

# Kansas' Approach to KanCare (Medicaid) Expansion?



# KanCare Expansion

*(Refresher of what we know)*

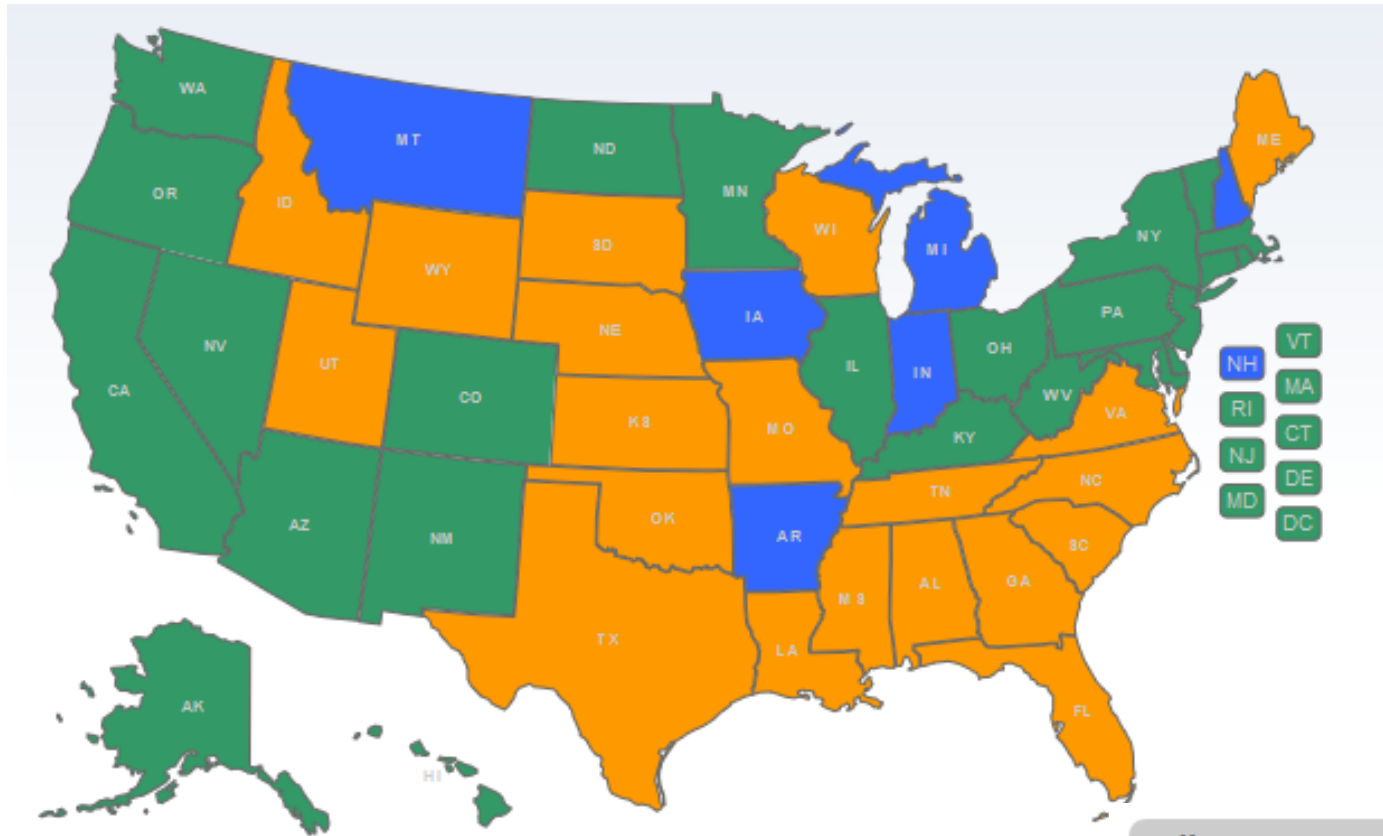
It's Voluntary - The U.S. Supreme Court ruled the federal government cannot force Medicaid expansion to 138% of the FPL

Federal share is 100% for newly eligible population for first 3 years; then gradually decreases to 90%

