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**INSTITUTE ARGUES AGAINST MEDICAID EXPANSION**

*Less affordable than it seems*

**OKLAHOMA CITY, OK** (March 18, 2019) – The 1889 Institute has published “Obamacare Medicaid Expansion: Still a Bad Idea,” which points out the drawbacks of Oklahoma expanding Medicaid under the federal Affordable Care Act (Obamacare).

In analyzing the possibility of expanding Medicaid in Oklahoma, regardless of how it is done, three broad issues emerge. First, advocates exaggerate need but minimize fiscal risks. Second, Obamacare Medicaid expansion would only exacerbate the health care price spiral above general inflation. And third, while expansion would enrich the already-rich health industry, Oklahoma would be prevented from efficiently and effectively solving its own problems.

“What has always galled me about Obamacare is it was sold as a solution to high health care prices, but it doubled down on the very policies that caused the high prices in the first place,” said the paper’s author, Dr. Byron Schlomach, economist and Director of the 1889 Institute. Dr. Schlomach blames the poor incentives that arise when consumers rely on “third-party payers” to pay for services – Medicaid, Medicare, and health insurance – for causing high health care prices.

The 1889 Institute’s publication refutes three main arguments of advocates for Medicaid expansion. First, it disputes that more federal money will have a significant economic impact or that Oklahomans are truly paying taxes for other states’ expansions. Second, it disputes whether most hospitals need additional funds while acknowledging that there might be a need to help specific rural hospitals. And third, it disputes alleged benefits from expanded health coverage.

Dr. Schlomach argues that Obamacare Medicaid expansion would make Oklahomans more dependent than citizens of other states and that expansion risks larger cuts in education and other programs when the state suffers revenue shortfalls. “Demand for Medicaid rises when finances are tightest, and our low cost of living causes people with good standards of living to qualify for assistance in higher numbers than in other states, since the federal poverty level is not adjusted for cost of living,” he said.

Finally, the publication asks several tough questions, including: Already consuming 1/7<sup>th</sup> of the economy, how much greater of a share does health care need? And, if all hospitals need financial help, why are so many constructing new facilities and expanding right now?

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**About the 1889 Institute**

The 1889 Institute is an Oklahoma think tank committed to independent, principled state policy fostering limited and responsible government, free enterprise and a robust civil society. The publication, “Obamacare Medicaid Expansion: Still a Bad Idea” can be found on the nonprofit’s website at <http://www.1889institute.org/health-care>.