

How Medicaid Expansion Fuels Hospital Pockets—and Drives Up Your Premiums

Medicaid Expansion in Montana: A Quick Recap

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Montana's Legislature approved Medicaid expansion last session, extending coverage to more than 90,000 adults with incomes up to 138 percent of the federal poverty level.

Hospitals saw an immediate cash-flow boost. By shifting thousands of uninsured patients onto Medicaid, they cut uncompensated-care losses and could finally add or expand specialty services—93 percent of Montana's 27 critical access hospitals reported new offerings like orthopedics and behavioral health since expansion began.

State spending on Medicaid has held steady at roughly 13 percent of Montana's general fund—even with expansion—because federal matching dollars cover most costs. A recent analysis found that savings from fewer charity-care write-offs, plus extra state and local tax revenues tied to hospital growth, more than offset Montana's share of expansion costs. The report even pegged an added \$560 million in personal income statewide thanks to expansion-driven job gains and provider investment.

How Hospitals Turn Medicaid Gains into Higher Bills for You

- **Lower Reimbursements Than Private Insurers**
Medicaid pays far less per procedure than private plans. To make up the gap, hospitals push insurers to cover rising operating costs—then insurers pass those higher contract rates on to you in the form of steeper premiums.
- **Less Uncompensated Care Means Higher List Prices**
When hospitals aren't swallowing losses on uninsured patients, they're free to boost billed charges. Those list prices become the negotiating floor for insurers, and ultimately, the base for your premiums.
- **Rapid Service Expansion Requires New Equipment and Staff**
Adding specialty clinics—orthopedics, behavioral health, etc.—means big capital outlays. Hospitals recover those investments by charging insurers more for every visit.

Medicaid Expansion Also Means Coverage of Abortion and Transgender Surgeries

Montana's Medicaid program already covers medically necessary abortions and gender-reassignment surgeries—and expansion simply brings more people into that same benefit package. As confirmed in a June 2019 state legal memo, Montana must pay for physician-performed abortions deemed medically necessary and for medically necessary gender-affirming procedures under Medicaid

There has been an undeniable breakdown in the American Healthcare System. Lack of oversight and accountability have led to corruption, greed, and unlawfulness. With no established mechanism of enforcement there is no fear of consequence for the guilty. Fear is a very powerful motivator. When the PREP Act granted doctors immunity they were also granted a license to kill. Whether intentional or incidental the payment for specific treatments ensured devastating results.

The 1st Amendment protects the
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expansion.

Because expansion adds tens of thousands of new enrollees, the state's share of costs for those services will tick up too—even though the federal government picks up roughly 90 percent of the tab for expansion populations.

The Hidden Tax on Private Premiums

When Montana's hospitals get healthier margins from Medicaid, private health plans shoulder more of the true cost of running our health system. Here's how that plays out for a typical family plan:

In this example, your family pays an extra \$3,500 next year, even though Medicaid expansion intended to lighten hospital losses—not inflate private rates.

What It Means for Rural Montanans

Rural families and small businesses already face only one insurer and one hospital in many counties. With no competitors to shop around:

higher payroll costs or cutting worker hours and benefits.

How You Can Push Back

- **Speak Out on Rate Filings**
Montana's Commissioner of Securities and Insurance takes public comments on proposed rate hikes. Email csi.rates@mt.gov or attend the Aug. 13 review hearing.
- **Demand Price Transparency**
Call your state senator and representative to back creation of an All-Payer Claims Database. Knowing real costs is the first step to fair negotiations.
- **Maximize Federal Subsidies**
Many Montanans qualify for Advance Premium Tax Credits that can slash your bill by up to 75 percent—check your eligibility now before credits expire.

By understanding how Medicaid expansion's gains for hospitals—and its requirement to cover abortions and gender-affirming

| Metric | Today's Cost | With a 25% Premium Bump |
|------------------------------|--------------|-------------------------|
| Annual Premium (family) | \$14,000 | \$17,500 |
| Out-of-Pocket Limit | \$9,100 | \$9,100 |
| Employer Contribution (avg.) | \$10,200 | \$12,750 |

- Premium hikes hit harder when there's only one plan on your Exchange.
- Hospitals can demand steep contract hikes because insurers can't spread volume across multiple systems.
- Small employers must choose between