

# KanCare Expansion

## The Bridge to a Healthy Kansas – Talking Points

- 1 KanCare Expansion **improves the health of Kansans.**
- 2 KanCare Expansion **protects our local communities and hospitals.**
- 3 KanCare Expansion **creates jobs and stimulates the economy.**

Expanding KanCare makes health care coverage affordable for approximately 150,000 hardworking, low-income Kansans. Designed to provide and protect access to affordable health care, it also brings **preventive care** to those who need it most. KanCare expansion is **budget-neutral** and will likely produce a net financial gain for Kansas. KanCare expansion **protects our local communities and hospitals** while strengthening our local and state economies.

- **2019 Legislative Session** – While Kansas hospitals share in the disappointment with a majority of Kansans that the Kansas legislature was unable to pass KanCare expansion this session, we are committed to finding a Kansas solution to provide coverage to 150,000 hardworking, low-income Kansans.
- **2020 Legislative Commitment** – Kansas hospitals are going to hold legislative leadership to their commitment to hold an interim committee to craft a Kansas-specific expansion plan and take up this issue early next legislative session.
- **A Critical Health Care Tool** – Expanding KanCare makes health care coverage affordable for approximately 150,000 hardworking, low-income Kansans. It is also a critical tool that will help increase access to much needed mental health and substance use disorder services. Data show states that have expanded Medicaid have increased access to important preventive care and improved chronic disease management.
- **The Time is Now** – Kansas is one of just 14 remaining states that have not yet expanded health care to individuals and families who desperately need it. Thirty-six states (plus the District of Columbia) have passed Medicaid expansion. We have seen Republican- and Democratic-led states across the country reach consensus on Medicaid expansion to benefit their citizens, communities and economies. It's time we do the same in Kansas.
- **KanCare Expansion Helps Hospitals and the Communities They Serve** – Studies show hospitals in states that have not expanded their Medicaid programs are six times more likely to close than those in expansion states. In addition to being the anchor of health systems, hospitals are among the largest employers in their communities and a key foundation of economic growth and development. Communities without a hospital are at a profound disadvantage in attracting new businesses and new residents. KanCare expansion is a key factor in creating a positive policy environment for economic growth and opportunity in Kansas. KanCare expansion will help every single Kansas community.

- **Kansans Overwhelmingly Support Expansion** – Three out of four Kansans support expansion because they fundamentally understand many able-bodied Kansans do work for a living, but their wages are too low to afford private health insurance. They also understand KanCare expansion protects our local communities and hospitals while strengthening our local and state economies.
  - April 2017 - statewide survey commissioned by the American Cancer Society Cancer Action Network and the American Heart Association, when told that the Legislature's bill would use federal dollars already set aside to provide healthcare coverage to low-income residents, 75 percent of respondents said they support expanding KanCare — including 66 percent of Republican voters statewide. Sixty-four percent of voters disagree with Gov. Brownback's decision to veto the legislation expanding KanCare.
  - Sept. 2018 - survey data from The Commonwealth Fund show Medicaid expansion is favored by 77 percent of low-income Kansans.
  
- **A Budget-Neutral Program** – KanCare expansion is budget-neutral, as it will generate new revenue and cost savings of \$58.5 million in 2019 and \$114.5 million in 2020. This is a net financial gain of more than \$18 million in 2019 and \$4.7 million in 2020.
  
- **Keep Kansas Dollars in Kansas** – More than \$3.2 billion in federal funding designated for health care in our state has left Kansas since January 2014 and without KanCare expansion, another \$1.8 million leaves our state every day. That money is going to the federal government to be spent in other states – states that have chosen to expand their Medicaid programs. The Kansas Hospital Association maintains a live ticker of this growing number that demonstrates what inaction has cost Kansas (go to [www.kha-net.org](http://www.kha-net.org)). Funding for health care in Kansas should not go to other states. Bring Kansas money back to Kansans by supporting KanCare expansion.
  
- **Help Community Hospitals and Keep Health Care Accessible in Kansas** – One way to keep health care accessible in our Kansas communities is to insure more patients. Expanding KanCare will provide more low-income individuals with health care coverage, which in turn helps maintain access to local health care services throughout Kansas. It also will reduce the occurrence of uncompensated care for the uninsured, along with the associated costs that are passed on to hospitals and other health care providers. Since 2010, Kansas hospitals have endured federal reimbursement cuts for health care services. These reductions were supposed to be offset by federal funding for expanding Medicaid, which has yet to pass in Kansas.
  
- **Lack of Expansion, One of Many Pressures on Health Care in Kansas** – Many health care providers today struggle to remain viable in the face of a changing health care environment and economy. Declining population and utilization patterns, the challenges of recruiting and retaining physicians, increasing capital improvement needs, and shrinking reimbursements are just a few factors. Additional revenue from KanCare expansion is extremely important to the bottom lines of rural hospitals. Since 2010, five Kansas hospitals have closed.
  
- **It's Good Business** – KanCare expansion will provide health care coverage to approximately 150,000 hardworking, low-income Kansans. When people have health care coverage and access to primary and preventive care, they tend to be healthier and more productive, which is good for Kansas businesses. A healthier Kansas population also lowers the occurrence and cost of uncompensated health care services, which prevents further health care cost-shifting to businesses and insured individuals throughout the state.

