

Talking points in Opposition to Proposition Two, Medicaid Expansion in Idaho
By Fred Birnbaum, VP of the Idaho Freedom Foundation

- **The truly needy are already covered by Medicaid, low income children and pregnant women and the disabled – Medicaid should be for them, NOT able-bodied childless adults. According to the 1/08/16 Milliman Report, 69% of those in the “gap” are able-bodied, child-less adults.¹**
- **Those in the gap, defined for example as a single adult, as someone earning < 100% of the Federal Poverty Limit, or \$12,140 per year COULD get highly subsidized insurance on the exchange if they earn at least \$12,141 per year. That means anyone working full-time or working 25 hours per week at, say, \$9.50 per hour.²**
- **Low-wage and part time workers can purchase insurance with subsidies using the Advanced Premium Tax Credits.**

2018 Idaho APTC Example		
Age:	33 Year old person	
Income:	\$12,500	
Mountain Health Co-op Link Silver Option 2		
	Member Cost w/ subsidy	Actual Plan Cost w/o subsidy
Medical Plan	\$11	\$424
Deductible	\$0	\$5,200
Co-Insurance	Plan pays 90% of cost immediately	Plan pays 60% if cost after \$5,200 is met
Out of Pocket Max	\$1,250	\$7,350
Dr. Visits	\$10 Primary \$25 Specialist	\$30 Copay \$75 Specialist after deductible
Rx Benefits		
Generic	\$5 Copay	\$10 Copay
Preferred	20% of cost	30% after ded is met
Non-Preferred	25% of cost	40% after ded is met
Specialty	30% of cost	50% after ded is met

- **Medicaid spending has already increase enormously without expansion. In the last twelve years it has gone from \$1.2 billion in Fiscal Year 2007 to an appropriated \$2.45 billion for Fiscal Year 2019. Medicaid is already taking money away from other spending priorities like schools and roads, with expansion that will only be worse.³**

¹ Milliman Client Report, 1/08/16. 2015 Financial Impact of the Medicaid Expansion on the Idaho Medicaid Budget Including State and County Offsets, page 4.

² Federal Poverty Guidelines.

³ Legislative Fiscal Reports.

- **The growth rate (Compound Annual Growth Rate) for Medicaid spending was more than triple that of K-12 schools and roads.⁴**
- **It is false to assert that Medicaid expansion has saved money in other states – it has not.**
 - **Early data only reflects 100% federal match rate, that rate is now sliding to 90%**
 - **Recent data suggests otherwise. Of the states that have expanded Medicaid, on average, enrollment was more than double what was projected⁵**
 - **Cost overruns are over 150%, for states that have expanded Medicaid. For example, Oregon’s cost overrun for 2.5 years was nearly \$3 billion⁶**
 - **Final proof that Medicaid expansion has a cost: Both Utah and Montana have expansion initiatives on their ballots**
 - **Utah’s ballot initiative increases the sales tax from 4.7% to 4.85% to pay for Medicaid expansion – the tax increase is actually included in the ballot initiative language of the, “Utah Decides Healthcare Act of 2018”**
 - **Montana’s expansion extension will be paid for as follows: Taxes are increased by \$2 per pack of cigarettes for a total tax of \$3.70 per pack. Taxes on moist snuff increase to the greater of 83 percent of wholesale or \$3.70 per 1.2 ounces. The tax rate increases by 33 percent of the wholesale price for all other tobacco products including new taxes on e-cigarettes and vaping products.**
- **If a state chooses not to expand Medicaid to childless adults as specified under the Affordable Care Act/“Obamacare,” are the federal funds that would have otherwise been spent on that state’s Medicaid expansion funds somehow being sent to other states? No. If a state doesn’t implement the ACA Medicaid expansion, the federal funds that would have been used for that state’s expansion are not being sent to another state. There is not a set amount of federal funding for Medicaid. Each states gets the federal funding necessary for their Medicaid program. If a state has implemented the ACA Medicaid expansion, then the states receive federal Medicaid funding for their approved expenditures under the ACA Medicaid expansion. If a state hasn’t implemented the ACA Medicaid expansion, the state would not receive any federal Medicaid funding for the expansion. However, this doesn’t mean any additional federal Medicaid funding would be allocated to states that have implemented the expansion.⁷**

⁴ Legislative Fiscal Reports.

⁵ A Budget Crisis in Three Parts, How Obamacare is Bankrupting Taxpayers. Ingram and Horton, FGA, 2/1/18, p. 5

⁶ A Budget Crisis in Three Parts, How Obamacare is Bankrupting Taxpayers. Ingram and Horton, FGA, 2/1/18, p. 7

⁷ Congressional Research Service, Subject: Questions about the ACA Medicaid Expansion, Alison Mitchell, Analyst in Health Care Financing, January 30, 2015.

- It is false to call the Reclaim Idaho effort to put Medicaid on the ballot a “grass-roots effort.” More than \$500,000 came from a Washington DC based liberal activist group, “The Fairness Project,” to pay professional signature gatherers to put Medicaid on the ballot in Idaho. Without this money the ballot initiative would not have happened.
- Medicaid expansion is not going to bend the cost curve on medical expenses. If that were so, why would medical costs as a share of GDP be at an all-time after over 12 million adults have been added to Medicaid? Per federal government statistics health care was 17.9% of GDP in 2016 and is expected to grow to 19.7% by 2026.⁸

⁸ <https://www.cms.gov/research-statistics-data-and-systems/statistics-trends-and-reports/nationalhealthexpenddata/nhe-fact-sheet.html>