

FEBRUARY 14, 2022



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

Trevor Carlsen
Senior Research Fellow

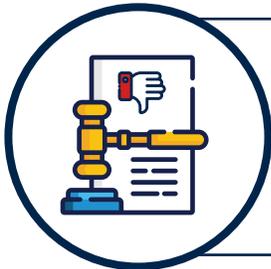
KEY FINDINGS



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

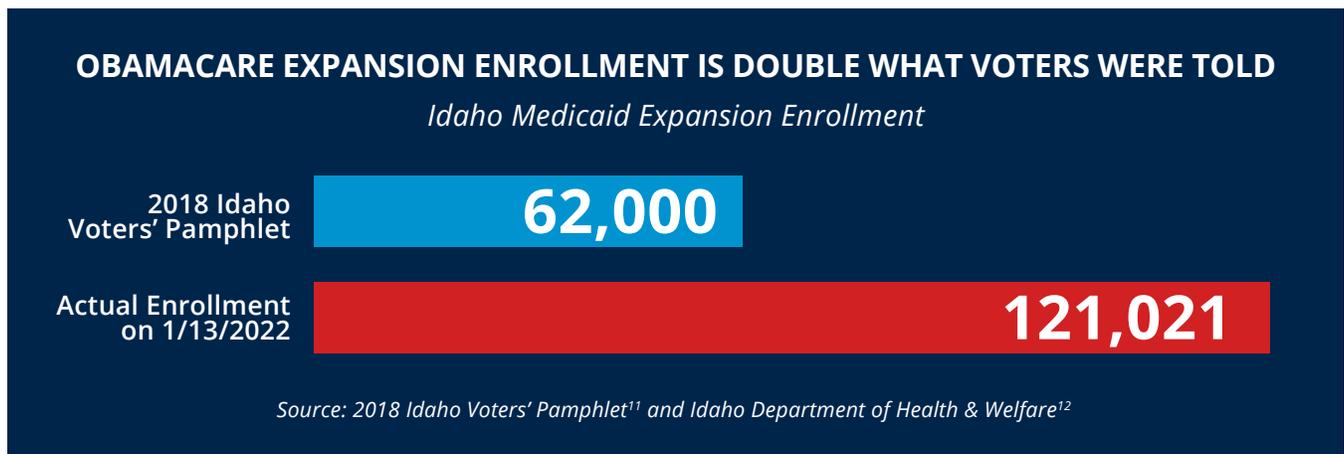
But now, the legislature's changes are unlikely to survive under a hostile Biden administration, meaning the cost overruns Idaho has already experienced are going to continue. And thanks to even more restrictions from Washington, D.C., the situation has become worse.

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.

