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Bait-and-Switch: Idahoans Were Misled on ObamaCare Expansion and Are Getting a Raw Deal

Trevor Carlsen
Senior Research Fellow

KEY FINDINGS



OBAMACARE EXPANSION IS RUNNING OFF THE RAILS AND ENROLLMENT IS ALREADY **95 PERCENT HIGHER THAN ORIGINALLY PROMISED.**



IDAHO'S BUDGET IS IN BAD SHAPE, WITH MEDICAID ACCOUNTING FOR **MORE THAN 27 PERCENT OF TOTAL EXPENDITURES.**



OBAMACARE EXPANSION PASSED WITH SUPPORT FROM **ONLY 40 PERCENT OF REGISTERED VOTERS.**



NEW RESTRICTIONS FROM WASHINGTON THAT LOCK PEOPLE INTO MEDICAID HAVE **COST TAXPAYERS AN ESTIMATED \$20 MILLION PER MONTH.**

THE BOTTOM LINE:

IDAHO LEGISLATORS SHOULD WITHDRAW FROM OBAMACARE EXPANSION AND THROW OFF THE NEW MEDICAID HANDCUFFS.

Idaho taxpayers are getting a raw deal

After the Supreme Court declared states' decisions to expand Medicaid under ObamaCare optional, Idaho legislators considered the ramifications for the state but found that expansion would be cost prohibitive.¹⁻³ Unfortunately, ObamaCare expansion activists disregarded the work of the legislature and instead advanced the untenable agenda through a ballot initiative.⁴

The results have been disastrous, with enrollment and costs shattering expectations. And while expansion was ultimately approved by the voters, only a minority of registered voters supported the initiative. The Idaho State Legislature then proceeded to reluctantly implement expansion, but only after making meaningful alterations.⁵⁻⁶

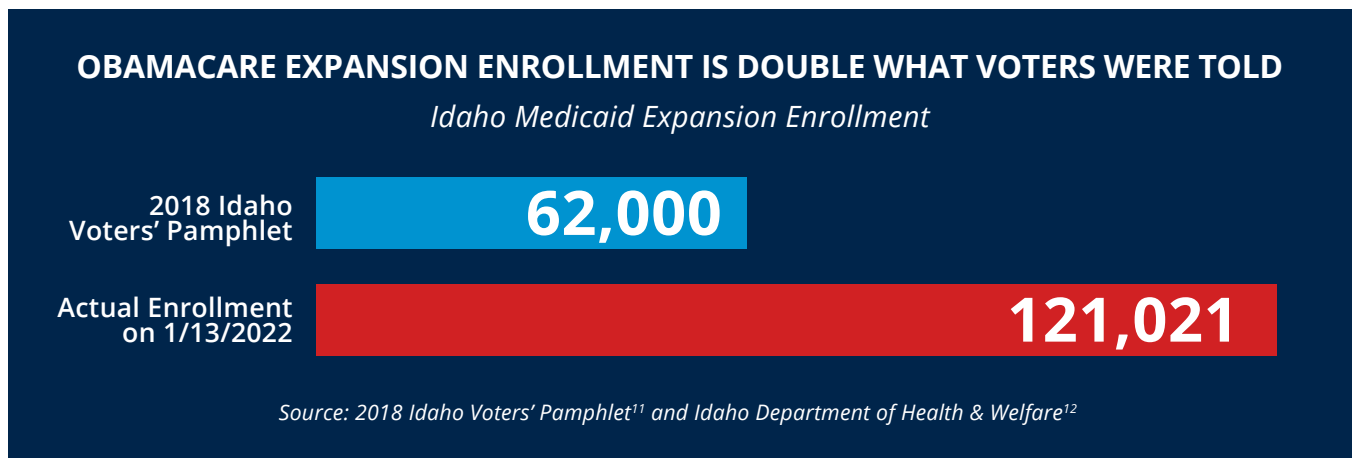
But now, the legislature's changes are unlikely to survive under a hostile Biden administration, meaning the cost overruns Idaho has already experienced are going to continue. And thanks to even more restrictions from Washington, D.C., the situation has become worse.

Idaho is not getting the ObamaCare expansion it expected. It is time for lawmakers to cut the state's losses and end participation in this failed experiment.

Idaho ObamaCare expansion has run off the rails

Virtually everywhere it has been tried, ObamaCare expansion has blown through enrollment projections.⁷ The situation in Idaho is no different—but this is a far cry from what Idaho voters were promised.

