



# 9 reasons why Mississippi should reject ObamaCare expansion

## 1. ObamaCare expansion would create an enrollment explosion.

States that expanded ObamaCare have seen explosive enrollment. In fact, states have enrolled more than twice as many able-bodied adults than originally promised, and those numbers keep growing.<sup>1</sup> As a result, nearly 13 million able-bodied adults across the country are trapped in Medicaid-dependency today.<sup>2</sup> Currently, 25 percent of the Mississippi population is already enrolled in Medicaid.<sup>3</sup> If Mississippi were to expand, that number would jump to nearly 40 percent of the state receiving benefits.

**Bottom line: Mississippi could expect to enroll at least 358,000 able-bodied adults.**<sup>4</sup>

## 2. ObamaCare expansion would create skyrocketing costs.

Skyrocketing costs are another side effect of ObamaCare expansion. Many state budgets are reeling from this failed experiment. Expansion costs are 157 percent higher than projected, and actual ObamaCare expansion costs could exceed \$676 billion in non-expansion states.<sup>5-6</sup> According to the 2020 Annual Report published by the Mississippi Division, total Medicaid costs last year were \$6.4 billion – with state taxpayers covering \$1.2 billion of that.<sup>7</sup> If Mississippi were to expand, it would come with a \$28 billion price tag over a decade, with state taxpayers footing the bill for \$3 billion.

**Bottom line: If Mississippi expanded Medicaid, state taxpayers could be on the hook for \$3 billion over the first ten years.**<sup>8</sup>

## 3. ObamaCare expansion would harm Mississippi's truly vulnerable.

ObamaCare expansion prioritizes able-bodied adults over the disabled, elderly, pregnant women, and other truly needy populations. There are currently more than 700,000 needy individuals languishing on waiting lists across the country.<sup>9</sup> More than half of those waiting are intellectually or developmentally disabled.<sup>10</sup> Worse yet, more than 21,000 individuals nationwide have died while waiting on these lists for help.<sup>11</sup> In 2018, Mississippi had 13,510 individuals on waiting lists, the majority of which are disabled.<sup>12</sup>

**Bottom line: Expanding Medicaid would mean the most vulnerable Mississippians could be forced to wait longer for state-funded health care.**

## 4. ObamaCare expansion would crowd out private insurance in Mississippi.

Not only has there been an enrollment explosion and surging spending, but ObamaCare expansion actually forces people out of private insurance and onto welfare. In Mississippi, nearly 50 percent of potentially eligible enrollees already have private coverage, and an additional 14 percent qualify for heavily subsidized plans on the exchange.<sup>13</sup> Due to the most



recent COVID-19 relief bill, those individuals who qualify for subsidies are now getting benchmark plans at no cost to them. If Mississippi were to expand, those individuals would be shifted onto Medicaid, and 10 percent of that cost burden would be shifted onto state taxpayers.

**Bottom line: Nearly 7 in 10 potentially eligible expansion adults already have private coverage of some kind.**<sup>14</sup>

## **5. Millions of able-bodied adults on ObamaCare are not working.**

Nationwide there are more than 13 million able-bodied adults on ObamaCare, and over half of them *are not working at all*.<sup>15</sup> Nationally, there are more than seven million jobs available, and in Mississippi alone there are at least 54,000 open jobs.<sup>16-17</sup> Employers are desperate for workers, and there has never been a better time to move from welfare to work.

**Bottom line: Expanding Medicaid would trap Mississippians in the cycle of dependency at a time when there are thousands of jobs available that offer health care coverage (?).**

## **6. Mississippi already has a very generous Medicaid program.**

Mississippi provides Medicaid coverage to nearly 758,730 individuals, including pregnant women, seniors, individuals with disabilities, low-income kids, and other truly needy populations.<sup>18</sup>

