The Damage Done by ObamaCare's Medicaid Expansion

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Chairman Johnson, Ranking Member Blumenthal, and Members of the Committee,

Thank you for this opportunity.

Six decades ago, Medicaid was created for the truly needy—children, seniors, pregnant women, and disabled individuals living in poverty.

For five decades that remained mostly true, then the Affordable Care Act radically changed that.

ObamaCare expanded Medicaid to a new class—able-bodied adults—roughly 70 percent are childless, more than 60 percent self-report they don't work at all, and most are men.[1-7]

Today, there are more able-bodied adults, nearly 40 million, on Medicaid than any other group.[8-9]

For every senior on Medicaid, there are 4.6 able-bodied adults.[10] 4.4 able-bodied for every disabled person on Medicaid.[11] 1.2 adults for every child.[12]

Even though elderly and disabled Americans are nearly three times more expensive to cover, taxpayers spend more in total on able-bodied adults.[13-14]

In the first decade of Medicaid expansion, the program cost taxpayers more than $1 trillion, roughly twice as much as original estimated.[15]

Meanwhile, roughly 700,000 individuals with intellectual or physical disabilities are stuck on Medicaid home and community waiting lists while ObamaCare's able-bodied adults are always at the front of the line.[16]

Imagine three people:

- The most physically disabled person you have ever met;
- An impoverished elderly grandmother with severe dementia in a nursing home;
- And an able-bodied 20-something man who chooses not to work.

Thanks to Medicaid expansion, for every $1 states spend on that 20-something man, the federal government will match $9—a 90 percent match. But for the severely disabled person or the frail elderly grandmother with dementia, for every $1 states spend, the federal government would only send about $1.30 on average.

This 90 percent match perversely means that, in tough times, states will only save 10 cents for every $1 benefit cut from the young man's benefits, but they can save 43 cents for every $1 in benefit cuts to the elderly or disabled.

Meanwhile, Medicaid expenditures on illegal aliens have also skyrocketed—through "emergency" services, through "qualified alien" or "lawfully residing" status, through state-funded benefit

programs like in California, and through so-called "reasonable opportunity periods."[17] In fact, the number of individuals applying and receiving Medicaid coverage through a reasonable opportunity period who were ultimately unable to prove citizenship or lawful residency skyrocketed by 400 percent under the Biden administration.[18]

What's worse is that states have taken advantage of abusive money laundering schemes—under the guise of phrases like "provider taxes" and "state directed payments" and "intergovernmental transfers"—to bankroll even more expenditures for expansion adults and illegal aliens.[19] Provider taxes enable states to draw down federal funds with little or no skin in the game, while state directed payments jack up Medicaid reimbursement rates to sky-high levels—reaching as high as commercial insurance rates under the Biden administration.[20]

And despite it all, our rural hospitals remain in shambles. Medicaid expansion has crowded countless Americans out of private coverage. If the remaining non-expansion states decided to expand Medicaid, it would push 5.8 million Americans off of private insurance and onto Medicaid.[21]

As a result, in the first eight years of ObamaCare, hospital profits fell by two-thirds in Medicaid expansion states.[22] More than 70 hospitals have closed in expansion states since Medicaid expansion began in 2014.[23] Four out of the top five states with the most rural hospitals at risk for closure today are expansion states.[24]

That's why the Big, Beautiful Bill—under which Medicaid spending will still increase by 33 percent over the next decade—created common-sense Medicaid work requirements for these able-bodied adults, addressed abusive provider taxes and state directed payments, closed loopholes for illegal aliens, created a $50 billion investment in rural health care, and cracked down on waste, fraud, and abuse.[25]

ObamaCare's Medicaid expansion has left a trail of fiscal destruction, prioritizes able-bodied voters over the truly needy elderly and disabled, and excessively rewards money laundering by states. That's costly and wrong.

Thank you.

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[1] In Colorado, approximately 88 percent of expansion enrollees are childless adults. See, e.g., Colorado Department of Health Care Policy and Financing, "FY 2025-26 Medical Premiums Expenditure and Caseload Report: October," State of Colorado (2025), https://hcpf.colorado.gov/sites/hcpf/files/2025%20October%2C%20JBC%20Budget%20Committee%20Monthly%20Premiums%20Report%20%28Clean%20Version%29.pdf.

[2] In Ohio, approximately 71 percent of expansion enrollees are childless adults. See, e.g., Ohio Department of Medicaid, "2018 Ohio Medicaid Group VIII Assessment," State of Ohio (2018) https://medicaid.ohio.gov/wps/wcm/connect/gov/2468a404-5b09-4b85-85cd-4473a1ec8758/Group-VIII-Final-Report.pdf?CACHEID=ROOTWORKSPACE.Z18_K9I401S01H7F40QBNJU3SO1F56-2468a404-5b09-4b85-85cd-4473a1ec8758-nAUQnlt&CONVERT_TO=url&MOD=AJPERES&utm.

