive value of economic factors, a logistic regression was run assessing the effect of the dollars each state would draw down from the federal government were it to expand (as a per capita amount) on a governor's decision.[39] There was no significant effect between the dollar amount anticipated and a governor's decision to expand.

6.3.4. Policy History

Based on the assumption that states with more liberal policies are likely to continue promulgating liberal policies, I used Virginia Gray's ranking of all 50 states based on the liberalness of their existing laws. To apply her rankings to this study, it was assumed that the governors from the 15 most liberal states would decide to expand Medicaid (the liberal option in this choice) while the governors from the 15 least liberal states would decide against expansion (the least liberal option). The downside of this model is that no prediction can be made for the 20 states in the middle of the rankings. Again both types of analysis (description and statistical) were done to assess the power of this factor. Of the 15 most liberal states, 12 decided in favor of expansion while 3 did not. For the 15 least liberal states, 3 decided in favor of expansion, 10 decided against it, and 2 did not make a decision. The more moderate states (those ranked #16-34 on the Gray ranking), the states were more equally divided with 9 opting to expand, 6 deciding against and 5 not making a decision.

[38] As discussed above, the costs to a state for expanding include administrative costs, the future increased state share, and the woodwork effect of current eligibles enrolling at the existing FMAP not the enhanced 100% federal share. The Kaiser Commission on Medicaid and the Uninsured assess the incremental state costs to increase state Medicaid spending by 0.3% as compared to the increase in federal spending of 21% (Holahan, 2012)

[39] The average per capita amount across all states over 10 years (2014-2022) is $2924.78 ranging from $1312 (Minnesota) to $5248 (Mississippi) (Holahan, 2012).

Governor Decision by State Policy History

	Yes	NO	TBD	TOTAL
Liberal State (<=15)	CA, NY, NJ, VT, CT, HI, MD, RI, OR, MA, MN, WA **12**	WI, ME, MT **3**		**15**
Moderate State (16 <= x <=35)	NM, WV, IL, NH, DE, MI, CO, OH, NV **9**	AK, NC, GA, NE, SC, IN **6**	PA, IA, KY, KS, MO **5**	**20**
Conservative State (>=36)	AZ, FL, ND **3**	UT, TN, AL, ID, OK, SD, WY, MS, TX, LA **10**	VA, AR **2**	**15**
Total	**24**	**19**	**7**	**50**

Table 5

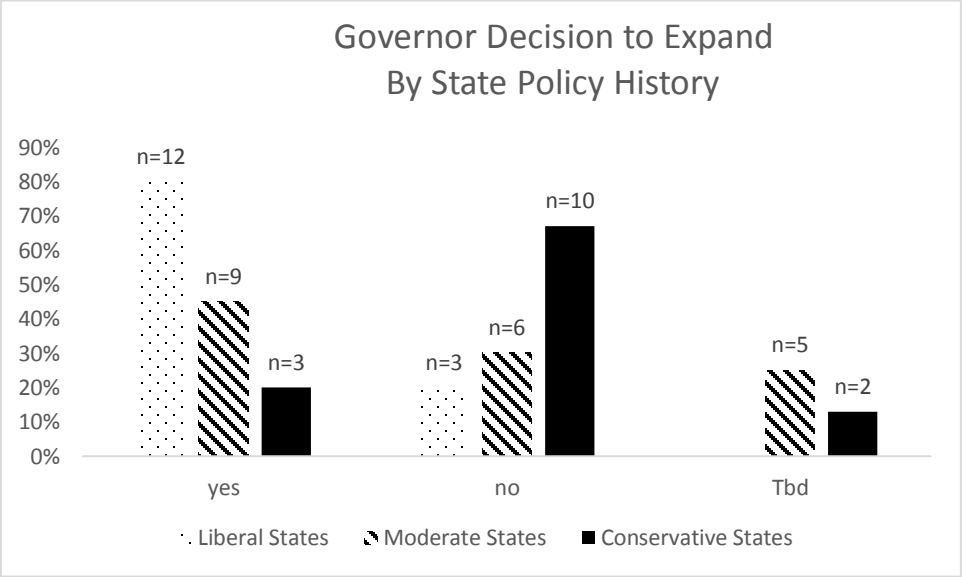

Figure 3

For the 30 states at either end of the liberal spectrum (i.e., the 15 most liberal and the 15 least liberal states) this model is quite predictive. Twenty four of the 30 governors from these states decided consistently with the prediction for an 80% fit rate. Specifically, 12 of the 15 (80%) governors in liberal states decided consistent with this model; that is they decided to adopt the more liberal policy: expansion. Conversely, with the same frequency, 12 governors in the 15 least liberal states (80%) decided as predicted: either against expansion or to not take a position. Again, this model offers no predictive value for the 20 states with moderate policy histories.

Statistically, a governor in one of the 20 moderate states was 33 percentage points less likely to opt to expand than a liberal governor (95 % confidence interval between -0.63 and -0.02; $z = -2.09$, $p<0.05$). However, of more significance, a governor in one of the 15 least liberal states

was 61 percentage points less likely to expand than a governor in a liberal state (95% CI from -0.89 to -0.33; z= -4.27, p<0.001).

6.3.5. Electoral Pressures

The next factor under consideration is that of election (re-election) concerns. The assumption here is that a governor will decide consistent with the electoral pressures of his state. Because a governor is elected in a statewide race, I looked at the last statewide race to assess the electoral leanings of the voters. Of interest here is whether state preference in the 2012 Presidential election (the selection of President Obama, the Democratic candidate or Governor Romney, the Republican candidate) predicts how a governor decided regarding Medicaid expansion. In this case, the expectation is that governors of blue states (states that voted for President Obama in 2012 and have a Democratic governor) would decide in favor of expansion whereas governors of red states (states that voted for Governor Romney in 2012 and have Republican governors) would decide against expansion. For the purple states (states that have a governor with a party different than that of the winning presidential candidate in that state) the thought is that the governor would decide contrary to his party since he has to appeal to these same statewide voters for his next election. For example, a Republican governor in a state that went for President Obama in 2012 is likely to decide either in favor of expansion – the position likely supported by more of his constituents and contrary to his party platform – or to not decide/postpone the decision.

As with the above listed factors, both a descriptive assessment was made assessing the color of state (red, blue or purple) by decision (yes, no, to-be-decided) and a regression was run to determine the likelihood of a red state (as compared to a blue state) deciding to expand Medicaid.

Governor Decision by Election Concerns

	Yes	NO	TBD	TOTAL
Blue States	CA, CO, CT, DE, HI, IL, MD, MA, MN, NH, NY, OR, RI, VT, WA **15**			**15**
Red States	AZ, ND **2**	AL, AK, GA, ID, IN, LA, MS, NE, NC, OK, SC, SD, TN, TX, UT, WY **16**	KS **1**	**19**
Democratic Governor in Red State	WV **1**	MT **1**	AR, KY, MO **3**	**5**
Republican Governor in Blue State	FL, MI, NV, NJ, NM, OH **6**	ME, WI **2**	IA, PA, VA **3**	**11**
Total	**24**	**19**	**7**	**50**

Table 6

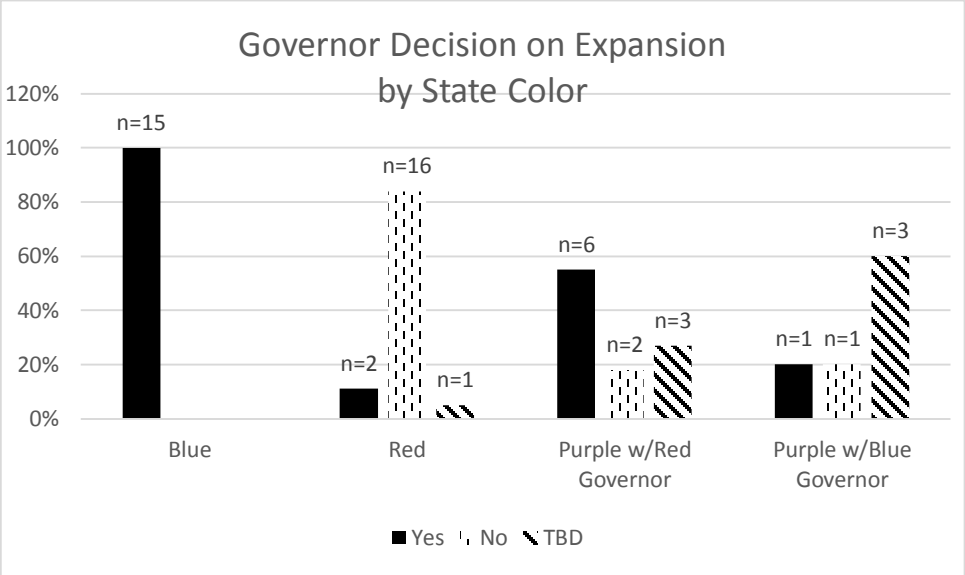

Figure 4

As displayed in Table 6 and Figure 4, all 15 (100%) governors in the 15 blue states decided as predicted: in favor of expansion. Sixteen of the 19 Republican governors (84%) in red states decided as predicted and opted not to expand. Furthermore, 4 of the 5 (80%) Democratic Governors in red states (states that voted for Romney in 2012) decided as predicted: not to expand or to avoid making a decision (blame avoidance). In this cases, only Governor Earl Ray Tomblin of West Virginia (20%) decided contrary to the prediction; electing to expand despite the electoral risk. For the 11 Republican governors in blue states, 9 of them (82%) decided consistent with this model: either to expand or to avoid making a decision. In this classification, two governors (Scott Walker (WI) and Paul LePage (ME)) decided contrary to the prediction. Ultimately, 44 of the 50 (88%) governors' decisions could be predicted by this model. Statistically, a governor in a state that voted for Governor Romney was 45 percentage points less likely to opt for expansion than a governor in a state that voted for President Obama (95% CI from -0.48 to -0.42; $z = -25.77$, $p<0.000$).

6.3.6. Interest Groups

As with the economic factor, the factor considering stakeholder pressures should result in all governors deciding to expand. Stakeholder groups fall into one of two categories: economic and political/ideological. The assumption here is that no economic stakeholder group (e.g., provider groups, business groups, disease advocacy groups) would be opposed to expansion; as described in the New York Times article "Governors Fall Away from G.O.P. Opposition to More Medicaid" in which the authors write:"the change of heart for some Republican governors has come after vigurous lobbying by health industry players, particularly hopsitals" (Goodnough and Pear, *New York Times*, 2013). Across the country, hospital and physician lobbying groups have endorsed expansion. Craig Becker, president of the Tennessee Hospital Association, claims that

because the ACA paired Medicaid expansion with cuts to payments to hospitals for treating the uninsured local chambers across the state endorse expansion: "These are rock-ribbed Republicans but once they understand they say they agree that we should do this" (Barrow, *Yahoo!News,* 2013). In Louisiana too, a varied group of hospitals, physicians and major public interest groups petitioned Governor Jindal in an open letter to accept billions in federal aid that would benefit not only the uninsured but also non-profit providers and the economy as a whole (Maginnis, *LaPolitics.com,* 2013). Ario and Jacobs argue that partisan opposition to implementing the Affordable Care Act is mostly devoid of major interest-group support. Specifically, they assert that "although different stakeholders have different motivations … most stakeholders accept the Affordable Care Act because it fundamentally serves their interests" (Ario and Jacobs, 2012). In other words, economic stakeholders support expansion whereas ideological activists on the right (i.e., supporters of small government and lower taxes) would oppose.[40] These groups would manifest their opposition as the threat of a challenger to the governor on the right, and thus in his primary; something that has been discussed and is captured in this study within the election/re-election factor.

Governor Decision based on Stakeholders

	Yes	No	TBD	Total
Total	24	19	7	50

Table 7

The argument that the pressure from stakeholders, mainly the hospital associations would drive all governors to expand is not upheld by the data. Fewer than half of all governors have decided to expand, this despite the fact that their decision would negatively impact the economic stakeholders in their state.

[40] Because we expect Tea Party opposition to Medicaid Expansion to be expressed through electoral politics, this opposition is picked up when we model re-election pressures in lieu of herein with stakeholder pressures.

6.4. Analysis

Table 8 below summarizes the findings from the above section. Specifically, the predictive value of each factor is portrayed below.

Predictive Value of Factors

Factor	% predictive	Comments
Governor Party	68%	Republicans say no; Democratics say yes
Govenor Ideology	72%	Conservative say no, Liberal say yes; no prediction for Moderates
State Economics	45%	All should say yes (too much $$ to lose)
State Policy History	80%	Conservative states say no, liberal say yes; no prediction for Centrists
Electoral History	88%	Red states say no, Blue say yes, and purple depends on whether Obama or Romney won the state in 2012 Presidential election
Interest Group	45%	All should say yes as Hospital Association is strongly advocating for expansion

Table 8

Of the six factors considered above (governor party, governor ideology, state economics, state policy history, electoral pressures, and interest group pressures) the one with the most predictive value – statistically and descriptively - is that of electoral pressures. In other words, when deciding whether or not to expand Medicaid under the ACA – while a governor likely considers many aspects of the decision – it is how the state's electorate voted in the last state-wide election that bore the most weight in his decision-making. Descriptively (See Table 8 above), 88% of the governors decided consistent with the party position of the presidential candidate who won his state in 2012: the governors in those states that supported Governor Romney for President decided not to expand whereas the governors in those states that supported President Obama opted for expansion. This alignment held regardless of the Governor's party. For example, Republican governors in states that supported Obama in 2012, more often than not, opted to expand Medicaid and one of the two Democratic governors in states that supported Romney in the 2012 election chose not to expand.

There was also predictive value to a state's policy history. The position of governors in the 15 most liberal states and the 15 least liberal states – determined through use of a liberal policy ranking – was consistent with the liberal and conservative policy position. Specifically, the governors of the 15 most liberal states are likely to support expansion whereas the governors of the 15 least liberal states are likely to opt against it; this with a 80% predictive value. However, this factor offers no insight to the 30 governors in the middle and thus is less powerful than its 80% correlation would suggest. This factor however was not significant in the statistical modelling.

The Governor's partisanship and personal ideology both offer some predictive value to this decision but less so than electoral pressure and state policy history. With approximately 70% predictive value, governors decide consistent with their party and their ideology. The alignment between these two factors is not a surprise in that one can assume a governor aligns with the party that is most representative of his personal belief structure. This finding is of interest given

the intense partisanship aroused by the ACA. One might draw from this the conclusion that party is less powerful at the state level then it has been recently among Republications in the U.S. Congress. However, if governors who bucked their party on Medicaid expansion are thwarted in their bids for reelection, one might need to assess the role that party played in punishing these defectors.

The two remaining factors offer weak predictive value, albeit for two different reasons. In the case of economic pressure (the huge influx of funds into the state coffers), it is likely that this pressure will build into the future, ultimately pushing future governors to succumb and expand. Thus the true value of this factor may need to be measured in future years, not within the first year of being presented with the expansion decision. I believe that all economic stakeholders would support expansion; their bottom-line is dependent upon the additional federal funds and the reduction in uncompensated care. The question then becomes how much pressure these stakeholders exerted upon the governor. This is difficult to measure and compare across states. Even collecting campaign donation data for the most common stakeholders (e.g., the hospital association) would not allow for cross state comparisons as the "cost" of elections vary tremendously across states and thus the dollar amounts collected would lack meaning. Additionally, knowing who the relevant groups in each state are, beyond the hospital and medical associations, would take some qualitative research. Therefore, it is my belief that this factor can only truly be assessed with on-site reviews of the political dynamic. (See the following section for two examples of on-site individual state analyses).

A multiple logistic regression was used to assess the likelihood of a governor deciding to expand Medicaid under the ACA when controlling for governor's party, state vote for Romney in 2012, governor's ideology, the state's policy history and the per capita dollar amount a state could expect from the federal government between 2013 and 2022 were it to expand Medicaid (See Appendix C, Table C3, Model 6). With high statistical significance, governors in states that voted for Governor Romney were 46 percentage points less likely to opt for expansion than governors in states that voted for President Obama (95% CI from -0.54 to -0.37; $z= -10.43$; $p<0.000$). There is also a predictive value to a governor's ideology. Specifically, conservative governors were 46 percentage points less likely to expand Medicaid (95% CI from -0.87 to 0.05; $z= -2.22$, $p<0.05$) than governors in liberal states, when controlling for all other factors. Overall, the model correctly predicted 88% of the governor's positions. The governors who decided contrary to how the model predicted are Brewer (R-AZ), Christie (R-NJ), Snyder (R-MI), Martinez (R-NM), Corbett (R-PA) and McDonnel (R-VA). The first 4 list governors decided to expand although the model predicted they would oppose expansion. Governors Corbett and McDonnell decided against expansion despite a positive prediction.

Of these governors, the governor most contrary to what the mdoel predicted was Jan Brewer in Arizona with a predicted value of 0.02 for expansion. Two variables not reflected in the modeling may have affected her decision: 1) she was termed out and was not seen as a presidential candidate, thus the electoral pressures are not of relevance to her and 2) she has mentally ill son who is on Medicaid which may influence her support for the program. Three of the governors (Governors Snyder, Martinez and Corbett) are all within 5 points of the 0.50 cutoff, thus suggsting that the wrong prediction could be a result of the arbritary cut-off. The researcher has no assessment as to why the statistical model incorrectly predicted Governor

Christie's position on expansion. The descriptive model correctly assumeed that Governor Christie would opt for expansion given that his state voted of President Obama in 2012.

Given that electoral pressures alone descriptively explains 88% of the governors' behavior and the all factors are so strongly correlated, the second stage of this study - the qualitative work - is used help discern which of these correlated factors looks to be driving the decision making process.

CHAPTER 7: THE STORY OF TWO GOVERNORS, DIFFERENT BUT THE SAME

The cross-sectional model discussed above provides interesting insight into which pre-determined factors infleunce (and to what extent) a governor's decision making. For the second part of this study, I engaged in an in-depth case study to better disentangle the findings of the theoretical model. There are a number of reasons for this enhanced study at the ground level. A first reason to preform a case study following the cross-sectional modeling is to better understand the cases that do not conform to the theorectical framework. Or, from a different perspective, to to tease out the drivers that lead seemingly similar cases to a differing result. Secondly, an in-depth study allows for a better understanding of state particulars and how they manifest within the framework. For example, when discussing the role of stakeholders in influencing a govenor's decision, an across state evaluation may be futile in that stakeholder groups may differ so drastically at the state level that a comparison is insignificant. A third reason is to seek greater detail and better understanding of the complexity of the question. A quantitative method necessarily glosses over the complexities of the factors, forcing each to fit within a categorical (often binary) category; thereby subsuming all nuances within a simplified model. Observing how each explanatory variable plays out on the ground can provide a more fleshed out understanding of the model. Another justification for an in-depth case analysis is to study the decision-making process holistically in order to understand the interactions among the factors, the nuanced processes and the state specific narrative that pulls together the distinct elements. While the qualitatve component of this study is not meant to generate theory, rather to test it's validity, it is possible that a more nuanced theory may result; one that addresses the unique combination of factors that manifest within a particular state. And finally, by engaging in a more detailed study of the question, a more fleshed out understanding of the theoretical models can be develop. It is possible that, because we do not know what causal mechasnims are truly at play, the selected framework for the quantitative study is inadequately constructed and cannot address the true decision making processes.

Jeffery Stonecash found the single-state case study to be valuable as a means of exploring interactions within a political system. He argued that if one is not confined to analyzing all states, and there is a research agenda driven by particular questions, selecting states based on their behavior relevant to the question under study is appropriate (Stonecash, 1996). In particular, this approach allows for the study of political dynamics such as why stakeholders engage at certain times and not at others, how personal relationships impact actions, when and if coalitions form around issues, how past political actions influence current decision-makings, and how politicians and parties battle over the framing of images (Stonecash, 1996).

Using a qualitative window allowed me to answer questions of "how," "why," and "what" (Ulin, Robinson and Tolley, 2005; Hesse-Biber and Leavy, 2006; Schutt, 2009; Bennet, 2010; Freedman, 2010). And particular to this study, a qualitative approach provided greater explanatory power to how seemingly similar governors in similar situations reached opposing conclusions. As one text-book on qualitative methodology states, "qualitative methods allow a researcher to uncover multiple perspectives, to capture nuances, and to study an issue holistically allowing for an indepth understanding of the meanings of decisions and actions. To get at this, interpretive and other open-ended methods should be used" (Ulin, Robinson and Tolley, 2005). It is for these reasons that I have chosen to study two cases in greater detail.

Consistent with numerous research directives on case selection, I selected two Governors (Scott Walker (R-WI) and John Kasich (R-OH)) who, based on their similarities around the six variables studied here should have decided consistently yet they differed in their final decision (my dependent variable). Specifically, I ensured that the range of variation relevant to the promulgated theory was addressed and that selection was based on the dependent variable (King & Keohane, 1994; Collier & Jason Seawright, 2010; Rogowski, 2010; and Kousser T. , 2014). Both governors were elected as part of the 2010 Tea Party sweep of governorships (Gabriel, 2014). Both are Republican (party), are seeking re-election to their office (re-election) and both are often on a "short list" of potential Republican candidates for the 2016 presidential election (election). Furthermore, both of their states (Wisconsin and Ohio) went for President Obama in the 2012 presidential election (electoral pressure). Both governors are considered conservatives by OnTheIssue.org, with Walker leaning slightly towards libertarianism and Kasich towards populism (ideology), and neither state is considered a conservative state on Virginia Gray's ranking (policy history).[41] In addition, both states are mid-western manufacturing states that faced large budget deficits during the recession. Both governors came to national attention in 2012 in their attempt to dismantle collective-bargaining rights of unions. In the case of Wisconsin, Governor Walker survived a very high-profile recall election as a result of his attack on the states' unions. Governor Kasich however, saw his enacted bill against collective bargaining overturned in a state initiative process launched by the unions. Both battles drew national attention and support from outside the state for both sides (union and tea-party/business). Both states have active stakeholder groups (in particular hospitals associations) and like all states, both stood to lose millions in federal dollars if expansion was not selected. Finally, and specific to the ACA, both Governors espoused anti-Obamacare positions, led their states in law-suits against the ACA, and neither decided to implement a state-run Exchange instead both opting for the federal exchange healthcare.gov. (See Appendix D for a comparison across the two governors and their states.)