- **Help Vulnerable Kansans** – Kansas hospitals support KanCare expansion because we know that lack of health care coverage keeps people from receiving regular care. Unfortunately, the uninsured often turn up in emergency rooms because their health is not properly managed. Expanding KanCare would cover Kansans earning less than 138 percent of the federal poverty level (\$28,676 annually for a family of three in 2019.) The majority of Kansans who would be eligible under the new program work as dishwashers, housekeepers, health care support workers, janitors, nursing assistants, landscapers, bus drivers, child care workers, medical assistants, retail sales people and fast food workers.
- **Who are the 150,000?** – The majority of those on KanCare and in the expansion population work or are in families with someone who works. Many of these are low-income jobs that do not provide health coverage or the coverage is too expensive to afford. The idea of "able-bodied" is a myth. Of those who don't work, a majority are not healthy enough to work consistently due to chronic illness or disability (it is very difficult to qualify for Social Security disability; a large number of people with disabilities that make it difficult for them to work have not secured disability status). Most of the remaining people not in the workforce are caregivers for children, elderly adults, or individuals with disabilities.
- **KanCare Expansion Supports Getting to Work** – Health care coverage (KanCare expansion) supports working people and those looking for work. Surveys of the expansion population in Ohio found that Medicaid coverage made it easier to look for work (for those who don't work). It also helped those with jobs keep their jobs by making them more productive. Withholding health coverage will make it less likely that the uninsured will be able to enter the workforce.
- **Expanding KanCare Benefit the Disabled As Well As the Working Poor** – Those who oppose expansion often claim that it will crowd out those who need Medicaid due to disabilities. That claim is patently false and unsupported. A study by the National Health Law Program found that expanding state Medicaid programs actually has the opposite effect: It would make more Kansans with disabilities eligible for KanCare, and it would make more resources and funding available to help reduce wait lists and improve access to much-needed services.
- **Support Physicians and Patients** – Kansas physicians are concerned about meeting the health needs of their Kansas communities. At the core of everything they do is a desire to help others regardless of income or status, and they take their patients' health very personally. KanCare expansion insures more working Kansans, empowering physicians across the state to help more people achieve and maintain better health. Healthier individuals make healthier communities.
- **Expanding KanCare Creates Jobs and Helps the Economy** – Expanding KanCare will inject hundreds of millions of dollars into the Kansas economy and create more than 3,800 new jobs. Kansas does not save money by refusing expansion — it simply gives up the opportunity to bring our tax dollars back to our state. Nearly all costs of expansion are covered by the federal government. Under federal law, at least 90 percent of the costs of expanding KanCare will be funded by our own federal tax dollars coming back from Washington, DC. Expansion saves money for states. Other states that have chosen to responsibly expand Medicaid are seeing substantial revenue growth and budget savings on other services.

- **Increasing Evidence from Other States** – There is an ever-increasing amount of evidence to support the positive impacts of expanding Medicaid. To date, 36 states and the District of Columbia have expanded Medicaid programs and most are reporting substantial savings in their state budgets. States cite three sources of expansion savings/revenue:
  1. As low-income residents gain coverage, federal funding replaces state-funded services for the uninsured.
  2. Some people who have been eligible for Medicaid but whose coverage qualified only for the current federal match rate — including many with high costs, such as the “medically needy” — would qualify for the enhanced expansion match rate. This means that federal payment for health care services for these people currently goes from 57 percent of total costs to 90 percent. The state of Kansas would never be responsible for more than 10 percent of the costs (we currently pay 43 percent of the cost).
  3. Revenues from insurer and provider taxes and assessments increase because the base from which they are calculated grows when more people are covered. These revenue gains come in addition to the economic boost that would come from millions of federal dollars flowing into the state, as well as the associated growth in jobs.
  
- **A Unique Kansas Solution** – KanCare expansion is NOT Obamacare. It is a unique Kansas solution that uses federal funds to build upon and extend our current KanCare program to approximately 150,000 low-income, hardworking Kansans. KanCare expansion will allow Kansas health care providers to continue their focus on providing the right care, in the right amount, in the right setting and at the right time.
  
- **Health Care Coverage for Kansas** – Legislation, known as *The KanCare Bridge to a Healthy Kansas program*, (House Bill HB 2066) proposes a budget-neutral program, a bridge within the current KanCare program that makes health care coverage accessible for approximately 150,000 Kansans who do not earn enough to afford private insurance today. This legislation is similar to legislation that previously passed in the Kansas Legislature with substantial majorities but was ultimately vetoed by then-Governor Sam Brownback. KanCare expansion includes:
  - Eligibility requirements – the program covers participants who:
    1. Are between 18 and 65 years of age;
    2. Have an annual household income of no more than 133 percent of the federal poverty level, after the 5 percent income set-aside allowed by the Patient Protection and Affordable Care Act (PPACA, more commonly known as ACA);
    3. Do not participate in Medicare or are not otherwise eligible for Medicaid; and
    4. Are U.S. citizens or legal residents (a federal law requirement for all Medicaid recipients).
  - Preventive care – the program covers qualifying preventive care at no expense to participants.
  - Federal funding – the program is funded in part by federal funds as set forth in the ACA, and the program may terminate if federal funding is reduced below the requirements set forth in the ACA.
  - No risk for the state – the savings and revenues generated by expanding the KanCare program will be tracked and reported to the legislature. If needed, the program establishes a working group charged with identifying non-state general fund sources to fund any shortfalls.