

Kansas Medicaid Expansion: Myths vs. Reality

Claim: Medicaid expansion is health insurance for those with low incomes.

Reality: Medicaid expansion is not “health insurance” for those with low incomes. It is a payment system that will give 100 percent free health care with no accountability and no skin in the game to 343,000 Kansas recipients.¹ It is **full-blown welfare for able-bodied adults** and would be the largest expansion of welfare in the history of the State of Kansas. It also would include individuals with incomes above the poverty level.

Claim: Medicaid expansion doesn't include other programs like nursing homes and care for the blind.

Reality: This claim is correct, and an important point. **Medicaid expansion does nothing at all to help the elderly, people with disabilities, children, or parents who have little to no income.** In fact, Medicaid expansion will add thousands of able-bodied adults to Medicaid, siphoning already limited resources away from those most vulnerable populations. In other states, Medicaid expansion has **crowded out scarce resources for individuals with severe disabilities** stuck on government waiting lists.² Tens of thousands of vulnerable individuals have died while waiting for care in Medicaid expansion states, even while those states expanded welfare to able-bodied adults under expansion.³ In Kansas, the thousands of individuals with intellectual and developmental disabilities on Medicaid waiting lists would sit and watch as able-bodied adults are pushed to the front of the line.⁴

Claim: “The state only picks up 10 percent of the cost.”

Reality: The 10 percent state share alone **would cost taxpayers approximately \$13 billion** over the next decade.⁵ In other expansion states—like Ohio—Medicaid now consumes roughly 40 percent of their state budget.⁶ And since Kansas taxpayers also pay federal taxes, they would inherently bear a portion of the federal costs that are not part of the state share.

Claim: “Medicaid expansion has produced a net savings for many states.”

Reality: This is patently false. In Idaho, for example, Medicaid expansion has seen untenable cost overruns.⁷ In fact, in every state with available data, Medicaid expansion has shattered cost expectations.⁸ This is in part because actual expansion enrollment is roughly 160 percent greater than projections.⁹ For example, in Arkansas, expansion enrollment was supposed to cap out at 215,000.¹⁰ **Today, it sits at nearly 343,000 enrollees.**¹¹

Claim: *By not expanding Medicaid, Kansas is leaving federal dollars on the table.*

Reality: There is no magic pot of federal money sitting idle or being left on the table. As the Congressional Research Service has noted, "**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.**"¹² Medicaid expansion simply means an expansion of federal debt. Plus, Kansas already receives more dollars than it sends to Washington, D.C.¹³

Claim: *There is no record of states raising taxes to pay for Medicaid expansion.*

Reality: This is simply wrong. For example, Montana implemented a \$15 million hospital tax to pay for Medicaid expansion.¹⁴ A total of 11 states have levied these types of taxes to pay for expansion.¹⁵ And in both Indiana and Louisiana, taxes were raised on tobacco products—hitting the lowest-income residents the hardest—to pay for expansion.¹⁶ **Medicaid expansion is almost always associated with higher taxes and/or fees, and to suggest otherwise is entirely false.**

Claim: *Medicaid expansion will have a net positive benefit on providers.*

Reality: This is not true. According to independent analyses, 40 percent of expansion states lost hospital jobs in the first year of the program; promised hospital jobs never materialized in states like Arkansas, Iowa, Kentucky, and more; non-expansion states have experienced greater hospital job growth; and **hospitals are still closing in expansion states** despite promises from expansion advocates.¹⁷⁻¹⁸

Claim: *Medicaid expansion will decrease bad debt for providers.*

Reality: This is incorrect. After expansion began, hospitals' Medicaid shortfalls grew by more than \$5 billion, including in states from California to West Virginia.¹⁹ This same study found that **Kansas could expect to see an additional \$12.5 million in hospital Medicaid shortfalls** if it expanded Medicaid, as cost shifts from moving individuals from private insurance to Medicaid would exceed any savings from uncompensated care reductions.²⁰

Claim: *Medicaid expansion will bring additional financial stability to Kansas hospitals that are at risk of closure.*

Reality: Medicaid expansion does not save hospitals. For example, in Montana, an independent study found **the Big Sky State was ranked worst in the nation for at-risk rural hospitals after expansion was implemented**—despite the claims of expansion advocates that it would save hospitals.²¹ Hospitals have continued to close in expansion states across the country.²²

Claim: *Medicaid expansion would improve health outcomes.*

Reality: A January 2023 found that **Medicaid expansion has no effect on major health outcomes.**²³ The gold-standard study of the impact of Medicaid expansion on health outcomes found expansion had no effect at all on major health indicators like blood pressure and cholesterol.²⁴ Other studies have found that individuals on Medicaid have higher risks of death and worse health outcomes compared to even individuals without any insurance at all.²⁵

