

# **Medicaid Executive Summary**

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### **What is Medicaid Expansion and who is enrolled?**

Medicaid Expansion enacted in Montana in 2015, enables able-bodied individuals and families with incomes under 138% of poverty (\$17,200 for an individual and \$35,500 for a family of four) to receive free or nearly free state issued health care coverage. The plan has no deductibles and covers dental, vision, prescriptions and in and out-patient medical costs. Currently about 96,000 Montanans are enrolled including 34,000 unemployed, 23,000 of which are able bodied without dependents.

### **How Does Medicaid Expansion differ from Medicaid?**

Medicaid was enacted in the 1960s as part of the Great Society programs. Medicaid covers the nations vulnerable populations such as the blind, disabled, mentally ill, pregnant women, children and impoverished seniors. To qualify strict incomes standards and asset tests must be met. Approximately 150,000 are enrolled in Montana, including about 100,000 children (CHIP).

### **What is the cost of Medicaid Expansion?**

In the state of Montana, the all funds cost of Expansion is approximately \$750 million per year, including \$63 million in state funds. The Montana cost per enrollee is about \$7,800 compared to the national average of about \$6,500. For the 30% of enrollees that are also using SNAP and have children enrolled in CHIP the cost for a family of 4 (2 adults 2 children) would be about \$31,800.

### **What are the fiscal concerns for Medicaid Expansion?**

The federal debt currently stands at \$22 Trillion and the annual deficit is approximately \$850 billion in 2019. The cost of Expansion is currently about \$80 Billion per year and is expected to reach \$120 billion by 2026 adding approximately \$1 trillion to federal deficits by 2026.

### **Does Medicaid Expansion trap families in poverty?**

Medicaid Expansion, and other “war on poverty” programs have created intergenerational poverty and cultural regression because they create financial incentives against work. For example, with Expansion, the risk of moving up the pay scale \$1,000 (for example moving from \$35,500 to \$36,500) would cost \$7,800 or more in benefits and increased healthcare costs. When work is a threat to losing benefits vs. gaining them, poverty programs will remain costly, ineffective and harmful to our culture and work ethic.

### **What are the free market alternatives?**

Since 1960 medical costs have increased at 8.5x the rate of inflation. Montanans need freedom to choose the level and type of healthcare that meets their needs to controls their costs. Putting consumers in positions to create competition among providers among other innovative policies can and do drive down costs.

### **What Can I do?**

Take time to read further about Medicaid Expansion in the attached document with links to source material and detailed information. Call your state representative at 406-444-4800 and leave a message that you want them to pursue free market alternatives to Medicaid Expansion.