7.1. Methodology

Using content analysis of written material such as speeches, press releases, news articles, and interview transcripts and open ended semi-structured interviews of key informants (e.g., journalists, stakeholders, researchers, elected officials, and administration officials), I provide an in-depth analysis of the public explanations these two governors provided for their decisions regarding the expansion of Medicaid in his state (i.e., process tracing). Content analysis is a systematic and transparent means of analyzing and making inferences from text (Schutt, 2009). This is done via an "analysis of the manifest and latent content of a body of communicated material through the replicable and valid classification, tabulation, and eveluation of its key symbols and themes in order to ascertain its meaning and probable effect" (Krippendorff, 2004). A study of public statements of elected officials may not tell us much about actual motivations and decision logic. On the other hand, governors are public figures who need to justify their actions publicly. This is especially true on highly visible contentious issues. Thus, official statements are relevant for understanding how a governor wants his or her decision to be understood. Because there may be many motivations that affect governor decision-making that they wish to hide, interviews with actors who might provide additional insight about less public

[41] Wisconsin, ranked #13 in Dr. Gray's State Policy Liberalism Index is considered a liberal state while Ohio, ranked #28) is moderate (Gray V. , 2013).

factors that shape governor decision-makin are included in this study. This approach is not fool-proof in that one may be unable to interview those with greatest insight. If such interviews do take place, interviewees may not be forthcoming. Finally, interviewees might be convinced of motivations that are not actually part of a goverrnor's decision-making. Thus interviews were evaluated in light of the public record and in light of one another. Outlier views were treated with interest and caution.

Many researchers see content analysis of documents as a proxy for understanding an individual's position when a personal interview is unavailable or unlikely to result in responses that divert from what is available in the public domain[42] (Johnson and Joslyn, 1991; Coffey, 2005). Specifically, Daniel Coffey argued that performing content analysis of governors' speeches (as well as other documents such as press releases, budgets, personal statements and letters) can provide a valid and reliable indicator of gubernatorial ideology:

> "A speech is a direct statement by a governor of his or her most valued legislative goals and as such, provides an excellent gauge of his or her ideological views and policy agendas. In short, lacking detailed interview or survey data from governors, their major public addresses provide the best insight available into their preferences, values, and ideology. And as a regular and, arguably, the most important such address, gubernatorial state of the state speeches are an excellent data source for this information" (Coffey, 2005).

While speeches are not necessarily contracts and elected officials can and do change their commitments, they are real political acts that are part of the toolkit that elected officials use to achieve their goals.

The State of the State address and the budget address are the highest profile speeches a governor is likely to make each year (or biennially depending on the state). These speeches outlines the governor's policy agenda and signals the governor's priorities to the legislator and the general public. "The State of the State was meant to tee up the budget and create the agenda that you wanted to talk about. It is a combination of wish list, a valedictory address for the previous year, a policy to-do list, and an attempt to form an agenda" (Kevin Echery, communications director to Gov. Pete Wilson, 2009 in Kousser and Phillips, 2012). Furthermore, in a statement reminiscent of Mayhew's findings about congressmen (Mayhew, 1974), Thad Kousser and Justin Phillips, in The Power of American Governors, assert that a main concern of governors is not only the pronouncements they make about policies that they ultimately successfully advocate, but also about what they are *seen asking for* (Kousser and Phillips, 2012, p 34).

According to Bill Whalen, chief speechwriter to Governor Pete Wilson, position-taking is a main motive for the State of the State address. "In your state of State of the State, you'd hope that 80 percent of what you ask for gets in play, and that 20 percent of it passes… *some of it is a*

[42] An elected official, while still in office, is unlikely to provide open and honest information beyond what has already been discussed in public; hence the value of discussion with outside persons in order to augment findings in vetted speeches and interviews.

wish list of items designed to appeal to your base. You know they will be dead on arrival" (emphasis present in original) (Bill Whalen, 2010 in Kousser and Phillips, 2012). "Even if he couldn't accomplish it, the governor wasn't going to let the bastards stop him from talking about it" (Kevin Echery, communications director to Gov. Pete Wilson, 2009 in Kousser and Phillips, 2012). Oftentimes, the position-taking within a State of the State address is aimed at an audience different than expected. In fact, because governors are ubiquitous potential presidential nominees in both parties (Ferguson, 2013), their State-of-the-State speech is often a launching pad for another, more powerful campaign. For example, Kousser and Phillips assert that Mitt Romney's 2006 State of the State speech was intended more for the White House than the Massachusetts statehouse, as he called on the Democrat-dominated legislature to pass proposals that he knew they would not like; proposals that were instead consistent with the ideological leanings of his Republican party electorate across the country (Kousser and Phillips, 2012). Accordingly, content analysis of speeches can in fact provide insight to a governor's motives, how he frames issues acts as a signal for ideological beliefs, motivations and future actions. Functioning as a political tool by a political actor, speeches are much more than casual words and pleasantries.

In addition to learning about a governor's ideology and policy priorities via speeches and budget proposals, content analysis allowed for more nuanced information to be collected. When juxtoposed with the static data used in cross-sectional analysis (i.e., the share of Obama vote in the state as a proxy for electora pressure), data collected from speeches, budget proposals and press releases etc., can provide a time specific view of how the governor perceives election pressure and hopes to address them. How a governor depicts the problem in the first place is as important as the response. By selecting one frame over another he can choose which interpretation to support driving not only a resulting action but also creating and defining sides in the debate (Stone, 2002).

Researchers have found mass communication (e.g., interviews, news analysis, press releases) to be a rich source of information for investigating a variety of questions (Hoyle, Harris and Judd, 2002). Examples of information gleaned from various sources include information about a governor's political aspirations (e.g, does he plan to run for another term? Does he have aspirations to the presidency?). By reviewing news articles and other third party analyses, a richer sense of what the politician is saying (or not saying), was derived. As Klaus Krippendorff writes: "We know that when politicians speak, they anticipate being scrutinized by the public, and so we cannot take their speeches at face value, as natural objects." Instead the speech may have been meant to inform recipients, to invoke feelings, and/or to cause behavioral changes (Krippendorff, 2004). On the other hand, what is absent from a speech should be noted as a data point unto itself. Not discussing an issue may be a signal of the speaker's belief that the said issue is of no concern, or is a matter he hopes to disregard. In other words, a broader undestanding of the contextual environment is necessary and something that may be derived from an analysis that reaches beyond speeches and interviews.

In order to drill down and further enhance my understanding of the decision-makinig process of each individual governor, I interviewed key informants at the state and national level. These were semi-structured interviews with open ended questions aimed at better understanding how a

governor decides upon a plan of action.[43] I asked about the potential influence of the different variables upon the decision-making process. However, to ensure that each interviewee was able to offer his own explanation without regard to the previously selected factors, my first question was: Why do you believe the Governor decided to expand/not expand Medicaid? Only after the open ended first question did I question the respondents on each of the factors under study (Hochschild, 1981; Patton, 1990). By choosing to conduct interviews, I began with the assumption that the perspective of others is meaningful, knowable and able to be made explicit (Patton, 1990). My goal was to gain rich qualitative data from the perspective of individuals who can speak to the topic either from experience and/or from perceptions (Hesse-Biber and Leavey, 2006).

Semi-structured interviews presume an established set of questions but allow the interviewer some flexibility in naturally guiding the conversation; allowing respondents some latitude and freedom to talk about what is of interest or important to them while at the same time ensuring that the relevant subject matter is discussed (Hesse-Biber and Leavey, 2006). This approach allows for a focused, deep and detailed line of inquiry while at the same time retaining some of the openness of regular conversation (Rubin and Rubin, 1995). With open ended questions, the interviewee uses his own words, often revealing their convictions and uncertainties, their reasoning processes and emotional reactions, their foci for passion and indifference, their expertise and ignorance" (Hochschild, 1981; see also Aberbach, Chesney and Rockman, 1975; Kvale, 1996; Schutt, 2009). Open ended questions are likely to develop a more comprehensive picture, providing a more contextual richness of response and allowing for the exploration of subtlety and nuance, enabling an investigator to assess not just the surface content of a response but also the reasoning and premises underlying it. Furthermore, by allowing the interviewer the ability to clarify a response, to clear up misunderstandings, to probe and to ask follow up questions, semi-structured open ended interviews are powerful tools for ensuring interviewer understanding and thus providing access to the knowledge sought (Kvale, 1996). Aberbach, Chesney and Rockman found open-ended questions to be especially powerful when interviewing the political elite as "they like to talk … in their way." In addition, they found that closed-ended questions were "more like grilling, allowing no flexibility to follow new leads which in turn can maximize validity" (Aberbach, Chesney and Rockman, 1975). (See Appendix E for a copy of the interview guide).

Using a snowball effect to select interview participants, I set up an hour long face-to-face interview with stakeholders, administration officials, legislators (or their staff), journalists and university officials (e.g., professors, data analyst and department managers) in both states. After meeting with someone from one of the above categories, I asked the person for referrals to additional people. In this manner, I worked until I reached saturation, achieving agreement from all participants that I had met with the full realm of major respondents.

[43] This research was granted exemption status by the UC Berkeley Office of Protection of Human Subjects (OPHS) on June 13, 2013 (CPHS Protocol Number: 2013-05-5344). The exempt status was awarded under 3 categories of the Federal regulations: category 2 - disclosure of the subject's responses research would not place the subject at risk; under category 3 - subjects are elected or appointed public officials or candidates for public office; and under category 4 - the data collected are pre-existing and are publicly.

In each interview I asked respondent to discuss the Governor's decision not to expand (in the case of Governor Walker in Wisconsin) or to expand (for Governor Kasich in Ohio), and why s/he believed the Governor decided as he did. I asked each person what s/he felt the role of each of the 6 factors played in each Governor's decision-making. As a means of capturing my "error" term, I added a 7th category called "personal" in which I asked each interviewee what else may have played a role in the decision, in particular was there a personal reason for the governor's decision.

I spent five days in both state capitals, interviewing 13+[44] people in Madison (March 3-7, 2014) and 13+ people in Columbus (March 10-14). In addition, 3 additional people were interviewed via phone about Governor Walker and 2 additional via phone about Governor Kasich. (See Appendix F[45] for list of persons interviewed.)

7.2. Governor Scott Walker (R-WI)

When running for Governor of Wisconsin in 2010, Scott Walker made it clear that the ACA (*aka* Obamacare) was anathema to him. Winning the election for Governor in a Tea-Party ground swell against President Obama, the Democrats, and Obamacare; Governor Walker steadfastedly refused to implement any part of the law, arguing that the Supreme Court would find it unconstitutional. After the Supreme Court decision of constitutionality in June 2012, Governor Walker steadfastly refused to implement any component of the law banking on Governor Romney winning the Presidential election in November and the subsequent repeal of the law (Mukherjee, 2014). In a July 12, 2012 Op-Ed in the Washington Post, Governor Walker wrote: "although the Supreme Court has ruled on the constitutionality of the act … it is bad policy…from a practical standpoint, Obamacare will devastate Wisconsin." (Walker, 2012). Thus it was no surprise that once Medicaid expansion was relegated a voluntary program, Governor Walker would decide not to expand. And thus it was, in his February 20, 2013 State Budget Address, that Governor Walker announced his refusal to expand Medicaid under the ACA:

> "… our budget is built on a plan to reform a broken system and transition people from government dependence to true independence. A major part of the plan is what we do with Medicaid and how it relates to the federal health care mandate… prevents putting the state at risk of the federal government not being able to fulfill the enormous new financial obligation under the Affordable Care Act. Of the current $644 million cost to continue Medicaid in Wisconsin, about 39 percent of it comes from changes made by the federal government. If they cannot fulfill their current obligations, what makes us think the Congress and Administration can cover even bigger costs in the future when they are sitting on a $16.5 trillion debt?" (Walker, State of Wisconsin Budget Address, 2013)

[44] The + indicates that more than one person was present during a particular interview. In other words, I had 13 interviews, some of which included more than one interviewee.

[45] Respondents in both states included stakeholders, journalists, professors, legislators (and/or their staff), Director of Medicaid, and Secretary of Health. (In addition, the researcher overheard a conversation in a Columbus restaurant and attended a Medicaid policy conference)

Two of the predicted factors immediately jump out as likely drivers of Governor Walker's decision: ideology and party.[46] Scott Walker has consistently adhered to conservative positions arguing for tax and regulatory relief, smaller government, and free market forces as drivers of a successful economy (OnTheIssues.com, 2014). His espoused positions are consistently aligned with the National Republican Party. Specific to Medicaid expansion, as discussed above, the Republican Party platform clearly champions the belief that expanding Medicaid (and thus government's role in health care) is not the answer to solving the problem of the uninsured, that instead market-based solutions should be sought.

However, it is likely that Walker did face pressures to expand Medicaid. The fact that Wisconsin has had a progressive policy history – in health care policy as well as otherwise – could perceivably cut both ways with regards to the pressure he faced. Policy decisions of earlier governors (Republican and Democtratic) ensured that Wisconsin was among the states with the lowest number of uninsured[47] (kff.org, 2011). This could result in little pressure to cover the remaining uninsured, merely because they are fewer in number and thus less visible. On the other hand, the progressive nature of the State which led to its already low number of uninsured, might urge ongoing support for helping those in need, and thus encouraging a pro-expansion decision. As for electoral pressures, although Walker survived a recall election in 2012, his breaking of union's right to organize in Wisconsin sharply divided the state's electorate. And, in November 2012, just 5 months after the recall election, Wisconsin voters helped elect President Obama to his second term. Given this continued support for President Obama and what might be Walker's liability among union supporters, one could perceive of a situation in which Governor Walker might think of Medicaid expansion as a way to offer an olive brank to disaffected groups of consittuents that are likely more liberal than he. Finally, as with other states, Wisconsin was hit hard by the Great Recession. In September 2013, Moody's Analytics named Wisconsin as one of three states (along with Alabama and Illinois) with the weakest recovery in the country (Prah, 2013). This might suggest that the economic argument of drawing down 100% federal funds for the Medicaid population might sway Governor Walker towards expansion. And in fact, just prior to Governor Walker going public with his decision, Guy Boulton, a journalist with the Milwaukee Journal Sentinel wrote:

> For the governor, neither option probably is attractive. As an opponent of the Affordable Care Act, Walker may be loath to give even tacit support to the law. But expanding the Medicaid program could bring hundreds of millions of federal dollars into the state each year and billions of dollars over the next decade. It also could reduce the cost of bad debts and charity care now borne by health systems and doctors, although to what degree isn't known. At least

[46] Taken at face value, Walker's argument may be considered an economical one: namely that the federal government does not have the needed funds to support expansion. However, the government having the needed resources is purely an ideological argument. With its ability to tax, the federal government can support this redistributive policy were it to decide to do so. Paying for programs is a matter of priorities; priorities driven by ideology. For the purpose of this study, the economic factor is meant to address the budgetary influences within the govenror's purview; that is the balancing of his state budget not the decision to impelement a redistirbutive national policy or not.

[47] http://kff.org/other/state-indicator/total-population/ lists Wisconsin has having 11% uninsured in 2011-2012; giving it the 7th lowest number of uninsured in the country. The national uninsured rate was 15%.

part of that cost is passed on to employers and health insurers (Boulton, *Milwaukee Journal Sentinel,* 2013).

7.2.1. The Factors

7.2.1.1. Party

When I asked about the role of party in motivating Governor Walker's decision, interviewees consistently responded like Christian Moran, Chief of Staff to Representative Jon Richards (D): "Governor Walker is the party leader; as such, members of his party follow his lead. They wouldn't buck him on the budget" (Moran, 2014). Others spoke of the partisan divide across legislators within both chambers of government. The State Assembly was described as "very conservative" (Stein, 2014) or "aligned with the Governor negating all efforts to lobby otherwise" (Abrams, 2014) because of its large majority of Republican seats (60R: 39D) (Wisconsin Government, 2014). Although there "was some push from Republican senators to take the federal money, ultimately they took the governor's lead and voted along party lines" (Rude, 2014). When pushed regarding the Governor's partisan strength, Nel Rude a staffer with Representative John Nygren's (R) acknowledged that had the Governor advocated for full expansion, it " might have passed had he pushed for it" (Rude, 2014). Jon Peacock of the Wisconsin Council for Children and Families agreed: "I think he has enough clout within his party that could have gotten it through both houses; there was no issue in the Senate" (Peacock, 2014). Jason Stein, a political reporter for the Milwaukee Sentinel Journal, agreed that the legislature supported the budget act along party lines, but disagreed that the Governor would have had sure success had he advocated for full expansion:

> "The legislature approved the budget as he gave it to them, along party lines. … In the same budget act, the legislature did change some of his [Walker's] education policy but not this… No, there was no guarantee that if governor had proposed expansion it would have passed; in fact he may have gotten less, they may not have been willing to pick up those up below 100%"[48](Stein, 2014).

An interesting discussion occurred in a number of interviews. Many respondents felt that prior to ACT 10 a partisan divide was not evident in Wisconsin. "People used to vote across tickets regularly" and "it wasn't about the party it was about the issue" was examples of comments I heard (Abrams, 2014; and Oliver, 2014). Rick Abrams attributed a partisan divide to the acrimony surrounding Act 10:

> "before the union issue, Act 10, people talked to one another. Since then, since people camped out in the Capitol and the Democrats went out of state in the middle of the night, we don't do that here in Wisconsin, since then there is a partisan nature to what happens" (Abrams, 2014).

From all discussions, it appeared as if Governor Walker had consistent and strong partisan support for his position; a position that "on the surface"[27] followed the National GOP Platform promoting non-expansion of Medicaid under the ACA. Following his survival of the recall

[48] See discussion on policy history in subsequent session.

election, his strength as a party leader appeared bolstered. Thus, when calculating the pros and cons of taking a position on Medicaid expansion, Governor Walker likely felt the confidence of his party support for his decision; especially given that his ultimate choice was consistent with party lines.

7.2.1.2. Ideology

Governor Walker espouses conservative ideology throughout his governing. Using market forces to improve the economy while at the same time reducing the size and range of government are ubiquitous themes in his speeches and policy imperatives. The main theme in Governor Walker's February 2013 State of Wisconsin Budget Address was improving the economy. "Improving the economy is my number one priority. One of the best ways to grow our economy is to put more money back into the hands of the people and small businesses of the state. … I am pleased to announce an income tax cut of $343 million" (Walker, State of Wisconsin Budget Address, 2013). However, two additional themes followed close behind: entitlement reform and lack of trust in the Federal Government. Later in his State Budget talk, Governor Walker promoted his recommendations for entitlement reform: "we must pursue reforms that help people transition from government dependence to true independence; such as Medicaid and food stamps" (Walker, State of Wisconsin Budget Address, 2013). Kevin Moore, the Deputy Secretary of Health Services has said more than once: "One of the governor's favorite talking points is that he doesn't view success by the number of the people on the government programs, he views success by the number of people who can get off of them," (Moore, 2014; see also Peters and Randolvsky, *Wall Street Journal*, 2013). As to his lack of trust in Government, in a November 2013 New York Times article, Governor Walker is quoted as saying:

> "'I said no,' Gov. Scott Walker of Wisconsin said, 'because if I took the Medicaid expansion I'd be dependent on the same federal government that can't get a basic website up and going even after two and a half years to come through with payments for Medicaid in the future when they start weaning off paying for 100 percent of coverage'" (Martin, *The New York Times,* 2013).

These conservative themes of reducing dependency on government and the lack of trust in the capacity of the federal government were consistently repeated in almost all interviews. Respondents I interviewed in Wisconsin described Governor Walker as a "true conservative" who "believes in limited government," "is opposed to government hand-outs," "is an ardent states' rights advocate," "deeply distrusts the federal government" and "is aligned with pro-market advocates" (Abrams, 2014; Brenton, 2014; Moran, 2014; Peacock, 2014; Reimer, 2014; and Stein, 2014). When pushed, only one respondent questioned whether Walker was a true conservative ideologue or whether he was merely acting as a "shrewd and smart politician" (Peacock, 2014). Rick Abrams, President of the Wisconsin Medical Association (WMA) believes that the politically divisive fight over Act 10 – the Budget Bill that limited collective bargaining and greatly reduced previously agreed to union benefits[49] -- emboldened the

[49] Introduced as a Budget "Repair" Bill, Act 10 ended collective bargaining for all but a few unions (i.e., police and fire). In the Republican Controlled legislature, Walker was able to push through his legislation but only after a very high level of drama. The Democratic Representatives left the state in the middle of the night in order to delay a vote, hundreds of thousands of protestors camped out in the state capitol for weeks, and protestors on both sides came to Wisconsin from across the Country. Ultimately the Act was signed into law; however opponents quickly

Governor (Abrams, 2014). Steve Brenton, President of the Wisconsin Hospital Association (WHA) went even farther, suggesting that the Recall election and the national outcry "made Governor Walker a national hero and pushed him to the political right, aligning him with the country's far right beyond where Governor Walker may find himself naturally" (Brenton, 2014).[50]

All interviewees mentioned Governor Walker's goal of bringing Medicaid only to those who truly need it, and not others. Rick Abrams believes that Governor Walker would say his plan of cutting the existing BadgerCare program to cover only those below the poverty line (see discussion below under policy history) is "bringing Medicaid back to its roots" (Abrams, 2014). Steve Brenton agreed, arguing that Walker believes that "Government should not provide coverage to those who can afford it, that those above 100% FPL should have skin in the game" (Brenton, 2014). Lisa Olson and Lisa Davidson, both of the Wisconsin Primary Care Association (WPCA), argued that Governor Walker is "All about creating more self-sufficient people; he aims to improve the work-force; this is consistent across other initiatives such as within employment and education" (Olson and Davidson, 2014). Within his Administration, Governor Walker's belief in entitlement reform is oft repeated:

> "The Governor believes in entitlement reform; overall entitlement reform… He doesn't trust the federal government and therefore wants to do reform in a manner that ensure greater success; that is through the state's own doing…. He clearly opposes the ACA … The Governor will measure the success of his tenure as getting people off government programs and having safety net for those who really need" (Deputy Secretary of Health, Kevin Moore, 2014)

Furthermore, according to a number of interviewees, even prior to the discussion of expanding Medicaid under the ACA, Governor Walker and his then Secretary of Health Dennis Smith,[51] were seeking waivers from the Federal Department of Health and Human Services to drastically reduce Medicaid; they were hoping to be exempted from the ACA's requirement of maintain existing eligibility levels under Medicaid for women and children.[52] According to these respondents, "the expressed goal of Walker and Smith was to move Medicaid back to serving its core, only the very vulnerable." They wanted to return Medicaid to be a true safety net. All people above the poverty level, should have "skin the in the game" (Friedsam, 2014) and "Walker only wanted to give Medicaid to those below 100% FPL, those above don't deserve it. Medicaid is too generous" (Whalberg, 2014). Like Deputy Secretary of Health Moore,

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collected enough signatures to force a recall election of Governor Walker. Walker survived the recall attempt in a June 5, 2011 election (Stein and Marley, 2013) and see also (AB 11/Act 10 - Assembly Bill 11 "Act 10", 2011).

