FOR IMMEDIATE RELEASE
January 25, 2017
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Repeal of the Affordable Care Act’s Medicaid Expansion
Could Cost the District $1.1 Billion in Federal Funds

Auditor’s analysis shows more than 100,000 residents could lose
their health insurance unless D.C. government filled the funding gap

WASHINGTON, D.C.—The government of the District of Columbia would lose $563 million in federal
matching funds for Medicaid in 2018 and possibly $1.1 billion annually by 2028 if Congress repeals the
Medicaid expansion of the Affordable Care Act (ACA), according to a report prepared by the Office of the
D.C. Auditor (ODCA).

“This report shows that, if the Medicaid expansion is repealed and the D.C. government isn’t able to find
additional sources of revenue, some 100,000 of our most vulnerable residents could lose their health
insurance,” said D.C. Auditor Kathy Patterson. “This report clearly highlights the risks associated with
repealing the ACA without first putting in place new policies to ensure lower- and middle-income
Americans retain access to quality health insurance.”

In addition to the Medicaid expansion issue, the report outlines dire funding consequences for the District
under a Republican plan to restructure Medicaid using a per capita allotment, which means the District and
states would receive a certain amount of federal funding each year per enrollee in the program, or a block
grant, which means they would receive a fixed sum per year regardless of changes in enrollment.

ODCA’s analysis found that, under a per capita allotment, the District could lose more than $1.9 billion in
federal funding each year by 2028. Conversion to a block grant program could cost the District $2.1 billion
annually by 2028.

Repeal of the ACA, known informally as Obamacare, also would threaten DC Health Link, the District’s
health benefit exchange, by requiring further legislative and regulatory action to allow D.C. to continue
effectively operating its exchange. As of December 2016, DC Health Link provides insurance coverage to
16,745 District residents and 58,823 small business employees.

ODCA examined current and previous repeal plans proposed by President Trump, his nominee to head the
U.S. Department of Health and Human Services, and Republican leaders in Congress. The auditor’s office
also consulted policy and program experts in the District’s Department of Health Care Finance, which
oversees the District’s Medicaid program, and the Health Benefit Exchange Authority, an independent
agency that manages DC Health Link. The experts provided the latest information on enrollment and costs
along with estimates of how repeal of the healthcare law or restructuring of Medicaid would impact the
District.
In addition, ODCA reviewed research by other health policy experts on the impact these plans would have at the national and state level, including the District. The Kaiser Family Foundation, a leading healthcare think tank, also was consulted. The report was prepared at the request of D.C. Councilmember Jack Evans, chairman of the Council’s Committee on Finance and Revenue.

View the full report.

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