



How Millions of **AMERICANS** **WILL BE KICKED OFF** **PRIVATE INSURANCE** if the Remaining States Expand Medicaid

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KEY FINDINGS



THE MEDICAID PROGRAM IS REELING AS OBAMACARE EXPANSION CONTINUES TO FUEL MASSIVE ENROLLMENT OVERRUNS.



MORE THAN 3.6 MILLION AMERICANS WOULD BE FORCED OUT OF PRIVATE COVERAGE AND ONTO WELFARE IF THE REMAINING NON-EXPANSION STATES EXPAND MEDICAID.



STATES THAT HAVE EXPANDED MEDICAID EXPERIENCED A SEISMIC SHIFT FROM PRIVATE COVERAGE TO MEDICAID.



MEDICAID EXPANSION CONTINUES TO SIPHON RESOURCES AWAY FROM THE TRULY NEEDY TO PROVIDE WELFARE FOR ABLE-BODIED ADULTS ALREADY ON PRIVATE INSURANCE.

THE BOTTOM LINE:

MILLIONS OF AMERICANS WILL BE KICKED OFF PRIVATE INSURANCE AND FORCED ONTO MEDICAID IF THE REMAINING STATES EXPAND OBAMACARE.

Background

The Medicaid program was designed to provide a safety net for truly needy Americans—such as seniors, pregnant women, individuals with disabilities, and low-income children.¹ But the Affordable Care Act—more commonly known as ObamaCare—gave states the option to expand Medicaid to an entirely new class of able-bodied adults.²

Unsurprisingly, states that have expanded Medicaid have experienced massive cost overruns driven by skyrocketing enrollment.³ Indeed, states have shattered projections. As of April 2023, there were nearly three times as many able-bodied adults currently enrolled on Medicaid than state officials ever thought possible.⁴



THE MEDICAID PROGRAM WAS DESIGNED TO PROVIDE A SAFETY NET FOR TRULY NEEDY AMERICANS—SUCH AS SENIORS, PREGNANT WOMEN, INDIVIDUALS WITH DISABILITIES, AND LOW-INCOME CHILDREN.

Much of the increased enrollment has been driven by individuals who already have private insurance or otherwise qualify for it.⁵ **Worse yet, if the remaining states were to expand Medicaid under ObamaCare, more than 3.6 million able-bodied adults would be kicked off private insurance and forced onto Medicaid.**

Medicaid expansion has led to skyrocketing enrollment and exploding costs

Despite Medicaid being designed to help the truly needy, able-bodied adults on the program pushed enrollment to a record high in early 2023. Nationwide enrollment surpassed 100 million in April—an increase of more than 26 million compared to pre-pandemic enrollment levels just three years prior.⁶

This enrollment explosion is due in large part to Medicaid expansion—as millions of new able-bodied adults are now eligible.⁷ While expansion advocates have long claimed that enrollment would be controlled and predictable, the reality has been the exact opposite.



NATIONWIDE ENROLLMENT SURPASSED 100 MILLION IN APRIL—AN INCREASE OF MORE THAN 26 MILLION COMPARED TO PRE-PANDEMIC ENROLLMENT LEVELS.

Initial projections made by expansion states claimed that fewer than seven million able-bodied adults would ever be enrolled in the program.⁸ Other estimates—such as those of the Kaiser Family Foundation (KFF)—claimed that around nine million able-bodied adults could be expected to enroll.⁹

These predictions were inaccurate at best and misleading at worst, as actual enrollment has shattered projections. As of April 2023, there were at least 19 million able-bodied adults enrolled through expansion.¹⁰ This is three times higher than state estimates and more than two times higher than the estimates made by KFF.¹¹

Proponents of expansion often claim that by expanding Medicaid, states are extending a helping hand to able-bodied adults who lack coverage. But a large portion of the enrollment overruns have been driven by individuals who were forced out of private insurance and onto Medicaid.¹² And if the remaining non-expansion states expand Medicaid, millions more will face the same fate.

Medicaid expansion would force more than 3.6 million out of private coverage in the remaining non-expansion states

In states that have not yet expanded Medicaid, there are more than 3.6 million individuals with incomes between 100 percent and 138 percent of the federal poverty level (FPL) currently enrolled in private insurance plans through the ObamaCare exchange.¹³ These are individuals whose incomes would qualify them for Medicaid expansion, but instead qualify for federal premium subsidies since they reside in non-expansion states.¹⁴

However, these individuals would lose access to these federal premium subsidies if the remaining states choose to expand Medicaid.¹⁵ Federal law states that individuals are only eligible for premium subsidies if they are “not eligible for minimum essential coverage,” which includes programs such as Medicaid.¹⁶ In fact, the ObamaCare exchange is required to assess an applicant’s Medicaid eligibility and even submit Medicaid applications on their behalf if they qualify.¹⁷



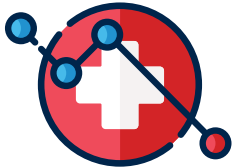
In states that have not yet expanded Medicaid, there are more than 3.6 million individuals with incomes between 100 percent and 138 percent of the federal poverty level (FPL) currently enrolled in private insurance plans through the ObamaCare exchange.