[50] Steve Brenton argued that Governor Walker was not a true "hard core" ideologue in that he was in fact willing to provide coverage to anyone below the poverty line – see discussion under Policy History, later in the paper, a distinguishing fact in Mr. Brenton's mind (Brenton, 2014)

[51] One respondent discussed Dennis Smith as someone who the Governor recruited from the Heritage Foundation and previously from CMS. According to Jeremy Shepherd, Walker and Smith had a shared ideology of reducing the Medicaid roles to cover only those who truly needed them (Shepherd J. , 2014).

[52] ACA required states to adhere to their previous eligibility levels for pregnant woman and children under the *Maintenance of Effort (MOE)* clause (CMS, 2014)

Walker's Director of Medicaid Brett Davis summarized the consistent conservative statements platform when he stated that Governor Walker wanted to

> "…streamline and simplify the existing medical assistance programs into one BadgerCare, as part of a larger entitlement reform… Walker wants to ensure that the safety net is there for those who need it… and that success will be gauged by the number of people above the poverty line who get off of Medicaid. This is all part of the overall goal of getting people to work, to get the economy moving" (Davis, 2014).

Governor Walker's conservative ideology spans beyond speeches and reputation among stakeholders. Each of the budgets he introduced and many of the laws he enacted continue the conservative themes of small government and the use of market forces to improve the economy. Following a review of his speeches, enacted laws and policy statements, OnTheIssues ranked Governor Walker as a true conservative (OnTheIssues.com, 2014). Walker's consistent conservative ideology permeates his governing and thus his decision-making.

7.2.1.3. Economics

The author has argued that the amount of federal money on the table will ultimately make it hard for any governor to resist expanding Medicaid. And yet, Governor Walker purposefully decided to expand Medicaid without taking the enhanced federal matching dollars (i.e., he is adding childless adults to BadgerCare at Wisconsin's regular FMAP of approximately 60% in lieu of expanding under the ACA at 100% FMAP). When selling his "expansion" over that of expansion under the ACA, Governor Walker argued that the enhanced funding from the federal government "could not be trusted," "the money wasn't really on the table," and that ultimately an expanded program "would leave the state with a huge burden" (Boutlon, 2014; Davidson and Olson, 2014; Friedsam, 2014; Peacock, 2014; Reimer, 2014).

Respondents were questioned about the governor's decision to expand Medicaid without the enhanced FMAP. According to Christian Moran, Chief of Staff for Representative John Richards (D), "money being left on the table was a non-issue, the Republicans lined up behind the Governor in support of his proposal" (Moran, 2014). Another legislative staffer stated "leaving about $118M state dollars on table was all part of the budget process so [we] didn't need to address [it] separately, we could "hide" the decision. Economically it would have been more expedient to take the money but the Governor argued that we couldn't trust the federal dollars"[53] (Rude, 2014). Another respondent argued that "the governor refused federal funds for a high-speed rail between Chicago-Milwaukee-Madison and Minneapolis; something that would really support business interests, why wouldn't he therefore turn down federal funds for a program that only peripherally affects business" (Oliver, 2014)?

The general sense among respondents was that the Governor was making a decision that did not make intuitive sense when considering economic factors. "Many of us stakeholders thought

[53] Nels Rude, staffer for Representative John Nygren (R), acknowledged in our interview that he "did not think this was a strong argument" – the not being able to trust the federal government for the money; but he re-asserted that it didn't matter, because the entire decision was part of the larger budget discussion and thus no accommodation had to be made for the "lost" money. (Rude, 2014)

the economic argument would trump ideology (or anti Obamacare sentiment) but we were wrong" (Peacock, 2014). Jason Stein, a political journalist, argued that "some in the GOP would have taken the money, that's what traditional politics has been about; doing what brings the most resources into the state" (Stein, 2014). The Legislative Fiscal Bureau, a non-partisan service agency of the Wisconsin Legislature that also serves as staff to the Joint Committee on Finance and thus works as the chief analyst of the state's biennial budget found that: "Over the 2013-2015 biennium, the estimated GPR costs for the 133/133 alternative are approximately $119.0 million less than the Governor's proposal" (Legislative Fiscal Bureau, pg. 17 #37, 2013). In other words, the Governor's proposal will cost the state $119.0 million more than expansion under the ACA. Many argued that the Governor's proposal would cost the state even more than the projected $119.0 million, as this accounting did not include costs of uncompensated care that would result from those moved from BadgerCare into the Exchange who would now face increased cost-sharing that may result in increased debt as a result of inability to pay. Hospitals in particular were concerned that there would be greater uncompensated care numbers when those above 100% FPL were moved into the Exchange. To address their concern, the Legislature included an additional $100M in the bienniel budget to cover the indigent (Brenton, 2014).[54] The Administrative response to this line of questioning was: "True, the governor did not draw down as much Federal money as he could have; but there was no guarantee that the FMAP would be there at the 100% (or even the 90%) level and it would be harder to manage the larger swing in FMAP. A 60/40 match is easier to predict. In the end, we were willing to take less Federal money because the Governor didn't trust federal government" (Davis, 2014).

The economic factor in Walker's overall calculus could be viewed as a nuisance. Leaving federal money on the table was clearly an issue he had to address.[55] He managed to do so by continuously repeating his mantra "can't trust the federal government," by putting extra funds into the budget to keep the hospitals quiet, and by cloaking the entire debate within the overall budget discussion.

7.2.1.4. State Policy History

History matters. Governor Walker - like all governors - had to decide whether to expand Medicaid under the ACA after the Supreme Court Decision in June 2012. But, unlike all other governors, only Governor Walker had Wisconsin's existing Medicaid program. Because of the decisions of previous governors (Thompson (R) and Doyle (D)), the state had received a federal waiver which allowed Wisconsin to combine its State Children's Health Insurance Plan funds (SCHIP), Medicaid funds and other federal health care funds[56] into 'BadgerCare,' one of the most expansive Medicaid programs in the county. Under BadgerCare, Children and pregnant

[54] Many stakeholders discussed the irony of the Governor on one hand advocating for his plan that would result in all persons receiving coverage, while at the same time he supported providing hospitals with a state-only disproportionate share fund to cover the uninsured. His argument was that this was a one-time fund needed to help with the transition (Davis, 2014; Brenton, 2014. Olson and Davidson, 2014).

[55] With $13.76 Billion over 5 years ($2,402per person) Wisconsin's potential financial windfall is smack in the middle of all states. See Appendix A4 for a listing by state of amount of money in question.

[56]Funds used to cover the expansion populations under the Wisconsin BadgerCare 1115 waiver included the federal disproportionate share hospital (DSH) funds that are used to augment Medicaid payments to those hospitals that have a disproportionate share of uncompensated care. DSH funding is viewed as a means of helping hospitals pay for the uninsured. The relevance of this point is discussed later in the Stakeholder section of this paper.

woman were covered up to 200% FPL, with the ability to buy-in to a benchmark plan if below 300% FPL. Parents and child caretakers were covered up to 200% FPL. And most generously, childless adults were theoretically covered by the program, albeit under a more basic benefit package, if they had incomes below 200% FPL. This latter category of enrollees was restricted in enrollment due to budgetary constraints and thus closed to increased enrollment since late 2009. The waiver allowing expansion of BadgerCare to childless adults expired December 31, 2013 (Davis, Director of Medicaid, 2014; and Legislative Fiscal Bureau, 2013) (See Appendix G).

Thus when deciding to expand Medicaid under the ACA, Governor Walker was, in reality, considering both an expansion (removing the cap on all childless adults who were barred from entering BadgerCare because of state finances, not because of legal or Medicaid rules) as well as a reduction (moving those above 133% FPL from BadgerCare into the Exchange and out of Medicaid). In numercial terms, an expansion of Medicaid would result in close to a zero net impact in the ultimate number of Medicaid beneficiaries. A main difference between the existing program and the new ACA expansion is a question of the FMAP that the State program can draw down from the Federal government. Under the existing program, the state draws down its orginal 60% FMAP, whereas under the ACA all childless adults would be covered under 100% FMAP (for the first 2 years of expansion later reducing down to 90%).

Governor Walker decided not to expand Medicaid under the ACA. He therefore chose to move all people with incomes above 100% FPL[57] into the health exchange created by the federal government under the ACA, thereby reducing his Medicaid roles. Expansion would require that all persons up to 133% FPL remain in Medicaid. *However, he also made the decision to enroll all persons under 100% FPL into the existing BadgerCare program.* Because this decision was made outside the Medicaid expansion provisions of the ACA, this expansion population would be treated as waiver-based eligibles and thus the State would only be eligible for its regular FMAP reimbursement of 60% not the 100% federal reimbursement rate of the ACA. (See Appendix G)

So, Scott Walker had a very different starting point and thus a different set of options:

> …Specifically, our actions allow us to reduce the number of uninsured in our state by 224,580. We also reduce the net number of people who are on government-run Medicaid. Some 87,000 people living above poverty will transition into the private or exchange markets, where they can get a premium for as low as $19 per month. At the same time, we are able to add 82,000 people currently living in poverty [onto Medicaid]. Many of these individuals were not covered by Medicaid in the past because of a cap put on the program by the

[57] Because of the way the ACA passed through Congress and the fact that the US Senate and the US House of Representatives passed different policy bills that were never reconciled, there are some inconsistencies in the legislation. One such inconsistency is of relevance to Wisconsin. Specifically, funding for subsidies under the health insurance exchanges start for persons at 100% of the FPL while expansion of Medicaid is required to 133% FPL – both have a 5% income disregard allowing those with 105% and 138% respectively to enroll in both programs. What this means for Wisconsin is that Walker can disenroll people down to 100% FPL allowing them to have access to federal subsidies whereas had he expanded Medicaid, federal subsidies would not have been available to anyone below the 133% threshold and thus the number of people he would have transitioned into the exchange would have been far less.

previous governor. Going forward, everyone living in poverty will be covered under Medicaid" (Walker, State of Wisconsin Budget Address, 2013).

Everyone interviewed agreed that the greatest factor influencing the Governor's decision not to expand Medicaid under the ACA was the starting point of the state's existing program. In my first on-site interview, Reporter Jason Stein said:

> "Wisconsin was an outlier in policy. Governor Tommy Thompson launched Badger Care and Governor Jim Doyle expanded the program, both with support from a Republican Legislature. Wisconsin then had a Medicaid program that covered more than any other state: eligibility was up to 200% FPL; all kids had coverage as it incorporated SCHIP, eligibility was streamlined and barriers were removed. We also had BadgerCare Core which was for single adults up to 200% FPL, although enrollment was capped do to state finances. Because of the legacy of earlier Governors, Governor Walker couldn't do nothing under the ACA, he would, at a minimum, have to decide what to do with those persons who were enrolled in Medicaid but who qualified for federal subsidies under the ACA" (Stein, 2014).

Others agreed: "Wisconsin already had very liberal Medicaid eligibility and Wisconsin had a history of employers covering their employees thus we had very few uninsured compared to other states" (Brenton, 2014); and "Wisconsin was always in the top 5-10 states with the lowest number of uninsured" (Peacock, 2014); "Our starting point was so different, on paper we already had the authority to cover all those targeted for Medicaid expansion" (Davidson and Olson, 2014); "Governor Walker looked at the cards he was dealt by former Governors Doyle and Thompson, [cards] that allowed him to make the decision he did" (Friedsam, 2014); "He was getting the benefit of a policy legacy which allowed him to make a minimal change, turn down a lot of federal dollars and still get credit for increasing the number of insured in Wisconsin. All this because of previous expansive policies" (Oliver, 2014). Walker's Deputy Secretary for Health Kevin Moore summarized this point well: "[Governor Walker] had the luxury of doing something other than yes or no; the decision was all about looking at our existing policy…" (Moore, 2014). And finally, the Director of Medicaid Brett Davis said "…[you] need to recognize that what was done in Wisconsin could not have been done in any other state; rather [you] have to understand that from whence you came, forward you can go…It's all about the starting point for the state" (Davis, 2014).

7.2.1.5. Electoral Pressures

Governor Walker's name appears on numerous lists indicating potential Republican 2016 Presidential Candidates (Miller, *CBS News*, 2014) (Cameron, *Fox News*, 2014) (Politics One, 2014) (Seib, *Wall Street Journal*, 2014). But, before he can run for President in 2016, he has to win re-election in Wisconsin in November 2014. The question I set out to answer is: Did Scott Walker consider his re-election as Governor and, potentially, his election as President when deciding to expand Medicaid under the ACA. It became quickly apparent that every interviewee believes Walker was considering BOTH elections when he made his decision. And because of the two audiences, the framing of his position varied inside and outside the state. In a December 2013 *Wall Street Journal* description of Walker's position "His approach allows him to combat

criticism either for accepting the federal money or blocking a Medicaid expansion" (Peters and Randolvsky, *Wall Street Journal*, 2013). Many agreed that Governor Walker was in fact playing to two very different audiences: "Nationally he was playing to the Tea Party while locally he was very vocal about expanding Medicaid" (Reimer, 2014).

With regards to his re-election as Governor, many interviewed felt the same as Christian Moran when he answered my question: "[Walker] made a political calculus that this wouldn't really hurt his election" (Moran, 2014). However, an "October 2013 poll of 800 Wisconsin residents by Marquette University Law School found that 56% opposed Mr. Walker's decision not to take federal Medicaid expansion money. In the same poll, Mr. Walker was leading Mary Burke, a former Trek Bicycle Corp. executive who is running for the Democratic nomination for governor, by just two percentage points" (Peters and Randolvsky, *Wall Street Journal*, 2013). It was therefore no surprise that Mary Burke's first policy position after winning the Democratic primary was to indicate she would have expanded Medicaid under the ACA (Brenton, 2014; Stein, 2014). Jason Stein said "this is Wisconsin so either party has the chance to win, taking the middle road can be justified. But really, expanding Medicaid is not a make or break issue in re-election. It'll be about jobs and unions" (Stein, 2014). David Whalberg agreed that expanding Medicaid is not a top election issue. "People have already made up their minds about Scott Walker" (Whalberg, 2014). The point about either party having a chance to win, was repeated by other respondents. Rick Abrams of the WMA reminded me that although Walker survived his recall election, in the very next statewide election, President Obama won by 8 points and Tammy Baldwin overwhelmingly beat Tommy Thompson for the Senate. "Walker has to be worried about the statewide race. He has to win or the 2016 presidential election is a pipedream" (Abrams, 2014).

Jonathan Peacock praises Walker's political acumen: "It is clever political triangulation; he has to do enough to cover enough people to get re-elected in a state that has the history of covering many, while at same time saying "no" to Obamacare so he can continue to endear himself to the Tea-Party. He can promote a different message in a different venue" (Peacock, 2014). While leaving money on the table is dangerous within Wisconsin – it has already become a top campaign issue in his re-election – taking the money would have been dangerous in the GOP primary for president (Friedsam, 2014; Stein, 2014). As Steve Brenton said, "Walker was careful not to antagonize his friends on the right. He had become a nationally known figure after the recall and has really worked to retain those connections" (Brenton, 2014). Keeping the national election in mind, Walker says things on the national stage that are very different from what he says in Wisconsin. In Wisconsin his mantra is about "cutting the number of uninsured in half" and "ensuring health care options to all those living in poverty" (Walker, State of Wisconsin Budget Address, 2013). Walker has written OpEds in national papers complaining about the reach of Obamacare and noting his refusal to implement any part of it (Walker, Op-Ed: Obamacare is an unhealthy prescription, 2012; and Friedsam, 2014).

Many respondents discussed the irony of Walker's opposing Obamacare while at the same time, because his plan is dependent on the success of HealthCare.gov, actively promoting it to residents (Friedsam, 2014; Reimer, 2014; Henderson and Shepherd, 2014; Stein, 2014). To help me to reconcile these two positions, Lisa Davidson said:

> "While he is clearly positioning himself as a "no" governor nationally, he has managed to develop a state specific solution in Wisconsin that can work. He promotes states as laboratories, detests federal directives. Here he can argue that his plan provides health care coverage to all Wisconsinites, those below the poverty line will get Medicaid and all those above will have access to private coverage" (Davidson and Olson, 2014).

Kevin Moore, Walker's Deputy Secretary of Health agreed "Governor Walker has the obligation to make the ACA work in Wisconsin, this is not about politics, this is his way of showing the country what he did in Wisconsin" (Moore, 2014). Furthermore, when pushed, Secretary Moore admitted that Walker's plan allowed him to "have his cake and eat it too" (Moore, 2014).

7.2.1.6. Interest Groups

Given Governor Walker's proposal to "cut the number of uninsured by half… and provide BadgerCare, for the first time, to everyone living in poverty" (Walker, State of Wisconsin Budget Address, 2013); stakeholders were mollified. Instead of arguing on behalf of expansion, they were instead arguing specific policy decisions of what program each group of people should be put into and at whose expense (i.e., state or federal). Furthermore, many stakeholders agreed that because "Republicans controlled the legislature, lobbying for full expansion under the ACA was 'dead on arrival'" (Abrams, 2014). According to Rick Abrams, President of the WMA, the WMA supported full expansion but it "wasn't worth fighting hard for it because it wasn't going to happen" (Abrams, 2014). Steve Boulton of the WHA agreed with Abrams; the WHA did not weigh in prior to Walker's decision in February but then, when asked to join a coalition in support of full expansion under the ACA, they agreed to do so (Boulton, 2014). Others described the WMA and WHA as pro-Walker groups who did not want to anger the Governor but agreed to lobby, mostly "behind the scenes," for full expansion as they feared many would be confused by private insurance under the Exchange (Boulton, 2014; Reimer, 2014; Stein, 2014; Whalberg, 2014). When asked why hospitals weren't 'leading the pack in favor of expansion' as they were in other states, I was told that:

> "Hospitals had already lost their DSH money under the 1115 Waiver. While they did come around and advocate for full expansion, they were conflicted because Medicaid reimbursement rates were lower than rates would be under the Exchange. They agreed with us that many would fall through the cracks in the transition from BadgerCare to the Exchange. But ultimately, they cut a deal with the Governor for extra funds. They signed our coalition letter, but they never really fought. They took care of themselves" (Peacock, 2014)

Steve Brenton of the WHA did not disagree with Jon Peacock. His hospital members were concerned that many between 100-133% FPL (moved into the exchange under the Governor's plan, but would have remained in Medicaid had the Governor supported full expansion) could not afford the cost-sharing and would thus put hospitals at risk for increased uncompensated care. While the WHA agreed that drawing down more Federal funds and covering more people in Medicaid was probably better, they agreed with the Governor's ultimate goal of covering everyone and thus didn't fight publically (Brenton, 2014). When asked about the additional state money the hospitals received, Brenton acknowledged that they had been able to get additional

funds by working quietly with the legislature and the governor (Brenton, 2014). Both Kevin Moore, Deputy Secretary of Health and Brett Davis, Director of Medicaid acknowledged that the WHA received funding via the budget process to help them with the transition (Davis, 2014; Moore, 2014).

Other stakeholder groups more aggressively pushed for full expansion. "SEIU, citizen action, faith based groups, disabilities groups all played a role in advocating for expansion. They never conceded that Governor's plan was moving towards the goal of covering all; instead they focused on the federal money being left on the table" (Peacock, 2014). Jason Stein agreed that there were stakeholders advocating for expansion, but felt that "the pressure to expand was not overwhelming" (Stein, 2014). And, as for the business groups and hospitals ostensibly in favor of expansion, they were staunch allies of the governor. Thus, Stein argued, the pressure came late and "really, they wouldn't drop their support for him if he didn't choose expansion; who else would they support?[58] There was an outcry from Democrats but not from those who mattered to him" (Stein, 2014).

Most stakeholders stood to gain regardless of approach. In order for the Governor's plan to work, the federal Exchange operating in Wisconsin had to be a success. Thus the Governor and his administration were putting in a lot of resources to ensure the success of Healthcare.gov (even though they had not supported the exchange initially). Anticipating a great increase in the number of insured in the state and the possibility for everyone to obtain coverage, many stakeholders expected to personally gain from the Governor's plan. Managed care plans, clinics, hospitals, and doctors alike all anticipated a growth both in Medicaid and in the private insurance market. As an example, the representatives from the Wisconsin Primary Care Association said: "the stakeholder coalition worked hard to not bust the Governor and make this political, rather we wanted to work together to get to the goal of reducing the number of uninsured (Olson and Davidson, 2014). Additionally, representatives from Molina Health Plan, a managed care plan with a mission of serving the underserved, agreed to join the coalition in support of full expansion of Medicaid when asked by the WHA. However, Molina remained "neutral" in its lobbying efforts, as it would be competing to serve patients both via BadgerCare and the Exchange and in fact would receive a higher reimbursement rate through the Exchange (Henderson and Shepherd, 2014).

When asked about stakeholder groups outside of Wisconsin, there was a general belief that Governor Walker had great support from TeaParty groups as a result of his stance on Act 10 (Nesbitt, 2014; Whalberg, 2014; Runde, 2014; Stein, 2014) Numerous articles in national papers discuss Walker's relationship with Americans for Prosperity and its founders Charles and David Koch; discussing the role of the Koch brothers support in Walker's winning his re-call election (Lipton, *New York Times,* 2011; and Sargent, *Washington Post,* 2012; and Singer, *Palm Beach Post,* 2012; and Whitesides, *Reuters,* 2012). The Koch Industries Political Action Committee did contribute the maximum amount allowed by law ($43,000) to Scott Walker's 2010 Gubernatorial Campaign (Wisconsin Government Accountability Board, 2014). However much of the Americans for Prosperity support for Walker was said to be in form of independent expenditures (Lipton, *New York Times,* 2011). Recent press continues to track Scott Walker's

[58] The Wisconsin business community held long-standing support for Walker and were not too concerned with this particular issue. He had previously and consistently showed is support for their causes (Abrams, 2014; Stein, 2014).

fund raising efforts with outside conservative groups (Gabriel, *New York Times*, 2014). While many respondents felt Walker was concerned with his relationship with the Koch brothers and other outside groups, they did not believe that Governor Walker was influenced by these groups on this decision. "Had they pressured him I doubt he would have expanded BadgerCare to cover those below 100% FPL" (Brenton, 2014).

