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Seeking a better deal

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State health-care gurus trying to improve insurance coverage for low-income Ohioans have a two-part mission.

They have to convince fellow Republicans in the House and Senate that expanding Medicaid coverage under the federal Affordable Care Act is the right thing to do. But before they can close that deal, they hope to reach agreement with federal health-care officials on a way to give Ohio some flexibility in how it's carried out.

The variation Ohio officials have in mind deserves consideration.

Depending on terms the federal government might set, it could be a sensible way to allow low-income Ohioans to make the transition to independent insurance as their incomes grow.

That should make the Medicaid expansion more palatable to conservatives who oppose it on principle. But the folks in Gov. John Kasich's Office of Health Transformation, charged with making the case for expansion, can't promise the variation to lawmakers until they come to terms with the feds.

Since coming into office, the Kasich administration has made a persistent and thoughtful effort to lower health-care costs and improve health outcomes by doggedly picking apart age-old inefficiencies and replacing them with best practices.

Happily, the same efficiencies that lead to lower costs — for example, better coordination of care and encouraging rehabilitation as an outpatient instead of in a nursing home — also lead to better outcomes (health-care-speak for *healthier and happier people*.)

The Medicaid expansion called for in the federal Affordable Care Act involves extending coverage to everyone up to 138 percent of the poverty level.

The law calls for the newly covered to be enrolled in Medicaid starting in 2014, with the federal government paying the full cost for three years and reducing the payment to 90 percent by 2020.

Ohio's proposed tweak would involve the least-poor in that group — perhaps those earning between 100 and 138 percent of the poverty level. Instead of Medicaid, they would be enrolled in the private insurance exchanges that also are a feature of the health-care law. The federal expansion dollars would pay their premiums.

The main benefit is stability: The hope is that these people will see their incomes improve.

When they start to earn more than 138 percent of the poverty level, they can remain in the same insurance exchange (because they are available to people making up to 400 percent of the poverty level), even though they would have to start paying the premiums. Were they enrolled in Medicaid, they would be kicked off when their income reached 138 percent of poverty. That could mean frequent disruptions of coverage as incomes fluctuate.

Smoothing the way for people to improve their lives and earn more, until they become independent of government help, is smart policy.

Give Kasich credit for making federal officials understand that allowing some flexibility could help win approval for Medicaid expansion in Ohio.

Closing the deal on this sensible and humane change is up to federal bureaucrats and state lawmakers.

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