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Monday Morning Medicaid Must Reads

Helping you consider differing viewpoints. Before it's illegal.

October 21st, 2019

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In this issue...

Article 1: *Medicaid Spending Rises
Even As Enrollment Declines,
WIBC.com*

Clay's summary: I feel for the legislators who keep getting the goal posts moved on them. "Look over here - here's our new shiny thing that will control costs!" 3 years

later: "Well here's why costs were not controlled those last few years. Can we interest you in a new shiny thing as you consider this year's budget bill?"

Key Excerpts from the Article:

Last fiscal year's Medicaid enrollment was Indiana's lowest in three years, yet spending was up \$800 million.

Read full article in packet or at links provided

Article 2: *Why Medicaid Enrollment
And Fraud Has Exploded Under
Obamacare, The Federalist*

Clay's summary: Those expansion states that keep trying to shame your state into taking the plunge? Their expansion enrollment was 2x what their wisest predictors told them it would be.

Key Excerpts from the Article:

By the end of 2016, enrollment in 24 states that expanded Medicaid enrollment to able-bodied adults exceeded the states' original projections by an average of 110 percent.

New studies and data suggest two related reasons why: Ineligible individuals getting on (or staying on) the Medicaid rolls, and people dropping private coverage to enroll in Medicaid expansion.

Read full article in packet or at links provided

Article 3: *Childless, able-bodied
adults are driving cost and
enrollment under Medicaid*

expansion, Adam Crepeau, The Maine Wire

Clay's summary: The young adults without children predicted least likely to enroll in expansion in the study used to sell expansion to Mainers? Yep, they ended up being the ones who enrolled at 5x the rate predicted. Its almost like Bernie clued them into the place to get all that free healthcare he's been talking about.

Key Excerpts from the Article:

Since Governor Mills signed the executive order when she took office in January, more than 37,000 individuals have enrolled under expansion. According to the Maine Department of Health and Human Services (DHHS), adults without children represent 81 percent of those who have enrolled thus far. Of those individuals, 10,500 of them, or nearly one-third of all enrollees, are between the ages of 19 and 29.

These trends are much different than what was projected in a study conducted this year by the Muskie School of Public Service. Their research indicated that adults between the ages of 19 and 24 were least likely to enroll under expansion. This age group represented just 6.6 percent of eligible low-income, childless adults whereas individuals between the ages of 55 and 64 were expected to make up approximately 45 percent of the expansion population.

Read full article in packet or at links provided

Medicaid Spending Rises Even As Enrollment Declines

SourceURL: <https://www.wibc.com/news/local-news/medicaid-spending-rises-even-enrollment-declines>

Summary: Medicaid enrollment is down but costs are rising due to long-term care.

Medicaid Spending Rises Even As Enrollment Declines

Long-term care is most expensive area, and it's growing

(**INDIANAPOLIS**) - Indiana's Medicaid enrollment is shrinking, yet costs are going up.

Last fiscal year's Medicaid enrollment was Indiana's lowest in three years, yet spending was up \$800 million. That's a seven-percent increase, and the state's Medicaid consulting firm Milliman predicts similar increases the next six years.

Christine Mytelka says while overall enrollment is down, long-term care is up, and that's the most expensive area. She says the 85,000 Hoosiers in Medicaid-funded nursing homes or other long-term services represent just five-percent of the welfare rolls, but 40% of Medicaid spending.

Indiana Medicaid director Allison Taylor says the state is trying to encourage community alternatives to long-term care. She says the state's also trying to control costs elsewhere through preventive care -- she points to the new navigator program for pregnant women in high-risk areas.

Why Medicaid Enrollment And Fraud Has Exploded Under Obamacare

SourceURL: <https://thefederalist.com/2019/08/20/medicaid-enrollment-fraud-exploded-obamacare/>

Summary; Medicaid has boomed because people who aren't eligible are getting on Medicaid, and people are dropping private insurance to enroll in Medicaid expansion.