Thus, like the economic factor discussed above, my research did not expose stakeholders to be a major player in Governor Walker's decision making on this issue. Rather, because of policy decisions made in the past (e.g, folding of federal DSH dollars into BadgerCare and expanding BadgerCare to cover all below 100% FPL) and Walker's ability to leverage these past decisions to his benefit, stakeholders were co-opted into accepting the proposed policy and thus appeared less assertive than would have been expected.

7.2.1.7. Personal

The final factor consider in this project is the role of Walker's personal story. No single narrative evolved from among the interviewees. Many described Walker as being ambitious (Abrams, 2014; Brenton, 2014; Friedsam, 2014; Peacock, 2014; Reimer, 2014). Others said he was smart - and that one should not let the fact that he didn't finish college confuse the issue (Reimer, 2014; Shepherd, 2014; Stein, 2014). People who worked closely with him described him as a policy-wonk, one who was deeply involved in the details of policy (Moore, 2014). Others said he was religious, as was his wife; he was an eagle scout and the son of a preacher (Henderson and Shepherd, 2014). But no single description surfaced that would cast a new light on his decision-making relative to other factors considered.

7.2.2. Analysis

In the general model, re-election accounts for more of the variation than any of the other single explanations for governor position on expansion. Under the cross-sectional model, the fact that the state went for President Obama in the 2012 Presidential election, would have predicted a "yes" decision on expansion. In Wisconsin, because Governor Walker decided against expansion, the prediction does not hold. This qualitative analysis however gives us significant insight into why this decision plays out differently in Wisconsin than in most other states. In addition, once we look closely at this case, we see that Walker is in fact responding to election pressures, but doing so in a manner that allows him to respond to differing election pressures simultaneously (i.e., that of re-election as governor and of the potential future election as President).

Given that Wisconsin is a progressive state, one with traditionally liberal policies aimed at helping its neediest residents, Walker's decision to not expand Medicaid may not be consistent with his voter's desires. However, he is able to use past policy decisions to his advantage: he enrolled new people into BadgerCare – Wisconsin's Medicaid program – while at the same time shrinking the Medicaid roles and moving those above the poverty line into private coverage via the health insurance exchange. He is able to do all this while NOT expanding Medicaid under the ACA and at the same time, neutralizing the stakeholder pressure FOR expansion. By choosing to change his Medicaid program in such a manner, he is able to frame his policy in a

manner that can appease both the more progressive statewide constituents in his re-election campaign and the more conservative anti-government tea-party constituents in a potential 2016 Presidential primary election should he choose to run.

Both Scott Walker's personal ideology and his party affiliation drove him to oppose expansion. The economic consideration would have led him to expand, but again, because of past changes to Wisconsin's Medicaid program, the amount of money on the table was less than it is in other states.[59] While stakeholders urged Walker to expand, they did not lobby agressively, realizing that they would "win" either way, as even with a "no" decision on expansion, the number of uninsured was reduced and additional funds to cover uncompenstated care were provided. The final factor, personal, did not seem to play a role in one way or another in his calculations. Thus, in Wisconsin as in the other states in the model, re-election/election appears to be the Governor's paramount concern. This however is not indicated in the general model and would not have been realized absent the case study.

7.3. Governor John Kasich (R-OH)

One week prior to being elected governor of Ohio, John Kasich posted a blog on his campaign website:

> "Today I signed The Ohio Project's initiative petition to amend Ohio's Constitution and preserve Ohioans' freedom to make their own decisions about health care. Obamacare must be blocked. We cannot tolerate a government takeover of our health care system and we cannot afford a health care system that creates a massive bureaucracy that raises taxes and punishes small businesses that are already struggling to create jobs. I believe Ohioans deserve the best health care possible, but Obamacare doesn't do it. Reform is needed, but it should lower costs, not raise them, and it should keep bureaucrats out of the private relationship between doctors and patients and end the frivolous lawsuits that drive up costs. Ohioans deserve a solution to health care that doesn't bring more big government but which preserves their freedom to make their own decisions about their health care. I look forward to working with you to bring about that change" (Kasich, 2010).

And yet, less than three years later in his State Budget Address on February 4, 2013, Governor Kasich announced:

> "This budget also takes the significant step of helping more low-income and working Ohioans have access to health care through Medicaid, for which the federal government will pay 100 percent for three years and level off at 90 percent beginning in 2020. While a complex decision, this reform not only helps improve the health of vulnerable Ohioans and frees up local funds for better mental health and addiction services, but it also helps prevent increases to health

[59] Wisconsin is forecast to draw down $2402 per capita in FMAP were it to have expanded Medicaid. The average per capita increase among all states is $2925 with the range being $1312 in Minnesota to $5249 in Mississippi. (see Appendix A4.

> care premiums and potentially devastating impacts to local hospitals" (Kasich, State of Ohio Executive Budget Fiscal Year 2014-2015, 2013)

Why did Kasich change his mind? More precisely, which of the factors tipped his calculation to a decision in support of expansion? As discussed earlier in this paper, each factor likely plays some role and may explain some part of the governor's decision-making.

7.3.1 The Factors

7.3.1.1. Party

Although elected with a strong GOP base including the support of the Tea-Party, Kasich bucked his party platform with his decision to expand Medicaid. Immediately after announcing his support for the expansion, the Tea Party sought a candidate to challenge the governor in the Republican primary in his bid for re-election. Just one week after announcing his intention to run, the Tea Party candidate Ted Stevenot decided against it (Lachman, *Huffington Post*, 2014). In making his announcement against running, Stevenot stated that "while many within the GOP are unhappy with some of the decisions Governor Kasich has made, he has the support of many within the party and the funding to carry it through to the general election" (Gomez, 2014). The conviction that Kasich ultimately had the support of the GOP was addressed in a number of interviews: "The Party members realized that Kasich's armor was so strong so they "would waste money challenging him"" (Maglione, 2014); "Speaker Batchelder and the Republican Party didn't support expansion but they did support Kasich" (Rohling McGee, 2014; and Allison and Reiss 2014; Corlett, 2014); "While there are factions within the Ohio GOP, Kasich is viewed as their leader and ultimately garners their support" (Hayes and Sahr, 2014); and Greg Moody, Governor's Kasich's trusted advisor on health care and Director of the newly created Ohio Department of Health Care Transformation, said:

> "[Kasich] is leader of the Ohio GOP and as such was sensitive to the political reality of some of the Republicans who supported expansion. He knew expansion would pass if it went to a vote; but the vote would include Democrats and that could pose a problem for those Republicans who supported it. They would be targeted by the Tea Party in their primaries. Kasich and [Speaker] Batcheldor worked hard to ensure that that there was no vote on the issue. Party leaders were very much together on this" (Moody, 2014).

Reporter Laura Bischoff agreed:

> "The Republicans love him. He is their governor. There are two relatively small factions that are unhappy with him: the fiscal conservatives over his decision to expand Medicaid and the social conservatives because he hasn't been able to pass the Heart Beat bill.[60] But the large majority is loyal to him. The current party chairman, Matt Burgess is a 'Kasich Man.' The party has his back" (Bischoff, 2014).

[60] The Heart Beat Bill would ban all abortions after the fetal heart beat is detected.

Despite party support, Kasich is known for bucking the party-line. "[Kasich] always had an independent streak," said his friend, Curt Steiner, former chief of staff to former Ohio Governor and U.S. Senator George Voinovich. "He's a solid Republican, but he's always had his own views (Bronson, 1998). Past examples of Kasich going against his party's position include when he supported a last-minute deal with President Clinton to pass the Federal Assault Weapons Ban (Siegel, *The Columbus Dispatch*, 2010); when he worked with Representative Ron Dellums to cut spending on the B-2 Bomber; and when he worked with Ralph Nadar to reduce corporate tax loopholes (Apple, *New York Times*, 1998). This independence also manifest in Ohio. In his 2014 mid-biennial budget, Kasich is pushing for taxes on tobacco and on the fracking industry, both of which are contrary to the Ohio Republican platform (Maglione, 2014).

Many respondents mentioned that in fact the Tea Party supporters within the Ohio legislature are very unhappy with Governor Kasich. These same people suggested that because Kasich's Lieutenant Governor, Mary Taylor, is a Tea Party leader, their joint ticket works in Columbus (Hayes and Sahr, 2014; Johnson, 2014; Levine, 2014; Seiber, 2014). However, many of those interviewed described a Republican caucus within the Ohio House of Representatives that is not very unified. [61] Many agreed that the caucus was equally split with: "20 of us supporting expansion, 20 strongly opposing and 20 probably supporting but praying they wouldn't have to vote on this"[62] (Representative Sears, 2014; and Rohling-McGee, 2014). Ultimately, the main concern of the party leaders was to avoid a vote on the issue; a vote that would tear the party apart and ensure Tea-Party challengers for some of those in the party who supported taking the federal money (Archey, 2014; Maglione, 2014; McCarthy, 2014; Moody, 2014). A *Columbus Dispatch* news article alluded to the pressure many of the Republicans were under as a result of the issue: "GOP legislative leaders, under pressure from conservative and tea party-affiliated groups to oppose the expansion, put the onus on Kasich" (Siegel, Candinsky and Vardon, *The Columbus Dispatch*, 2013). And, having the Controlling Board option (see policy history section for further discussion) available provided the Governor with some cover knowing that his decision need not tear the party apart (Moody, 2014).[63]

[61] The Republicans within the Senate were never discussed as being a road-block for Kasich. Instead, the consensus of the interviews was that the Republican Caucus within the Senate would have supported expansion (Rohling-McGee, 2014

[62] Representative Barbara Sears was regularly credited with being the lead Republican in the House pushing for support of Governor Kasich's budget (Maglione, 2014; Rohling-McGee, 2014). She is facing a Tea Party opponent in her May 6, 2014 primary. She noted in our interview that her candidate has received "over $50,000 from Tea Party supported outside of Ohio" (Sears, 2014).

[63] The political process Kasich followed in order to expand Medicaid is of interest: With the goal of avoiding a vote, and knowing that a Stakeholder coalition was financing a ballot referendum effort to place Medicaid expansion in the Ohio Constitution (see discussion under Stakeholders), Speaker Batcheldor – working closely with Governor Kasich and Senate President Keith Faber (R) –finessed an option that would allow for an expansion without any Republican elected officials having to vote for it. The Republican leaders (Speaker Batchelder, Senate President Farber, and Governor Kasich) settled upon using the Controlling Board (see discussion on policy history) in order to avoid a vote (McCarthy, 2014). When it became clear that the legislators on the Controlling Board may not support expansion, two were removed and replaced with supporters. "Speaker Batchelder replaced the two members because they were both running for Speaker of the House and he did not want them to have to vote on the issue, he wanted this to be a policy not a political vote" (Representative Sears, 2014).

7.3.1.2. Ideology

John Kasich has a long voting record[64] upon which researchers can evaluate his ideological leanings. In reviewing the list of bills he sponsored and co-sponsored as a US Congressman, Govtrack.us ranked John Kasich as a "rank and file conservative" (www.govtrack.us, 2014). OnTheIssues.com ranks Kasich as a "conservative" (OnTheIssues.com, 2014), with policy decisions that indicate he believes that standards of morality and safety should be enforced by government whereas he believes in personal responsibility for financial matters, and that free-market competition is better for people than central planning by the government (OnTheIssues.com, 2014). Following his nine terms in the US House of Representatives, Kasich became a managing director at Lehman Brothers as well as a Fox News host (Huffingtonpost.com, 2010). Additionally, when campaigning for Governor during the 2010 election, Kasich's rhetoric replicated Republican themes of small government, market based responses to social issues and anti-Obama/Obamacare (Kasich, Kasich Taylor for Ohio, 2010).

Consistent with analyses based on his past actions, John Kasich continued to govern with conservative goals. Themes from his 2013 State of the State Address reiterate his conservative ideals:

> "I believe that jobs are our greatest moral purpose. … First and foremost, Ohio's taxes are too high, and they are particularly punishing to our small businesses. … And we needed to lower taxes, and we needed to make our state more competitive. Ladies and gentlemen, this is not ideology; this is just the way the world works. .. Let me remind you of my background. I was in Congress for 18 years. Of those 18 years, I spent 10 years fighting to balance the budget. (Kasich, State of the State Address, 2013)

Everyone interviewed affirmed his conservative reputation: "He's a small government, lower tax guy (Hayes and Sahr, 2014; also Allison and Reiss, 2014; Archey, 2014; McCarthy, 2014; and Saelens and Robertson, 2014). Furthermore, Kasich espouses conservative social policies such as opposition to gay marriage, a ban on all abortions, and support for teaching creationism in schools (OntheIssues.com; also Hayes and Sahr, 2014).

However, despite his consistently conservative ideology, many respondents believed that "100%, Kasich expanded Medicaid because he thought it was the right thing to do" (Archey, 2014; Johnson, 2014; Levine, 2014; Maglione, 2014; Rohling-McGee, 2014). When pushed on this inconsistency between conservative idealogy, which argues for market responses to social policies and this support for a redistributive policy like Medicaid, Betsy Johnson from NAMI argued: "He believes that government's role is to help those who can't help themselves; not the poor but the vulnerable." She quickly added, "but he definitely believes in smaller government" (Johnson, 2014). Greg Moody, Director of the Office Health Care Transformation and a close confident of the Governor, answered my questions about the inconsistency with "it was a justice question, like it or not, [Kasich] knew the ACA was here to stay and it wasn't fair if the poor didn't get coverage while those with incomes over 100%[65] would receive a federal subsidy to

[64] John Kasich was an Ohio State Senate from 1979-1982. He then represented Ohio's 12th district in the US Congress from 1983-2001 (www.govtrack.us, 2014)
[65] See footnote #30

purchase health care. He viewed this as inequitable and felt he had to right the injustice" (Moody, 2014). John McCarthy, Ohio's Medicaid Director, responded to my question about Kasich's ideological inconsistency with:

> "Governor Kasich deeply cares about individuals who have a disability or are mentally ill. He feels we need to help get substance abuse treatment to the population. He is consistent across policies; he does this in all areas. In his education reform he is pushing for increased vocational training. He wants to help people out but is conservative so wants to help people move off of Medicaid and Welfare. He is adamant about helping people move out of poverty and dependence on government. He would say 'I am conservative and was conservative before there was a Tea Party. I'm not afraid to take things on that need to be taken on. I took on the Pentagon and now am expanding Medicaid. It's all about making sure Government is as efficient and as small as possible'" (McCarthy, 2014).

Another respondent, a long-time Republican aide turned lobbyist, clarified that there was no inconsistency, rather

> "The governor believes that government has a limited role to play and that it needs to be more accountable, smarter and cheaper. However there is a role for government. The government does need to do it, it just matters how it does it. Because [Ohio] put efficiencies into place,[66]costs have gone down. Therefore, now we can put more people into Medicaid and get a healthier workforce" (Allison and Reiss, 2014).

7.3.1.3. Economic

Kasich said: "We have an unprecedented opportunity to bring $13 billion of Ohio's tax dollars back to Ohio to solve our problem. Our money coming home to fix our problems" when announcing his intention to expand Medicaid in his State of the State Address on February 4, 2013 (Kasich, State of the State Address, 2013). A Columbus Dispatch Editorial published shortly after Kasich's announcement supported his position: "The benefits [of covering an estimated 275,000 low income people] accrue to everyone: People who can get preventive care won't end up in emergency rooms with conditions that have grown unnecessarily serious and expensive. This lowers medical spending overall and eases hospitals' burden for uncompensated care, which should help lower premiums for those who have insurance" (Editorial, *Columbus Dispatch*, 2013).

In a Health Policy Institute of Ohio (HPIO) commissioned study, researchers at the Ohio State University Medical School found that there would be net state fiscal gains due to the expansion. Even with the loss of DSH funding and the likely increase of enrollment by non-expansion beneficiaries due to the woodwork effect,[67] Ohio will increase revenue by expanding under the ACA. Specifically, in FY 2014 the state would net $113 million, an amount that is

[66] See discussion on policy history in Ohio
[67] See footnote 32.

scheduled to increase to $384 million in FY 2016. Between 2014 and 2022, the total state net income resulting from the expansion is projected to be $1.8 billion (HPIO, OSMU et. al., 2013).

Every person interviewed agreed that money drove the issue; that there was just too much money on the table to say no (Ahnmark, 2014; Archey, 2014; Hayes and Sahr, 2014; Johnson, 2014; Levine, 2014; Maglione, 2014; Rohling McGee, 2014; Seiber, 2014; Unknown, 2014). Not only was the Federal government scheduled to cover 100% of the costs for the expansion population for the first two years, but because of the 6% Medicaid managed care sales tax, Ohio would have net revenue (Moody, 2014). Director McCarthy said "just looking at the numbers, with no politics, there was no reason not to do this" (McCarthy, 2014). Representative Sears (R) confirmed that by framing the decision as part of the larger budget, it made fiscal sense to expand (Sears, 2014).

To a person, respondents described Governor Kasich as being "pragmatic" with business and budget experience (Ahnmark, 2014; Archey, 2014; Allison and Reiss, 2014; Bischoff, 2014; Hayes and Sahr, 2014; Maglione, 2014; McCarthy, 2014; Moody, 2014; Rohling McGee, 2014). When Kasich was in Congress, as Chair of the House Finance Committee, he successfully helped balance the budget via contentious negotiations with President Clinton. When he came into the Governor's office in 2011, Ohio was facing an $8 Million deficit. Kasich was responsible for not only balancing the budget, but ensuring a budget surplus (Maglione, 2014).

The Governor made two additional arguments about the funding for the expansion. First, Ohioan's federal income tax dollars would go to other states if Ohio didn't expand. Specifically, he argued that "it is not fair to the taxpayers of the state of Ohio, plain and simple, because if we don't do what we should do on Medicaid, they'll be spending it in California" (Kasich, State of Ohio Executive Budget Fiscal Year 2014-2015, 2013). And secondly, investing in those in need would help save money in the long run. Betsy Johnson, Associate Director of Ohio NAMI described the governor as a shrewd businessman who was aware of not just the new money coming in but the additional savings that would accrue to prisons, hospitals, child welfare and homeless support. "The governor is a believer that if we provide needed care, especially mental health care, to those in need, people will start caring for themselves and thus reduce the overall cost to the state" (Johnson, 2014).

By keeping the debate within the budget arena, Kasich was able to realize his policy. Even liberal health care advocates applauded the governor's approach: "We were relieved that the debate took place outside the political arena and instead was kept within the budget discussion; we could win that battle as the numbers were clearly in our favor" (Levine, 2014).

7.3.1.4. Policy History

Past policy decisions and previously established institutions in Ohio provided a back drop to Kasich's decision that rendered it unique. When it comes to previously established political institutions in Ohio, two are of relevance to this study: the ballot initiative process and the presence of the Controlling Board. The 1910 Ohio Constitutional Convention amended the Ohio Constitution to allow for direct democracy. Specifically, "The Powers of initiative and referendum are reserved for the people of Ohio under Article 2, Section 1 of the Ohio Constitution, enabling citizens to place an issue directly before voters on a statewide ballot"

(Ohio Attorney General's Office, 2014). In its first 100 years, 249 initiatives were placed on the ballot (Ohio Liberty Coalition, 2012) with an additional 11 brought to Ohioans since then (Ohio Attorney General's Office, 2014). In the year prior to Kasich having to decide on expanding Medicaid, SB5 – Kasich's bill restricting workers' rights to bargain collectively -- was overturned in a landslide ballot initiative. The organizations around the lobbying effort were still intact and still anti-Kasich. In addition, a new stakeholder coalition coalesced around the Medicaid expansion issue (see stakeholder discussion below). The Ohio Medicaid Alliance initiated the ballot initiative process to require Ohio to expand Medicaid. It was the pressure of a potential ballot initiative that "really pushed Speaker Batcheldor to work with Kasich on the expansion. Batcheldor was really worried that a proposition would make the expansion a constitutional amendment – he is a constitutional attorney and felt strongly that this issue didn't belong in the Constitution. But he knew this was likely to happen" (Saelens and Robertson, 2014; and also Allison and Reiss, 2014; Archey, 2014; Bischoff, 2014; Hayes and Sahr, 2014; Moody, 2014)

The second institution of relevance is the Controlling Board, which was created by the legislature in 1917 to "oversee the allocation of certain capital and operating expenditures by state agencies" (Ohio.gov, 2014). The Board consists of seven members including the Director of Budget and Management (President of the Board), the Chair of the Finance and Appropriations Committee of the House of Representatives; the Chair of the Finance Committee of the Senate; two members of the House appointed by the Speaker of the House, one from the majority party and one from the minority; and two members of the Senate appointed by the President of the Senate, one from the majority and one from the minority party (Ohio.gov, 2014). Because the Controlling Board was charged with dispersing funds, Kasich and others believed that the federal funding for Medicaid expansion could simply be allocated via the Controlling Board, an operational arm of the Legislature. As discussed above in the section on Party, this entity became vital to the ability of the Republicans to expand the program without splintering the Party. "The potential for using the Controlling Board was always known and always in the back of our minds when we discussed the pros and cons of expansion (McCarthy, 2014).

With regards to past policy decisions, in many ways Ohio is "Middle America." In Virginia Gray's ranking of States' policy liberalness, Ohio is ranked right in the middle at #28 out of 50 states (Gray V. , 2013). Under Medicaid coverage, Ohio covered children and pregnant women to 200% FPL, parents to 90% of FPL; childless adults are not covered (HPIO, OSMU et. al., 2013). When Kasich was elected Governor in November 2010, 10 months after the passage of the ACA, he immediately reorganized his cabinet, elevating Medicaid to the Department level and creating the Office of Health Transformation (McCarthy, 2014). The two new Directors, John McCarthy, Director of Medicaid and Greg Moody, Director of the Office of Health Transformation, immediately set out to streamline and create efficiencies in the Medicaid program. By issuing new contracts for Medicaid managed care plans, prioritizing home and community-based care, integrating Medicaid and Medicare benefits, and ensuring improved quality measures, the Kasich Administration tackled long-term inefficiencies in the Medicaid program (HealthTransformation.gov, 2014 and McCarthy, 2014). According to Greg Moody,

> "When I started, [it] was a given that we would expand Medicaid.[68] But the program was swamped and overwhelmed. Program costs increased at 10% annually. We streamlined the program; [it] was managing well when the question of expansion came up. [We had] reduced the program costs from a 10% annual increase to a 3% annual growth rate. I wouldn't have recommended expansion if we were still at 10% growth" (Moody, 2014).