**Bottom line: Mississippi's Medicaid program is already extremely generous.**

## **7. Mississippi's Medicaid spending is already consuming the budget.**

In 2000, Medicaid accounted for approximately 21 percent of the state budget and spending was more than \$2 billion.<sup>19</sup> Today, Medicaid accounts for a whopping 25 percent of the budget, and spending has surged to more than \$6 billion.<sup>20</sup> Over the same time frame, education and other priorities have seen a decreased share of the budget, while Medicaid's share of the budget has increased by more than 20 percent.<sup>21-22</sup>

**Bottom line: Medicaid spending in Mississippi has increased by 148 percent since 2000 and expanding Medicaid would further hurt other priorities by consuming limited tax dollars.**<sup>23</sup>

## **8. ObamaCare expansion is not going to save Mississippi hospitals.**

An analysis of more than 1,700 hospitals, containing six full years of financial data, compared non-expansion states to expansion states and found that expansion's net effect on hospital finances was close to zero.<sup>24</sup> Not only that, but expansion was found to be associated with higher Medicaid shortfalls.<sup>25</sup> This is confirmed by Moody's Investor Service, the firm that issues credit ratings for hospitals nationwide, who also found that there was no significant difference in improved financial status among states that have expanded, compared to non-expansion states.<sup>26</sup> Even worse, nearly 40 percent of expansion states suffered hospital job losses the first year following expansion.



**Bottom line: Expanding Medicaid would not save Mississippi's hospitals and could leave them worse off.**

## 9. No flexibility under the Biden administration

The reform minded Trump administration gave states the green light on issues such as:

- Medicaid work requirements
- Mandatory cost sharing
- Limiting or eliminating retroactive eligibility
- Asset tests to protect the truly needy
- Mandatory premiums
- Eligibility lockouts to combat fraud

Unfortunately, these options will not exist under the Biden administration. States will not have the flexibility to give their ObamaCare expansions conservative window dressing, and state taxpayers will be forced to live with the results.<sup>27</sup>

**Bottom line: The Biden administration is sending a clear message: No flexibility, no compromise. Just dependency at all costs.**

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<sup>1</sup> Jonathan Ingram and Nicholas Horton, "How the ObamaCare dependency crisis could get even worse – and how to stop it," Foundation for Government Accountability (2018), <https://thefga.org/research/obamacare-dependency-crisis-get-even-worse-stop/>.

<sup>2</sup> Ibid.

<sup>3</sup> Mississippi Division of Medicaid, "Medicaid 2021 calendar year," Mississippi Division of Medicaid (2021), <https://medicaid.ms.gov/resources/>.

<sup>4</sup> Ibid.

<sup>5</sup> Jonathan Ingram and Nicholas Horton, "A budget crisis in three parts: How ObamaCare is bankrupting taxpayers," Foundation for Government Accountability (2018), <https://thefga.org/research/budget-crisis-three-parts-obamacare-bankrupting-taxpayers/>.

<sup>6</sup> Jonathan Ingram and Nicholas Horton, "How the ObamaCare dependency crisis could get even worse – and how to stop it," Foundation for Government Accountability (2018), <https://thefga.org/research/obamacare-dependency-crisis-get-even-worse-stop/>.

<sup>7</sup> Mississippi Division of Medicaid, "2020 annual report," Mississippi Division of Medicaid (2020), <https://medicaid.ms.gov/wp-content/uploads/2020/11/2020-Fiscal-Year-Annual-Report.pdf>.

<sup>8</sup> Ibid.

<sup>9</sup> Kaiser Family Foundation, "Waiting list enrollment for Medicaid section 1915(c) home and community-based service waivers," Kaiser Family Foundation (2018), <https://www.kff.org/health-reform/state-indicator/waiting-lists-for-hcbs-waivers/?currentTimeframe=0&sortModel=%7B%22collId%22:%22Location%22:%22sort%22:%22asc%22%7D>.

<sup>10</sup> Ibid.

<sup>11</sup> Nicholas Horton, "Waiting for help: The Medicaid waiting list crisis," Foundation for Government Accountability (2018), <https://thefga.org/research/medicaid-waiting-list/>.