Why Medicaid Enrollment And Fraud Has Exploded Under Obamacare

Despite its good intentions, Medicaid expansion is proving to be yet another government program laden with waste, fraud, and inefficiency.

While enrollment in Obamacare's exchanges has fallen below [original projections](#), largely due to unaffordable premiums for health insurance coverage, enrollment in its Medicaid expansion has exploded. [By the end of 2016, enrollment in 24 states that expanded Medicaid enrollment to able-bodied adults exceeded the states' original projections](#) by an [average](#) of 110 percent.

New studies and data suggest two related reasons why: [Ineligible individuals getting on \(or staying on\) the Medicaid rolls, and people dropping private coverage to enroll in Medicaid expansion.](#)

Ineligible Enrollees

Last fall, Louisiana made big headlines regarding Medicaid expansion, but for the wrong reason: The state's legislative auditor [found](#) that a large subset of enrollees had incomes far in excess of the thresholds to qualify for Medicaid expansion. [The state eventually admitted that at least 1,672 individuals with six-figure incomes](#) had received Medicaid benefits. (No, that's not a typo.)

The study caused a political firestorm in Louisiana. [Eventually, the state dropped approximately 30,000 individuals](#) from the Medicaid expansion rolls. Ironically enough, the Medicaid program came in approximately [\\$400 million under budget](#) in the fiscal year ended June 30—due in large part to the enrollment purge. To put it another way, Louisiana taxpayers had spent \$400 million in the prior fiscal year on ineligible Medicaid enrollees.

A study released this month provides new evidence that the phenomenon of ineligible enrollees may go far beyond Louisiana. The [study](#) examined Census data in states that expanded Medicaid when Obamacare's expansion took effect in 2014 and compared it to states that have not expanded. Upon analyzing the data by income, the authors found that

There is strong evidence that Medicaid participation increased for groups for whom Medicaid was not intended to be the source of insurance coverage. Neither excluding those who might be categorically eligible [e.g., individuals with disabilities already eligible for Medicaid], nor focusing on those whose income was far from the threshold alters the fundamental results. The estimated program effect grows over time.

For instance, the authors found that for individuals making more than 250 percent of the federal poverty level—nearly double the eligibility threshold for Medicaid expansion—fully 65 percent of the gains in insurance coverage after Obamacare took effect came not from people enrolling in employer coverage or other insurance (e.g., exchange plans), but from increased Medicaid enrollment.

Liberals would argue that some of these “ineligible” people result from survey errors—i.e., people not accurately reporting their income or coverage sources. They might also blame this phenomenon on people “churning” on and off Medicaid—individuals with variable incomes qualifying for Medicaid in some months, but exceeding income limits in other months.

However, the scope of this phenomenon and the fact that it occurred comparatively high up the income scale suggests widespread problems with rooting out ineligible Medicaid enrollees. People could fail to report income increases to state authorities, improperly estimate their income when applying for coverage, or—as the authors suggest—friendly social workers could decide to cast potential enrollees’ circumstances in the best possible light when filling out application forms on their behalf.

Government Programs ‘Crowding Out’ Private Coverage

In other cases, Medicaid expansion appears to have accelerated the phenomenon of “crowd out,” whereby people drop their private coverage to enroll in government-funded benefits. Crowd out enrollees are not necessarily ineligible for benefits—that is, they meet income limits and other criteria for Medicaid—but every dollar spent on covering people who already had health insurance prior to expansion arguably represents a sub-optimal use of scarce taxpayer dollars.

As part of my work with the Pelican Institute, I [recently reported](#) that the Louisiana Department of Health compiled internal data showing that, once Medicaid expansion went into effect in the state in July 2016, several thousand

individuals each month dropped their private coverage to go on Medicaid. The Department of Health, claiming the data inaccurate, stopped compiling it altogether late in 2017—even though their stated explanation for the inaccuracy meant their data arguably *under-stated* the number of individuals dropping coverage.