John McCarthy agreed, claiming that the

> "Governor had a vision to modernize Medicaid; 'that without a change Medicaid was like Pac Man, it would eat everything else up in the budget.' The first issue was to curtail the average 10% annual growth. The Governor elevated the position in charge of Medicaid to the level of Director and charged me with streamlining the program without cutting eligibility or benefits. Over 85% of Medicaid beneficiaries were already enrolled in Medicaid Managed Care but we focused on simplifying that program, reducing the number of competitive regions, reducing the number of plans offered, changing the quality measures and other administrative requirements and ultimately reducing the capitations rates" (McCarthy, 2014).

Stakeholders supported Directors McCarthy and Moody's assessment: "Kasich believes that Medicaid is flawed when run as it is run in Illinois, but when enrollees are in managed care, that's ok, and the expansion was going be via private managed care plans" (Archey, 2014). "[Director] Moody had a whole framework in place to transform how health care is delivered. He had already worked to simplify Medicaid. They were expanding Medicaid managed care. Moody's plan included payment reform. The Governor hired Greg Moody. He believed in it" (Levine, 2014). "Greg [Moody]'s focus on reforming and streamlining the administration process was in place well before the issue of Medicaid expansion came up" (Saelens and Robertson, 2014). "Greg [Moody] has a sense of policy and politics and was already engaged in with transforming health care; we were improving the program" (Rohling McGee, 2014). And finally,

> "Ohio was already doing initiatives to save money and be more efficient. Kasich's administration had a larger vision in mind to transform the delivery system. They were already making investments addressing the need for healthcare. Expanding was the logical thing to do. I wasn't surprised he included expansion in his budget. I would have been more surprised had he not. If he had decided to not expand, he would have had to pull plug on a lot of what they had previously put in place. Even when they were deciding what to do, they kept the initiatives rolling" (Johnson, 2014)

Aside from the earlier decisions to streamline and reduce the cost of Medicaid, another earlier Medicaid policy facilitated the Governor's decision to expand Medicaid. Beginning with the Biennial Budget for FY 2010-2012, a 6% sales tax has been levied against Medicaid

[68] The ACA was the law of the land and the Supreme Court Decision rendering the Medicaid expansion voluntary had not yet been decided.

Managed Care Plans. The sales tax is included in the Plans' capitation rates and thus is reimbursed by the State via Medicaid payments; payments that are matched at 60% FMAP by the Federal government. With 88% of the newly eligible Medicaid beneficiaries anticipated to enroll into managed care plans at 100% FMAP, the entire 6% tax, included in the capitation rate, will be paid for by the Federal government. This money will pass through the managed care plans and will provide increased revenue to the State (HPIO, OSMU et. al., 2013). Thus, the decision to expand Medicaid is better than cost neutral to Ohio for the first 2 years (as the Federal Government will pay 100%). It is in actuality a revenue enhancer to the state.

7.3.1.5. Electoral Pressures

Many respondents stated that Kasich was not worried about a primary challenger which is consistent with the discussion above (see section on Party discussion) (Hayes and Sahr, 2014; Johnson, 2014; Levine, 2014; Maglione, 2014). Given his favorable polling of 50% as of April 2013 (a great uptick from support in the 30% range in 2011), this confidence appears founded (Cohen, 2013). Those within his administration went even further stating that Kasich did not consider re-election at all when making his decision: "He was adamant that he will do the right thing for people in Ohio, this is not about re-election. This was the right thing 'times 10'" (McCarthy, 2014). And, "He wasn't thinking about re-election, he was thinking about the right thing to do; really this was a no brainer for him. Very quickly the Governor was thinking not about politics but about the right thing to do" (Moody, 2014). Cathy Levine, Executive Director of the Universal Health Care Action Network (UHCAN) Ohio gave another reason for Kasich's confidence regarding his re-election. She discussed the relevance of the gubernatorial elections occurring in off-presidential years resulting in a more conservative electorate: "Cleveland's African American voter turnout is always horrible in the off presidential election years. This helps Kasich, and the Republican candidates in general in Ohio. He would have a harder time winning were the election held in a Presidential election year" (Levine, 2014). The same people who argued that re-election did not play a role in the decision to expand Medicaid, also argued that Kasich's potential bid for the Presidency was irrelevant to the decision: "The Governor has said to me "I'm not running for President, I am governing Ohio now" (McCarthy, 2014). "[I am] Not convinced of [his] higher political aspirations, [he] may go back to business" (Hayes and Sahr, 2014).

However, despite the denials that election concerns played a role in his decision making, many of those interviewed discussed how Kasich had to moderate his position to retain power in Ohio:

> "You have to remember, [Ohio] is a purple state that voted for Obama. Those on the right had nowhere to go. [Kasich] had taken a hit when he pushed the 'Right to Work' issue but had been inching his way back up. He felt confident that he could win re-election in Ohio but had to stake out the middle ground for a general election" (Maglione, 2014).

Tim Maglione's statement that Kasich's "had to move to the center" after his loss in the polls following his push against collective action[69] was echoed by many: "Kasich needed to moderate towards center, he got killed on SB 5" (Bischoff, 2014); "[He] moved to the middle purposefully – [he] went too far on the unions … and needed to self-correct" (Archey, 2014); and "[Kasich] got [his] 'clock cleaned' when [he] took on the unions… Medicaid expansion has taken lot of intensity out of the union issue. [This] may or may not have been intentional; [he] likely will get re-elected; he is now considered moderate" (Allison and Reiss, 2014).

Despite his administrator's contentions that he is not running for President, more than one interviewee discussed the relevance of the Medicaid issue to a potential Presidential run: "His decision will hurt him in Ohio[70] but it may help him when he runs for President" (Unknown, 2014) and "[He is] considered a potential contender for 2016, this will hurt him in that Republican primary but would help him in a general election" (Bischoff, 2014). Additionally, numerous national political observers list John Kasich as a likely presidential candidate (Cillizza, Blake and Sullivan, *Washington Post*, 2013).

7.3.1.6. Interest Groups

When asked about the role of stakeholders in Kasich's decision-making process, Greg Moody, Governor Kasich's Chief health care advisor and Director of the Office of Health Transformation said: "The coalition was essential to passage, but had little to do with the decision making. The Governor made [his] decision before others weighed in. [We] used the coalition to coordinate, to create a rallying point in support of passage" (Moody, 2014). However, when pushed, Director Moody added: "Look, I knew where stakeholders fell and I wouldn't have recommended "yes" if I didn't think [we] had the support of stakeholders" (Moody, 2014).

While some advocates mentioned contacting the governor before he went public with his decision (Archey, 2014; Johnson, 2014; Levine; 2014), all agreed that it was after the coalition – the Ohio Medicaid Alliance - was formed that the lion share of lobbying efforts took place. To a person, everyone interviewed for this project agreed that the coalition, led by Jonathan Allison, was irrelevant to the Governor's decision-making but crucial to the ultimate success of getting expansion passed (Archey, 2014; Bischoff, 2014; Hayes and Sahr, 2014; Johnson, 2014; Levine, 2014; Maglione, 2014; McCarthy, 2014; Moody, 2014; Rohling McGee, 2014, Saelens and Robertson, 2014). Mr. Allison was the chief-of-staff to Governor Taft (R), a long time Republican advisor, lobbyist for CareSource – the largest Medicaid managed care plan in Ohio - and for the Federally Qualified Health Clinics of Ohio (Allison and Reiss, 2014). There was

[69] In November 2011, Ohio voters voted to repeal a bill that restricted public workers' rights to bargain collectively. The bill SB 5 was a centerpiece of Governor Kasich's agenda and was passed by the Republican Legislature. The initiative to repeal the bill passed overwhelmingly with over 62 percent of the votes (Tavernise, *New York Times*, 2011)

[70]In a quick interaction with "legislators" and "lobbyist" in a Columbus restaurant, I asked "will Governor Kasich's decision to expand Medicaid hurt is future elections?" I was told that a Libertarian candidate was trying to get on the ballot for the Ohio General election. If successful, this candidate might take 2-3 points from Kasich and possible give the election to the Democratic candidate.

some confusion among coalition participants as to whether the Administration contacted Jon Allison and asked him to facilitate the stakeholder voice or whether Jon Allison pulled together a core group and approached the Administration. Greg Moody remembers contacting Jon Allison[71] after the Governor had reached his decision in October (Moody, 2014) whereas Jon Allison remembers approaching Greg Moody and John McCarthy "not to influence the Governor's Decision but to start working the legislature so that if the governor decides to support expansion it wouldn't be DOA" (Allison and Reiss, 2014). However all agreed that the coalition became active after the Governor went public with his position (Archey, 2014; Johnson, 2014; Levine, 2014; Maglione, 2014; McCarthy, 2014; Moody, 2014; Rohling McGee, 2014, Saelens and Robertson, 2014).

The Coalition included over 75 stakeholder groups representing very diverse interests. The Ohio Hospitals Association (OHA), Care Source Health Plan, and the SEIU were the lead financial backers of the coalition but numerous organizations provided financial and other support (Allison and Reiss, 2014). Various Chamber groups participated at the urging of the Governor's staff (Moody, 2014) as did grassroots advocacy groups (Allison and Reiss, 2014; Levine, 2014). According to the Administration, "the coalition was grounded in grassroots, had very diverse membership, and was critically important in keeping the press on the legislature" (Moody, 2014).

The OHA was the stakeholder group with the most to gain or lose in the effort and thus played a lead role with the coalition (Allison, 2014; Archey, 2014; Maglione, 2014). In 2000, Ohio's annual DSH allotment from the Federal government was $363 million, which when matched by State funds provided over $600 million being paid to about 190 hospitals and mental institutions to cover some of the costs associated with uncompensated care (Deptartment of Health and Human Services, OIG, 2004). With passage of the ACA, all DSH payments will end; leaving Ohio hospitals with grave economic concerns unless more of the state residents have health insurance (Archey, 2014). Despite this clear financial incentive, the OHA wasn't immediately supportive. "Internally we didn't all agree. Some of our members are very conservative; but as businessmen … they ultimately came together. Because of their bottom line and the need to ensure everyone has coverage, the OHA was supportive" (Archey, 2014). Ohio physicians came into the coalition later: "The Ohio State Medical Association (OSMA) didn't support the ACA, and many of our members were concerned about supporting Medicaid expansion. The OSMA was down the middle with our members, we had to reconcile our opposition to the ACA with support for expansion. We ultimately got there and joined in with the Coalition efforts" (Maglione, 2014). Medicaid managed care plans also were financial supporters of the coalition; they too had a lot to gain financially with the expansion (Saelens and Johnson, 2014). Grassroots organizations participated in the coalition and welcomed the opportunity to work alongside groups they were often in disagreement with; even going as far as calling the coalition a "truly wonderful thing" (Levine, 2014). In addition, behavioral health advocacy groups were core members[72] (Allison and Reiss, 2014; Johnson, 2014).

[71] Both Director Moody and Jon Allison, mentioned their close working friendship over the years, since working together as part of the Taft Administration (Allison and Reiss, 2014; Moody, 2014).

[72] Governor Kasich has a brother with mental illness, something that many allege has motivated his social policy in the past (see discussion under 'personal' section of this chapter.

Coalition participants were consistent in their response that the purpose of the "Coalition was to have a coordinated message, to offer support for the Governor, to provide cover to those Republican legislators in support of expansion, and to keep the pressure on the political process" (Maglione, 2014; and also Archey, 2014, Levine, 2014). Others added that the point of the coalition was to keep the public argument as supportive of the Governor as possible and to speak with one voice (Johnson, 2014; Maglione, 2014). Cathy Levine saw the purpose of the coalition as giving Kasich cover, and not letting the fight go public as that would motivate the Tea Party to enter the fight (Levine, 2014). According to her and other stakeholders, the coalition worked hard to address their internal differences behind closed doors in order to provide as much unified support as possible for the Governor.

As the political fight intensified, the coalition considered other options to provide needed support to the Governor. As discussed in the policy history section of this chapter, Ohio has an initiative process in place that can provide Ohioans with a voice. Accordingly, with the support of the larger coalition, the OHA, the health plans and the SEIU laid the groundwork for a ballot initiative that would place Medicaid expansion in the Ohio constitution (Allison and Reiss, 2014; Archey, 2014; Johnson, 2014). Director McCarthy suggested that it was the real fear that there might be a ballot initiative requiring Medicaid expansion that ultimately pushed Speaker Batcheldor to facilitate the passage of the expansion via the controlling board (McCarthy, 2014).

7.3.1.7. Personal

There were clearly personal components to the Governor's decision-making; in particular his Christian faith and his extended family. When asked why he chose to expand Medicaid despite his belief in smaller government, he answered: "[it's the] mission [my] Christian faith has called [upon me] to shoulder: 'helping the poor, the beleaguered and the downtrodden, and trying to heal them and lift them up'" (King, *Wall Street Journal,* 2013). Additional news headlines highlighted (mocked) his Christian-based justification of his decision to expand: "John Kasich: God Wants Ohio to Expand Medicaid" (Hart, *MediaTrackers.org,* 2013) and "Medicaid and the Apostle Kasich - The Ohio Governor's lawless, faith-based Obamacaid expansion" (Opinion, *Wall Street Journal,* 2013). Nonetheless, Kasich regularly invoked this religion-based justification of his position with quotes such as: "'When you die and go to heaven St. Peter is probably not going to ask you much about what you did about keeping government small. But he is going to ask you what you did for the poor'" (King, *Wall Street Journal,* 2013, and also Hallett and Candisky, *Columbus* Dispatch, 2013).

Those interviewed agreed that Kasich's religious beliefs played a decisive role in his decision-making: "He's a deeply religious man and truly believes it is the right thing to do; to help those in need" (Maglione, 2014); "He has a moral conviction that he had to do this for those in need" (Sears, 2014); "His Christianity helped him come to this decision" (Saelens and Robertson, 2014); "He truly believes he has to answer to a higher power" (Rohling McGee, 2014); "He takes the role of protector of the downtrodden seriously; has a deep spiritual conviction that that is why he was put on this earth" (Archey, 2014); and "He has a strong religious belief that we need to help our brothers" (Bischoff, 2014).

In addition to his religion, another personal reason may have played into his decision. Linking the expansion of Medicaid to getting more people into treatment for mental health and

substance abuse needs – and thus decreasing the homeless and prison populations - is another theme of Governor Kasich. This may in part derive from his having a brother with mental illness (Gabriel, *New York Times,* 2013). Others too listed Kasich's brother as a potential reason for his decision (Bischoff, 2014; Johnson, 2014; Rohling McGee, 2014) although Director McCarthy linked his support for enhanced treatment for mental illness and substance abuse to his [Kasich's] time in Congress "when many inpatient mental hospitals closed and community-based options were not available – [this] has bugged him for a long time" (McCarthy, 2014)

7.3.2. Analysis

From the general model, it is convenient to say that Kasich gave in to electoral pressures when deciding to expand Medicaid under the ACA. The majority of Ohio voters supported President Obama in both elections and thus could be considered as more liberal than Kasich. The case-study, does in fact endorse this finding, however when viewed holistically, other factors clearly played a role. The configuration of the legislature, and the personalities in control of the two houses, were of great importance to Kasich's situation. He and the party leaders needed to be able to control the agenda in order to limit Tea Party leverage. A different makeup in the House and/or a different House Speaker than Speaker Batcheldor, could have easily led Kasich down a different road and thus to a different conclusion.

An additional influence on Kasich's decision was Ohio's policy history. Previously promulgated institutions: the right to direct democracy in the form of the initiative process and the formation of the Controlling Board (both by earlier Administrations) played a role in the decision making and process. Specifically, after making his decision, he was able to justify it arguing that had he not enacted the expansion, the public would have likely voted to make Medicaid expansion part of the Ohio Constitution, which many viewed as a dangerous precedent. However, one could also argue that because of the existence of the initiative process Governor Kasich was forced to adopt a "pro" expansion position. That in fact he was ultimately stripped of his true decision making power, because had he not opted for expansion, he would have been forced to accept it as a *fait accompli* following the initiative process. What scenario truly drove the process is difficult to tease out: was it he cross electoral pressures or a result of the existence of an initiative process. Likely both play a powerful role, a nuanced finding that was not evident in the general model.

Under the category of "personal," a finding of this case study would include Kasich's strong Christian belief that he must 'provide for those in need' as a "pro expansion" factor. However, one could argue that rather than driving his decision, religious was invoked by Kasich as a means of justifying a decision that was forced upon him as a result of electoral pressures. Kasich's use of religion could be considered a framing device used to appease the right given that he felt he needed to expand Medicaid in order to survive Ohio politics. In other words, it may be that the electoral cross pressures that Kasich faced in a purple state were so great that all other factors were merely justification for the decision, *ex post facto*. Again, how these factors interacted and what drove what is difficult, if not impossible, to ascertain but should be considered before drawing any conclusions.

The other factors, could be studied on face value as either a pro or con influence on the decision. Stakeholder support and the economic calculus clearly manifest on the "pro" side of

the calculation. Stakeholders had indicated their support and in fact created a coalition to push for expansion. And, Governor Kasich often made the economic argument that expansion was justified as there was too much money to pass up. Specifically, with the Ohio's existing 6% managed care tax, the first two years of expansion in Ohio would result in a net gain to State coffers, clearly adding pressure to the "pro-expansion" position. Conversely, the governor's party affiliation and his personal belief in small government and lower taxes had to create some negative influence on his decision-making calculus. However, as with the other factors, it is hard to know whether a factor helped in pushing a decision or rather in justifying a position once made.

It may well be that the entire case centered on electoral pressures. The fact that the Republican Party stuck with Governor Kasich despite holding the opposing policy position, may in fact be a result of it being weakened after the ballot initiative to overturn the anti-union organizing statute. While the threat of losing a state all together does not typical stop a primary challenge on the right, it appears to have done so in Ohio. The Tea-Party candidate in fact withdrew claiming that he could not beat and Kasich and that a challenge may likely provide fodder to the Democrats resulting in Republicans losing the Governorship in 2014. Many of the people I interviewed discussed the need for Governor Kasich to moderate if he were to retain his position in the state. While I don't know explicitly the party of the stakeholders I met with, I believe that representatives of both parties felt similarly on this subject. This again supports the finding that electoral pressures ultimately drove decision-making on this issue.

7.4. The puzzle of Walker v Kasich

I entered the case study component of my research with the knowledge that, at least on a macro level, electoral pressure was the most significant of the factors studied in driving Governors' decision to expand Medicaid or not. In the general model, Governor Walker did not appear to succumb to the same pressures as did the others. My goal here was to address the puzzle of why Governor Walker decided differently than did Governor Kasich. At my very first interview for this project, when explaining the question, I was told: "The answer is easy: 'Both Governors Walker and Kasich took on the unions, one prevailed and the other got spanked'" (Rick Abrams, President Wisconsin Medical Association). After researching both situations, I agree. And furthermore, I believe this conclusion is in fact proof that Governors' electoral challenges are their paramount concern.

Although he decided against what the majority of Wisconsinites supported (Peters and Radnofsky, *Wall Street Journal*, 2013), Governor Walker was able to appease the voters by framing his decision not as a "no" vote but rather as a "solution for Wisconsin." With the confidence he gained as a result of prevailing in the recall election, and by framing the choice as the 'safe choice' as opposed to a 'false choice' (claiming that the Federal government would not stand behind its financial promise), Walker was able to deflate the opposition. And more to the point, because of his ability to control the conversation, Walker was able to position himself in a manner that will benefit him if he decides to run for President in 2016. Specifically, he can claim that not only did he not enact "Obamacare" but that he was able to promulgate a Wisconsin solution to the problem of the uninsured.

Governor Kasich on the other hand, likely opted to expand Medicaid in Ohio because he needed to moderate as a result of his loss over the anti-collective bargaining issue. The same people who rallied behind the initiative to overturn his anti-union statute, were prepared to advocate in favor of an initiative mandating expansion of Medicaid. Both to avoid another humiliation and in hopes of gaining support from the more moderate voters for his re-election, Governor Kasich endorsed expansion.

While I argue that both governors decided in a manner that allowed them to negotiate the countervailing pressures of their party platform and their personal ideology on the one hand and the position of the electorate on the other, I believe that both were possibly considering an election beyond their re-election as Governor: the presidency. However, here again there is a puzzle. If both have their eye on the Republican nomination for President, why would they come to differing decisions on this issue? Thad Kousser suggested that they each may be staking out a different path to the presidency: that Scott Walker's decision would benefit him in the primary as it speaks to conservatives. Conversely, John Kasich's decision is more likely to resonate with the voters in a general election (Kousser T. , 2014)

Each of the factors likely played a role in the Governors' calculus over the decision however to a different degree in each state. Table 7 below depicts an estimation of the strength of each factor in the two states reviewed.

			Strength of Factor During Decision-making				
	Party	**Ideology**	**Economic**	**Electoral**	**Stakeholders**	**Policy History**	**Personal**
Kasich (OH)	R	Conservative	Strong	Strong	Strong	Strong	Strong
Walker (WI)	R	Conservative	Weak	Strong	Weak	Strong	Absent

Table 9

Consistent with the discussion above, the electoral pressures were strong in both states. The other factor that played a strong role in both states was "policy history." Because of previous decisions, both states had institutions in place that either facilitated the Governor in deciding consistent with his party platform and personal ideology (Walker) or drove the Governor to decide in a manner that was inconsistent with both his party and ideology (Kasich). Specifically, because of previous generous expansions of BadgerCare, Governor Walker was able to move all previously uninsured poor people (those under 100%) into BadgerCare without growing the overall program (by disenrolling an equal number and moving them into private coverage). In this manner, he was able to promise health insurance coverage to all Wisconsinites without expanding Medicaid under the ACA. In Ohio, Governor Kasich faced a different set of established institutions, in particular, the initiative process that limited his ability to lead the state away from the preferred outcome of its median voters.

The two governors appear to apply different weights to each of the three remaining factors (economic, stakeholders and personal) when making their decision. Kasich made the argument that he could not turn down federal dollars, that if Ohio did not use the money, another state would. Walker on the other hand, framed the federal dollars as mythical so as to undermine critics who might argue that it was irrational to leave federal dollars on the table. The question becomes, did the different dollar values: $58 billion ($5,024 per capita) over 10 years in Ohio and the $14 billion ($2,409 per capita) over 10 years in Wisconsin, result in divergent outcomes?

Or, were the Governors' arguments regarding the economics of the decision (i.e., Walker presenting the federal financial commitment as ephemeral and Kasich claiming the money would be lost to Ohio if they didn't use it) merely frames used to justify their previously determined positions? The answer cannot be determined by my data.

