


## Expanding Medicaid will cost taxpayers plenty

BY JASON SUTTON  0  
Published: November 2, 2011

When Medicare was created in 1965, the government estimated the program would cost about \$12 billion by 1990. It ended up costing \$110 billion that year. Likewise, Medicaid was supposed to be a small program with annual expenditures of about \$1 billion. Today, it's a \$280 billion annual burden on taxpayers.

In short, bureaucrats are horrible at projecting how much of your money a given health program will cost.

Now, the Oklahoma Health Care Authority and various liberal groups expect you to believe the largest expansion of Medicaid in history — in which more than 340,000 Oklahomans will be added to the program by 2023 — is going to cost peanuts.

Since 2000, state Medicaid expenditures have grown 169 percent, nearly three times faster than state gross domestic product, which is the best measure of economic growth, and nearly four times faster than personal income. One out of every four Oklahomans is enrolled in this massive program that consumes nearly a quarter of the entire annual state appropriated budget. The program is already unsustainable; it's about to get much worse. Under Obamacare, every state Medicaid program is required in 2014 to expand eligibility to all citizens with incomes at or below 133 percent of the federal poverty level.

In May, I co-authored (along with Cato Institute scholar Jagadeesh Gokhale) a comprehensive study of how this expansion of Medicaid would impact our state. Our projections are staggering. During the first 10 years of implementation (2014-2023), Oklahoma's share of Medicaid expenditures is projected to increase by \$11.4 billion, while enrollment will soar from 24 percent to 36 percent of the entire state population.

And our projections don't even take into account the tens of thousands of Oklahomans who will likely lose their employer-sponsored insurance under Obamacare and then qualify for Medicaid, thus putting additional pressure on the program.

Unlike other studies that have projected the costs of expansion to the states — particularly those by the left-leaning Henry J. Kaiser Family Foundation and the ultra-liberal Urban Institute, which both pulled data from an arbitrary single year and extrapolated it into the future — we arrived at our projections by looking at all the relevant factors that contribute to rising Medicaid costs, culling data from objective databases, breaking categories down by age, gender and eligibility, and projecting a decade's worth of historical cost, enrollment and population growth trends into the future.

These groups' willingness to trumpet flawed cost estimates is indicative of their desperation to put a favorable spin on Obamacare. What supporters hope is that by significantly downplaying the cost impact of the various provisions of the law, the public and lawmakers alike will be less likely to push back against implementation. Thankfully, it isn't working. The law grows ever more unpopular with each new survey.

We can't increase enrollment in our Medicaid program by 340,000 members without a substantial increase in cost. History and facts have proven it.

Sutton is health policy director for the Oklahoma Council of Public Affairs (ocpathink.org).



**Show / Hide Comments**

**Ads by Yahoo!**

**Search Old Obituaries**

5,300 Historical Newspapers. 3-Day Free Trial. Start Now!

[WorldVitalRecords.com/Obituaries](http://WorldVitalRecords.com/Obituaries)

**Search for obituaries**

Search millions of obituaries in 1,900 newspapers.

Updated weekly

[www.ancestry.com](http://www.ancestry.com)