

## **Testimony in Opposition to LD 1001 2020-2021 Biennial Budget - Medicaid Expansion**

Senator Breen, Representative Gattine, and distinguished members of the Joint Standing Committee on Appropriations and Financial Affairs, my name is Adam Crepeau and I serve as the policy analyst at The Maine Heritage Policy Center. Thank you for the opportunity today to testify in opposition to LD 1001.

The Maine Heritage Policy Center strongly opposes the first iteration of this biennial budget. One of the largest increases in the budget is due to the cost of Medicaid expansion. Over the biennium, this proposal would spend approximately \$146.7 million on Medicaid expansion for able-bodied, childless adults.<sup>1</sup> If enrollment projections are lower than actual enrollees in the program, the State of Maine would be liable to spend even more on these services.

When the Office of Program and Fiscal Review analyzed how much expansion would cost during the 2017 election when the program was fully implemented, it was projected expansion would cost \$54.5 million annually.<sup>2</sup> This budget substantially exceeds this estimate, a trend that is relatively common in other states that have expanded Medicaid. In fact, the Foundation for Government Accountability found that most states had significant cost overruns due to higher-than-expected enrollment in their Medicaid programs, more expensive per-person costs, or both.<sup>3</sup>

In just under two months, over 8,800 Mainers enrolled in Medicaid through expansion.<sup>4</sup> If individuals continue to enroll at the current rate, we will exceed the 70,000 person threshold that was projected for this spending level in the budget by April 2020. Several states exceeded their enrollment projections within the first year of expansion. For example, Pennsylvania exceeded their projection of 531,000 enrollees within nine months.<sup>5</sup> With enrollment possibly exceeding projections, how does the State of Maine intend to pay for the costs associated with higher enrollment?

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<sup>1</sup><https://www.maine.gov/budget/sites/maine.gov.budget/files/inline-files/GF%202020%202021%20Part%20A.pdf>

<sup>2</sup> [https://ballotpedia.org/Maine\\_Question\\_2\\_Medicaid\\_Expansion\\_Initiative\\_\(2017\)](https://ballotpedia.org/Maine_Question_2_Medicaid_Expansion_Initiative_(2017))

<sup>3</sup> <https://thefga.org/wp-content/uploads/2018/02/A-Budget-Crisis-In-Three-Parts-2-6-18.pdf>

<sup>4</sup> <https://www.maine.gov/dhhs/expansion.shtml>

<sup>5</sup> <https://www.medicaid.gov/medicaid/program-information/medicaid-and-chip-enrollment-data/enrollment-mbes/index.html>

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THE MAINE HERITAGE POLICY CENTER

If the state has even a minor economic downturn over the next biennium and actual revenue does not equal or exceed the projections contained in the budget proposal, The Maine Heritage Policy Center is concerned that taxes may be raised or funding may be cut for the individuals who truly need assistance within the Medicaid program, as has occurred in other states. This would be a travesty and a disservice to all Maine people, especially those with developmental disabilities who currently sit on waitlists to receive services while we pony up nearly \$150 million over the biennium to provide Medicaid coverage to able-bodied, childless adults.

The Maine Heritage Policy Center would like some clarity as to why the cost of expansion has increased nearly 38 million over the biennium since 2017 and if we anticipate the annual cost to increase further as more individuals enroll under expansion. We urge the committee to deny this increase. Thank you.