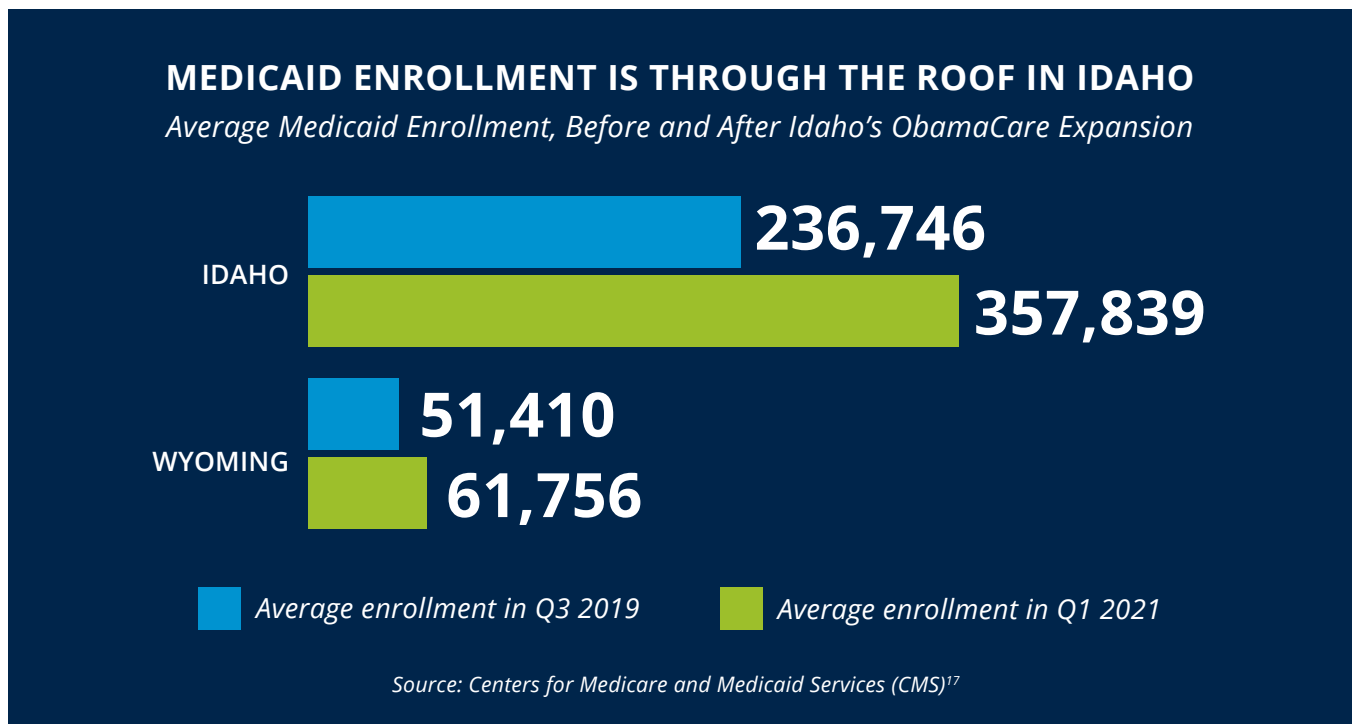
When Idahoans went to the polls in 2018, they were told ObamaCare expansion would only cover an additional 62,000 Idahoans.⁸ But according to the latest numbers, actual enrollment is already **95 percent higher than promised.**⁹⁻¹⁰



And this is just the beginning. Enrollment in fiscal year 2022 is now projected to be even higher than previously thought.¹³

ObamaCare expansion is leading the way to greater dependency in Idaho. More than 121,021 Idahoans, 30 percent of total Medicaid enrollment, are enrolled as part of the newly eligible population.¹⁴ All told, total Medicaid enrollment has spiked 66 percent since ObamaCare expansion took effect.¹⁵

By contrast, in neighboring Wyoming—which has refused ObamaCare expansion—the increase in Medicaid enrollment has been more modest and focused on the truly needy.¹⁶



Thanks to the legislature rejecting ObamaCare expansion, Medicaid is consuming a far smaller proportion of Wyoming's overall budget—freeing up funds to go towards other priorities like education, transportation, and public safety.¹⁸

Neighboring Wyoming Is in Better Shape Without ObamaCare Expansion

State	% of population on Medicaid	Medicaid expansion population ¹⁹	Medicaid expenditures as a percent of total expenditures ²⁰
Idaho	17.95%	121,021	27.1
Wyoming	9.61%	N/A	13.3

These higher levels of government dependency in Idaho are concerning on their own, but they also bring major cost increases. **Medicaid already accounts for more than 27 percent of Idaho's total budgetary expenditures.**²¹ As enrollment swells, Medicaid is going to eat up an even greater portion of Idaho's budget.



MEDICAID ALREADY ACCOUNTS FOR MORE THAN 27 PERCENT OF IDAHO'S TOTAL BUDGETARY EXPENDITURES.

The exploding costs of Medicaid are going to be even more difficult to pay for when the budget “offsets” never materialize. Proponents of ObamaCare expansion claimed it would generate savings to the state’s Catastrophic Care Fund.²² But early evidence shows that program expenditures did not decline as anticipated.²³

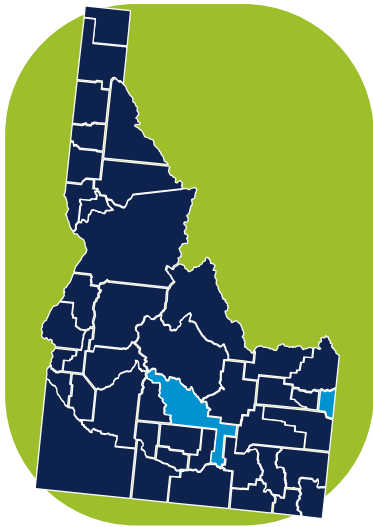
Budget-busting ObamaCare expansion is proving to be more expensive than advertised—and it is thanks to empty promises by expansion advocates who circumvented the legislature.