The role of stakeholders varied in the two states. Again there is the question of causal direction. Were the stakeholders in Wisconsin less committed to Medicaid expansion than those in Ohio, or were they merely, accepting the fact that Walker's position would prevail and acting strategically by avoiding a losing battle? From the data collected, I believe that the stakeholders in Wisconsin truly believed that their ultimate goal of increased coverage for the uninsured would be addressed under Walker's plan, that he would prevail in the legislature, and thus they were better off not being perceived as foes of the Governor. They concluded that their ultimately goal of increased coverage would be realized in either scenario and thus they need not expend any political capital fighting the governor. There is data showing that in both states the Governors were keenly aware of where the stakeholders were vis-à-vis the issue. Governor Walker provided the Wisconsin hospital association with additional funds in order to placate them, in essence relieving the pressure he would have faced were they to more full heartedly push for expansion. Conversely, in Ohio Governor Kasich enlisted stakeholders to facilitate passage of his initiative; using them instead to provide the economic frame in favor, thereby selling the policy to the larger population.

Similar to the discussion above regarding the role of economics in the governors' decision, one can't truly know the causal direction of Kasich's religion. Kasich argued that his religious beliefs drove him to decide in favor of expansion. However, given his environment, it is plausible that Kasich instead succumbed to electoral forces and subsequently invoked his religious beliefs as a means of curtailing the cross pressures at play. In this scenario, Kasich may have used his religion as a frame to justify a previously decision.

A final difference between the two governors that may allow for more risk-taking by Kasich, is the fact that Kasich has years of experience as an investment banker and manager of a large investment firm. In Walker's case, although his experience as governor is likely to obfuscate the fact that he has no college degree or work experience outside of government, he may not have the same options as does Kasich having less experience outside of government.

These two cases demonstrate the complexity of the strategy of cross-pressured governors. Walker displays his political acumen by creating a hybrid solution out of a seemingly binary decision. Both governors framed their decision in a manner that was meant to pacify those with competing perspectives. Scott Walker first undermined the economic forces pushing for a yes decision by suggesting the federal funds were not reliable and then pacified the proponents of expansion by promising that everyone in Wisconsin will have health insurance. Kasich's use of religion served as a frame that could provide a rational to those on the right who would otherwise advocate for smaller government and fewer government handouts for the underserving.

CHAPTER 8: LIMITATIONS

There are a number of limitations to this study. First and foremost one could argue that direct causal mechanisms cannot be specifically teased out, even via case studies, as an interplay amongst these seven factors exists, as does an ever changing hierarchy of influences: the environment is dynamic. As Alan Weil, Executive Director of the National Academy of State Health Policy said, when asked which factor(s) were paramount: "You've got the right factors but you cannot weigh one against another. They all play a role. And each plays a different role at a different time" (Weil, 2014).

Additionally, the selection of influences creates a number of problems. One, the factors are likely correlated and cannot be disentangled (e.g., ideology and party), especially given the relatively small "n" of fifty states. Two, many of the factors cannot be measured in a state by state comparison, for example the influence of stakeholders and personal history of the governor. Three, many of the factors need to be assessed over time and are not easily amendable to a cross-sectional study (i.e., economics), especially a study carried out so closely after the decision making timeframe. And four, assumptions are made when measuring factors that may not withstand enhanced scrutiny. For example, I argued above that the NFIP's position against the ACA is not one of an economic stakeholder but rather an ideological one. My reasoning was that the small business members of the NFIP would not be directly affected by the economics of the ACA as they were unlikely to be subject to the mandate to provide insurance coverage to their employees. However, if they truly believe that further expansion of the government would in fact lead to the bankruptcy of the country and then to an increase in their taxes, they would in fact be directly affected by the expansion. Other assumptions could be similarly challenged.

CHAPTER 9: CONCLUSION

There are two main findings from this study: First, Mayhew's conclusion that congressmen legislate in a manner that promotes their reelection appears to apply in this case of governor decision-making. The partisan salience of the Medicaid expansion decision is a particularly strong test of this idea given that electoral pressures may influence less nationally prominent decisions, but weaken when partisan pressures are present and decisions are highly visible. And secondly, when studying variation across states, a mixed methods approach offers enhanced and nuanced findings as compared to a more quantitative model.

This study has found that many factors influence governors' decision-making. However, electoral pressure was not only the most significant in the general model but also appeared central to the case study portion of this research. While other factors (e.g., economics, existing institutions, the role of stakeholders, and the governor's religion) were found to be statistically significant in the general model, data from the qualitative portion of this research suggests that many of these factors may have played a role not in taking a position, but rather as justification for the position taken. In both cases, the underlying driver for the decision appears to be electoral interest: both governors studied were primarily concerned with ensuring that their decision on this highly salient issue was consistent with what they believed the majority of their electorate would support. As necessary, they used other factors to help frame their final decision in a manner that they believed would appease their electorate. Specifically, Governor Walker drew on the rhetoric that the federal government did not truly have the economic means to support expansion as a way to justify his decision not to expand while Governor Kasich drew on his religion to justify his decision to expand.

Because, as Alan Rosenthal argued, governors must be pragmatic and "govern regardless of the hands they are dealt," they may face constraints that limit their ideological consistency (Rosenthal, 2013). As an example, even though Walker rejected the ACA with respect to Medicaid expansion, his solution for WI, ironically, depended on a successful exchange. This meant that Walker ultimately supported the federal exchange and worked to make sure it would succeed in his state—a position inconsistent with his ideology and past policy efforts. This inconsistency suggests that even strongly held ideological beliefs or powerful party directives may be subjugated by other pressures. In this case I argue that electoral pressures trumped the others.

Using a mixed methods approach to study variation across states allows for both a macro comparison of potential variables of influence and an in depth analysis of select cases. Of interest herein is the likelihood of enhancing our understanding of anomalies in the findings of the macro study. The qualitative data was able to explain both why a seemingly non-conforming case did in fact support the initial theory but also the relevance, and varying dominance, of one theory over another. Specifically, using interview data I was able to show that Governor Walker did in fact succumb to electoral pressures and expand Medicaid despite the findings to the contrary in the general model.[73] And, in both states, the case study was able to highlight that although the other factors showed significance in the general model, they may have served less

[73] Because national data sources all list Governor Walker as not opting to expand Medicaid, he is an outlier in the quantitative model as because his state voted for President Obama in 2012 the model predicted he would have expanded.

as a driving force behind the decision and more as a powerful frame to justify the decision *ex post facto*.

This study highlights the power of a mixed method approach. While many of the findings of the general model are upheld by the case studies, without the rich information gleaned from the qualitative data augmenting the general model, the conclusions would have been too simplistic. The case study data portrays a number of examples in which the macro model over simplified the outcome and ultimately led to an incomplete or even erroneous conclusion. First, existing state political institutions (i.e., commissions, ballot initiative processes) and previous policy decisions render each governor's decision unique despite the fact that each maintains the same ultimate goal of political survival. Specifically, in Ohio the entire process of moving the decision out of the budgetary process and to the Controlling Board in Columbus was an attempt to avoid a polarizing vote and to allow otherwise ideologically opposed legislators to remain silent on expansion and ultimately retain party cohesion. This was clearly spearheaded by party leaders in support of their governor and instead of the internal party division projected by the general model.

Second, as a result of the on-site interviews, there is a clearer understanding of how and why stakeholders in each state acted as they did, again adding refinement to the findings of the quantitative model. In the general model, it appeared as if the stakeholders in Ohio were powerful and successful whereas those in Wisconsin were weak and unable to influence their governor. Instead, the qualitative data showed that Wisconsin stakeholders were faced with a different set of choices (i.e., Medicaid coverage or coverage via the health exchange instead of Medicaid coverage or no coverage at all) than those in Ohio were, thus explaining the different outcomes. This discrepancy in how the two states' stakeholders behaved is further explained by the qualitative data which revealed that the Wisconsin Hospital Association, the main stakeholder group affected by this issue, received additionally funds from the Governor's budget in order to address the likely loss resulting in funding resulting from not expanding Medicaid. This too explains the ostensibly reduced advocacy on the part of Wisconsin hospitals and other stakeholder groups that we might normally expect to exert meaningful pressure.

A third example, and perhaps the most important learning from the qualitative findings of this study, is that a binary dependent variable can over simplify the question and miss the nuanced answer; ultimately undermining the strength of the model. Specifically, the qualitative piece of this study found that Governor Walker's opinion is less of an outlier than originally thought. Instead, it is the binary requirement of the dependent variable (i.e., a "yes" or "no" decision on expansion[74]) that is called into question. Not only is a more nuanced outcome not possible in the quantitative model, but without the qualitative data the need for a nuanced outcome would not have been known. Because of this, what was initially considered a non-conforming case (Wisconsin) instead did conform. Jeffrey Stonecash's promotion of case studies as a means to study states' political systems is supported here (Stonecash, 1996). Consistent with his findings, I find that state case studies allow for a more complex view of how various political pressures (e.g., stakeholder positioning, framing of problems, agenda setting) fit

[74] Or even "to be decided" as an option. Rather, the nuances can be (are in the case of Wisconsin) within the "no" decision.

together in a political arena. Reasons for differences can be explained and expanded, leading to an enhanced understanding of political processes.

Whether one can extrapolate from a highly visible redistributive welfare policy to other policies is questionable. Even if one were to argue that in the end this policy is less about welfare and more about federalism and economic policies, the magnitude of political issues and the exposure this policy brought to the agenda likely separates it from the vast majority of issues a governor must address; thus calling the external validity of this study into question. Perhaps Medicaid policies, welfare policies or any policy associated with President Obama differs enough to require a unique finding without application across issues. Although I acknowledge that the extreme anti-Obamacare rhetoric likely renders this question unique, I believe that the ultimate finding of this study; that little "d" democracy plays a large role in Governor decision-making is likely to be upheld on other policies. However, in the case of less salient and visible issues the electorate is – almost by definition – likely to exert less pressure upon the governor than are the party and interest groups.

Other states would provide interesting data for this study and thus warrant an extended case-study. Other red governors in purple states (i.e., Bob McDonnell (R-VA) and Tom Corbett (R-PA) have faced extended political pressure on the issue of expansion;[75] with Governor McDonnell ultimately being replaced by a vocally pro-expansion Democratic governor (one that continues to face difficulties in pursuing his pro-expansion policy). Additionally further study of Governors Jan Brewer (R-AZ) and Jack Dalrymple (R-ND) might be of interest given their outlier position of supporting expansion despite being in red states. What drove their decision? Would the reasoning for their decision be captured by the seven factors studied or are other factors (e.g., immigration pressures) in play?

Small "d" democracy is alive and well. Because governors, like congressmen, are profoundly concerned with how their position presents to their constituents and thus their political futures, they ensure that their position on salient and visibly issues is either consistent with that of their voters or at least can be explained to their voters in a manner that neutralizes any divergence from the majority position. In the end, all politics is local and politicians must maneuver a frame to address their situation. In order to accurately assess how a governor manages the sometimes opposing pressures of ideology and politics, an in-depth case study is called for.

[75] Even resulting in a lost election or a change in position.

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Appendix A1
Governor Characteristics

STATE	Expand?	Last	First	Party	First Term	End Term	Age	Gender	Ideology
Alabama	**NO**	Bentley	Robert	R	2011	2015	70	M	Hard Core Conservative
Alaska	**NO**	Parnell	Sean	R	2009	2015	51	M	Conservative
Arizona	**YES**	Brewer	Jan	R	2009	2015	69	F	Moderate Conservative
Arkansas	**TBD**	Beebe	Mike	D	2007	2015	67	M	Centrist
California	**YES**	Brown	Jerry	D	2011	2015	75	M	Moderate Liberal
Colorado	**YES**	Hickenlooper	John	D	2011	2015	61	M	Centrist
Connecticut	**YES**	Malloy	Dan	D	2011	2015	58	M	Moderate Liberal
Delaware	**YES**	Markell	Jack	D	2009	2017	53	M	Populist
Florida	**YES**	Scott	Rick	R	2011	2015	61	M	Conservative
Georgia	**NO**	Deal	Nathan	R	2011	2015	71	M	Hard Core Conservative
Hawaii	**YES**	Abercrombie	Neil	D	2010	2014	75	M	Hard Core Liberal
Idaho	**NO**	Otter	Butch	R	2007	2015	71	M	Hard Core Conservative
Illinois	**YES**	Quinn	Pat	D	2011	2015	65	M	Moderate Liberal
Indiana	**NO**	Pence	Mike	R	2013	2017	55	M	Hard Core Conservative
Iowa	**TBD**	Branstad	Terry	R	2011	2015	67	M	Moderate Conservative
Kansas	**TBD**	Brownback	Sam	R	2011	2015	57	M	Hard Core Conservative
Kentucky	**TBD**	Beshear	Steve	D	2007	2015	69	M	Moderate Populist
Louisiana	**NO**	Jindal	Bobby	R	2008	2016	42	M	Hard Core Conservative
Maine	**NO**	LePage	Paul	R	2011	2015	65	M	Conservative
Maryland	**YES**	O'Malley	Martin	D	2007	2015	50	M	Populist
Massachusetts	**YES**	Patrick	Deval	D	2007	2015	57	M	Hard Core Liberal
Michigan	**YES**	Snyder	Rick	R	2011	2015	55	M	Conservative
Minnesota	**YES**	Dayton	Mark	D	2011	2015	66	M	Populist Leaning Liberal
Mississippi	**NO**	Bryant	Phil	R	2012	2016	59	M	Moderate Conservative
Missouri	**TBD**	Nixon	Jay	D	2009	2017	57	M	Moderate Populist
Montana	**NO**	Bullock	Steve	D	2013	2017	47	M	Centrist
Nebraska	**NO**	Heineman	Dave	R	2005	2015	65	M	Centrist
Nevada	**YES**	Sandoval	Brian	R	2011	2015	50	M	Centrist
New Hampshire	**YES**	Hassan	Maggie	D	2010	2015	55	F	Moderate Liberal
New Jersey	**YES**	Christie	Chris	R	2010	2014	51	M	Moderate Populist
New Mexico	**YES**	Martinez	Susana	R	2011	2015	54	F	Populist Conservative
New York	**YES**	Cuomo	Andrew	D	2011	2015	56	M	Moderate Liberal
North Carolina	**NO**	McCrory	Pat	R	2013	2017	57	M	Moderate Conservative
North Dakota	**YES**	Dalrymple	Jack	R	2010	2016	65	M	Centrist
Ohio	**NO**	Kasich	John	R	2010	2014	61	M	Conservative
Oklahoma	**NO**	Fallin	Mary	R	2011	2015	59	F	Conservative
Oregon	**YES**	Kitzhaber	John	D	2011	2015	66	M	Moderate Liberal
Pennsylvania	**TBD**	Corbett	Tom	R	2011	2015	64	M	Conservative
Rhode Island	**YES**	Chafee	Lincoln	I	2011	2015	60	M	Progressive
South Carolina	**NO**	Haley	Nikki	R	2011	2015	41	F	Moderate Conservative
South Dakota	**NO**	Daugaard	Dennis	R	2011	2015	60	M	Moderate Conservative
Tennessee	**NO**	Haslam	Bill	R	2011	2015	55	M	Moderate Conservative
Texas	**NO**	Perry	Rick	R	2000	2015	63	M	Hard Core Conservative
Utah	**NO**	Herbert	Gary	R	2009	2017	66	M	Conservative
Vermont	**YES**	Shumlin	Peter	D	2011	2015	57	M	Moderate Liberal
Virginia	**TBD**	McDonnell	Bob	R	2010	2014	59	M	Hard Core Conservative
Washington	**YES**	Inslee	Jay	D	2013	2017	62	M	Hard Core Liberal
West Virginia	**YES**	Tomblin	Earl Ray	D	2010	2017	61	M	Centrist
Wisconsin	**NO**	Walker	Scott	R	2011	2015	46	M	Conservative
Wyoming	**NO**	Mead	Matt	R	2011	2015	51	M	Moderate Conservative

Expansion: kff.org// "State Decisions for Creating Health Insurance Exchanges and Expanding Medicaid, as of April 16, 2013
Governor biographies: each Governor's personal website; Ideology: OnTheIssues.com

Appendix A2
State Characteristics (2012)

State	Expand?	Last	First	Party	Population	Per capita income	Median Household Income	GINI Coefficient	unemployed rate	# undocumented	Budget Shortfall? SFY 2013
Alabama	**No**	Bentley	Robert	R	4,822,023	$23,483	$42,934	0.47	7.2	120,000	Yes
Alaska	**No**	Parnell	Sean	R	731,449	$31,944	$69,014	0.43	6.2	5,000	No
Arizona	**Yes**	Brewer	Jan	R	6,553,255	$25,784	$50,752	0.46	7.9	400,000	No
Arkansas	**TBD**	Beebe	Mike	D	2,949,131	$21,833	$40,149	0.46	7.2	55,000	No
California	**No**	Brown	Jerry	D	37,253,956	$29,634	$61,632	0.47	9.4	2,550,000	Yes
Colorado	**No**	Hickenlooper	John	D	5,187,582	$30,816	$57,685	0.46	7.1	180,000	Yes
Connecticut	**No**	Malloy	Dan	D	3,590,347	$37,627	$69,243	0.49	8.0	120,000	Yes
Delaware	**No**	Markell	Jack	D	917,092	$29,659	$59,317	0.44	7.3	25,000	No
Florida	**No**	Scott	Rick	R	19,317,568	$26,733	$47,827	0.47	7.5	825,000	Yes
Georgia	**Yes**	Deal	Nathan	R	9,919,945	$25,383	$49,736	0.47	8.4	425,000	Yes
Hawaii	**No**	Abercrombie	Neil	D	1,392,313	$29,203	$67,116	0.42	5.1	64,825	Yes
Idaho	**Yes**	Otter	Butch	R	1,595,728	$22,788	$46,890	0.43	6.2	35,000	No
Illinois	**No**	Quinn	Pat	D	12,875,255	$29,376	$56,576	0.47	9.5	525,000	Yes
Indiana	**Yes**	Pence	Mike	R	6,537,334	$24,497	$48,393	0.44	8.7	110,000	No
Iowa	**TBD**	Branstad	Terry	R	3,074,186	$26,110	$50,451	0.45	4.9	75,000	No
Kansas	**TBD**	Brownback	Sam	R	2,885,905	$26,545	$50,594	0.43	5.6	65,000	No
Kentucky	**TBD**	Beshear	Steve	D	4,380,415	$23,033	$42,248	0.47	8.0	80,000	Yes
Louisiana	**No**	Jindal	Bobby	R	4,601,893	$23,853	$44,086	0.48	6.2	65,000	Yes
Maine	**No**	LePage	Paul	R	1,329,192	$26,195	$47,898	0.44	7.1	10,000	Yes
Maryland	**Yes**	O'Malley	Martin	D	5,884,563	$35,751	$72,419	0.44	6.6	275,000	Yes
Massachusetts	**Yes**	Patrick	Deval	D	6,646,144	$35,051	$65,981	0.48	6.4	160,000	Yes
Michigan	**Yes**	Snyder	Rick	R	9,883,360	$25,482	$48,669	0.45	8.5	150,000	No
Minnesota	**Yes**	Dayton	Mark	D	5,379,139	$30,310	$58,476	0.44	5.4	85,000	Yes
Mississippi	**No**	Bryant	Phil	R	2,984,926	$20,521	$38,718	0.47	9.4	45,000	Yes
Missouri	**TBD**	Nixon	Jay	D	6,021,988	$25,371	$47,202	0.46	6.7	55,000	Yes
Montana	**No**	Bullock	Steve	D	1,005,141	$24,640	$45,324	0.44	5.6	10,000	No
Nebraska	**No**	Heineman	Dave	R	1,855,525	$26,113	$50,695	0.45	3.8	30,000	Yes
Nevada	**Yes**	Sandoval	Brian	R	2,758,931	$27,625	$55,553	0.45	9.7	140,000	Yes
New Hampshire	**Yes**	Hassan	Maggie	D	1,320,718	$32,357	$64,664	0.43	5.7	15,000	Yes
New Jersey	**Yes**	Christie	Chris	R	8,864,590	$35,678	$71,180	0.46	9.0	550,000	Yes
New Mexico	**Yes**	Martinez	Susana	R	2,085,538	$23,537	$44,631	0.46	6.9	50,000	No
New York	**Yes**	Cuomo	Andrew	D	19,570,261	$31,796	$56,951	0.50	8.2	625,000	Yes
North Carolina	**No**	McCrory	Pat	R	9,752,073	$25,256	$46,291	0.46	9.2	250,000	Yes
North Dakota	**No**	Dalrymple	Jack	R	699,628	$27,305	$49,415	0.43	3.3	10,000	No
Ohio	**Yes**	Kasich	John	R	11,544,255	$25,618	$48,071	0.43	7.1	100,000	Yes
Oklahoma	**No**	Fallin	Mary	R	3,814,820	$23,770	$44,287	0.45	5.0	75,000	No
Oregon	**Yes**	Kitzhaber	John	D	3,899,353	$26,561	$49,850	0.45	8.2	160,000	Yes
Pennsylvania	**Yes**	Corbett	Tom	R	12,763,536	$27,824	$51,651	0.46	7.9	110,000	Yes
Rhode Island	**Yes**	Chafee	Lincoln	I	1,050,292	$29,685	$55,975	0.47	9.1	30,000	No
South Carolina	**No**	Haley	Nikki	R	4,723,723	$23,854	$44,587	0.46	8.4	45,000	No
South Dakota	**No**	Daugaard	Dennis	R	833,354	$24,925	$48,010	0.44	4.3	10,000	No
Tennessee	**No**	Haslam	Bill	R	6,456,243	$24,197	$43,989	0.42	7.9	140,000	No
Texas	**No**	Perry	Rick	R	26,059,203	$25,548	$50,920	0.47	6.4	1,650,000	Yes
Utah	**No**	Herbert	Gary	R	2,855,287	$23,650	$557,783	0.42	4.9	110,000	No
Vermont	**Yes**	Shumlin	Peter	D	626,011	$28,376	$53,422	0.44	4.1	10,000	Yes
Virginia	**TBD**	McDonnell	Bob	R	8,185,867	$33,040	$63,302	0.46	5.3	210,000	Yes
Washington	**Yes**	Inslee	Jay	D	6,897,012	$30,481	$58,890	0.44	7.3	190,000	Yes
West Virginia	**Yes**	Tomblin	Earl Ray	D	1,855,413	$22,010	$39,550	0.45	7.0	10,000	No
Wisconsin	**No**	Walker	Scott	R	5,726,398	$27,192	$52,374	0.43	7.1	100,000	Yes
Wyoming	**No**	Mead	Matt	D	576,412	$28,952	$56,380	0.47	4.9	10,000	No

