Panel hears pros, cons of Medicaid expansion

A Maine state health official sought to outline for Idaho lawmakers Thursday the fiscal case against Obamacare-based Medicaid expansion, citing his state’s experience with rising health care costs.

Others addressing the Legislature’s working group on health care alternatives for Idaho’s working poor presented data to support the health and economic benefits of expanding Medicaid to cover 78,000 uninsured residents.

Maine, like Idaho, has declined to expand Medicaid as provided for under the 2010 Affordable Care Act. Under Gov. Paul LePage, Maine has reduced Medicaid programs and LePage has vetoed legislation to expand Medicaid five times.

Both houses of the Maine Legislature again approved expansion plans earlier this year, setting up a possible sixth LePage veto. But an amended proposal never made it to the governor’s desk, dying in the Senate when the 2016 session adjourned.

Alec Porteous, a finance officer for the Maine Department of Health and Human Services, outlined rising Medicaid costs in Maine and in other states that have expanded Medicaid. Medicaid now accounts for 24 percent of Maine’s general fund expenditures, Porteous said. The national average for states is 18 percent.

Responding to questions, however, Porteous noted that his figures were for Medicaid costs in total, not those arising solely from expansion, and did not account for other state-by-state variables in budgeting, such as declining revenues or other economic factors. Delaware’s $28 million Medicaid increase this year, for example, was driven by higher costs in pediatric care.

Porteous said much of his data had been prepared by the Foundation for Government Accountability, a free-market advocacy group founded by a former Maine legislator that seeks to block Medicaid expansion.

Other presenters noted differences in federal Medicaid reimbursement rates between Idaho and other states — among many variables that make state-by-state comparisons difficult. A legislative budget analyst told the committee that Idaho’s Medicaid costs represented just under 16 percent of the state’s general fund expenses and were lower than Maine’s, even though Idaho has 20,000 more people on Medicaid than Maine.

Idaho’s Medicaid reimbursement rate from the federal government is 71 percent; Maine’s is 62 percent. The rates are based on per capita state income, and Idaho, a low-income state, has one of the highest reimbursement rates in the country.

People in Idaho’s gap group earn too much to qualify for standard Medicaid but not enough to apply for insurance subsidies on the state health care exchange. Those without insurance often postpone routine medical care until a more serious and more expensive condition arises.