The Foundation for Government Accountability has compiled similar numbers on the crowd-out phenomenon for states that have yet to expand Medicaid. According to their [research](#), the majority of potential Medicaid enrollees in non-expansion states either have private coverage—whether through an employer or purchased individually—or have access to federally subsidized coverage on the Obamacare Exchanges.

The data raise the obvious question of why states would want to follow Louisiana's lead and [spend hundreds of millions of dollars](#) (at minimum) subsidizing individuals who previously had private insurance.

Will Congress Act?

The twin developments suggest a major role for Congress, to say nothing of the states, in combating these sizable expenditures on Medicaid waste, fraud, and abuse. [More rigorous eligibility checks would help, for starters, as would the widespread adoption of a new Medicaid waiver program approved in Utah.](#)

Beginning in January, the [Utah waiver](#) will require individuals with an offer of employer coverage to remain enrolled in that employer plan, with Medicaid reimbursing premiums—a change designed to avoid the crowd-out seen in Louisiana.

Overall, however, the findings suggest that a significant amount of the vast spending on Medicaid expansion has gone towards inefficient, wasteful, and outright fraudulent efforts—yet another example of a well-intentioned government program gone awry.

Childless, able-bodied adults are driving cost and enrollment under Medicaid expansion

SourceURL: <https://www.themainewire.com/2019/09/childless-able-bodied-adults-drive-enrollment-under-medicaid-expansion/>

Summary: Because of Medicaid expansion, more people who aren't necessarily the intended recipients are being covered.

Childless, able-bodied adults are driving cost and enrollment under Medicaid expansion

By [Adam Crepeau](#) on September 18, 2019

Governor Mills' first move in office was to sign an [executive order](#) expanding Medicaid to more than 70,000 Mainers. Maine voters approved Medicaid expansion at the ballot box with nearly [59 percent](#) of the vote in 2017. With concerns about how expansion would be funded and whether it would be financially solvent, Governor LePage delayed implementation until the end of his term in January 2019.

Since Governor Mills signed the executive order when she took office in January, more than 37,000 individuals have enrolled under expansion. According to the Maine Department of Health and Human Services (DHHS), adults without children represent [81 percent](#) of those who have enrolled thus far. Of those individuals, 10,500 of them, or nearly one-third of all enrollees, are between the ages of 19 and 29.

These trends are much different than what was projected in a [study](#) conducted this year by the Muskie School of Public Service. Their [research](#) indicated that adults between the ages of 19 and 24 were least likely to enroll under expansion. This age group represented just 6.6 percent of eligible low-income, childless adults whereas individuals between the ages of 55 and 64 were expected to make up approximately 45 percent of the expansion population.

In an August [update](#), the Maine DHHS indicated that the number of enrollees was trending younger than anticipated and indicated that older individuals might enroll under expansion at a later date. The research conducted at the Muskie School of Public Service certainly supports that potential outcome, since it estimates that almost 73 percent of individuals eligible to enroll are over the age of 45.

Erika Ziller, one of the authors of the report, [said](#) this population could be waiting to re-enroll under expansion because they may have already obtained insurance through the Affordable Care Act Marketplace.

According to the Maine DHHS, [approximately 10,000 letters were sent](#) to individuals who had enrolled through the marketplace and invited them to sign up for Medicaid if they were eligible. In 2020, most of these people will likely transition to Medicaid because they will no longer be eligible for subsidies that make insurance through the marketplace affordable for these populations.

Nonetheless, this doesn't change the fact that Maine taxpayers are subsidizing healthcare for childless, able-bodied adults. The [state budget](#) dedicated \$125 million to cover the cost of Medicaid expansion over the 2020-21 biennium while forgetting Maine's most vulnerable citizens.

There are approximately 1,600 individuals on Section 21 waitlists in the state. These are people who have intellectual disabilities and truly need assistance from state government — they're not healthy, childless, 19- to 29-year-olds who are presently driving enrollment and the costs of expansion.

Put simply, it is irresponsible for state government to neglect its most vulnerable citizens while spending hundred of millions to subsidize health care for childless, able-bodied adults.

