



Charlie Crist says Medicaid expansion could lead to 120,000 jobs

By Amy Sherman
October 15th, 2014

Democrat Charlie Crist has criticized Republican Gov. Rick Scott for the state's failure to expand Medicaid.

During the second governor's debate, which was held on Oct. 15, 2014, at Broward College, Crist said of Medicaid expansion, "In addition to the \$51 billion it would bring to the state over the next 10 years, some studies indicate it would create about 120,000 jobs. That's the right thing to do."

That's nearly double the number of new jobs that Crist cited this summer.

If Florida expands Medicaid, would that lead to 120,000 more jobs?

Studies about Medicaid and jobs

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, with the federal government paying 100 percent of the expansion for the first three years, declining to 90 percent in 2020 and beyond. The expansion would have led to 800,000 to 1 million additional Floridians signing up for Medicaid. (That's mostly due to new Floridians who would be eligible and also because some who are already eligible but haven't signed up would enroll for the program after publicity.)

Scott initially opposed Medicaid expansion but [switched his position](#) in 2013 when he came out in support of it. But Scott didn't lobby the GOP-led Legislature, which ultimately rejected the expansion. He hasn't talked about it much on the campaign trail.

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

But the number of jobs predicted in each study varies depending upon the methodology. We only found one study that went as high as the 120,000 number Crist cited in the debate. And that study was conducted by a supporter of the expansion.

Crist was citing the Florida Hospital Association's 2013 analysis that predicts about [120,000 jobs](#). The association commissioned the study done by University of Florida researchers. During the debate, Crist didn't specify any time frame.

Direct jobs accounted for about one-third of the jobs, while the remainder included suppliers or secondary spending, such as when a doctor buys a new house or car.

Other studies cited much lower figures for job growth.

For example, 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 over 10 years in Florida.

The [White House Council of Economic Advisers](#) projected 63,800 jobs between 2014 and 2017 in Florida. That study was part of the Obama administration's promotion of the Affordable Care Act.

The White House study relies in part on 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.

Experts weigh in on studies

So why the massive differences on the job predictions? The numbers vary based on different economic models used and other assumptions. PolitiFact Florida interviewed several experts on the studies after the first debate, held on Telemundo, when Crist made a similar claim about new jobs from expanding Medicaid.

Dan White, the senior economist who authored the Moody's study, said that the hospital association study appears to assume that everyone who signs up under the Medicaid expansion will generate new spending. But at least some of those people who would have signed up for Medicaid were already accessing some medical services -- albeit inefficiently in emergency rooms.

"They are treating all the money coming into Medicaid expansion as new medical spending in Florida, but some of those people are already spending money," White said. "The crux of our analysis is shifting who is paying for it. It might be true that those people support 120,000 jobs, but maybe 10,000 to 30,000 are new jobs."

Some experts on Medicaid expansion told PolitiFact Florida that an infusion of federal dollars for Medicaid expansion would lead to some job growth, but they questioned pinpointing a specific number.

"Pumping federal dollars into the state is likely to be stimulative, but an exact job calculation (given the many concurrent policy changes) is difficult," Harvard professor of health economics Katherine Baicker told PolitiFact Florida.

Michael Tanner, a health care expert at the libertarian Cato Institute, said it's impossible to make a jobs prediction.

"I would guess there would be some short-term employment gains, but the long term would be more problematic as bills become due," he said. "But even in the short term, I am skeptical of both the size and precision of this estimate."

Though most of the experts we interviewed agreed that there would be some job growth, University of Chicago economist Casey B. Mulligan argues that increasing Medicaid will [reduce employment](#) because people will no longer need to work full-time to get health insurance.

"Medicaid makes it less painful to have a low income, so people have less incentive to take actions to prevent their incomes from getting low," he previously told PolitiFact. "Not everyone acts that way, but enough do that a Medicaid expansion would depress employment nationally."

Our ruling

Crist said "some studies indicate" expanding Medicaid would "create about 120,000 jobs."

Crist was referring to one study done for the Florida Hospital Association, a supporter of Medicaid expansion. That study predicted about 120,000 new jobs.

There have been several studies that predict job growth related to Medicaid expansion, with one study putting the figure as low as 10,000 jobs. Crist cherry-picked the study with the highest statistic and omitted that it was done for an association that supports the expansion.

Most economists and Medicaid experts say that it's likely that the infusion of federal cash would lead to some jobs, but it is difficult to pinpoint the number.

We rate this claim Half True.