



Written by [Michael Tennant](#) on June 5, 2014

Medicaid Expansion: Another ObamaCare Debacle

One of the primary ways in which ObamaCare was supposed to insure the previously uninsured was by expanding Medicaid eligibility to households earning up to 138 percent of the federal poverty level. There is no question that more people have attempted to enroll in Medicaid, a joint federal-state program, as a direct result of this expansion. The Department of Health and Human Services [reports](#) that as of the end of April, six million more individuals had enrolled in the program, with “growth ... more pronounced in states that adopted the Medicaid expansion.”



There’s just one problem: As with enrollment in exchange coverage, enrollment in Medicaid has been beset with technological trip-ups and bureaucratic bungles — issues magnified by the large number of attempted enrollees. In fact, things are so bad that, according to a [CO Roll Call survey](#) of states, “at least 2.9 million Americans who signed up for Medicaid coverage as part of the health care overhaul have not had their applications processed, with some paperwork sitting in queues since last fall.”

This, of course, leaves many of those poor and near-poor people who thought they were going to get free (i.e., taxpayer-subsidized) healthcare come 2014 in limbo. They believe they are eligible for Medicaid — the exchange website may even have told them so — but cannot be sure their state Medicaid offices will agree. Thus, they may be reluctant to seek medical attention or refill prescriptions, uncertain as to whether or not the government will eventually pick up the tab. (Medicaid coverage is retroactive to 90 days before an individual applied for it.) In addition, healthcare providers, already wary of treating Medicaid patients because of the program’s low reimbursement rates, are even more averse to accepting patients who might be eligible for the program but haven’t yet been officially enrolled.

The states with the most delayed Medicaid applications are California, with over 900,000 late applications; Illinois, with 330,000; and North Carolina, with at least 285,884. The sheer volume of applications has been part of the problem, but technical difficulties account for most of the trouble.

Although most of Healthcare.gov’s issues with private insurance enrollment have been resolved, “at least 1.4 million people faced delays because the website was unable for months to transmit the [Medicaid] information to states,” *Roll Call* reported. “Once it did, states complained they weren’t receiving all of the applications and that data was incomplete or riddled with errors.”

“Right out of the gate, we knew the transfer wasn’t ready and wasn’t happening,” Matt Salo, executive director of the National Association of Medicaid Directors, told [National Journal](#) in April. “Everyone was hopeful it would get fixed quickly; it turns out some of the problems with HealthCare.gov connecting to Medicaid were bigger than anticipated.”

According to *Roll Call*, four states — Alaska, Kansas, Maine, and Michigan — are still unable to receive



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applications from the federal website, and others are only now receiving applications submitted last year.

Even in states where applications are being received, many are being rejected by state Medicaid offices. Indiana has approved just five percent of applications forwarded by Healthcare.gov, while Texas and North Carolina have approved 17 percent and 19 percent, respectively. As a result, noted *National Journal*, “some applicants ... have been trapped in a circular purgatory. Consumers are incorrectly deemed eligible for Medicaid by the exchanges, then rejected by the Medicaid offices. Their applications then need to be sent back over to the marketplaces, but they don’t always make it there.”

Centers for Medicare and Medicaid Services (CMS) spokesman Aaron Albright told *Roll Call* that the agency has tried to help states by creating alternate Medicaid enrollment methods and is even now providing enrollment data to some states.

“CMS is actively transferring accounts to all states that are ready to receive them,” Albright said. “In the meantime, every state not receiving transfers can be enrolling people through alternative options CMS has made available.”

One of those alternative options was for “applicants to re-apply directly through the states, where workers often sorted the information by hand,” wrote *Roll Call*. “That created duplicate applications for as many as half of prospective Medicaid enrollees in Idaho and Louisiana.”

States that created their own websites rather than relying on Healthcare.gov aren’t exactly models of efficiency when it comes to processing Medicaid applications, either. “The new California computer system has technical glitches, including difficulty sending information to counties that help process applications,” penned *Roll Call*. “Because California had a massive campaign urging people to enroll, workers were swamped.” Illinois, too, has experienced its share of technical difficulties.

Work on the various websites’ Medicaid enrollment processes continues, though without the sense of urgency that drove fixes to private insurance enrollment processes. Medicaid, after all, has no set enrollment period, and coverage is retroactive. Patients and providers, who have no means of firing or even influencing the bureaucrats in charge of the whole system, will simply have to wait and hope that the government comes through with the cash.

All this suggests that proceeding with the Medicaid expansion, as with the rest of ObamaCare, was particularly unwise. And though the enrollment issues, one assumes, will eventually get sorted out, an even bigger problem remains. Medicaid is already the third-largest federal program, with a total cost at the state and federal level of \$431 billion in fiscal year 2012, according to the [Kaiser Family Foundation](#). Adding millions more beneficiaries to the program is only going to make matters worse; the Congressional Budget Office projects that federal spending on Medicaid will reach [\\$554 billion](#) in 2023, with states on the hook for hundreds of billions more.

Medicaid is an unconstitutional, socialist program; and like all other government programs, it is costly, sluggish, and frustrating, as the current enrollment troubles demonstrate. It needs to be repealed, not expanded. At the very least, states should opt out of the program altogether and either find ways to fund healthcare for the poor themselves or — better yet — leave it to charities.



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