



ObamaCare's Medicaid Enrollment Vastly Exceeding Expectations

“Medicaid enrollment under Obamacare is skyrocketing past expectations,” reported [Politico](#), and that means big trouble for federal and state budgets and hospital emergency rooms.

Although most of the reporting on the Affordable Care Act (ACA) has centered on the exchanges where people can buy private, albeit often heavily subsidized, health insurance, the truth is that [almost all the growth](#) in the insured population under the ACA is the result of the law's expansion of Medicaid to cover individuals earning up to 138 percent of the federal poverty level. Over 12 million people have enrolled in Medicaid under the ACA, with enrollment “hundreds of thousands beyond initial projections,” wrote Politico, adding that the overruns in seven states with “particularly big surges” come to “nearly 1.4 million” people in toto.

Politico cited several examples:

In Illinois, nearly 541,000 people had signed up as of December, far beyond the 199,000 adults the state had estimated would enroll in 2014. The numbers increased to nearly 634,000 as of April.

In Washington, 535,000 people had signed up as of March — already beating the state's January 2018 goal. Officials' projection for March had been just 190,365 newly eligible enrollees.

In Michigan, where the first-year enrollment projection was 323,000 people, sign-ups hit 605,000 before falling back to 582,000 earlier this month. Kentucky signed up nearly 311,000 new adults by the end of its 2014 fiscal year, more than double its initial projection of 148,000. And in February 2014, Minnesota forecast that 147,000 newly eligible adults would enroll by December, but actual enrollment that month was at nearly 194,000.

The situation would be even bleaker had the Supreme Court not declared the expansion optional for states in 2012, leading 21 states to pass on it. The Obama administration, bound and determined to get its way, is now trying to “blackmail” states into signing onto the expansion by threatening to [withhold other Medicaid funding](#) from states that haven't expanded Medicaid, according to Jonathan Ingram and Josh Archambault of the Foundation for Government Accountability.

Although some state opposition can be chalked up to partisanship — most of the recalcitrant states have Republican governors — there are also sound fiscal reasons for states to opt out of the expansion. The federal government is paying 100 percent of the cost of the expansion through next year; after that, it

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Written by [Michael Tennant](#) on May 20, 2015

will gradually reduce its share to 90 percent, leaving states stuck with the rest of the tab. The more Medicaid enrollees there are, the more revenue states will have to come up with.

“The expansion of Obamacare will cost our state taxpayers \$5 billion [over 10 years],” Florida Governor Rick Scott, a Republican who at one point supported Medicaid expansion, told *Politico*. “Name the health care program — I think the only one is Medicare Part D — that cost less than what they initially anticipated.... Historically, if you look at the numbers, with the growth in Medicare costs, Medicaid costs, it’s always multiples.”

As Republican George LeMieux, a former U.S. senator from Florida, put it in a recent *Tampa Bay Times* [op-ed](#), “The offer of free money for the first few years is ‘poison candy’ — alluring at first, but detrimental in the end.”

To make matters worse, many people who were already eligible for Medicaid but had not enrolled have now done so because of the increased push for enrollment under ObamaCare — a problem even for those states that have balked at expanding the program, especially since the federal government covers only about half the cost for these beneficiaries. In California, 200,000 more previously eligible individuals signed up for Medicaid than were expected. Kentucky saw nearly 37,000 previously eligible enrollees, or 218 percent of forecast.

Of course, even if Uncle Sam were footing the entire bill for all Medicaid enrollees, that would merely shift the problem from state capitals to Washington.

“If you’re spending twice as much on this program than expected, that’s twice as much money that’s being added to the national debt,” the Foundation for Government Accountability’s Nicholas Horton told *Politico*. Regardless of which level of government is paying for it, he remarked, “You’re still going to spend more money overall. That’s still taxpayer money.”

There are, however, those who dismiss such concerns. “Supporters of Obamacare say the enrollment surge might lead to some budget bumps down the road, but that the historic decline in the uninsured is a major achievement,” penned *Politico*. “In addition, they say the expansion is providing significant health and economic benefits to states that more than offset costs.”

The millions of new Medicaid enrollees who can’t find doctors willing to see them — only half of family doctors accepted Medicaid patients in 2013, according to a survey by healthcare-staffing firm Merritt Hawkins — might beg to differ.

“It goes to the false promise of the ACA,” the Manhattan Institute’s Avik Roy told *USA Today*, that Medicaid recipients are “given a card that says they have health insurance, but they can’t have access to physicians.”

As a result, many of these new Medicaid beneficiaries are turning to emergency rooms for treatment of non-emergency conditions, the paper noted, citing a poll released earlier this month by the American College of Emergency Physicians (ACEP) finding that three-quarters of emergency physicians have seen increases in patient volume since the ACA took effect. Fifty-six percent of those polled said their Medicaid patient volume had grown.

“They don’t have anywhere to go but the emergency room,” ACEP president Mike Gerardi told *USA Today*. “This is what we predicted. We know people come because they have to.”

Indeed, it was perfectly predictable. A study published in the journal *Science* in January 2014 revealed that an expansion of Medicaid coverage in Oregon in 2009 led to [significantly increased ER use](#) by the



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newly covered individuals, mostly for less-than-urgent ailments.

All those extra ER visits come at a price. “A 2013 report from the Robert Wood Johnson Foundation says going to an ER when a primary care visit would suffice costs \$580 more for each visit,” wrote *USA Today*. The alleged savings from expanding Medicaid — and then some — will quickly be eaten up by such excessive outlays. And there are other costs: longer ER wait times and more hurried, lower-quality treatment, even for those with genuine emergencies and private insurance.

The states that chose to expand Medicaid are, therefore, looking at major spending hikes in the not-too-distant future, in terms of both sheer numbers of Medicaid beneficiaries and their likely overuse of ERs. In fact, Katherine Baicker, an economist at the Harvard School of Public Health and one of the principal authors of the *Science* study, told the *Wall Street Journal* that her research suggests that widening Medicaid coverage hikes healthcare costs 25 percent to 35 percent per covered person. Those costs, of course, come right out of taxpayers’ pockets.

Whatever their reasons for not expanding Medicaid, the states that took that route can pat themselves on the back, and taxpayers — even those in other states — can thank them for their prudent decision.



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