

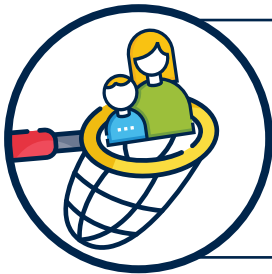
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Busted Budgets and Skyrocketing Enrollment: Why States Should Reject the False Promises of Medicaid Expansion

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KEY FINDINGS



THE MEDICAID PROGRAM WAS INTENDED TO BE A **SAFETY NET FOR TRULY NEEDY AMERICANS.**



TOTAL MEDICAID ENROLLMENT NOW SITS AT AN ALL-TIME HIGH, **SURPASSING 100 MILLION ENROLLEES.**



NON-EXPANSION STATES COULD SEE AN **ENROLLMENT SPIKE BY NEARLY 13 MILLION** IF THEY EXPANDED MEDICAID.



IF NON-EXPANSION STATES EXPANDED MEDICAID, **TAXPAYERS COULD BE ON THE HOOK FOR NEARLY \$800 BILLION.**

THE BOTTOM LINE:

LAWMAKERS IN NON-EXPANSION STATES MUST STAND FIRM AGAINST THE BROKEN PROMISES OF MEDICAID EXPANSION.

Overview

The Medicaid program is reeling. The program was designed to provide a safety net for truly needy Americans, such as seniors, individuals with disabilities, and low-income children.¹ But the Medicaid program has strayed from its original purpose, loosening eligibility standards throughout the years.² ObamaCare expansion opened the door to covering able-bodied adults on Medicaid.³

Enrollment has exploded in states that have expanded Medicaid, despite promises from expansion advocates.⁴ Making matters worse, the skyrocketing enrollment of able-bodied adults has come at the expense of the truly needy—those the program was designed to serve.⁵



ENROLLMENT HAS EXPLODED IN STATES THAT HAVE EXPANDED MEDICAID, DESPITE PROMISES FROM EXPANSION ADVOCATES.

As a result, total Medicaid enrollment now sits at an all-time high, surpassing 100 million enrollees in early 2023.⁶ **A program designed to protect those in true need now covers nearly one in three Americans.**⁷

The experience of expansion states throughout the country should serve as a stark warning to non-expansion states. Lawmakers should heed these warnings and reject the broken promises of Medicaid expansion.

Medicaid enrollment is at an all-time high

Enrollment continues to soar as more states expand Medicaid through ObamaCare.⁸ Today, total Medicaid enrollment is at an all-time high of 100 million with no signs of slowing down, as enrollment is now 35 percent higher than just three years ago—an increase of more than 26 million.⁹⁻¹⁰

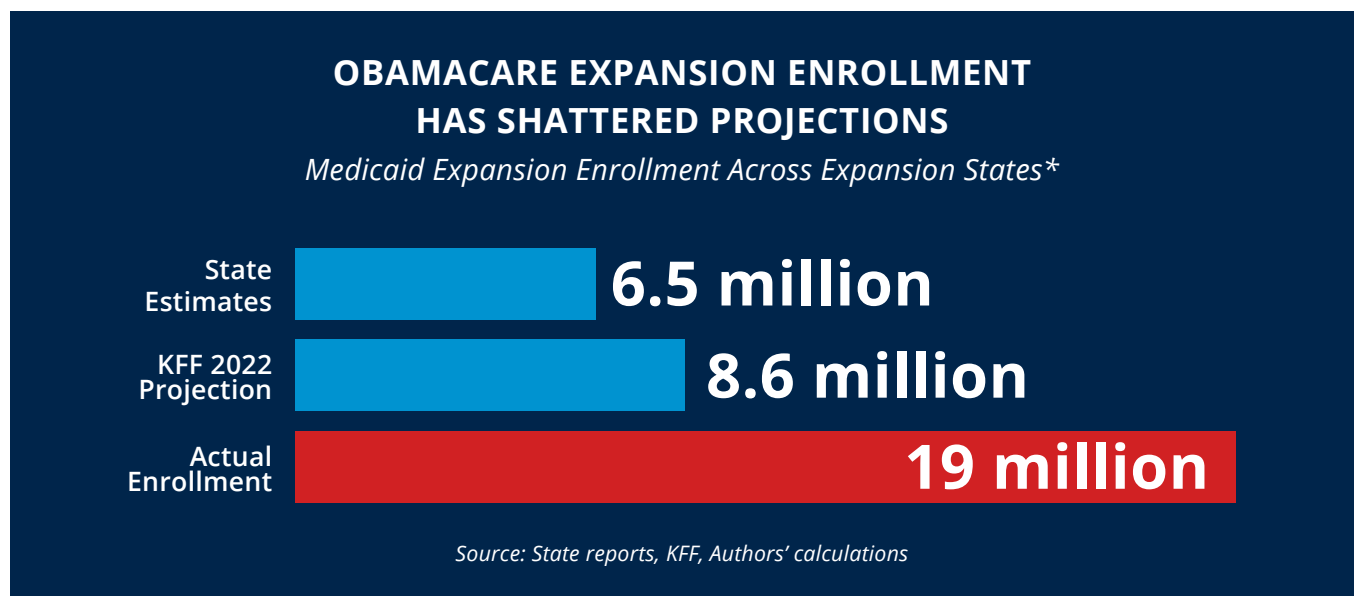
MEDICAID ENROLLMENT IS THROUGH THE ROOF

YEAR	TOTAL ENROLLMENT
2000	35 million
2005	46 million
2010	56 million
2015	70 million
2020	75 million
2022	97 million
2023	100 million

