



Ohio Obamacare expansion already 20 percent over budget

By [Jason Hart](#)
November 13, 2014

Ohio's Obamacare Medicaid expansion was 20 percent over budgeted enrollment in October and may burn through \$2.5 billion in funding months early.

In [a Wednesday release](#) ^[1], the Ohio Department of Medicaid reported Obamacare Medicaid expansion enrollment of 430,942 for last month, a figure 70,564 higher than projected. Revised September enrollment was 18 percent over budget, revised August enrollment was 14 percent over budget, and revised July enrollment was 9 percent over budget.

Using [the Ohio Joint Medicaid Oversight Committee's recent cost estimate](#) ^[2] of \$630 per member per month, Ohio's Obamacare Medicaid expansion set federal taxpayers back \$271 million in October and has cost more than a quarter of a billion dollars each month since August.

Republican Gov. John Kasich's Obamacare expansion has cost approximately \$2 billion since Jan. 1. Last October, the Ohio Controlling Board [appropriated \\$2.5 billion in Obamacare funding](#) ^[3] for the expansion. The money may be gone months before the 2015 fiscal year ends on June 30.

"It is not surprising that when individuals are presented with an option for free health care that they take advantage," Cato Institute budget analyst Nicole Kaeding said in an email to Ohio Watchdog. "What is surprising is the Kasich administration's insistence that it is a positive development for taxpayers."

Consistent with a year-long trend of backdated eligibility inflating state Medicaid rolls, Obamacare expansion enrollment for every month since January was higher in ODM's October caseload report than in any previous report. Revised June enrollment, at 363,306, was greater than the 360,378 ODM initially projected for October.

September enrollment was revised to 421,438 from the 401,307 reported less than a month ago. August enrollment, first reported as 367,395 and revised to 392,253 in the next caseload report, jumped to 405,375 in ODM's report released Wednesday.

While pressuring the Republican-controlled Ohio General Assembly to expand Medicaid last year, [the Kasich administration estimated 366,000 Ohioans would enroll by July 2015](#) ^[4].

Overall, Ohio Medicaid enrollment was lower than anticipated in October because fewer previously eligible Ohioans signed up for the program than the Kasich administration expected.

Kasich expanded Medicaid unilaterally in late 2013 and [has made renewal of the Obamacare expansion a priority for his second term](#) ^[5]. He claims the expansion is a moral imperative paid for with “Ohio’s tax dollars.”

The Obamacare expansion redefines Medicaid from a program for the aged, blind, disabled and families with dependent children in poverty into an entitlement for anyone living at or below 138 percent of the federal poverty line. This comes at a steep cost, but temporarily bolsters state budgets with 100 percent federal funding for those newly eligible.

As a result, studies showing [Medicaid reduces incentives to work](#) ^[6] and [does not improve recipients’ health](#) ^[7] have had no noticeable impact on Gov. Kasich’s support for the Obamacare expansion.

“Medicaid expansion imposes an immense burden on the state’s fiscal outlook. What will happen when the federal government’s reimbursement is cut? Ohio taxpayers will be left with an enormous hole in the budget to fill,” Kaeding said.

“Governor Kasich continues to tout Medicaid expansion arguing that it is separate from ObamaCare, which is factually incorrect. Medicaid expansion, including the 100 percent match from the federal government, was codified within ObamaCare. The Supreme Court ruled a small portion — the expansion’s mandatory nature — unconstitutional, but expansion is rooted within ObamaCare.

“Governor Kasich also touts Medicaid expansion arguing that if Ohio did not expand its tax dollars would go to other states. This does not accurately explain how Medicaid funding works. If Ohio refused to expand, the money would simply not be spent. That means less in federal spending, leading to lower levels of deficits and debt, and lower levels of federal taxation.”

Assuming funding isn’t cut by the federal government, which is nearly \$18 trillion in debt excluding unfunded entitlement liabilities, Ohio’s Obamacare expansion [is expected to cost state taxpayers more than \\$600 million per year by 2022](#) ^[8]. Under Obamacare, federal funding of the expansion population is set to taper down to 90 percent by 2020.

At current per-member per-month costs and Obamacare’s 2020 matching rate, Kasich’s Medicaid expansion would have cost state taxpayers \$27 million last month. The Joint Medicaid Oversight Committee anticipates monthly costs of at least \$652 per Ohio Medicaid enrollee by 2017.