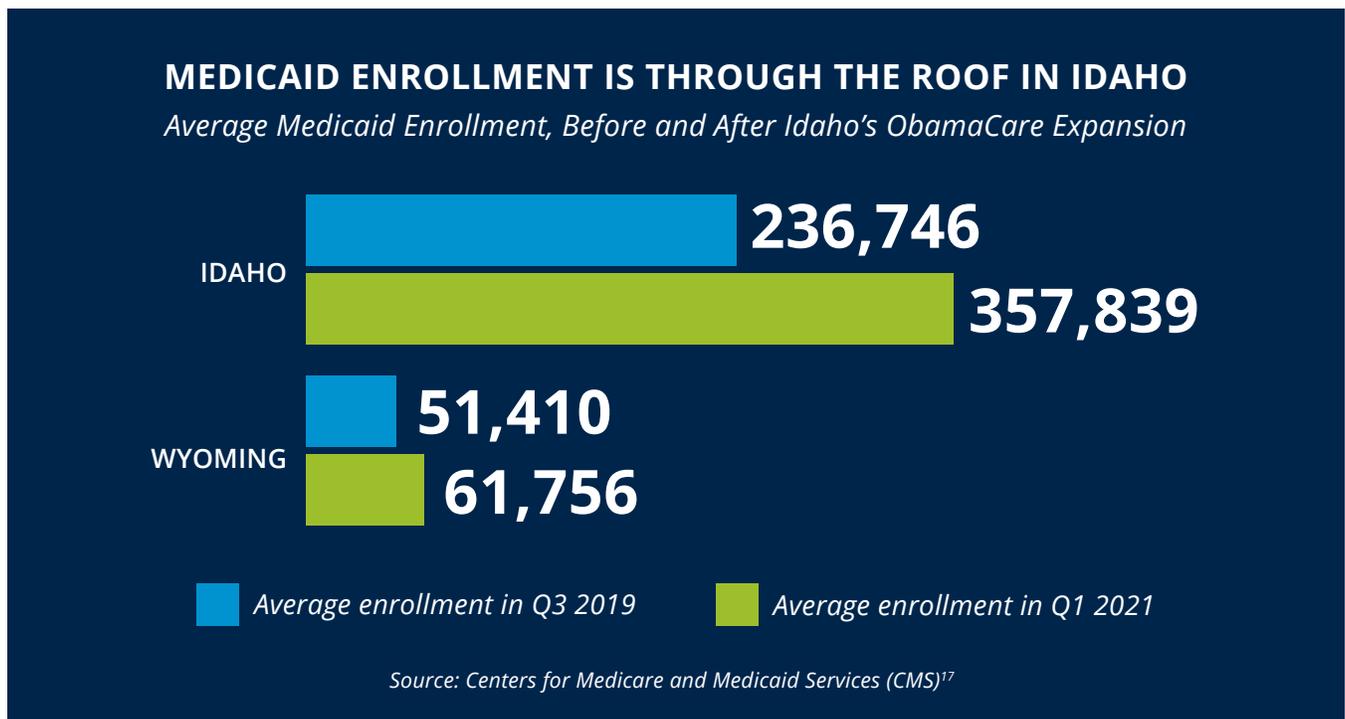
When Idahoans went to the polls in 2018, they were told ObamaCare expansion would only cover an additional 62,000 Idahoans.⁸ But according to the latest numbers, actual enrollment is already **95 percent higher than promised.**⁹⁻¹⁰



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.