- ¹ Hayden Dublois and Jonathan Ingram “An Unsustainable Path: How ObamaCare’s Medicaid Expansion is Causing an Enrollment and Budget Crisis,” Foundation for Government Accountability (2022), <https://thefga.org/research/how-obamacares-medicaid-expansion-is-causing-crisis>.
- ² Nicholas Horton, “Waiting for Help: The Medicaid Waiting List Crisis,” Foundation for Government Accountability (2018), <https://thefga.org/research/medicaid-waiting-list>.
- ³ Ibid.
- ⁴ Kaiser Family Foundation, “Medicaid HCBS Waiver Waiting List Enrollment, by Target Population and Whether States Screen for Eligibility,” KFF (2021), <https://www.kff.org/medicaid/state-indicator/medicaid-hcbs-waiver-waiting-list-enrollment-by-target-population-and-whether-states-screen-for-eligibility/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>.
- ⁵ Hayden Dublois and Jonathan Ingram “An Unsustainable Path: How ObamaCare’s Medicaid Expansion is Causing an Enrollment and Budget Crisis,” Foundation for Government Accountability (2022), <https://thefga.org/research/how-obamacares-medicaid-expansion-is-causing-crisis>.
- ⁶ National Association of State Budget Officers, “2022 State Expenditure Report,” NASBO (2022), https://higherlogicdownload.s3.amazonaws.com/NASBO/9d2d2db1-c943-4f1b-b750-0fca152d64c2/UploadedImages/SER%20Archive/2022_State_Expenditure_Report_-_S.pdf.
- ⁷ Fred Bimbaum, “Massive Cost Overruns Demand Medicaid Expansion Repeal,” Idaho Freedom Foundation (2020), <https://idahofreedom.org/research/massive-cost-overruns-demand-medicaid-expansion-repeal>.
- ⁸ Leah Byers, “Medicaid expansion: a budget-sinking ship,” Civitas Institute (2019), <https://www.nccivitas.org/2019/medicaid-expansion-budget-sinking-ship>.
- ⁹ Hayden Dublois and Jonathan Ingram “An Unsustainable Path: How ObamaCare’s Medicaid Expansion is Causing an Enrollment and Budget Crisis,” Foundation for Government Accountability (2022), <https://thefga.org/research/how-obamacares-medicaid-expansion-is-causing-crisis>.
- ¹⁰ Chuck Bartels, “Hundreds rally for Arkansas Medicaid expansion,” Yahoo News (2013), <https://news.yahoo.com/hundreds-rally-arkansas-medicaid-expansion-130919611.html>.
- ¹¹ Arkansas Department of Human Services, “Monthly Enrollment and Expenditures Report: November 2022,” State of Arkansas (2022), https://humanservices.arkansas.gov/wp-content/uploads/Monthly-Enrollment-and-Expenditure-Report_November-2022-AM.pdf.
- ¹² Josh Archambault, “Congressional Research Service: There’s No Magic Pot Of Obamacare Medicaid Expansion Money,” Forbes (2015), <https://www.forbes.com/sites/theapothecary/2015/03/12/congressional-research-service-theres-no-magic-pot-of-obamacare-medicaid-expansion-money/?sh=40e52f5523f1>.
- ¹³ Nicholas Horton and Jonathan Ingram, “Dispelling four myths about ObamaCare expansion funding,” Foundation for Government Accountability (2020), <https://thefga.org/wp-content/uploads/2020/03/Dispelling-four-myths-about-ObamaCare-expansion-funding.pdf>.
- ¹⁴ MTN News, “Hospitals pay tax in Medicaid-expansion bill — but rake in millions more, through other means,” KPAX (2019), <https://www.kpax.com/news/montana-legislature/2019/03/28/hospitals-pay-tax-in-medicaid-expansion-bill-but-rake-in-millions-more-through-other-means>.
- ¹⁵ Rudowitz et al, “Medicaid Enrollment & Spending Growth: FY 2019 & 2020,” KFF (2019), <https://www.kff.org/medicaid/issue-brief/medicaid-enrollment-spending-growth-fy-2019-2020>.
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- ¹⁷ Jordan Roberts and Nicholas Horton, “Five Key Signs ObamaCare Expansion Is Not a Silver Bullet for Hospitals,” Foundation for Government Accountability (2020), <https://thefga.org/wp-content/uploads/2020/02/ObamaCare-Expansion-Not-A-Silver-Bullet.pdf>.
- ¹⁸ Nicholas Horton, “Another broken ObamaCare promise: Medicaid expansion is (still) not saving Arkansas hospitals,” Townhall (2019), <https://townhall.com/columnists/nicholashorton/2019/10/24/another-broken-obamacare-promise-medicaid-expansion-is-still-not-saving-arkansas-hospitals-n2555340>.
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- ²¹ David Mosley and Daniel DeBehnke, “New Analysis Shows Worsening Situation for Rural Hospitals, Residents,” Navigant (2019), <https://guidehouse.com/-/media/www/site/insights/healthcare/2019/navigant-rural-hospital-analysis-22019.pdf>.
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