

# Wisconsin Institute for Law and Liberty: Medicaid expansion to cost Wisconsinites \$600 million per year

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WISCONSIN INSTITUTE  
FOR LAW & LIBERTY

New WILL, CROWE study analyzes true cost of Medicaid expansion

The News: The Wisconsin Institute for Law & Liberty (WILL) and the Center for Research on the Wisconsin Economy (CROWE) at the University of Wisconsin-Madison released a new study revealing the true cost of Medicaid expansion to Wisconsin families. Though proponents highlight certain savings to the state, Medicaid expansion is expected to result in increased costs to families with private insurance – as much as \$700 per year for a family of four, resulting in a net cost to Wisconsin of \$600 million.

WILL and CROWE released this study in the Wisconsin State Senate Parlor, alongside lawmakers in both the State Senate and Assembly who stand in opposition to Gov. Tony Evers' plans to put the federal Medicaid expansion into his upcoming budget proposal. Lawmakers included State Rep. Joe Sanfelippo (R-New Berlin), Chairman of the Assembly Committee on Health, State Sen. Duey Stroebel (R-Saukville), a member of the Senate Committee on Finance, State Sen. Chris Kapenga (R-Delafield), Chairman of the Senate Committee on Public Benefits, Licensing and State-Federal Relations, and State Sen. Dave Craig (R-Big Bend), Chairman of the Committee on Insurance, Financial Services, Government Oversight and Courts.

The Study: [The Impact of Medicaid Expansion: Examining the cost to consumers and the net impact on Wisconsin](#), by WILL Research Director Will Flanders, and Noah Williams, Director of CROWE and Professor of Economics at the University of Wisconsin-Madison, reviews data from all 50 states and the District of Columbia comparing private sector health insurance costs and emergency room visits in states that expanded Medicaid eligibility and those that did not. The results include:

1. Expanding Medicaid will increase the cost of healthcare on Wisconsinites with private insurance, on average, by \$177 per year – up to \$700 for a family of four.
2. Emergency room visits would actually increase in Wisconsin, by over 52,000 visits per year.
3. In total, Medicaid expansion is expected to cost Wisconsin over \$1 billion per year – borne in large part by increases in private sector healthcare costs.
4. Even when 'savings' to the state are included – Medicaid expansion will cost Wisconsin \$600 million per year.

Why does Medicaid expansion result in increased costs?

- Wisconsin has no health insurance coverage gap. Those who would move to Medicaid already have access to subsidized health insurance.
- Medicaid reimbursement rates to healthcare providers are much lower than private health insurance. As a result, when people leave private health insurance for Medicaid, healthcare providers lose money on lower reimbursements. Likewise, an increase in use of more costly services like emergency room visits will drive up the cost of private healthcare.
- Healthcare providers will pass along these costs to consumers.

The Quote: WILL Research Director Will Flanders said, "These costs are staggering and represent a misguided policy choice that would burden hard-working Wisconsin families already struggling with the cost of healthcare. The public deserves an honest debate about the true costs and trade-offs of any proposal that expands Medicaid in Wisconsin."

CROWE Director Noah Williams added, "The way to contain healthcare costs and expand access to healthcare is not to move more Wisconsinites from private health insurance to a government run healthcare program. It is only through market forces, competition, price transparency, and increased variety through deregulation that healthcare costs will decrease and access will be widespread."