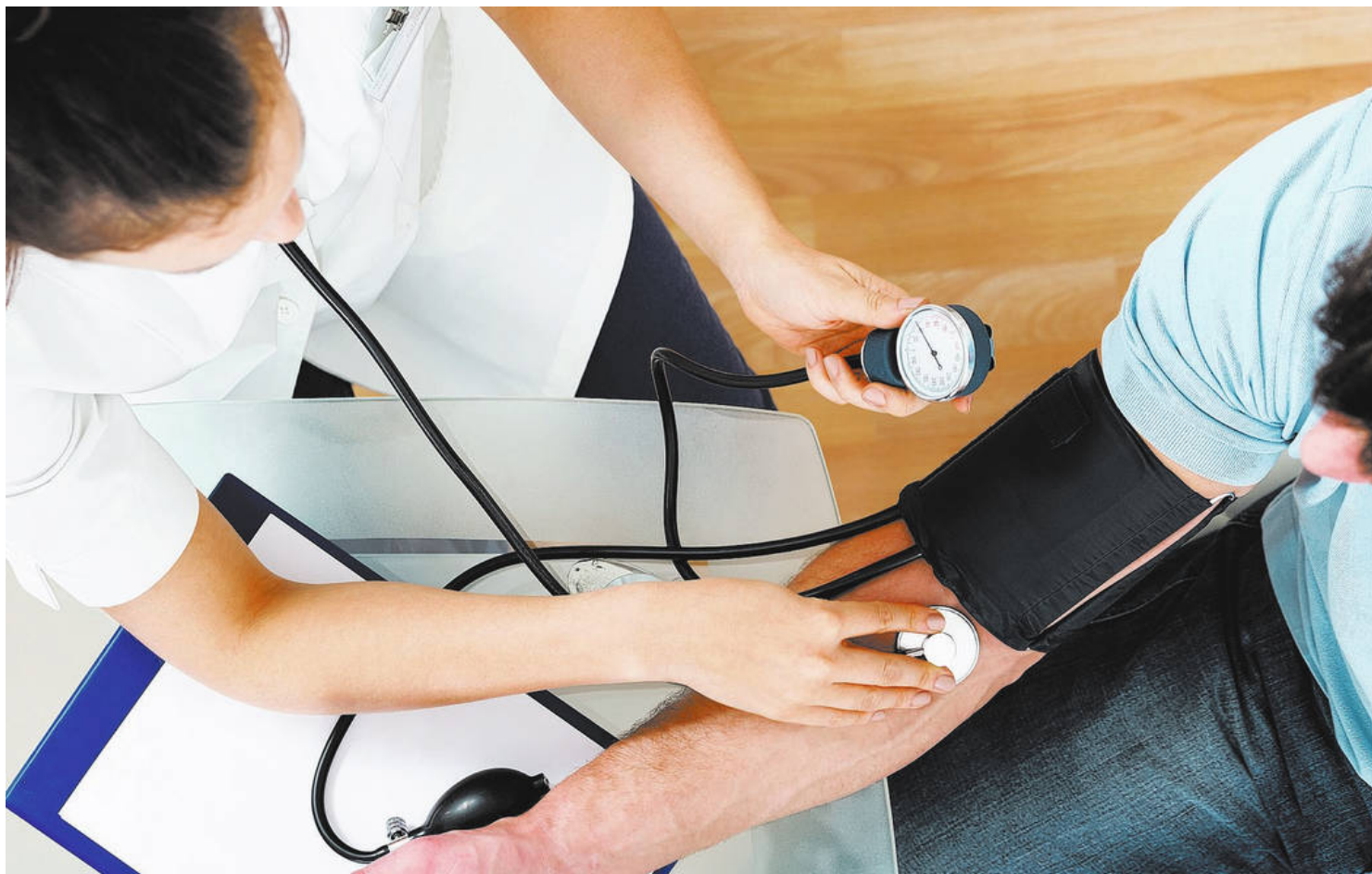


EDITORIAL: Study: Medicaid expansion leads to increase in fraud



Close-up Of Female Doctor Checking Blood Pressure Of Male Patient

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In 2013, then-Gov. Brian Sandoval lunged for the federal carrot and opted to expand Nevada's Medicaid program under Obamacare. Since then, enrollment in the government-run health plan for the poor has exploded. As of May, more than 632,000 Nevadans — about 20 percent of the state's population — were on Medicaid, up more than 90 percent from before the expansion.

Supporters argue the move has been a tremendous success, leaving fewer Nevadans, particularly children, without health insurance. The number of

uninsured Nevada children has dropped by more than half in recent years, to under 7 percent, according to state statistics.

None of this has been free, however. Enrollment increases in Medicaid far exceed the state's population growth and — as expected — the generous contributions dangled by the federal government to entice states to expand their programs have been scaled back. As a result, Nevada's share of Medicaid spending is set to jump almost 15 percent over the next biennium to \$1.77 billion and now nears 30 percent of the state budget, up from 18 percent in 2010. It remains a ticking financial time bomb.

In addition, opening up a program to able-bodied adults that was established to help the “deserving poor” has apparently led to significant fraud, according to a new study by the National Bureau of Economic Research. The study looked at Census Bureau data from nine states — including Nevada — and found a significant number of new enrollees were improperly using Medicaid to avoid paying premiums for private insurance.

Nevada's Medicaid expansion entailed relaxing eligibility standards. Depending on individual circumstances, wage earners making as much as 160 percent of the poverty line in Nevada may now apply for public assistance. “In practice, Obamacare has turned Medicaid into an entitlement program for the middle class,” write economists Brian Blase and Aaron Yelowitz in a Thursday op-ed for The Wall Street Journal.

The study determined that in the nine states examined, “around 800,000 individuals ... appeared to gain Medicaid coverage for which they were seemingly ineligible.” Mr. Blase and Mr. Yelowitz note that other recent federal and state audits have found evidence of “massive improper enrollment” in the wake of Medicaid expansion.

Medicaid fraud isn't new, of course, but Obamacare's ballooning of the rolls has exacerbated the problem. Governing magazine reported in 2013 that

states which take the issue seriously by looking for patterns that might indicate fraud or waste save millions of dollars. The value of fraud prevention “is extraordinary,” a Florida Medicaid official told the publication.

Given the rapid rise in Nevada’s Medicaid rolls — and the skyrocketing costs — state officials should assign this issue a high priority.