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<sup>12</sup> Kaiser Family Foundation, "Waiting list enrollment for Medicaid section 1915(c) home and community-based services waivers," Kaiser Family Foundation (2018), <https://www.kff.org/health-reform/state-indicator/waiting-lists-for-hcbs-waivers/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>.

<sup>13</sup> Jonathan Ingram and Nicholas Horton, "How Medicaid expansion is crowding out private insurance," Foundation for Government Accountability (2019), <https://thefga.org/research/medicaid-crowding-out-private-insurance/>.

<sup>14</sup> Ibid.

<sup>15</sup> Nicholas Horton and Victoria Eardley, "ObamaCare's not working: How Medicaid expansion is fostering dependency," Foundation for Government Accountability (2018), <https://thefga.org/research/obamacares-not-working-how-medicicaid-expansion-is-fostering-dependency/>.

<sup>16</sup> U.S. Bureau of Labor Statistics, "Job openings and labor turnover summary," U.S. Department of Labor (2021), <https://www.bls.gov/jlt/>.

<sup>17</sup> U.S. Bureau of Labor Statistics, "JOLTS experimental state estimates," U.S. Department of Labor (2021), [https://www.bls.gov/jlt/jlt\\_statedata.htm](https://www.bls.gov/jlt/jlt_statedata.htm).

<sup>18</sup> Mississippi Division of Medicaid, "Medicaid 2021 calendar year," Mississippi Division of Medicaid (2021), <https://medicaid.ms.gov/resources/>.

<sup>19</sup> Nick Samuels et al., "State expenditure report 2000," National Association of Budget Officers (2001), <https://higherlogicdownload.s3.amazonaws.com/NASBO/9d2d2db1-c943-4f1b-b750-0fca152d64c2/UploadedImages/SER%20Archive/NASBO%20StExpRep%202000.pdf>.

<sup>20</sup> Brian Sigrifts et al., "2019 state expenditure report," National Association of Budget Officers (2019), [https://higherlogicdownload.s3.amazonaws.com/NASBO/9d2d2db1-c943-4f1b-b750-0fca152d64c2/UploadedImages/SER%20Archive/2019\\_State\\_Expenditure\\_Report-S.pdf](https://higherlogicdownload.s3.amazonaws.com/NASBO/9d2d2db1-c943-4f1b-b750-0fca152d64c2/UploadedImages/SER%20Archive/2019_State_Expenditure_Report-S.pdf).

<sup>21</sup> Nick Samuels et al., "State expenditure report 2000," National Association of Budget Officers (2001), <https://higherlogicdownload.s3.amazonaws.com/NASBO/9d2d2db1-c943-4f1b-b750-0fca152d64c2/UploadedImages/SER%20Archive/NASBO%20StExpRep%202000.pdf>.

<sup>22</sup> Brian Sigrifts et al., "2019 state expenditure report," National Association of Budget Officers (2019), [https://higherlogicdownload.s3.amazonaws.com/NASBO/9d2d2db1-c943-4f1b-b750-0fca152d64c2/UploadedImages/SER%20Archive/2019\\_State\\_Expenditure\\_Report-S.pdf](https://higherlogicdownload.s3.amazonaws.com/NASBO/9d2d2db1-c943-4f1b-b750-0fca152d64c2/UploadedImages/SER%20Archive/2019_State_Expenditure_Report-S.pdf).

<sup>23</sup> Ibid.

<sup>24</sup> Gary Young et al., "State Medicaid expansion and hospital financial status," Academy Health (2017), <https://academyhealth.confex.com/academyhealth/2017arm/meetingapp.cgi/Paper/16795>.

<sup>25</sup> Jonathan Ingram and Nicholas Horton, "Arkansas' failed Medicaid experiment not a model for Nebraska," Platte Institute (2016), <https://www.platteinstitute.org/Library/DocLib/Arkansas-Failed-Medicaid-Experiment.pdf>.

<sup>26</sup> Ibid.

<sup>27</sup> Foundation for Government Accountability, "Biden puts states on notice," Foundation for Government Accountability (2021), <https://thefga.org/paper/biden-puts-states-on-notice/>.