Gini Coefficient: http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_10_1YR_B19083&prodType=table
Budget Shortfalls: http://kff.org/other/state-indicator/state-budget-shortfalls-sfy13/

Appendix A3
State Political Characteristics

	Expand	Last	First	Party	State Color	2014 Election	% vote last election	Gov Approval if up for re-electionin 2014	% Vote Obama 2012	%GOP	% Dem	% Ind	unemployed rate
Alabama	No	Bentley	Robert	R	R	Yes	58	no poll	38.4	48%	34%	8%	7.2
Alaska	No	Parnell	Sean	R	R	Yes	59	46	40.8	26%	15%	59%	6.2
Arizona	Yes	Brewer	Jan	R	R	No	55	NA	44.6	36%	32%	32%	7.9
Arkansas	TBD	Beebe	Mike	D	P	No	64	NA	36.9	31%	41%	28%	7.2
California	Yes	Brown	Jerry	D	B	Yes	53	46	60.2	31%	44%	25%	9.4
Colorado	Yes	Hickenlooper	John	D	B	Yes	51	61	51.5	32%	32%	36%	7.1
Connecticut	Yes	Malloy	Dan	D	B	Yes	58	46	58.1	20%	37%	43%	8.0
Delaware	Yes	Markell	Jack	D	B	2017	69	2017	58.6	29%	47%	24%	7.3
Florida	Yes	Scott	Rick	R	p	Yes	49	34	50.0	36%	41%	23%	7.5
Georgia	No	Deal	Nathan	R	R	Yes	77	37	45.5	44%	32%	24%	8.4
Hawaii	Yes	Abercrombie	Neil	D	B	Yes	59	no poll	70.5	23%	40%	37%	5.1
Idaho	No	Otter	Butch	R	R	Yes	59	no poll	32.6	50%	22%	28%	6.2
Illinois	Yes	Quinn	Pat	D	B	Yes	47	31	57.6	31%	46%	23%	9.5
Indiana	No	Pence	Mike	R	R	2016	64	65	43.9	46%	32%	22%	8.7
Iowa	TBD	Branstad	Terry	R	p	Yes	53	51	52.0	32%	32%	36%	4.9
Kansas	TBD	Brownback	Sam	R	R	Yes	63	36	44.0	44%	27%	29%	5.6
Kentucky	TBD	Beshear	Steve	D	p	No	56	NA	37.8	38%	55%	7%	8.0
Louisiana	No	Jindal	Bobby	R	R	No	54	NA	40.6	26%	51%	23%	6.2
Maine	No	LePage	Paul	R	p	Yes	38	41	56.3	28%	33%	39%	7.1
Maryland	Yes	O'Malley	Martin	D	B	No	56	NA	62.0	27%	56%	17%	6.6
Massachusetts	Yes	Patrick	Deval	D	B	No	48	NA	60.7	11%	37%	52%	6.4
Michigan	Yes	Snyder	Rick	R	P	Yes	58	41	54.2	33%	40%	27%	8.5
Minnesota	Yes	Dayton	Mark	D	B	Yes	44	53	52.7	30%	46%	24%	5.4
Mississippi	No	Bryant	Phil	R	R	2016	61	2016	43.8	47%	38%	15%	9.4
Missouri	TBD	Nixon	Jay	D	P	2017	54	2017	44.4	39%	37%	24%	6.7
Montana	No	Bullock	Steve	D	P	2017	49	2017	41.7	39%	32%	29%	5.6
Nebraska	No	Heineman	Dave	R	R	No	73	NA	38.0	48%	34%	18%	3.8
Nevada	Yes	Sandoval	Brian	R	P	Yes	53	59	52.4	37%	42%	21%	9.7
New Hampshire	Yes	Hassan	Maggie	D	B	Yes	55	36	52.0	29%	29%	42%	5.7
New Jersey	Yes	Christie	Chris	R	P	2017	48	no poll	58.3	20%	33%	47%	9.0
New Mexico	Yes	Martinez	Susana	R	P	Yes	53	62	53.0	32%	48%	20%	6.9
New York	Yes	Cuomo	Andrew	D	B	Yes	62	57	63.3	25%	49%	26%	8.2
North Carolina	No	McCrory	Pat	R	R	2017	55	2017	48.4	32%	45%	23%	9.2
North Dakota	No	Dalrymple	Jack	R	R	2016	63	2016	38.7	38%	29%	33%	3.3
Ohio	Yes	Kasich	John	R	P	Yes	49	50	50.7	37%	36%	27%	7.1
Oklahoma	No	Fallin	Mary	R	R	Yes	60	65	33.2	40%	49%	11%	5.0
Oregon	Yes	Kitzhaber	John	D	B	Yes	49	no poll	54.2	32%	42%	26%	8.2
Pennsylvania	TBD	Corbett	Tom	R	P	Yes	54	34	52.1	37%	51%	12%	7.9
Rhode Island	Yes	Chafee	Lincoln	I	B	No	36	28	62.7	11%	38%	51%	9.1
South Carolina	No	Haley	Nikki	R	R	Yes	45	40	44.1	44%	33%	23%	8.4
South Dakota	No	Daugaard	Dennis	R	R	Yes	62	no poll	39.9	46%	38%	16%	4.3
Tennessee	No	Haslam	Bill	R	R	Yes	65	61	39.1	38%	34%	28%	7.9
Texas	No	Perry	Rick	R	R	No	55	NA	41.4	45%	21%	34%	6.4
Utah	No	Herbert	Gary	R	R	2017	69	2017	24.7	56%	20%	24%	4.9
Vermont	Yes	Shumlin	Peter	D	B	Yes	51	no poll	66.6	27%	29%	44%	4.1
Virginia	TBD	McDonnell	Bob	R	P	2017	59	NA	51.2	39%	36%	25%	5.3
Washington	Yes	Inslee	Jay	D	B	2017	51	2017	56.2	29%	39%	32%	7.3
West Virginia	Yes	Tomblin	Earl Ray	D	P	2017	50	2017	35.5	29%	54%	17%	7.0
Wisconsin	No	Walker	Scott	R	P	Yes	53	50	52.8	34%	38%	28%	7.1
Wyoming	No	Mead	Matt	R	R	Yes	65	6	27.8	63%	24%	13%	4.9

Governor Approval rate: http://fivethirtyeight.blogs.nytimes.com/2013/04/08/which-governors-are-most-vulnerable-in-2014/?_php=true&_type=blogs&_r=0

Appendix A4
Characteristics of Medicaid Program

	Expand	Last	Party	Population	% Uninsured	# Uninsured <138	% Uninsured <138%	Parents	Childless Adults	% managed care	FMAP	Sued re ACA?	State Exchange?	New Fed $ to State (millions) (2014-2023)	per capita new Fed $ (2014-2023)
Alabama	No	Bentley	R	4,822,023	14%	405,400	32%	23%	0%	61.0%	68.53	Yes	No	$15,384	$3,190
Alaska	No	Parnell	R	731,449	19%	62,100	34%	78%	0%	0.0%	50	Yes	No	$1,637	$2,238
Arizona	Yes	Brewer	R	6,553,255	18%	627,700	33%	106%	`	88.7%	65.68	Yes	No	$17,280	$2,637
Arkansas	TBD	Beebe	D	2,949,131	18%	261,400	32%	16%	0%	78.4%	70.17	No	Partner	$13,196	$4,475
California	Yes	Brown	D	37,253,956	19%	3,909,300	36%	106%	0%	60.1%	50	No	Yes	$84,607	$2,271
Colorado	Yes	Hickenlooper	D	5,187,582	15%	367,600	36%	106%	20%*	94.6%	50	Yes	Yes	$11,568	$2,230
Connecticut	Yes	Malloy	D	3,590,347	8%	142,700	24%	191%	70%	68.6%	50	No	Yes	$9,992	$2,783
Delaware	Yes	Markell	D	917,092	10%	42,300	21%	120%	110%	80.5%	55.67	No	Partner	$2,725	$2,971
Florida	Yes	Scott	R	19,317,568	21%	1,919,600	41%	56%	0%	63.8%	58.08	Yes	No	$73,295	$3,794
Georgia	No	Deal	R	9,919,945	19%	1,011,700	37%	48%	0%	91.3%	65.56	Yes	No	$37,942	$3,825
Hawaii	Yes	Abercrombie	D	1,392,313	8%	58,600	16%	133%	133%	98.0%	51.86	No	Yes	$3,775	$2,711
Idaho	No	Otter	R	1,595,728	16%	141,700	35%	37%	0%	100.0%	71	Yes	Yes	$3,749	$2,349
Illinois	Yes	Quinn	D	12,875,255	14%	981,200	32%	139%	0%	67.8%	50	No	Partner	$29,443	$2,287
Indiana	No	Pence	R	6,537,334	13%	388,000	24%	24%	0%	70.3%	67.16	Yes	No	$18,920	$2,894
Iowa	TBD	Branstad	R	3,074,186	10%	162,300	28%	80%	0%	91.1%	59.59	No	Partner	$5,430	$1,766
Kansas	TBD	Brownback	R	2,885,905	13%	181,300	29%	31%	0%	87.4%	56.51	Yes	No	$6,696	$2,320
Kentucky	TBD	Beshear	D	4,380,415	15%	346,400	29%	57%	0%	89.4%	70.55	No	Yes	$18,732	$4,276
Louisiana	No	Jindal	R	4,601,893	20%	495,000	36%	24%	0%	65.3%	61.24	Yes	No	$16,745	$3,639
Maine	No	LePage	R	1,329,192	10%	48,800	19%	133%	0%	49.3%	62.57	Yes	No	$3,512	$2,642
Maryland	Yes	O'Malley	D	5,884,563	13%	339,400	32%	122%	0%	74.6%	50	No	Yes	$13,500	$2,294
Massachusetts	Yes	Patrick	D	6,646,144	4%	99,500	11%	133%	0%	53.1%	50	No	Yes	$11,553	$1,738
Michigan	Yes	Snyder	R	9,883,360	12%	647,700	28%	64%	0%	88.4%	66.39	Yes	Partner	$25,556	$2,586
Minnesota	Yes	Dayton	D	5,379,139	9%	171,300	25%	215%	75%	65.7%	50	No	Yes	$7,055	$1,312
Mississippi	No	Bryant	R	2,984,926	16%	305,900	34%	29%	0%	87.2%	73.43	Yes	No	$15,668	$5,249
Missouri	TBD	Nixon	D	6,021,988	15%	455,300	32%	35%	0%	97.7%	61.37	No	No	$20,963	$3,481
Montana	No	Bullock	D	1,005,141	18%	86,000	38%	54%	0%	76.1%	66	No	No	$2,815	$2,801
Nebraska	No	Heineman	R	1,855,525	13%	97,800	29%	58%	0%	85.1%	55.76	Yes	No	$3,412	$1,839
Nevada	Yes	Sandoval	R	2,758,931	23%	322,100	44%	84%	0%	83.6%	59.74	Yes	Yes	$6,620	$2,399
New Hampshire	Yes	Hassan	D	1,320,718	12%	51,000	30%	47%	0%	0.0%	50	No	Partner	$2,659	$2,013
New Jersey	Yes	Christie	R	8,864,590	15%	627,000	36%	200%	0%	77.7%	50	No	No	$19,799	$2,233
New Mexico	Yes	Martinez	R	2,085,538	21%	230,000	35%	85%	0%	72.8%	69.07	No	Yes	$5,694	$2,730
New York	Yes	Cuomo	D	19,570,261	12%	1,218,900	24%	150%	100%	76.7%	50	No	Yes	$84,494	$4,317
North Carolina	No	McCrory	R	9,752,073	17%	804,100	33%	47%	0%	83.2%	65.51	No	No	$44,710	$4,585
North Dakota	Yes	Dalrymple	R	699,628	10%	34,400	31%	57%	0%	63.6%	52.27	Yes	No	$2,895	$4,138
Ohio	Yes	Kasich	R	11,544,255	13%	790,000	30%	96%	0%	75.4%	63.58	Yes	No	$58,010	$5,025
Oklahoma	No	Fallin	R	3,814,820	17%	298,400	32%	51%	0%	86.5%	64	Yes	No	$9,147	$2,398
Oregon	Yes	Kitzhaber	D	3,899,353	15%	282,200	31%	39%	0%	98.2%	62.44	No	Yes	$14,707	$3,772
Pennsylvania	TBD	Corbett	R	12,763,536	11%	687,200	27%	58%	0%	81.5%	54.28	Yes	No	$43,341	$3,396
Rhode Island	Yes	Chafee	I	1,050,292	12%	61,800	27%	181%	0%	68.6%	51.26	No	Yes	$3,152	$3,001
South Carolina	No	Haley	R	4,723,723	17%	491,000	38%	89%	0%	100.0%	70.43	Yes	No	$10,003	$2,118
South Dakota	No	Daugaard	R	833,354	14%	52,400	30%	50%	0%	75.8%	56.19	Yes	No	$2,222	$2,666
Tennessee	No	Haslam	R	6,456,243	14%	476,900	29%	122%	0%	100.0%	66.13	No	No	$25,247	$3,910
Texas	No	Perry	R	26,059,203	24%	3,202,100	43%	25%	0%	70.7%	59.3	Yes	No	$77,330	$2,967
Utah	No	Herbert	R	2,855,287	15%	184,800	31%	42%	0%	99.8%	69.61	Yes	Yes	$7,007	$2,454
Vermont	Yes	Shumlin	D	626,011	8%	14,400	18%	191%	160%	58.5%	56.04	No	Yes	$1,324	$2,115
Virginia	TBD	McDonnell	R	8,185,867	13%	485,900	33%	30%	0%	58.2%	50	Yes	No	$16,413	$2,005
Washington	Yes	Inslee	D	6,897,012	14%	465,900	31%	71%	0%	88.1%	50	Yes	Yes	$10,166	$1,474
West Virginia	Yes	Tomblin	D	1,855,413	15%	132,700	27%	31%	0%	51.0%	72.04	No	Partner	$9,131	$4,921
Wisconsin	No	Walker	1	5,726,398	10%	86,700	24%	200%	0%	63.7%	59.74	Yes	No	$13,755	$2,402
Wyoming	No	Mead	R	576,412	17%	36,300	35%	50%	0%	0.0%	50	Yes	No	$1,500	$2,602
* - (2013-2022)															$2,925

*Enrollment is closed

Net to state: Kaiser Commission on Medicaid and the Uninsured "The Cost and Coverage Implications of the ACA Medicaid Expansion: National and State-by-State Analysis" - Holahan et. al Urban Institute, November 2012

Medicaid eligibility levels: http://kaiserfamilyfoundation.files.wordpress.com/2013/04/7993-03.pdf

Appendix B
State Policy Liberalism Ranking

State Rank on Policy Liberalism Index, 2011, and its Components

State	Policy Liberalism	Gun Law Index	Abortion Index	TANF Index	Tax Progressivity
California	1	1	1	1	3
New York	2	6	12	8	1
New Jersey	3	2	9	18	5
Vermont	4	29	8	3	2
Connecticut	5	4	3	22	25
Hawaii	6	8	4	7	33
Maryland	7	5	5	35	14
Rhode Island	8	7	24	4	22
Oregon	9	14	6	14	7
Maine	10	21	7	13	4
Massachusetts	11	3	17	25	24
Minnesota	12	18	20	10	8
Wisconsin	13	23	23	5	13
Montana	14	37	12	16	11
Washington	15	14	2	6	50
New Mexico	16	37	11	11	35
West Virginia	17	37	16	26	16
Illinois	18	9	18	23	39
New Hampshire	19	26	15	9	41
Alaska	20	44	14	2	43
Delaware	21	12	20	43	9
Michigan	22	11	32	32	19
Colorado	23	18	22	24	30
Pennsylvania	24	10	40	12	38
Iowa	25	20	19	20	21
Kentucky	26	44	45	19	20
Missouri	27	37	46	28	23
Ohio	28	21	41	36	27
Kansas	29	33	31	33	12
North Carolina	30	13	25	49	15
Nevada	31	26	9	30	45
Georgia	32	29	27	39	28
Nebraska	33	29	43	31	18
South Carolina	34	23	35	45	6
Indiana	35	34	34	48	37
Virginia	36	14	38	46	17
Utah	37	50	43	27	26
Arizona	38	44	27	29	42
Tennessee	39	29	30	21	46
North Dakota	40	37	49	17	31
Alabama	41	17	36	34	40
Idaho	42	44	38	47	10
Oklahoma	43	44	33	38	34
South Dakota	44	37	41	15	47
Wyoming	45	23	26	37	48
Florida	46	34	29	40	49
Mississippi	47	34	48	41	29
Texas	48	26	37	42	44
Louisiana	49	44	50	44	36
Arkansas	50	37	46	50	32

Constructed by Virginia Gray from data from the Brady Campaign to Prevent Gun Violence (gun law index, 2009 data), NARAL Pro-Choice American (abortion index, 2011 data), Urban Institute (TANF Index, 2008 data), and Institute on Taxation and Economic Policy (tax progressivity, 2007data). The policy liberalism index was constructed by computing the average of the standardized version of the five indicators. (Gray V. , 2013)

Appendix C

The following tables and discussion provide detailed information about the data collected and used in the statistical analyses.

Table C1 below describes the variables used in this project. Different sources were used to obtain the data for each variable.

Variables Used For Project

Variable	Description	Purpose	Type	Scale
Expand	Decision whether to expand Medicaid or not	Dependent	Binary	2 categories: yes/no
GOP	Governor's Party	Explantory	Categorical	2 categories: Democratic or Republican
Romney	State vote in 2012 Presidential Election	Explanatory	Categorical	2 categories: Obama or Romney
Ideology	Governor's Ideology	Explanatory	Categorical	3 categories: Liberal, Centrist, Consevative
Policy History	State's policy history	Explanatory	Categorical	3 categories: 15 most liberal, 20 mid states, 15 least liberal
Per Capita Dollars	Expected Per-Capital Federal Dollars from Expanding, 2013-2022	Explanatory	Continuous	Range from $1312-$5249 per person; Mean: $2924.78

Table C1

For the dependent variable Kaiser Family Foundation policy brief State Decisions on Health Insurance Exchanges and the Medicaid Expansion (September 3, 2013) was used. Expand was coded as "1" if a governor decided to expand Medicaid and "0" for not expanding. Seven governors did not make a decision (some publicly leaving it to the legislature in their state, others suggesting alternatives). For my statistical analysis, not making a decision was coded as a no decision (expand =0) on expansion; as unless there was a "yes" decision, expansion would not happen. The resulting variable **expand** is binary 1/0 for "yes"/"no".

Explanatory variables:
GOP - A Governor's party affiliation was obtained from the National Governors' Association (NGA) listing of current governors. Governors are self-identified as Democratic, Republican or Independent. For the purpose of this study, the one Independent governor (Governor Chafee from Rhode Island) is included among the Democratic governors as that is who he caucuses with and where his political leanings align. The variable is a categorical variable coded as GOP=1 for Republican and GOP=0 for Democrats.

Romney – A categorical variable coded as Romney =1 for those states that voted for Romney and Romney=0 for those that voted for Obama was created. The data was collected from the US Office of the Federal Registrar at http://www.archives.gov/federal-register/electoral-college/map/historic.html.

Ideology – A Governor's ideology was coded into one of 5 categories as derived from Ontheissues.org. OnTheIssues.org is "a non-partisan, non-profit organization established in 1996 to provide information to voters about candidates." Ontheissues.org has developed a framework for evaluating a candidate's political leanings based upon the candidate's positions on a number of issues. Based on their analysis, each elected official is categorized as one of the following: Hard Core Liberal, Moderate Liberal, Centrist, Moderate Conservative, and Hard Core Conservative (OnTheIssues.com, 2014). For this project, the Ontheissues 5 categories are collapsed into 3 with the reference category being liberal. Specifically, Hard Core Liberal and Moderate Liberal governors are coded as Ideology=0, Centrist Governors are coded Ideology=1 and Moderate Conservative and Hard Core Conservative Governors are coded as Ideology=2.

Policy History - To obtain a state policy ranking, I use an index developed by Virginia Gray for her article "The Socioeconomic and Political Context of States" (Gray, 2013). For her state ranking of states' liberalness (i.e., an array of the states from the most liberal to the least liberal). (See Appendix B for a listing of each state and its ranking). For the purpose of this project I use the 15th state as the cut-off for liberal states and conversely, the bottom 15 states (i.e., #36-50) as the cut-off for conservative states; leaving states #16-35 as centrist/moderate states. Policy History is thus coded as a categorical variable with 3 categories: Policy History =0 for the 15 most liberal states, Policy History = 1 for the 20 states ranked #16-34, and Policy History = 2 for the 15 least liberal (i.e., conservative) states.

Per Capita Dollars – In their paper entitled: The Cost of Not Expanding Medicaid John Holahan et. al. calculated the projected amount each state would draw down in FMAP between 2014-2022) were it to expand Medicaid (Holahan J. a., 2013). This variable is a continuous variable ranging in value from $1312 (Minnesota) to $5248 (Mississippi) per person over 10 years. The mean amount across all 50 states over the 10 years is projected to be $2924.78.

Figure C1 below graphs the variable "per capita dollars" by decision to expand or not. The model indicates a non-linear relationship between the amount of money a state would draw down from the federal government if it were to expand and a governor's decision to expand. Interestingly, governors in those states that would draw down less than the average amount of approximately $3000 per person over 10 years were likely to have opted for expansion. Similarly, governors in states that would draw down the greatest amount of dollars were trending towards a yes decision. However, these model did not yield statistical results.

