



The State of State Health Policy: Governors' State of the State Addresses

Governors' State of the State speeches herald the key successes of the past year and lay out priorities for the next. One speech cannot articulate a governor's full agenda but it signals where the governor wants to head and what proposals and budget requests may be presented to the legislature.

A Snapshot of the Governors

In 2014, 37 states elected governors; 27 were re-elected and ten were newly elected. Among all the states, 31 governors are Republican, 18 are Democrats and one is an Independent. In 30 states the governor and both branches of the legislature are controlled by the same party.

To date, 44 governors have laid out their priorities, summarized in the chart below. Where a State of the State speech was not available, we cited inaugural addresses. Additional State of the State addresses are scheduled in the weeks ahead and we will add them to this summary as they become available.

Key Themes:

A majority of governors addressed health in their speeches and most discussed Medicaid and behavioral health. Seven governors discussed health insurance exchanges, 13 health care costs, and nine addressed issues related to a culture of health. Individual governors also addressed issues not captured in the chart such as infant mortality, telehealth, rural health, eliminating toxins in children's products, and improving services for seniors and persons with disabilities.

State	Culture of Health	Health Care Costs	Medicaid	Medicaid Expansion	Exchanges	Behavioral Health
Alabama*		✓				
Alaska	✓	✓		✓		✓
Arizona						
Arkansas						
California*		✓	✓			
Colorado	✓					✓
Connecticut						
Delaware	✓					✓
Florida						
Georgia						
Hawaii					✓	
Idaho			✓	✓***	✓	✓
Illinois*						
Indiana			✓	✓		
Iowa						
Kansas		✓	✓			
Kentucky	✓	✓	✓	✓	✓	✓

Louisiana						
Maine		✓	✓			✓
Maryland						✓
Massachusetts*		✓			✓	✓
Michigan*	✓			✓		✓
Minnesota*						✓
Mississippi			✓			
Missouri			✓	✓		✓
Montana				✓		✓
Nebraska	✓	✓	✓			
Nevada			✓			✓
New Hampshire				✓		
New Jersey						✓
New Mexico				✓		
New York**	✓	✓	✓		✓	
North Carolina		✓	✓	✓		✓
North Dakota						
Ohio						
Oklahoma	✓		✓	✓		✓
Oregon*						
Pennsylvania						
Rhode Island*			✓			

South Carolina						✓
South Dakota						
Tennessee		✓	✓	✓		✓
Texas						
Utah				✓		
Vermont**		✓	✓		✓	✓
Virginia	✓	✓		✓	✓	✓
Washington						✓
West Virginia						✓
Wisconsin						
Wyoming				✓		✓
Total	9	13	15	14	7	23

*Inaugural Address

**Budget Address combined with State of the State Address

***Idaho's Governor Otter asks the Legislature to consider the work of [Medicaid Redesign Workgroup](#).

Medicaid

Fourteen governors addressed Medicaid expansion. Governors remain divided on the Affordable Care Act (ACA), yet several governors opposed to the law expressed openness to expansion, often citing the economic benefits of additional Medicaid dollars. Missouri's governor is among those making the economic case for expansion, noting that other states are using Missouri's tax dollars to expand and reform Medicaid, quoting a health care CEO who told him that "the reason we are hiring in Arkansas and laying off in Missouri is because Arkansas chose to expand Medicaid and Missouri did not." Wyoming's governor also laments leaving state tax dollars on the federal table and notes the financial burdens hospitals face in providing uncompensated care. Despite his opposition to the ACA he says "Wyoming –my plan or yours or something better. We have fought the fight against the ACA...We are out of

timeouts and we need to address Medicaid expansion this session.” (Since that speech the Wyoming Legislature has rejected expansion).

Governors continue to seek expansion on their own terms. Utah’s governor, who remains skeptical of the ACA, sounds a similar theme about hard earned tax dollars benefitting other states and cites his Healthy Utah plan as a state based expansion that allows the state to make “lemonade out of lemons. Idaho’s governor asks the legislature to consider the recommendations of the Medicaid Redesign Group and its strong focus on personal responsibility and managed care. For Indiana’s governor, Medicaid is not a program to expand but to reform as he describes his now successful effort to win federal approval for his Healthy Indiana Plan. In North Carolina, the governor says that any plan to cover the uninsured, must protect taxpayers, be state designed and require personal and financial responsibility for enrollees.

In Mississippi, the governor remains strongly opposed to expansion, citing its costs to the state, and asks Congress to restore funding for the Disproportionate Share Hospital (DSH) payments instead. When DSH payments are eliminated, hospitals in the non-expansion states will face deep cuts in funding for uncompensated care without an influx of Medicaid expansion dollars to compensate for these losses.

Kentucky’s governor takes the argument about the impact of Medicaid expansion on the economy a step farther, asking Deloitte to analyze the impact of the expansion on the state’s economy. On February 12th, the governor released the [results of this analysis](#), citing the creation of 12,000 new jobs and an anticipated positive net impact on the economy of \$30 billion over eight years.

