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# Shattered Projections and Broken Promises: How Able-Bodied Adults and Ineligible Enrollees Are Fueling Idaho's Medicaid Enrollment Surge

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# KEY FINDINGS



NATIONWIDE, **MEDICAID ENROLLMENT IS AT AN ALL-TIME HIGH**—AND IS EXPECTED TO KEEP CLIMBING.



IDAHO'S MEDICAID EXPANSION CREATED AN ENROLLMENT SURGE, BUT **CONGRESSIONAL HANDCUFFS** HAVE MADE THE SITUATION EVEN WORSE.



THE NUMBER OF **INELIGIBLE ENROLLEES** ON MEDICAID IN IDAHO COULD BE **HUNDREDS OF THOUSANDS HIGHER** THAN ORIGINALLY REPORTED.



INELIGIBLE ENROLLEES MAY BE **COSTING TAXPAYERS MILLIONS** PER MONTH.

## THE BOTTOM LINE:

IDAHO LAWMAKERS MUST UNLOCK THE CONGRESSIONAL HANDCUFFS TO REGAIN CONTROL OF THEIR MEDICAID PROGRAM.

## Overview

The Medicaid program is reeling, and states are feeling the consequences. A program designed to be limited—and to serve as a safety net for the truly needy—has ballooned in size over the years.<sup>1</sup> Currently, enrollment sits at a record-high 97 million—and could reach as high as 100 million in January 2023.<sup>2</sup> Able-bodied adults and ineligible enrollees are driving the surge, as the Medicaid program further abandons the truly needy it was meant to serve.<sup>3</sup>

While the issues in the Medicaid program have existed for years, the problems were exacerbated by the pandemic.<sup>4-5</sup> Congressional action handcuffed states, preventing them from removing anyone—including ineligible enrollees—from Medicaid.<sup>6</sup> And the Biden administration's refusal to let the public health emergency expire has only made the situation worse for states.<sup>7</sup>

While states across the country are dealing with Medicaid woes, the problems in Idaho are growing too large to ignore.



**ABLE-BODIED ADULTS AND INELIGIBLE ENROLLEES ARE DRIVING THE SURGE, AS THE MEDICAID PROGRAM FURTHER ABANDONS THE TRULY NEEDY IT WAS MEANT TO SERVE.**

## Idaho's Medicaid Expansion Is Already Outpacing Projections

In ObamaCare expansion states, shattered projections and busted budgets are the status quo.<sup>8</sup> Estimates made before expansion projected that total enrollment for expansion states would be 6.5 million nationwide.<sup>9</sup> **But today, actual expansion enrollment is nearly 17 million—almost triple the original estimates.<sup>10</sup> And per-person costs have also soared 64 percent above projections.<sup>11</sup>**

Unfortunately, Idaho's expansion experiment has not fared any differently. Despite rejecting expansion for years, activists circumvented the Idaho Legislature with a ballot initiative.<sup>12</sup> With less than 40 percent of registered voters casting a ballot, ObamaCare expansion passed in Idaho—with expansion only receiving a majority in two of Idaho's 44 counties.<sup>13</sup>



**DESPITE REJECTING EXPANSION FOR YEARS, ACTIVISTS CIRCUMVENTED THE IDAHO LEGISLATURE WITH A BALLOT INITIATIVE.**

Idaho lawmakers were wary of the consequences of expansion—and for good reason.<sup>14</sup> In 2018, voters were assured that if the state expanded Medicaid, only 62,000 able-bodied adults would enroll.<sup>15</sup> But actual enrollment has already soared 96 percent higher than projections.<sup>16</sup> With 121,219 able-bodied adults enrolled in Medicaid as of March 2022, Idaho’s expansion enrollment is nearly double the original estimates.<sup>17</sup> Enrollments shows no signs of slowing down and is expected to only keep growing.<sup>18</sup>



As Medicaid enrollment has grown in Idaho, so has dependency. **Today, nearly one in every four Idahoans are enrolled in Medicaid.**<sup>19-20</sup>

Newly eligible able-bodied adults are a driving force of Idaho’s enrollment surge, but not the only one.<sup>21</sup> Ineligible enrollees—trapped in Medicaid because of the congressional handcuffs—are also driving up enrollment.<sup>22</sup>

## **The Medicaid Handcuffs Are Driving Enrollment Even Higher**

During the height of the pandemic, Congress passed a series of bills supposedly aimed at helping states manage economic uncertainty.<sup>23</sup> One such bill was the Families First Coronavirus Response Act, which provided states with a temporary boost to their traditional Medicaid funding.<sup>24</sup> But the small funding boost came with massive strings attached, as states had to surrender control over portions of their Medicaid programs in exchange for the temporary assistance.<sup>25</sup> While the public health emergency persists, states are handcuffed from strengthening eligibility standards or removing enrollees—even those they know are ineligible.<sup>26</sup>

Predictably, the Medicaid handcuffs have created an enrollment explosion, with ineligible enrollees leading the charge.<sup>27</sup> Currently, there are at least 21 million ineligible enrollees nationwide—accounting for more than 20 percent of total program enrollment.<sup>28-29</sup> Not only are the handcuffs creating an enrollment surge, but they are also draining limited taxpayer resources. **Every month, taxpayers are on the hook for \$16 billion just to cover the costs of these ineligible enrollees—much more than the increased funding provides.**<sup>30</sup>



In Idaho, there were at least 83,000 ineligible enrollees reported in January 2021.<sup>31</sup> These enrollees do not meet traditional eligibility standards, but state officials are unable to remove them from the program because of the congressional handcuffs. If the trend continues, there could be hundreds of thousands of additional ineligible Medicaid enrollees.<sup>32</sup> These ineligible enrollees would come with a monthly price tag of tens of millions of dollars—a figure that will only continue to grow as the public health emergency is prolonged.<sup>33</sup>

## **THE BOTTOM LINE: Idaho Lawmakers Must Unlock the Congressional Handcuffs to Regain Control of Their Medicaid Program.**

Idaho's Medicaid program began running off the rails with the passage of ObamaCare expansion, and the congressional handcuffs have made a bad situation even worse. Enrollment has skyrocketed, costs are mounting, and program integrity has been decimated. Without a change, things can only continue to go downhill.

Fortunately, there is a simple solution. Idaho lawmakers should opt out of the handcuffs by rejecting the additional federal funding. This would allow state officials to regain control of their Medicaid program and begin the process of removing ineligible enrollees. The Medicaid program was designed with the truly needy in mind, but while the handcuffs remain in place, the truly needy are shoved to the back of the line.

If Idaho wants to regain control of its Medicaid program, and reprioritize those it was intended to serve, the first step is to remove the Medicaid handcuffs.



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