

Annual Impact of KanCare Expansion

Beginning in 2019



Federal Legislative Hospital Reductions*

KanCare Expansion (KDHE Estimate)*

Net Gain/Loss

Uncompensated Care

	Hospital Impact		Non Health Care Impact	
	Kansas		Kansas	
	<u>Without Expansion</u>	<u>With Expansion</u>	<u>Without Expansion</u>	<u>With Expansion</u>
Federal Legislative Hospital Reductions*	\$ (329,075,380)	\$ (329,075,380)	\$ (215,325,448)	\$ (215,325,448)
KanCare Expansion (KDHE Estimate)*	\$ -	\$ 378,373,765	\$ -	\$ 247,583,094
Net Gain/Loss	\$ (329,075,380)	\$ 49,298,385	\$ (215,325,448)	\$ 32,257,645
Uncompensated Care	\$1,237,397,084	\$824,931,389		

* 10-Year Average

Explanation of Data

Federal Legislative Hospital Reductions: This number reflects the HANYS February 2016 report of the 10-year estimated impact of the federal legislative reductions, including ACA Market basket cuts, sequestration, and Medicare DSH Cuts divided by 10 for an average annual impact.

KanCare Expansion: This number is based on expansion estimated provided by the Kansas Department of Health and Environment for 2018 SB 38

Uncompensated Care (without expansion): This number reflects the annual charity care and bad debt costs as reported by this hospital in the 2017 AHA annual survey. Charity care is defined as care for which the hospital never expected to be reimbursed. Bad debt is incurred when a hospital cannot obtain reimbursement for care provided because patients either are unable to pay their bills and do not apply for charity care or are simply unwilling to pay their bills.

Uncompensated Care (with expansion): This number reflects a reduction of a third of the uncompensated care reported by this hospital in the 2017 AHA annual survey. The uncompensated care amount with expansion was calculated based on the Colorado Hospital Association study dated September 2014 which found that, while all states saw a reduction in uncompensated care with the implementation of the ACA, on average, expansion states had a reduction of 52 percent in uncompensated care while non-expansion states saw only a 15 percent reduction. Expansion alone results in a one-third reduction in uncompensated care.