



U.S.

Virginia Governor May Try to Expand Medicaid on His Own

By TRIP GABRIEL JUNE 10, 2014

RICHMOND, Va. — Gov. Terry McAuliffe has lost his battle with the legislature over Medicaid expansion, an enormous retreat from the high expectations he set for a liberal agenda. However, he is thought to be studying how to press the issue by executive action — a legally and politically uncertain course.

Facing a June 30 deadline to pass a state budget, Democrats gave in to Republican demands to leave out a Medicaid expansion, Senator Charles J. Colgan said. He is one of three Democrats who met with Republicans on Monday to negotiate, in effect, the terms of surrender, which denied Mr. McAuliffe his top priority.

The deal followed the resignation of a Democratic senator that gave Republicans a 20-19 majority in the State Senate. Senator Richard L. Saslaw, the Democratic leader, planned a conference call with his caucus for Tuesday night, Mr. Colgan said, in which he would explain the deal was painful but “better than going over the cliff at the end of June.”

A spokesman for the governor, Brian Coy, said it “only took a couple” of Democrats to change sides, “which is enough.”

“It’s the responsibility of the General Assembly to send him a budget, and he will evaluate it carefully when they do,” Mr. Coy added.

The resignation of Senator Phillip P. Puckett over the weekend, costing Democrats their Senate majority, set off accusations of party betrayal and string-pulling by Republicans. Democrats said Republicans masterminded Mr. Puckett’s resignation by promising him a job on a state commission and

speeding the appointment of his daughter to a state judgeship.

By several accounts, however, Democrats were well on their way to giving in to Republicans over Medicaid even before Mr. Puckett's resignation.

Mr. McAuliffe had barnstormed the state, visiting hospitals that serve the poor in rural districts of conservative lawmakers, seeking to pressure them to endorse his plan to join the 26 states that embraced Medicaid expansion under the president's health care law, including several with Republican governors.

Mr. McAuliffe repeatedly cited a figure of 400,000 poor and disabled residents who would gain medical coverage.

Three Republican senators who initially stood with the governor, allowing him to claim a thin mantle of bipartisanship, backed away in recent days. They determined it was more important to pass a budget by the June 30 deadline and not risk a downgrade of the state's bond rating.

Senator John C. Watkins, one of the Republican supporters, said Mr. McAuliffe miscalculated in his stare-down with conservative lawmakers, especially in the House of Delegates, where the Republican majority adamantly opposed him.

"He didn't have something they wanted badly enough," he said. "He thought he was going to bargain with the budget, but it would have looked worse for him" if a shutdown occurred.

"He would have been taking the political heat," Mr. Watkins said.

Republicans have insisted the offer of a job to Mr. Puckett was not an inducement to him to resign, and some Democrats are also skeptical of a quid pro quo. Mr. Colgan said Mr. Puckett sounded "very shook up" during a phone conversation over the fierce negative reaction. Left-leaning groups called for an investigation of ethical violations by Republicans. But Attorney General Mark Herring, a Democrat who favors Medicaid expansion, said through a spokesman that while "perceived political gamesmanship is understandably frustrating," there was nothing to investigate.

Republicans used their new Senate majority to call lawmakers, who have been in a special session but largely idle, back to Richmond on Thursday, when the Senate is expected to pass a so-called clean budget without Medicaid

expansion. Once the measure is passed by the House, where Republicans hold a large majority, the governor has the opportunity to add amendments. Mr. McAuliffe might add Medicaid expansion into the legislation, which would force an up-or-down vote on the expansion by the General Assembly.

Mr. McAuliffe is widely believed to be studying how to enact a Medicaid expansion without the legislature, taking a page from President Obama's pursuit of executive action to advance priorities past a deadlocked Congress.

The governor's spokesman declined to comment on the possibility. Mr. McAuliffe has repeatedly promised supporters Medicaid expansion, not permitting any room for defeat.

"For him to abandon the Medicaid expansion issue at this point would be a major political defeat," said Stephen J. Farnsworth, a political scientist at the University of Mary Washington.

Because Virginia's governor cannot run for a second consecutive term, Mr. McAuliffe is liberated in not having to answer again to voters, and blocked in the usual career path for the state's governors: a run for United States Senate. Both Virginia senators are popular Democrats. Some speculate that he aspires to a job in the White House under a potential Hillary Rodham Clinton presidency. He was a confidant of President Bill Clinton's and could be well served by establishing his credentials for battling forward on liberal issues.

The legality of pursuing Medicaid expansion unilaterally is unclear.

"Apparently, the problem is the administration is having a difficult time deciding whether or not they can" move ahead without the legislature, said Jeff Ryer, a spokesman for Senate Republicans. "Unless they are relatively certain they'll lose" in court, he added, "I can't imagine they won't go ahead."

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