REFERENCES

1. National Federation of Independent Business v. Sebelius, 567 U.S. 519 (2012).
2. Healthcare Alternatives for Citizens below 11 percent of Poverty Level Work Group, “Meeting materials for healthcare alternatives for citizens below 100 percent of poverty level,” Idaho Legislature (2016), <https://legislature.idaho.gov/sessioninfo/2016/interim/hacp-materials/>.
3. Mike Price, “New bill would create waiver system in place of Medicaid expansion,” EastIdahoNews.com (2018), <https://www.eastidahonews.com/2018/01/new-bill-creates-waiver-system-place-medicaid-expansion/>.
4. Kimberlee Kruesi, “Advocates file Idaho Medicaid expansion ballot initiative,” Associated Press (2017), <https://apnews.com/article/9c49329814c441e6b724148b3e52e0f0>.
5. Support for Proposition 2 only registered 365,107 votes out of 917,612 registered voters. See for example: https://sos.idaho.gov/elect/results/2018/General/statewide_totals.html.
6. Idaho Legislature, Senate Bill 1204 (2019), <https://legislature.idaho.gov/sessioninfo/2019/legislation/s1204/>.
7. Nicholas Horton and Jonathan Ingram, “Obamacare expansion enrollment is shattering projections,” Foundation for Government Accountability, (2016), <https://thefga.org/paper/obamacare-expansion-enrollment-is-shattering-projections-2/>.
8. Lawrence Denny, Idaho Secretary of State, “2018 voters’ pamphlet,” Idaho Secretary of State, (2018), <https://sos.idaho.gov/elections-division/ballot-initiatives/>.
9. Ibid.
10. Idaho Department of Health & Welfare, “Idaho Medicaid expansion: Expansion enrollment by county,” Idaho Department of Health & Welfare, (2021), <https://publicdocuments.dhw.idaho.gov/WebLink/DocView.aspx?id=14388&dbid=0&repo=PUBLIC-DOCUMENTS>.
11. Lawrence Denny, Idaho Secretary of State, “2018 voters’ pamphlet,” Idaho Secretary of State, (2018), <https://sos.idaho.gov/elections-division/ballot-initiatives/>.
12. Idaho Department of Health & Welfare, “Idaho Medicaid expansion: Expansion enrollment by county,” Idaho Department of Health & Welfare, (2021), <https://publicdocuments.dhw.idaho.gov/WebLink/DocView.aspx?id=14388&dbid=0&repo=PUBLIC-DOCUMENTS>.
13. Ben Diederich, Davis Burge, and Stacy Albrecht, “Milliman report – Idaho expansion budget forecast – December 2020,” Milliman, (2020), <https://publicdocuments.dhw.idaho.gov/WebLink/browse.aspx?id=15114&dbid=0&repo=PUBLIC-DOCUMENTS>.
14. Idaho Department of Health & Welfare, “Idaho Medicaid expansion: Expansion enrollment by county,” Idaho Department of Health & Welfare, (2021), <https://publicdocuments.dhw.idaho.gov/WebLink/DocView.aspx?id=14388&dbid=0&repo=PUBLIC-DOCUMENTS>.
15. Kaiser Family Foundation, “Total monthly Medicaid/CHIP enrollment and Pre-ACA enrollment,” Kaiser Family Foundation (2021), <https://www.kff.org/health-reform/state-indicator/total-monthly-medicaid-and-chip-enrollment/?currentTimeframe=0&selectedRows=%7B%22states%22:%7B%22idaho%22:%7B%7D,%22wyoming%22:%7B%7D%7D%7D&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>.
16. Kaiser Family Foundation, “Total monthly Medicaid/CHIP enrollment and Pre-ACA enrollment,” Kaiser Family Foundation (2021), <https://www.kff.org/health-reform/state-indicator/total-monthly-medicaid-and-chip-enrollment/?currentTimeframe=0&selectedRows=%7B%22states%22:%7B%22idaho%22:%7B%7D,%22wyoming%22:%7B%7D%7D%7D&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>.
17. Centers for Medicare and Medicaid Services, “Monthly Medicaid & CHIP application, eligibility determination, and enrollment reports & data,” U.S. Department of Health and Human Services (2021), <https://www.medicaid.gov/medicaid/national-medicaid-chip-program-information/medicaid-chip-enrollment-data/monthly-medicaid-chip-application-eligibility-determination-and-enrollment-reports-data/index.html>.
18. National Association of State Budget Officers, “2020 state expenditure report (Fiscal 2018-2020 Data),” National Association of State Budget Officers, (2020), <https://www.nasbo.org/reports-data/state-expenditure-report/state-expenditure-archives>.
19. Kaiser Family Foundation, “Medicaid expansion enrollment,” Kaiser Family Foundation, (2020), <https://www.kff.org/health-reform/state-indicator/medicaid-expansion-enrollment/?currentTimeframe=0&selectedRows=%7B%22states%22:%7B%22utah%22:%7B%7D,%22wyoming%22:%7B%7D,%22nevada%22:%7B%7D,%22montana%22:%7B%7D,%22idaho%22:%7B%7D,%22colorado%22:%7B%7D%7D%7D&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>.
20. National Association of State Budget Officers, “2020 state expenditure report (fiscal 2018-2020 data),” National Association of State Budget Officers, (2020), <https://www.nasbo.org/reports-data/state-expenditure-report/state-expenditure-archives>.
21. National Association of State Budget Officers, “2020 state expenditure report (fiscal 2018-2020 data),” National Association of State Budget Officers, (2020), <https://www.nasbo.org/reports-data/state-expenditure-report/state-expenditure-archives>.
22. Idaho Center for Fiscal Policy, “Key facts about the impact of Medicaid expansion on Idaho’s state budget,” Idaho Center for Fiscal Policy (2019), <https://idahocfp.org/key-facts-about-the-impact-of-medicaid-expansion-on-idahos-state-budget/>.
23. Division of Financial Management, “Catastrophic health care post Program,” State of Idaho (2021), <https://dfm.idaho.gov/publications/exec/budget/performance.php?year=2022>.
24. Nicholas Horton and Hayden Dublois, “They are coming for you next: How the Left is circumventing state legislatures to expand welfare,” Foundation for Government Accountability, (2021), <https://thefga.org/paper/medicaid-expansion-ballot-initiative/>.

