



Written by [Michael Tennant](#) on June 23, 2011

ObamaCare Makes Medicaid a Middle-class Entitlement

Furthermore, many of the newly eligible will be members of the middle class, not the sort of people the program was originally intended to benefit. With Washington picking up nearly 60 percent of the tab for those new enrollees, it is virtually certain that federal spending and concomitant deficits will rise. (It won't do state budgets any good, either, since they'll have to absorb the remainder of the cost.)



How will so many middle-class Americans end up on Medicaid rolls? Simply put, Social Security benefits will not be counted as income for determining an individual's eligibility for Medicaid. This means that someone who retires at age 62 and therefore would not be eligible for Medicare for another three years will now be able to enroll in Medicaid as long as his income, not including Social Security benefits, does not exceed the limit for Medicaid eligibility. Thus, explains the AP, "a married couple could have an annual income of about \$64,000 and still get Medicaid, said officials who make long-range cost estimates for the Health and Human Services Department." The AP likens this to "allowing middle-class people to qualify for food stamps."

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This "anomaly," as the AP describes it, supposedly went unnoticed by "government number crunchers" prior to ObamaCare's passage. Medicare's chief actuary, Richard Foster, who has [repeatedly warned](#) of the budget-busting nature of ObamaCare, "says the situation keeps him up at night," reports the AP. "This is a situation that got no attention at all," Foster said. "And even now, as I raise the issue with various policymakers, people are not rushing to say ... we need to do something about this."

Meanwhile, "White House officials and senior Democratic lawmakers," the AP writes, said the change to Medicaid eligibility rules "was not a loophole but the result of a well-meaning effort to simplify the rules for deciding who would get help under the new health care law. Instead of a hodgepodge, there would be one national policy."

Was the change an accident or, as the [Daily Caller](#) put it, "part of a concerted effort to get millions of middle-class Americans on the government Medicaid dole"?

"This is buying votes 101," declared [Rush Limbaugh](#). "Interesting how this news happens to hit [at] the



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outset of an election season where a Democrat incumbent is in trouble. And all of a sudden now we find out — shazam! — three million middle-class people are gonna get free healthcare.... Wow. What a shocker.”

On the other hand, [Carol Platt Liebau](#), blogging at TownHall.com, suggested it was merely “the logical result of passing a bill to see what’s in it,” i.e., rushing it through Congress too quickly to think through all the implications. “I don’t deny that many in the Dem[ocratic] Party would welcome such a result,” she added, “but given their performance on the economy and so much else, one has seriously to doubt that they have the competence to pull it off, except as a happy accident.”

The Congressional Budget Office told the House Budget Committee that, contrary to reports that government bean counters overlooked the Medicaid change in their estimates of ObamaCare’s cost, CBO did indeed take “that new income definition into account in its estimate of Medicaid enrollment and costs.” That being the case, the Daily Caller asks: “Where did they get the information on how to make their analysis, and did it come from the people who wrote the law?” If it did come from the law’s authors, then there is no doubt that they intended precisely this result.

What happens now that the “anomaly,” “happy accident,” or “concerted effort” (depending on one’s viewpoint) has been exposed?

“Assuming that Obamacare’s authors didn’t mean to include this middle-class Medicaid provision, one can imagine Republicans and Democrats agreeing to repeal this part of the law,” the Cato Institute’s Michael Cannon told the Daily Caller. “But I expect House Republicans would use this embarrassing episode as leverage to repeal even more of the law. If so, the president and his party will be on the defensive as they try to explain why they want to increase the national debt with middle-class Medicaid.”

If, however, it was intentional, Democrats are certain to dig in their heels in defense of the provision. Republicans, meanwhile, risk the ire of voters in their early sixties, who may very well view attempts at repeal as an attack upon themselves. No one, after all, wants to give up freebies.



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