



By not expanding Medicaid, Florida is missing out on 63,800 jobs, Charlie Crist says

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The White House has new ammunition for those fighting for Medicaid expansion: It would create create jobs.

The study by the White House Council of Economic Advisers — titled "Missed Opportunities" — provides a state-by-state analysis of how many jobs would be created by expanding Medicaid. The number for Florida: 63,800 jobs between 2014 and 2017.

The study is part of the Obama administration's promotion of the Affordable Care Act, which includes the federal government picking up the initial tab for Medicaid expansion.

Democrats including former Gov. Charlie Crist are using the study to attack Scott for Florida's decision not to expand Medicaid. Crist is expected to win his primary and face Scott in November.

"Expanding Medicaid would create 63k jobs -- but Rick Scott still won't do it," Crist said on Twitter July 2.

Florida's Republican-led Legislature opposes expanding Medicaid. Scott once opposed it, too, but switched positions in 2013 and now supports it. Supporters of the expansion say Scott hasn't done enough to turn the Legislature around.

Here, though, we wanted to focus on jobs. Would expanding Medicaid create 63,000 jobs?

White House study

Medicaid is a joint state and federal program aimed at providing health insurance to the very poor. The 2010 Affordable Care Act encourages states to expand eligibility and agreed to pay 100 percent of the expansion for the first three years, declining to 90 percent in 2020 and beyond. The expansion would have covered an additional 848,000 Floridians.

Studies predicting job growth are based on the idea that as states expand Medicaid, new patients will access medical services they haven't in the past. Extra revenue will allow health care facilities to hire new workers.

The new study relies on previous studies, including one about the Oregon Health Insurance Experiment, in which some residents got Medicaid through a lottery. Research showed people in Medicaid got preventative tests such as mammograms, cholesterol screening and pap smears compared to the control group. The White House predicts that Medicaid expansion would allow tens of thousands of Floridians to get those preventative tests.

If Florida expanded Medicaid, it would get \$15 billion from the federal government between 2014 and 2016. That would lead to 63,800 cumulative "job years" between 2014-17. It defines a "job year" as one person employed for one year.

The study focuses on short-term job growth -- not what would happen to jobs over the long-term. The report briefly touches on the possibility that access to Medicaid could cause some people to work less or not at all -- while healthier, less financially stressed people might work more. It cites one study that found Medicaid enrollment had a statistically insignificant impact on labor supply, while other research found reductions in labor supply.

Other studies on expanding Medicaid in Florida have arrived at different numbers. The Florida Hospital Association's most recent analysis in 2013 predicts 120,000 jobs over about a decade -- the association supports expansion. Moody's, a financial analysis firm that doesn't have a position on the health care law, last year predicted Medicaid expansion would create 10,000 to 30,000 jobs in Florida.

Kaiser Family Foundation summarized 32 studies Medicaid expansion in various states including Florida and predicted that it will have a positive effect on jobs over the next decade.

Experts offer caveats or criticisms of report

Many experts we interviewed generally agreed that the federal government pumping more money into the state to expand Medicaid would lead to new jobs, though they cautioned it's difficult to pinpoint a number.

"It is next to impossible to know exactly how many jobs (or which jobs) are created by a policy like this, given the many other changes in the landscape," said Harvard professor of health economics Katherine Baicker.

While the federal government picks up the initial expansion costs, in later years the states will have to contribute.

That will "wreak havoc" on long-term state budgets because state spending on Medicaid is forecasted to outpace state tax revenues, said Dan White, who authored the Moody's report. Ultimately it's a judgment call by elected officials if the cost of expansion 10 years down the line is worth the number of jobs it will provide, he said.

Michael Tanner, a health care expert at the libertarian Cato Institute, says the report ignores one side of the equation. "What about tax money Floridians have to pay into the system because we are spending more money on Medicaid? What about jobs lost because of that?"

We asked Scott's campaign for his opinion about the jobs' report and got back a statement that didn't address our question.

Our ruling

Crist said, "Expanding Medicaid would create 63k jobs."

A study released by the White House said federal dollars that Florida would have gotten to expand Medicaid would create 63,800 jobs between 2014 and 2017.

Most of the health care experts we interviewed agreed that injecting billions of federal dollars into Florida for Medicaid would spark some job growth, but it's difficult to pinpoint a number, particularly as there are other changes in the health care landscape. Other studies have found numbers as high as 120,000 and as low as 10,000.

We rate this claim Half True.