Behavioral Health

More than half of the governors speak to improving behavioral health. Many speak to issues with addiction generally and five governors address the worsening heroin epidemic. Some governors support preventive and early intervention approaches including substance use disorder education and initiatives to reduce the stigma of addiction that can prevent individuals from seeking needed help. Oklahoma, North Carolina, and New Jersey are expanding successful drug court programs including Veterans Treatment Courts. New Jersey is working toward better cross-agency coordination to create a ‘no wrong door’ system for individuals seeking addiction services.

Governors are also seeking improved access to mental health treatment, including building new facilities and expanding workforces in Missouri and Idaho. In Virginia, the governor announced that the new Governor's Access Program will ensure that "up to 20,000 Virginians with serious mental illness can get medical and behavioral care they need, to lead the healthy and productive lives they deserve." In many states including, Delaware and Vermont, governors are calling for increased funding for behavioral health programs. Minnesota's governor calls on "legislators, educators, doctors, social workers, judges, and others" to lead improvements in the child welfare system, including the development of better mental health resources to address childhood traumas. Missouri's governor praises the state's 2010 legislation that required insurance companies to cover treatment for children with autism, while Nevada's governor pledges to increase funding for early intervention and treatment for these children. Governors in Colorado and Wyoming announce statewide efforts for suicide prevention.

Health Insurance Exchanges

Eight governors directly address health exchanges. In New York, the governor supports a surcharge on insurance premiums to sustain the state-based exchange. Hawaii's governor acknowledges his disappointment in the launch of its exchange but pledges to work with stakeholders to move toward a sustainable exchange, pledging that "universal healthcare is within our grasp". Idaho's Governor heralds his state-run exchange as efficient and effective, saying it is "the key to how Idaho is advancing our goal of making healthcare more affordable and accessible for all Idahoans." In Massachusetts we are told that "thousands of families continue to be confused and let down by the Health Connector because we have not paid attention to details," while in Virginia, the governor touts the success of the federal marketplace in covering Virginians.

Health Care Costs

Nine governors discuss the need to address high health care costs. Some limit that discussion to efforts to lower Medicaid costs, including Maine's governor who declares that the state has "stopped the growth of Medicaid" and describes a reformed Medicaid program that now prioritizes the "elderly, the disabled and those with intellectual disabilities." Other governors identify Medicaid expansion as a means to reduce uncompensated care costs. In Tennessee, where the legislature rejected Medicaid expansion prior to the governor's State of the State address, the governor stated that health care costs are too high and said the state "can't keep doing what we've been doing."

Some governors propose more comprehensive reforms to bend the health care cost curve. For example, Nebraska's governor commits to health improvements, stating that when "we get better outcomes, costs will come down." In Massachusetts, the governor calls health care costs a burden on all, dragging down the state's ability to grow and hire more people. He calls for the state to explore many paths to address the challenge and specifically calls for more price and performance transparency. Governors of several states, including New York, Kentucky, Virginia, and Idaho note efforts to transform health care delivery and payment, some citing assistance from federal grants like the State Innovation Model (SIM).

In Vermont, the governor calls rising health care costs a "challenge to prosperity" and calls for strengthening the state's Green Mountain Care Board to allow it to conduct investigations, approve innovative models of care, and to treat health care like a public good. He proposes new investments in drug treatment, funds to supplement ACA premium tax credits and increases in Medicaid reimbursements to reduce cost shifting on private payers. He anticipates these reforms will save private payers \$150 million and empowers the Green Mountain Care Board to return those savings to consumers by reducing health insurance premiums up to five percent. The governor also proposes a 0.7 percent increase to the payroll tax to create a state health care resource fund to draw down federal Medicaid funding for his reforms.

Culture of Health

Seven governors speak to the need to more broadly address health. Alaska's governor observes that "People cannot work, hunt, or fish unless they are healthy," and Kentucky's governor explains there is a "direct line from population health to almost every challenge Kentucky faces –poverty, unemployment, low educational attainment, substance abuse, and crime." Nebraska's governor seeks a "transformational" HHS leader to reform the state government's culture, noting that the "people who need our help do not fit neatly into the silos we have created...we need a system that cares for the entire person." Similarly, Michigan's governor proposes combining the state's health and human services departments to achieve one stop shopping and create "people focused" policies. In New York, the governor heralds his "roadmap to create a healthier New York including creating a continuum of care that links physicians and community based resources to care for the whole person." From Virginia's governor we hear that "a healthy economy needs healthy citizens."

Several governors call for a comprehensive approach to caring for children, including Delaware's governor who notes that "Students bring significant challenges to school each day. Challenges of poverty. Of homelessness. Of unstable family situations. These are tragic problems that we are fully focused on addressing through economic development, housing, and other initiatives across state government." In, Colorado the governor asserts that his state "cannot become the healthiest state for people if it is not the

healthiest state for our natural environment,” as he seeks improved bike and hiking trails and outdoor programs. Colorado’s governor, along with New York’s governor, also addresses the importance of initiatives to create healthier communities.