More than 3.6 million individuals with incomes that meet the Medicaid expansion eligibility thresholds are currently enrolled in exchange plans in non-expansion states.¹⁸ If states were to expand Medicaid, taxpayers would be forced to foot the bill as these able-bodied adults would be forced out of private coverage and onto welfare.

Expansion states have experienced massive shifts from private coverage to Medicaid

In states that have expanded Medicaid, the number of individuals purchasing private insurance on the ObamaCare exchange has plummeted when compared to non-expansion states.¹⁹



THE NUMBER OF INDIVIDUALS PURCHASING PRIVATE INSURANCE ON THE OBAMACARE EXCHANGE HAS PLUMMETED WHEN COMPARED TO NON-EXPANSION STATES.

For example, Louisiana expanded Medicaid in July 2016. Earlier that same year, prior to expansion taking effect, there were nearly 100,000 individuals with incomes between 100 percent and 150 percent FPL enrolled in the exchange.²⁰ **But by 2019, exchange enrollment among the same group fell by more than 80 percent, as fewer than 20,000 Louisianans remained enrolled in the exchange.**²¹

When Montana expanded Medicaid in January 2016, the state experienced similar results. In 2015, the year before expansion took effect, nearly 18,000 individuals with incomes between 100 percent and 150 percent FPL were enrolled in private coverage through the exchange.²² **However, less than four years later, enrollment among these individuals dropped by more than 72 percent.**²³

Unfortunately, thousands of able-bodied adults were shifted from the exchange and onto Medicaid in both states once the federal premium subsidies were no longer available.²⁴ Even worse, thousands more who purchased private insurance individually or those insured through employer-sponsored plans also became eligible for expansion.²⁵

This crowd-out effect has contributed to these states' massive enrollment overruns. Louisiana projected that only 302,000 able-bodied adults would sign up for expansion.²⁶ **However, there are currently more than 735,000 expansion enrollees in the state—outpacing projections by 143 percent or more than double.**²⁷ Similarly, Montana estimated that fewer than 59,000 able-bodied adults would ever enroll into their expansion program.²⁸ **But today, actual expansion enrollment has surpassed 125,000—more than double the projections and nearly 40 percent of total Medicaid enrollment in the state.**²⁹

Medicaid expansion siphons resources from the truly needy

While the Medicaid program was designed for the truly needy—seniors, individuals with disabilities, pregnant women, and low-income children—the program has strayed from its original purpose. Rather than prioritizing the truly needy, proponents of expansion advocate for maximizing able-bodied adult enrollment instead.

If the remaining non-expansion states were to expand, millions of able-bodied adults on private insurance would be forced onto Medicaid, shoving the truly needy to the back of the line. The most recent data suggests that there are more than 655,000 Americans languishing on Medicaid waiting lists nationwide—most of whom suffer from intellectual or developmental disabilities.³⁰ By expanding Medicaid, states are prioritizing welfare for able-bodied adults with private insurance over the truly needy.

THE BOTTOM LINE: Millions of Americans will be kicked off private insurance and forced onto Medicaid if the remaining states expand ObamaCare.

The Medicaid program was created to lend a helping hand to truly needy Americans, but since the creation of ObamaCare, the program has strayed from its original purpose. Today, the Medicaid program prioritizes able-bodied adults made eligible through expansion to the detriment of the truly needy.

Meanwhile, more than 3.6 million able-bodied adults who would qualify for expansion already have private coverage or qualify for federal premium subsidies on the exchange.³¹ If the remaining non-expansion states were to expand Medicaid, these able-bodied adults would lose their private coverage and be forced onto welfare—leaving taxpayers to foot the bill and the truly needy to suffer while continuing to wait for care.



If the remaining non-expansion states were to expand Medicaid, these able-bodied adults would lose their private coverage and be forced onto welfare.



APPENDIX: MORE THAN 3.6 MILLION EXCHANGE ENROLLEES IN NON-EXPANSION STATES HAVE INCOME BELOW MEDICAID EXPANSION ELIGIBILITY THRESHOLDS

Estimated number of exchange enrollees in non-expansion states with incomes below 138 percent FPL, by state

STATE	NUMBER OF ENROLLEES
Alabama	96,448
Florida	1,581,379
Georgia	407,963
Kansas	36,433
Mississippi	101,882
South Carolina	133,787
Tennessee	124,792
Texas	1,133,629
Wisconsin	27,706
Wyoming	5,181
TOTAL	3,649,200

Source: Author's Calculations & U.S. Department of Health and Human Services

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