[3] In Vermont, approximately 63 percent of expansion enrollees are childless adults. See, e.g., Vermont Agency of Human Services, "Medicaid Program Enrollment and Expenditures Quarterly Report," State of Vermont (2025), https://dvha.vermont.gov/sites/dvha/files/documents/SFY25Q4-Medicaid-Program-EE-YTD.pdf.
[4] Paige Terryberry, "House-Proposed Work Requirements Would Protect the Truly Needy, Reduce Dependency, and Grow the Economy," Foundation for Government Accountability (2025), https://thefga.org/research/house-proposed-work-requirements-protect-the-needy/.
[5] In California, approximately 52 percent of Medicaid expansion enrollees are male. See, e.g., Medi-Cal Monthly Eligible Fast Facts: September 2025," California Department of Health Care Services (2025), https://www.dhcs.ca.gov/dataandstats/reports/Documents/Fast-Facts.pdf.
[6] In Illinois, approximately 57 percent of Medicaid expansion enrollees are male. See, e.g., Illinois Department of Healthcare and Family Services, "Affordable Care Act (ACA) Enrollment by Age, Race Gender through January 2025," State of Illinois (2025), https://hfs.illinois.gov/content/dam/soi/en/web/hfs/sitecollectiondocuments/202501acaraceagegender.pdf.
[7] In Michigan, approximately 53 percent of Medicaid expansion enrollees are male. See, e.g., Michigan Department of Health & Human Services, "Healthy Michigan Plan Progress Report," State of Michigan (2025), https://www.michigan.gov/mdhhs/-/media/Project/Websites/mdhhs/Assistance-Programs/Medicaid-BPHASA/HMP-Docs/Website-Healthy-Michigan-Plan-Progress-Report.pdf?rev=53203239e26d41349f18337fffac9a0a&.
[8] In 2022, 44.4 percent of Medicaid enrollees were able-bodied adults. See, e.g., Medicaid and CHIP Access and Payment Commission, "Exhibit 14: Medicaid Enrollment by State, Eligibility Group, and Dually Eligible Status," MACPAC (2024), https://www.macpac.gov/publication/medicaid-enrollment-by-state-eligibility-group-and-dually-eligible-status/.
[9] In December 2024, Medicaid enrollment reached 83.9 million enrollees, suggesting approximately 37.3 million were able-bodied adults. See, e.g., Centers for Medicare and Medicaid Services, "Medicaid Enrollment Data Collected Through MBES," U.S. Department of Health and Human Services (2024), https://www.medicaid.gov/medicaid/national-medicaid-chip-program-information/medicaid-chip-enrollment-data/medicaid-enrollment-data-collected-through-mbes.
[10] Medicaid and CHIP Access and Payment Commission, "Exhibit 14: Medicaid Enrollment by State, Eligibility Group, and Dually Eligible Status," MACPAC (2024), https://www.macpac.gov/publication/medicaid-enrollment-by-state-eligibility-group-and-dually-eligible-status/.
[11] Ibid.
[12] Ibid.
[13] Medicaid and CHIP Access and Payment Commission, "Exhibit 22: Medicaid Benefit Spending Per Full-Year Equivalent (FYE) Enrollee by State and Eligibility Group," MACPAC (2024), https://www.macpac.gov/wp-content/uploads/2024/12/EXHIBIT-22.-Medicaid-Benefit-Spending-Per-FYE-Enrollee-by-State-and-Eligibility-Group-FY-2022.pdf.
[14] Medicaid and CHIP Access and Payment Commission, "Exhibit 18: Distribution of Medicaid Benefit Spending by Eligibility Group and Service Category," MACPAC (2024), https://www.macpac.gov/wp-content/uploads/2024/12/EXHIBIT-18.-Distribution-of-Medicaid-Benefit-Spending-by-Eligibility-Group-and-Service-Category-FY-2022.pdf.
[15] Jonathan Bain and Jonathan Ingram, "Medicaid Expansion: Busting Budgets, Bankrupting Taxpayers, and Displacing the Truly Needy," Foundation for Government Accountability (2023), https://thefga.org/research/medicaid-expansion-budgets-taxpayers-displacing-truly-needy/.
[16] Varun Saraswathula and Kirsten J. Colello, "Medicaid Section 1915(c) Home- and Community-Based Services Waivers," Congressional Research Service (2025), https://www.congress.gov/crs-product/R48519.
[17] Jonathan Ingram and Hayden Dublois, "The Loopholes Fueling Illegal Alien Medicaid and ObamaCare Benefits," Foundation for Government Accountability (2025), https://thefga.org/research/loopholes-fueling-illegal-alien-medicaid-obamacare-benefits/.
[18] Ibid.
[19] Paul Winfree and Brian Blase, "California's Insurance-Tax Shuffle: How Federal Money Ends Up Paying for Medicaid for Illegal Immigrants," Paragon Health Institute (2025), https://paragoninstitute.org/medicaid/californias-insurance-tax-shuffle-how-federal-money-ends-up-paying-for-medicaid-for-illegal-immigrants/.
[20] Paige Terryberry, "States must implement new limits on state-directed payment schemes," Foundation for Government Accountability (2025), https://thefga.org/research/state-directedpaymentschemes/.
[21] Paige Terryberry, "Medicaid Expansion Deceives States and Harms the Truly Needy," Foundation for Government Accountability (2025), https://thefga.org/research/medicaid-expansion-deceives-states/.
[22] Hayden Dublois and Paige Terryberry, "The One Big Beautiful Bill Act Mends Medicaid and Helps Hospitals," Foundation for Government Accountability (2025), https://thefga.org/research/obbbmendsmedicaidandhelpshospitals/.
[23] Ibid.
[24] Ibid.
[25] Foundation for Government Accountability, "Even With Big, Beautiful Bill Savings, Medicaid Spending Will Continue to Grow," Foundation for Government Accountability (2025), https://thefga.org/blog/even-with-big-beautiful-bill-savings-medicaid-spending-will-continue-to-grow/.