Decision to expand based on expected per-capita dollars from Federal government

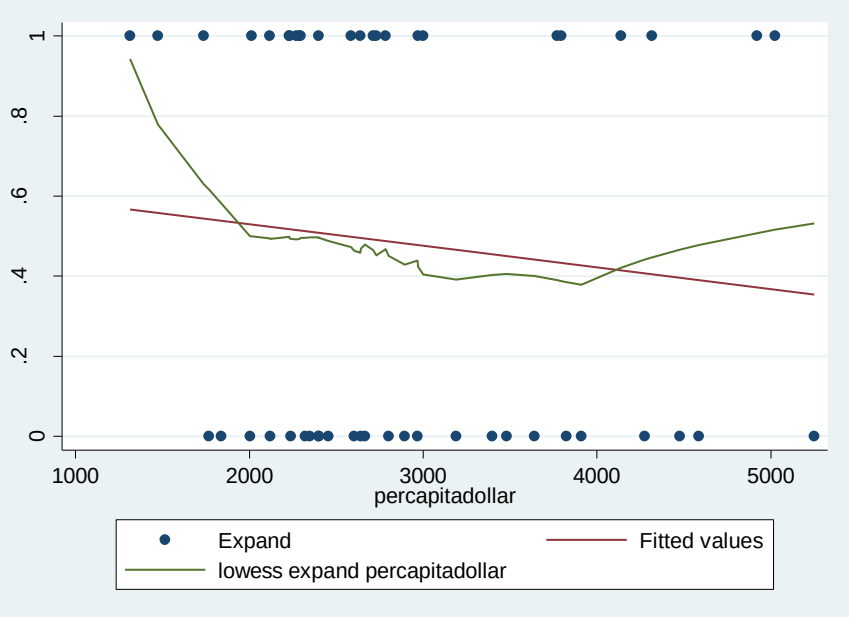


Figure C1

Table C2 below provides a more detailed summary of the categorical variables. Specifically, 48% (n=24) of the Governors have decided to expand Medicaid and 40% (n=20) of them Democratic. Thirty-two percent (n=16) of the governors are considered liberal, 15% (n=7) centrist and 54% (n=27) conservative. For the states, 52% (n=26) of the states voted for Obama in 2012. In addition, 30% (n=15) of the states are blue states (with a Democratic Governor and a vote for Obama) while 38% (n=19) are red states and 32% (n=16) are purple states. Of the purple states, 5 of them have democratic governors. The final variable, policy history, was set up by design to have 15 liberal states, 20 moderate states, and 15 least liberal states.

Categorical Variables Summary

Variable Name	Category	N	%
Expand	Yes	24	48
	No	19	38
	TBD	7	14
Party	Democratic	20	40
	Republican	30	60
Vote	Obama	26	52
	Romney	24	48
Ideology	Liberal	16	32
	Centrist	7	14
	Conservative	27	54
Policy History	15 most liberal	15	30
	mid states	20	40
	15 least liberal	15	30

Table C2

Table C3 below displays the logistic regression models run to assess the estimated odds ratio of each factor's influence on a governor deciding to expand Medicaid under the ACA.

Models 1-6: Estimated Odds Ratios (robust standard errors), and p-values for the effect of Governor Party, State for Romney in 2012, State color, Governor Ideology,State Policy History, and Expected Per-Capita Dollars to be Gained by Expanding on a Governors' support for expanding Medicaid under the ACA

Variable	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
Republican Gov(1)	0.09(0.06)****					1.14(1.50)
marginal effect	-0.43(0.05)****					0.01
Vote for Romney (2)		0.03 (0.03)****				0.01(0.01)***
marginal effect		-0.45(.02)****				-0.46(0.04)****
Governor Ideology (3)						
Centrist			0.29(0.33)			2.81(4.13)
marginal effect			-0.21 (.21)			0.10(0.14)
Conservative			0.04(0.03)****			0.02(0.03)***
marginal effect			-0.66(.11)****			-0.46(0.21)*
State Policy History (4)						
Moderate states				0.23(0.18)		1.16(1.35)
marginal effect				-0.33(0.16)*		0.01(0.09)
Conservative states				0.06(0.05)***		6.84(16.09)
marginal effect				-0.61(0.14)****		0.14(0.15)
Expected Per Capita Dollars					.99(0.00)	1.00(0.00)
marginal effect					-0.00(0.00)	0.00(0.00)
Wald X^2	11.67****	17.82****	14.52****	9.65**	0.5	17.08*
Pseudo R^2	0.21	0.37	0.30	0.18	0.01	0.62

Robust Standard Errors are in parenthesis
*p<.05 **p<.01 ***p<.005 ****p<.001
Reference variables: 1 - Democratic Governor, 2 - Vote for Obama, 3 - Liberal Governor, 4 - 15 most liberal states
n=50
Table C3

A logistic regression was used to assess the estimated odds of a Governor deciding to expand Medicaid based on each factor under study. Marginal effects statistics help clarify these results. Marginal effects produce a single number that expresses the effect of a given independent variable on the probability of the outcome shifting from 0 to 1 (i.e., between the two outcome categories – from 'Expand" to 'Not Expand"). To better understand the impacts of statistically significant variables, we calculated their marginal effects at representative values of the other independent variable(s).

In Model 1, the estimated odds of a Republican governor deciding to expand Medicaid as compared to a Democratic governor was assessed. A Republican Governor was 43 percentage points less likely to opt to expand Medicaid than a Democratic governor (The 95% confidence interval from -0.54 to -0.33; z=-7.97, p<0.000.) Model 2 assesses the odds (and then the marginal effect) of a governor in a state that voted for Governor Romney in 2012 opting to expand as compared to a governor in a state that voted for President Obama. A governor in a state that voted for Governor Romney was 45 percentage points less likely to opt for expansion

than a governor in a state that voted for President Obama (95% confidence interval -0.48 to -.42; z= -25.77, p<0.000). Model 3 assesses the effect of a governor's personal ideology on his willingness to expand Medicaid. Not surprisingly, a Conservative Governor is 66 percentage points less likely to opt for expansion than a liberal governor (95% confidence interval between -0.89 to -0.44; z = -5.77, p<0.00). Model 4 assessed the impact of a state's policy history on a governor's decision to expand. A governor in the one of the 20 moderate states was 33 percentage points less likely to opt to expand than a liberal governor (95% confidence interval between -0.63 and -0.02; z= -2.09, p<0.5). However, of more significance, a governor in one of the 15 least liberal states was 61 percentage points less likely to expand than a governor in a liberal state (95% CI from -0.89 to -0.33; z= -4.27, p<0.001). Model 5 assess the impact of the per capital dollars a state would expect to draw down form the federal government over 10 years were the state to expand Medicaid. The finding from this model are not significant.

Model 6 used multiple logistic regression to assess the effect of each factor on a governor deciding to expand Medicaid while controlling for the remaining factors. Variables representing each of the factors being studied were used as explanatory variables. Two of the variables resulting in statistical findings. First, conservative governors were 46 percentage points less likely to expand Medicaid (95% CI from -0.87 to 0.05; z= -2.22, p<0.05) than governors in liberal states, when controlling for all other factors. However, of more significance, governors in states that voted for Governor Romney were also 46 percentage points less likely to opt for expansion than governors in states that voted for President Obama (95% CI from -0.54 to -0.37; z= -10.43; p<0.000).

A Hosmer-Lemeshow[76] test was run to assess how well the model fit the data. The resulting a chi2(8) = 13.22 and a Prob > chi2 = 0.10 suggests that the model did a good job of predicting the actual decision and that we thus fail to reject the hypothesis that there is no difference between the observed and model-predicted values. In other words, the model's estimate fits the data and that the model predictions are not significantly different from the observed values.

[76] The Hosmer-Lemeshow's goodness-of-fit test is used to assess test how well the data and the model fit. The idea behind the Hosmer-Lemeshow's goodness-of-fit test is that the predicted frequency and observed frequency should match closely, and that the more closely they match, the better the fit. The Hosmer-Lemeshow goodness-of-fit statistic is computed as the Pearson chi-square from the contingency table of observed frequencies and expected frequencies. Similar to a test of association of a two-way table, a good fit as measured by Hosmer-Lemeshow's test will yield a large p-value.

The classification table below displays the predictive accuracy of the logistic regression model tabbing the actual expansion decision against whether the model predicted expansion with probability >0.50. This model correctly predicted 88% of the cases; incorrectly predicting only 6 of the 50 states.

Model's Predictive Value

	Reality		
Model Classified	**Yes**	**No**	**Total**
Yes	20	2	22
No	4	24	28
Total	24	26	50

Table C4

The model predicts a state as yes expanding if the predicted value of expanding is greater than 0.50. The "Reality" coding reflects what the governor actually decided with regard to expanding in 2013. The model correctly classified 88% of the governors. The governors who decided contrary to how the model predicted are Brewer (R-AZ), Christie (R-NJ), Snyder (R-MI), Martinez (R-NM), Corbett (R-PA) and McDonnel (R-VA). The first 4 list governors decided to expand although the model predicted they would oppose expansion. Governors Corbett and McDonnell decided against expansion despite a positive prediction.

Of these governors, the governor most contrary to what the mdoel predicted was Jan Brewer in Arizona with a predicted value of 0.02 for expansion. Two variables not reflected in the modeling may have affected her decision: 1) she was termed out and was not seen as a presidential candidate, thus the electoral pressures are not of relevance to her and 2) she has mentally ill son who is on Medicaid. Three of the governors (Governors Snyder, Martinez and Corbett) are all within 5 points of the 0.50 cutoff, thus suggsting that the wrong prediction could be a result of the arbritary cut-off.

Limitations of this modeling:

Despite the strong statistical findings from the models discussed above, the researcher continues to be concerned with the viability of this modeling. Logistic regression requires a large data set, which is not provided for with only 50 states. Sparseness is a particular concern in a number of the models.

Additionally, there is concern about multi-collinearity across the variables measures. Collinearity occurs when two or more independent variables in the model are approximately determined by a linear combination of other independent variables in the model. A number of the factors studied are strongly correlated, for example a governor's party with his ideology or a governor's party and the color of his state. (See Table C5) Interestingly, the only variables that do not appear to have a collinearity problem are those measuring "Centrist Governor" and "Moderate State" and "Per Capita Dollar." This may in fact be a result of the model set up to divide the states and governors into opposing measurements.

Correlation Coefficient Means

	Republican Gov	Liberal Gov	Centrist Gov	Conservative Gov	Liberal State	Moderate State	Conservative State	Per Capita Dollars
Republican Governor	1.00							
Liberal Governor	-0.84****	1.00						
Centrist Governor	-0.14	-0.28	1.00					
Conservative Governor	0.88****	-0.74****	-0.44***	1.00				
Liberal State	-0.53****	0.58****	-0.14	-0.44***	1.00			
Moderate State	0.05	-0.12	0.14	0.02	0.54****	1.00		
Conservative State	0.47****	-0.47****	-0.03	0.46****	-0.45***	0.54****	1.00	
Per Capita Dollars	0.05	0.18	0.14	0.07	-0.28	0.06	0.21	1.00

*p<.05 **p<.01 ***p<.005 ****p<.001

Table C5

Some of the assumptions made when measuring the factors may in fact lead to an enhanced correlation; perhaps unknown to the researcher, a better measurement may exist and should have been used.

Appendix D
Governors Kasich (OH) and Walker (WI) Comparison

	Ohio - Kasich	Wisconsin - Walker
Party	GOP	GOP
First in Office	2010	2011
Terms Allowed	2 Consecutive	Unlimited
Run for Re-Election (2014)	Yes	Yes
% win gov	49	53
Considered for President 2016?	Yes	Yes
Personal ideological Rating	Conservative	Conservative
Tea Party support?	Yes	Yes
Unified legislature	Yes	Yes
% vote Obama	50.7	52.8
% Voter Turnout	50.8	56.1
% White	81	83
Population	11,544,255	5,726,398
Per Capita Income	25,618	27,192
Gini Coefficient	0.43	0.43
% Unemployed	7.1	7.1
Approval Rate	50	50
Sued vs ACA?	Yes	Yes
Exchange?	Federal	Federal
State Liberal Ranking	#28	#13
% Uninsured	16	11
Expansion Population	705,000	235,000
$ Forgone if no Medicaid Expansion (2013-2022)	$58 billion	$13.8 billion
per capita $ resulting from Expansion	$5,024 per capita	$2,409 per capita

Data Sources: Approval Rating: (Cohen, 2013) State Liberal Rankings (Gray V. , 2013); $ Forgone fo Medicaid: (Holahan J. a., 2013)

Appendix E

Interview Guide: Key Informants

1. How do you identify?
    a. Stakeholder: What position?
    b. Political Adviser: To whom? Position?
    c. Decision maker: Legislator
    d. Observer: Researcher, Journalist, peripheral worker, voter
    e. Administrator: Position? Agency?
2. Why do you believe the Governor decided to expand/not expand Medicaid?
3. How did the decision get made? How did the Governor decide?
    a. Always knew what he was going to do?
    b. Talked to advisors? Do economic calculations? -- rational decision making
    c. Held hearings?
    d. Was beholden to stakeholders and "had to do their bidding"?
    e. Pray?
4. Please discuss the
    a. Role of the Republican Party in the Governor's decision
    b. Role of the Governor's own personal ideology/belief system in his decision making
        i. Role of government (e.g., gov't too big? Gov't must help those in need)
        ii. Belief that expanding is really wrong decision (Medicaid is broken system)
    c. Role of cost ($$) in his decision
        i. Can't leave federal $$ on table
        ii. Money won't be there in end
    d. Role of the different stakeholders
        i. Which ones? (e.g., Hospitals?)
        ii. In state? Out of state?
    e. Role of the State's policy history
    f. Role of the Governor's re-election interest
        i. As governor?
        ii. For higher office?
    g. Role of next job: Retirement? Legacy? (i.e., in health care sector)
5. How would you rank the above theories? If you had to pick one as the driving force, which one?
6. With whom do you believe Governor _____ vets his/her positions?
    a. Staff
    b. Administration
    c. Party
    d. Legislatures from his/her party
    e. Legislatures from the other party
    f. Stakeholder groups
    g. Other
7. Why do you believe Governor _____ chose to expand/not expand Medicaid?

Appendix F

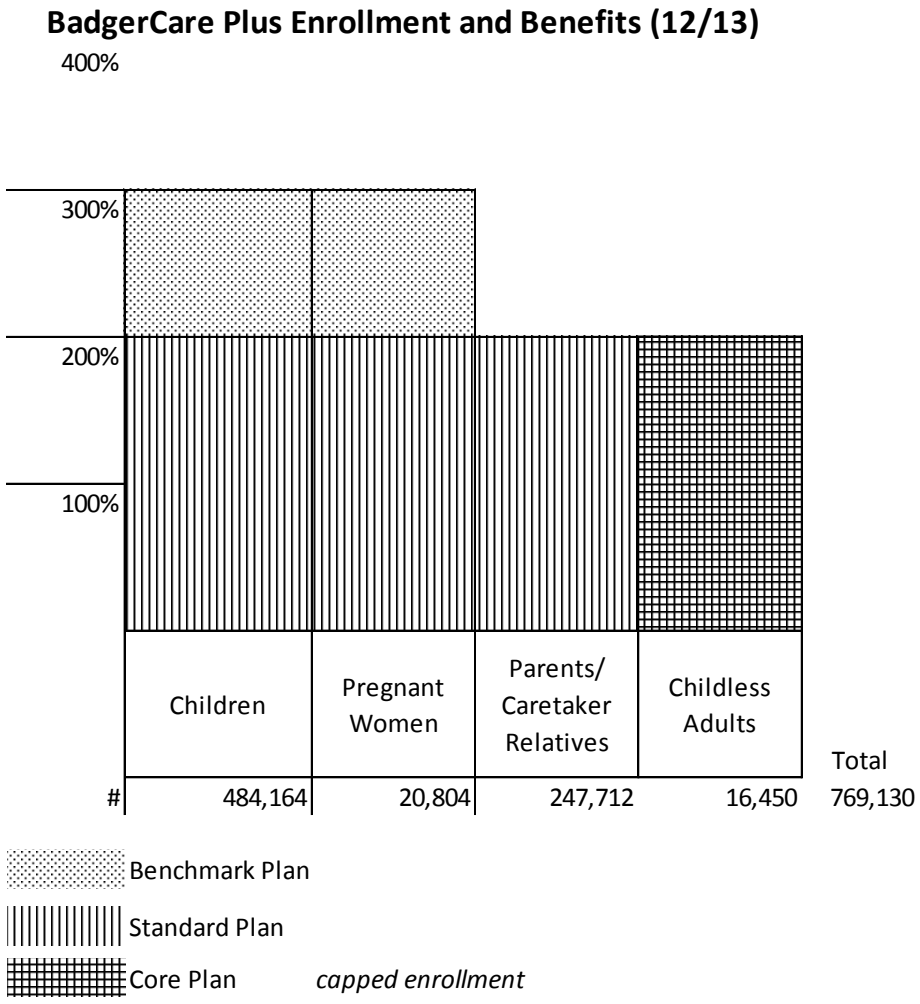
Interviewees in Wisconsin

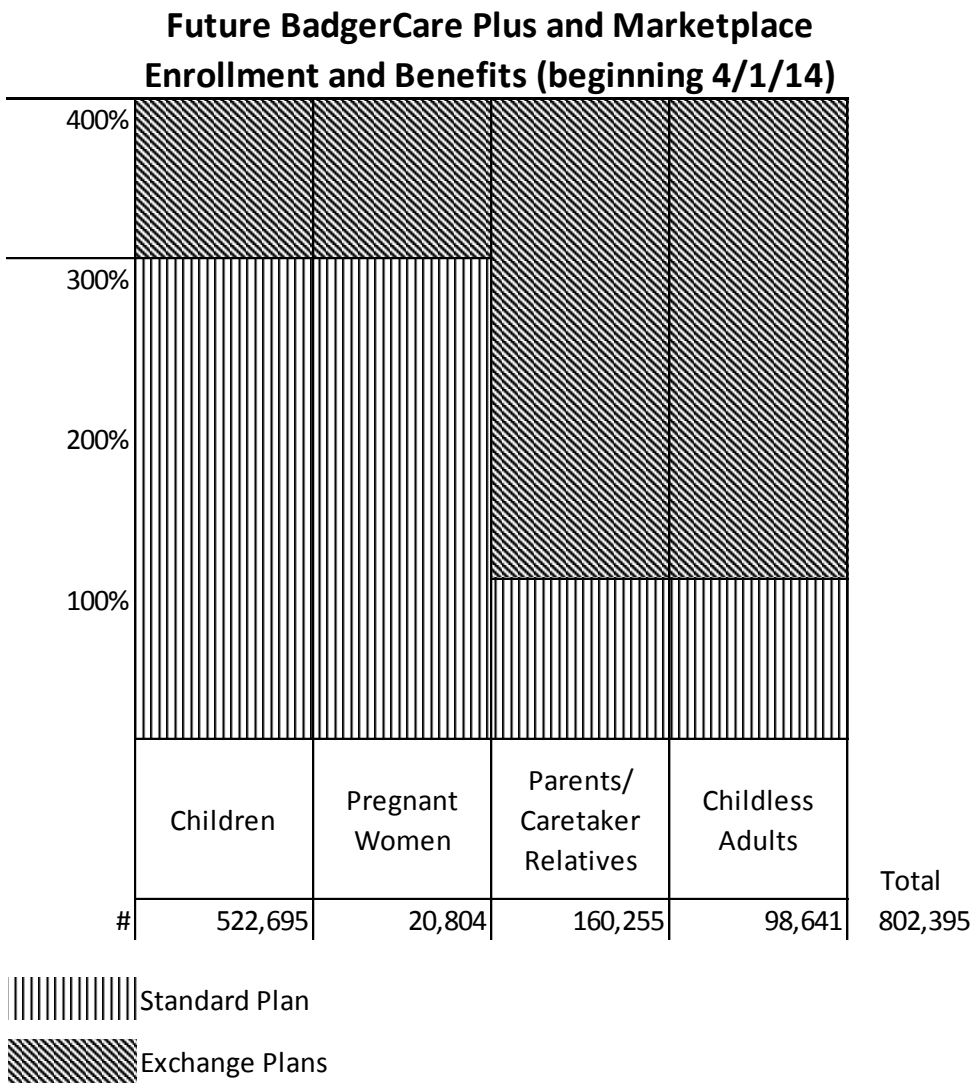
Organization	Person	Title	Date
Milwaukee Sentinel Journal	Jason Stein	Reporter	3/3/14
Rep Jon Richards (D) Office	Christian Moran	Chief of Staff	3/3/14
Wisconsin Medical Association	Rick Abrams	President	3/3/14
Wisconsin Hospital Association	Steve Brenton	President	3/4/14
Wisconsin Council for Children and Families	Jonathan Peacock	Research Director	3/4/14
Wisconsin Primary Health Care Association	Lisa Olson Lisa Davidson	Director, Policy and Programs Director, Government Relations and Advocacy	3/5/14
Wisconsin Department of Health	Kevin Moore	Deputy Secretary of Health	3/6/14
Unversity of Wisconsin	Donna Friedsam	MPH Program Faculty Members	3/6/14
Unversity of Wisconsin	Tom Oliver	Professor	3/6/14
Wisconsin Department of Health	Brett Davis	Director, Medicaid	3/6/14
Wisconsin State Journal	David Walberg	Reporter	3/7/14
Rep John Nygren (R) Office	Nels Rude	Health Analyst	3/7/14
Molina Health Plan	Melissa Henderson Jeremy Shepherd	Associate VP Government Contracts Lobbyist	3/7/14
Community Health Advocates	David Riemer	Senior Fellow, Public Policy Insitute	2/28/14
Milwaukee Sentinel Journal	Guy Boulton	Reporter	2/29/14

Interviewees in Ohio

Organization	Person	Title	Date
Ohio State Medical Association	Tim Maglione	Chief Lobbyist	3/10/2014
UHCAN Ohio	Cathy Levine	Executive Director	3/10/2014
Molina Health Plan	Holly Saelens Jenny Robertson	VP Government Contracts Director, Government Contracts	3/11/2014
Health Policy Institute of Ohio	Amy Rohling McGee	President	3/12/2014
Representive Sears (R)	Barbara Sears	Representative	3/11/2014
Ohio Deparment of Medicaid	John McCarthy	Director	3/12/2014
Ohio Office of Health Transformation	Greg Moody	Director	3/28/2014
National Association Mental Illness - Ohio	Betsey Johnson	Associate Director	3/13/2014
Ohio State Univ Medical Center	Bill Hayes Tim Sahr	Adjunct Faculty Director, Research and Analysis	3/13/2014
Ohio Hospital Associaton	Jonathan Archey	Director, Federal Relations	3/13/2014
Dayton Daily News	Laura Bischoff	Writer	3/14/2014
Carpenter Lipps & Leland	Jonathan Allison Nikki Reiss	Lobbyist Attorney	3/14/2014

Appendix G


BadgerCare Plus Enrollment and Benefits (12/13)
400%
300%
200%
100%
Children
Pregnant Women
Parents/ Caretaker Relatives
Childless Adults
Total
#
484,164
20,804
247,712
16,450
769,130
Benchmark Plan
Standard Plan
Core Plan
capped enrollment



source: Wisconsin Regional Enrollment Outreach Strategy presentation (PowerPoint) at Town Hall Meetings, 9/13
http://www.dhs.wisconsin.gov/health-care/ren/legislative-briefing.pdf