25. Mike Price, "A look at Medicaid expansion and Proposition 2," EastIdahoNews.com (2018), <https://www.eastidahonews.com/2018/11/a-look-at-medicaid-expansion-and-proposition-2/>.
26. Reclaim Idaho, "Medicaid expansion," Reclaim Idaho <https://www.reclaimidaho.org/medicaid>.
27. Idaho Secretary of State, "Scanned campaign finance reports," Idaho Secretary of State (2018), https://sos.idaho.gov/elect/finance/2018/this_year_measure_and_miscellaneous_committees.html. See for example, Idahoans for Healthcare Pre-General scanned report <https://sos.idaho.gov/elect/finance/2018/Pre-General/10145.pdf>.
28. Fairness Project, "Our campaigns, Our ballot measure campaigns," Fairness Project (2022), <https://thefairnessproject.org/ballot-measure-campaigns/>.
29. Idaho Secretary of State, "November 6, 2018 General Election results – statewide totals," Idaho Secretary of State, (2018), https://sos.idaho.gov/elect/results/2018/General/statewide_totals.html.
30. U.S. Census Bureau, "QuickFacts Idaho," U.S. Department of Commerce (2019), <https://www.census.gov/quickfacts/ID>.
31. Author's calculations based on the number of ballots cast in favor of Proposition 2 and the number of registered voters as reported by the Idaho Secretary of State for the November 6, 2018 General Election. See for example: https://sos.idaho.gov/elect/results/2018/General/statewide_totals.html.
32. Author's calculations based on the number of ballots cast in favor of Proposition 2 by county and the number of registered voters by county as reported by the Idaho Secretary of State for the November 6, 2018 General Election. See for example: https://sos.idaho.gov/elect/results/2018/General/statewide_totals.html.
33. Christopher Brown, "HHS revokes Medicaid work requirements in three more states," Bloomberg Law (2021), <https://news.bloomberglaw.com/health-law-and-business/hhs-revokes-medicaid-work-requirements-in-three-more-states?context=search>.
34. Trevor Carlsen, "Don't expect any state flexibility under Obama 2.0," RealClearHealth, (2021), https://www.realclearhealth.com/articles/2021/03/24/dont_expect_any_state_flexibility_under_obama_20_111179.html.
35. Jonathan Ingram and Nicholas Horton, "The ObamaCare straightjacket – Section 1332 waivers are a fool's errand, not an ObamaCare escape hatch," Foundation for Government Accountability (2015), <https://thefga.org/paper/the-obamacare-straightjacket-section-1332-waivers-are-a-fools-errand-not-an-obamacare-escape-hatch/>.
36. Public Law 116-127 (2020), <https://www.congress.gov/116/bills/hr6201/BILLS-116hr6201-enr.pdf>
37. Jonathan Ingram, Nicholas Horton, and Sam Adolphsen, "Extra COVID-19 Medicaid funds come at a high cost to states," Foundation for Government Accountability (2020), <https://thefga.org/paper/covid-19-medicaid-funds/>.
38. Xavier Becerra, "Renewal of determination that a public health emergency exists," U.S. Department of Health and Human Services (2021), <https://www.phe.gov/emergency/news/healthactions/phe/Pages/COVIDI-15Oct21.aspx>.
39. Author's calculations based on the value of the 6.2 percentage-point federal matching bump, the estimated proportion of new Medicaid enrollees who are no longer eligible for the program relative to total enrollment, the estimated eligibility group distributions of ineligible recipients, and the per member per month costs of these recipients.
40. Ibid.
41. Hayden Dublois and Jonathan Ingram, "The Medicaid crisis is here: How congressional handcuffs are causing Medicaid to implode," Foundation for Government Accountability (2022), <https://thefga.org/paper/congressional-handcuffs-causing-medicaid-to-implode/>.



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

TheFGA.org | [@TheFGA](https://twitter.com/TheFGA) | [TheFGA](https://www.instagram.com/TheFGA) | [TheFGA](https://www.facebook.com/TheFGA)