

# The News & Observer

## Two NC conservatives: Now is not the time to expand Medicaid

Chris McCoy and Donald Bryson  
June 17, 2022

Since the U.S. Supreme Court decided in 2012 that a congressional mandate requiring all states to expand their Medicaid programs was unconstitutional, it has been left to individual states to decide to voluntarily expand their joint federal-state Medicaid program to cover people who are higher up the income scale.

In practice, this means adding tens or hundreds of thousands of able-bodied, mostly childless adults to state Medicaid rolls, with taxpayers picking up 10% of the cost and federal taxpayers covering the rest. Sounds like a good deal, doesn't it? It's actually a very bad deal.

And that's why, for the past 10 years, North Carolina lawmakers have wisely chosen to say "no."

Until last week, that is. Sadly, longtime opponents of expanding Medicaid in North Carolina did a 180, voting for a bill that would grab all those tempting federal dollars, at the cost of stretching the Tar Heel state's medical safety net to the point of breakage.

To sweeten the "deal," the GOP-controlled Senate coupled the proposed expansion with a series of health care reforms that would be worthwhile as standalone measures but added to this package serve only as window-dressing to drastically increase government spending in North Carolina.

Since the implementation of Obamacare, 38 states have expanded Medicaid. They are all currently contending with the negative results of this bad deal. For one thing, enrollment has on average exceeded projections by 160% and increased costs per enrollee up to 64% higher than projected, according to Foundation for Government Accountability.

Expansion invariably causes many companies, especially smaller ones, to stop offering workplace health insurance benefits to their employees. After all, taxpayers are now on the hook for that cost.

But having a Medicaid card does not guarantee that patients actually receive care, or good care. Traditionally, Medicaid patients tend to be avoided by a large percentage of physicians, because, as a welfare program, Medicaid generally pays less than the actual cost of providing care — on average, only about 25% of what private commercial health insurers pay for the same service.

Medicaid is also rife with waste, fraud, and error. According to the Cato Institute, Medicaid's improper payments rate exceeds 20%, making it one of the most wasteful programs in government. U.S. taxpayers lost an estimated \$86 billion in fraudulent Medicaid payments in

fiscal 2020 alone. And at the end of the day, only 20 to 40 cents of each dollar spent on Medicaid directly improves the welfare of Medicaid enrollees.

In short, Medicaid needs to be fixed, not expanded.

Alas, since the COVID-19 pandemic, states have been shackled by the “Medicaid handcuff,” a federal mandate that prohibits states from disenrolling anyone for the duration of the public health emergency. Even people who are clearly ineligible for benefits must be kept on the rolls until they either disenroll themselves or physically move out-of-state.

But here’s the catch: The public health emergency has no formal end-date. It can be extended by the president, 90 days at a time, indefinitely. It could end next year — or 20 years from now. Which makes expansion an even bigger pig in a poke for N.C. taxpayers.

Now is not the time. With inflation at a 40-year high, gas prices at an all-time high, and increasing signs of economic uncertainty, it is deeply irresponsible to impose an impossible-to-control, multimillion-dollar annual burden on N.C. taxpayers, just to expand a welfare program to cover able-bodied, mostly childless people.

There’s a better way. Instead of a “government option” like Medicaid expansion, voters deserve a “personal option” — a series of targeted, incremental reforms that remove barriers between patients and the medical professionals they trust, and that empower patients with more choice, control and price transparency. This is what lawmakers should deliver.