



Hospitals and ObamaCare Medicaid Expansion



What is ObamaCare's Medicaid expansion?

Medicaid expansion is an optional part of ObamaCare. If states decide to opt-in, they create a new welfare category—able-bodied, childless adults from ages 19 to 64. The program is funded partially by the federal government and partially by states.



Will the hospitals close if we reject Medicaid expansion in our state?

ObamaCare's Medicaid expansion is not a silver bullet for hospitals. Moody's Investor Service issues the credit ratings for hospitals across the country, with access to hospitals' financial records. According to their analysis, there is no statistical difference between the financial health of hospitals in expansion states and non-expansion states.



Won't rejecting Medicaid expansion put our rural hospitals at risk?

Again, expansion is not a silver bullet. Rural hospitals are closing in states that expanded Medicaid, including Arizona, Arkansas, California, Illinois, Kentucky, Massachusetts, Minnesota, Nevada, and Ohio. In fact, the number of hospitals that are serving patients is on the rise—and that increase is happening faster in states that did not expand Medicaid.



Will expanding ObamaCare in our state create new hospital jobs?

No, in fact, states that have expanded Medicaid have not seen promised hospital jobs become a reality. In Iowa, consultants promised 2,400 new hospital jobs as the result of Medicaid expansion. Instead, the state has lost roughly 980 hospital jobs. In Arkansas, consultants promised over 1,000 new hospital jobs; the state instead lost 819 hospital jobs in the first 18 months of expansion. And in Kentucky, experts promised to create over 5,000 new hospital jobs, but instead lost over 1,200 in the first year of expansion.



Don't we need Medicaid expansion to reduce uncompensated care costs for hospitals?

Uncompensated care costs are a narrow sliver of hospitals' overall financial outlook. In New Hampshire, state actuaries estimated that uncompensated care would go down by roughly \$10 million after expansion. But after calculating in new costs and lost revenue from shifting people out of private insurance and into Medicaid, New Hampshire hospitals are projected to lose more than \$47 million as a result of Medicaid expansion.