Sources: Medicaid and CHIP Payment and Access Commission & State enrollment reports

A primary driver of this enrollment explosion is the expansion of Medicaid through ObamaCare, which expands benefits to a new class of able-bodied adults.¹¹ Expansion advocates have long claimed that enrollment would be controlled, but using bad data and worse assumptions have led to misleading and incorrect estimates.¹²

Indeed, initial projections in expansion states estimated that only 6.5 million able-bodied adults would ever be enrolled after implementing Medicaid expansion.¹³ The Kaiser Family Foundation (KFF) offered only a slightly higher estimate of 8.6 million able-bodied adults in expansion states.¹⁴ But expansion advocates' estimates have drastically underestimated actual enrollment, which is nearly 19 million—186 percent higher than state estimates and 113 percent higher than KFF's projections.¹⁵⁻¹⁶



While the situation is dire, things can only get worse if the remaining non-expansion states choose to expand Medicaid.

Non-expansion states could see enrollment spike by millions of able-bodied adults

While expansion states nationwide are dealing with Medicaid mayhem, the remaining states are continuing to stand strong against ObamaCare expansion.

According to KFF estimates, the remaining non-expansion states could expect to enroll at least six million able-bodied adults if they opt into expanding Medicaid.¹⁷ But the stark reality for these states is that these projections are wildly inaccurate.

Based on the real-world experiences of expansion states, non-expansion states can expect actual enrollment of able-bodied adults to be much higher. **In fact, non-expansion states could face enrollment of nearly 13 million able-bodied adults if they expand Medicaid.**¹⁸

ENROLLMENT OF ABLE-BODIED ADULTS WOULD SKYROCKET

STATE	ORIGINAL PROJECTED ENROLLMENT (KFF)	ORIGINAL PROJECTED ENROLLMENT (URBAN)	EXPECTED ENROLLMENT BASED ON OTHER STATES' EXPERIENCES
Alabama	313,000	321,000	665,000
Florida	1,276,000	1,296,000	2,712,000
Georgia	698,000	684,000	1,483,000
Kansas	169,000	141,000	359,000
Mississippi	231,000	230,000	491,000
North Carolina	568,000	587,000	1,207,000
South Carolina	312,000	297,000	663,000
Tennessee	363,000	361,000	771,000
Texas	1,805,000	1,748,000	3,836,000
Wisconsin	211,000	182,000	448,000
Wyoming	27,000	24,000	57,300
TOTAL	5,973,000	5,871,000	12,692,300

Sources: Kaiser Family Foundation, Urban Institute, & Author's Calculations

By expanding Medicaid, these states would face the same predicament as others around the country—surging enrollment. Unfortunately, it does not stop there. These enrollment overruns have led to skyrocketing costs, leaving taxpayers with the bill.¹⁹

Medicaid expansion costs are soaring—and can only get worse

The same expansion advocates that produced inaccurate enrollment projections also provided cost estimates far below the actual expansion costs.

In 2012, prior to the implementation of Medicaid expansion under ObamaCare, the Department of Health and Human Services (HHS) predicted that expansion would cost \$3,200 per person from the outset, growing to nearly \$4,000 per person by 2018.²⁰

Unsurprisingly, taxpayers have been on the hook for far more than what these initial projections predicted. Medicaid expansion came with a price tag of more than \$5,000 per person in 2014.²¹ By 2018, annual expansion costs had catapulted to nearly \$6,100 per person.²² During expansion's first five years, taxpayers spent roughly 64 percent more per person than initial HHS predictions.²³ And since 2018, these costs have only continued to grow.²⁴

Expansion advocates have been producing inaccurate enrollment and cost estimates from the beginning, so it comes as no surprise that Medicaid expansion has cost more than double what was promised.²⁵ And based on the error rate of expansion advocates and the actual experiences of expansion states, non-expansion states could face nearly \$800 billion in costs over the next decade alone if they were to expand Medicaid.²⁶

EXPANSION COSTS WOULD SHATTER PROJECTIONS

Total 10-year federal and state expansion cost in billions

STATE	ORIGINAL PROJECTED COST (KFF)	EXPECTED COST BASED ON OTHER STATES' EXPERIENCES
Alabama	\$18.0	\$38.3
Florida	\$83.2	\$176.8
Georgia	\$42.2	\$89.7
Kansas	\$6.7	\$14.2
Mississippi	\$18.1	\$38.5
North Carolina	\$49.7	\$105.6
South Carolina	\$19.8	\$42.1
Tennessee	\$28.3	\$60.1
Texas	\$83.0	\$176.4
Wisconsin	\$14.0	\$29.8
Wyoming	\$1.7	\$3.6
TOTAL	\$364.7	\$775.1

Sources: Kaiser Family Foundation & Author's calculations

THE BOTTOM LINE: Lawmakers in non-expansion states must stand firm against the broken promises of Medicaid expansion.

While the debate over Medicaid expansion rages in the remaining non-expansion states, lawmakers need not look any further than the real-life experiences of their counterparts for answers: shattered enrollment projections, massive cost overruns, and the prioritization of able-bodied adults over the truly needy.

Non-expansion states must stand firm against the broken promises of Medicaid expansion to protect the state budget, taxpayers, and the truly needy.

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