ObamaCare expansion skirted the legislative process, to the detriment of Idahoans

Unable to advance ObamaCare expansion through the legislative process across the country, the Left has resorted to circumventing lawmakers.²⁴ This is the tactic activists pursued in Idaho with a ballot initiative in 2018.²⁵

The main driver behind the effort was Reclaim Idaho.²⁶ They were joined by Idahoans for Healthcare, a group that received more than \$400,000 from out-of-state donations, including from the progressive, activist Fairness Project.²⁷⁻²⁸

It is more beneficial that bills go through the legislative process because they are vetted by multiple committees, have their fiscal impacts reviewed and considered, and experts have an opportunity to share testimony before legislators—the representatives of the people—vote. The ObamaCare expansion effort failed to pass muster through that deliberative process. And that is why out-of-state groups had to use a deceptive message, one that has been proven false, to enact their radical agenda through another means.



Idaho’s ObamaCare expansion narrowly passed

In a state with a population of 1.8 million, ObamaCare expansion received a scant 365,107 votes in the general election.²⁹⁻³⁰ Total votes in favor of the ballot measure represented only 40 percent of registered voters in Idaho.³¹

Support only reached a majority of registered voters in **two of Idaho’s 44 counties**, Blaine County and Teton County—a far cry from a sweeping mandate.³²

Idaho will not get the flexibility legislators sought

With their hands tied by the initiative results, lawmakers were prepared to expand Medicaid under the pretenses that they would have certain flexibilities—like commonsense work requirements—to limit the harm of ObamaCare expansion. But those flexibilities never came to fruition. Now with a hostile Biden administration, the fate of work requirements is clear. The Centers for Medicare and Medicaid Services (CMS) has already yanked back work requirements in Ohio, South Carolina, and

Utah, demonstrating the administration's favor for policies that foster government dependency.³³

Despite the good intentions of the legislature, Idaho also will not be able to fix expansion with a Section 1332 waiver. For one thing, the Biden administration has already asserted that it does not support state flexibility.³⁴ But even if the administration were favorable to such an approach, as the Trump administration was, Section 1332 allows about as much flexibility as a straitjacket.³⁵

When Idaho moved forward with expanding Medicaid, they thought they were at least including some guard rails. But instead, all they got was a massive expansion of welfare. The best thing Idaho can do now is look out for themselves—and the truly needy—and opt out of this raw deal.

Ineligible expansion enrollees are costing the state even more

Washington, D.C. also put new handcuffs on the Idaho legislature with a misguided pandemic-related policy that has turned out poorly thanks to ObamaCare expansion. Under the Families First Coronavirus Response Act (FFCRA), all states, including Idaho, were offered a 6.2 percent increase in federal matching funds for traditional Medicaid.³⁶ But for Idaho to receive these funds, the state is restricted from making any changes in eligibility or enrollment guidelines in its Medicaid program during the pandemic.³⁷ Thanks to the continued renewal of the “public health emergency” this increase has become a permanent fixture of the state's Medicaid financing structure—at least for as long as Idaho opts into the deal.³⁸

Instead of helping, the policy has already cost Idaho taxpayers more than \$20 million per month.³⁹ Under these so-called Maintenance of Effort (MOE) restrictions, Idaho cannot remove ineligible people from enrollment—even for the ObamaCare expansion population of able-bodied adults for whom the increase in matching funds does not apply.⁴⁰ There are an estimated 83,000 ineligible enrollees in Idaho as a result of these handcuffs.⁴¹ Idaho is unable to remove ineligible people from the program or encourage self-sufficiency with work search requirements, and taxpayers are left paying more for a government dependency program instead of helping the truly needy.

THE BOTTOM LINE: Idaho legislators should withdraw from ObamaCare expansion and throw off the new Medicaid handcuffs.

Policymakers in Idaho, not bureaucrats in Washington, D.C., are responsible for the Idaho state budget. Idaho legislators proceeded with ObamaCare expansion on the grounds that they would have certain flexibilities to run the program in ways that work for Idaho. But President Biden's bullies refuse to grant Idaho those flexibilities. The signals they have already sent to other states make it unlikely expansion will ever resemble what Idaho had in mind.

Between ObamaCare expansion and new restrictions from the Biden administration, the state-federal partnership that is supposed to define the Medicaid program has been flipped on its head. Instead, control of Medicaid has been ceded to bureaucrats in Washington, D.C., while Idahoans are left to deal with the consequences of bad federal policy.

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15275 Collier Boulevard | Suite 201-279
Naples, Florida 34119
(239) 244-8808

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