



Medicaid Expansion in Nebraska: Update

The debate over Medicaid expansion in Nebraska was discussed for two days last week on the legislative floor in Lincoln. Over 10 hours of debate ended after LB 577 was filibustered by opposing senators. Speaker Greg Adams ultimately decided to end discussion over the bill after the second day; however, the bill may be debated again later this session if opponents can find enough votes to break the filibuster.

Over the past few months, the Platte Institute has spent a great amount of time educating State Senators and the public and on the potential consequences of Medicaid Expansion. The Platte Institute's recent policy study, "[Medicaid Expansion - The Economic Analysis Dilemma](#)," was distributed to policymakers, stakeholders, the media, and citizens across the state. The study examined the assumptions surrounding the Medicaid Expansion debate locally and nationally, and concluded promoting competition and consumer choice provide the cornerstone of real reform. Much of this information was used by the opposing senators during the two day debate.

Medicaid Expansion will result in uncertainties that Nebraska is not prepared for. For example, the expansion would include a population of citizens not previously covered. Many of the assumptions- such as the basis of savings and cost estimates, the amount of uncompensated care, the impact of crowd-out, and the estimated participation rate-should be examined closely by lawmakers because they can drastically shift future cost projections.

Cost estimates from several academic studies estimate the cost of Nebraska's Medicaid Expansion may range from \$250 million through 2022, to \$140 million through 2020. Savings estimates, either through eliminating existing state programs or reducing uncompensated care, bring these estimates down to \$153 and \$75 million, respectively.

The Platte Institute believes Medicaid expansion of the bill would be too [costly and add on to our already bloated state budget](#). It is not in Nebraska's best interest to expand a flawed program that already accounts for roughly 14 percent of our states budget.

Undoubtedly, the debate over Medicaid Expansion will be on-going and the Platte Institute will continue to keep you informed as new developments occur. State Senators

in support are going back to see if a compromise is realistic. If not, the bill will most likely be brought back in next year's session.