Regardless of a state's decision, Medicare cuts (including DSH) will occur



# Medicaid Expansion Status

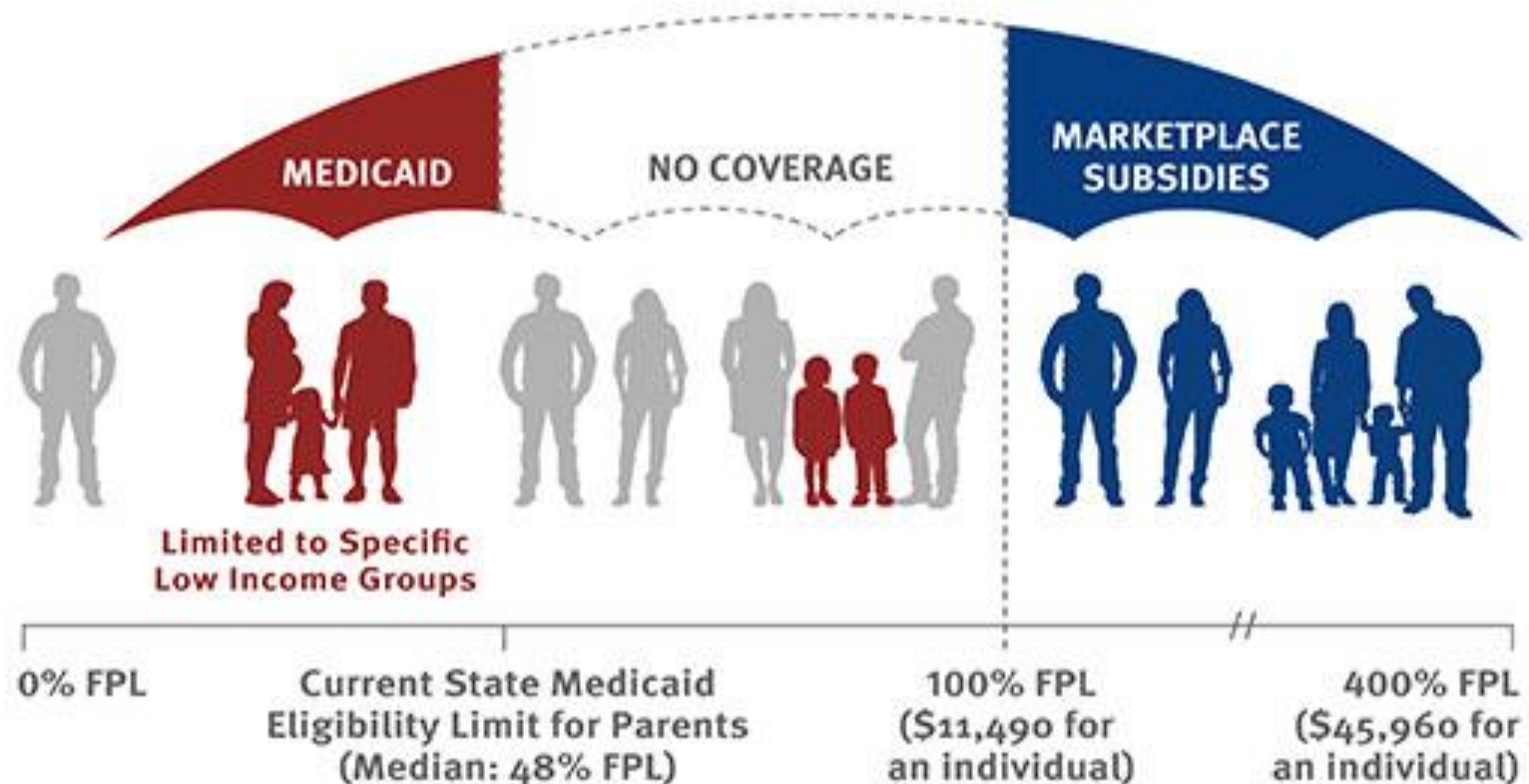


**Key:**

- 20 states are not expanding Medicaid
- 25 states (count includes the District of Columbia) are expanding Medicaid
- 6 states are expanding Medicaid, but using an alternative to traditional expansion



In states that do not expand Medicaid, there will be large gaps in coverage, leaving millions of low-income adults with no affordable options.



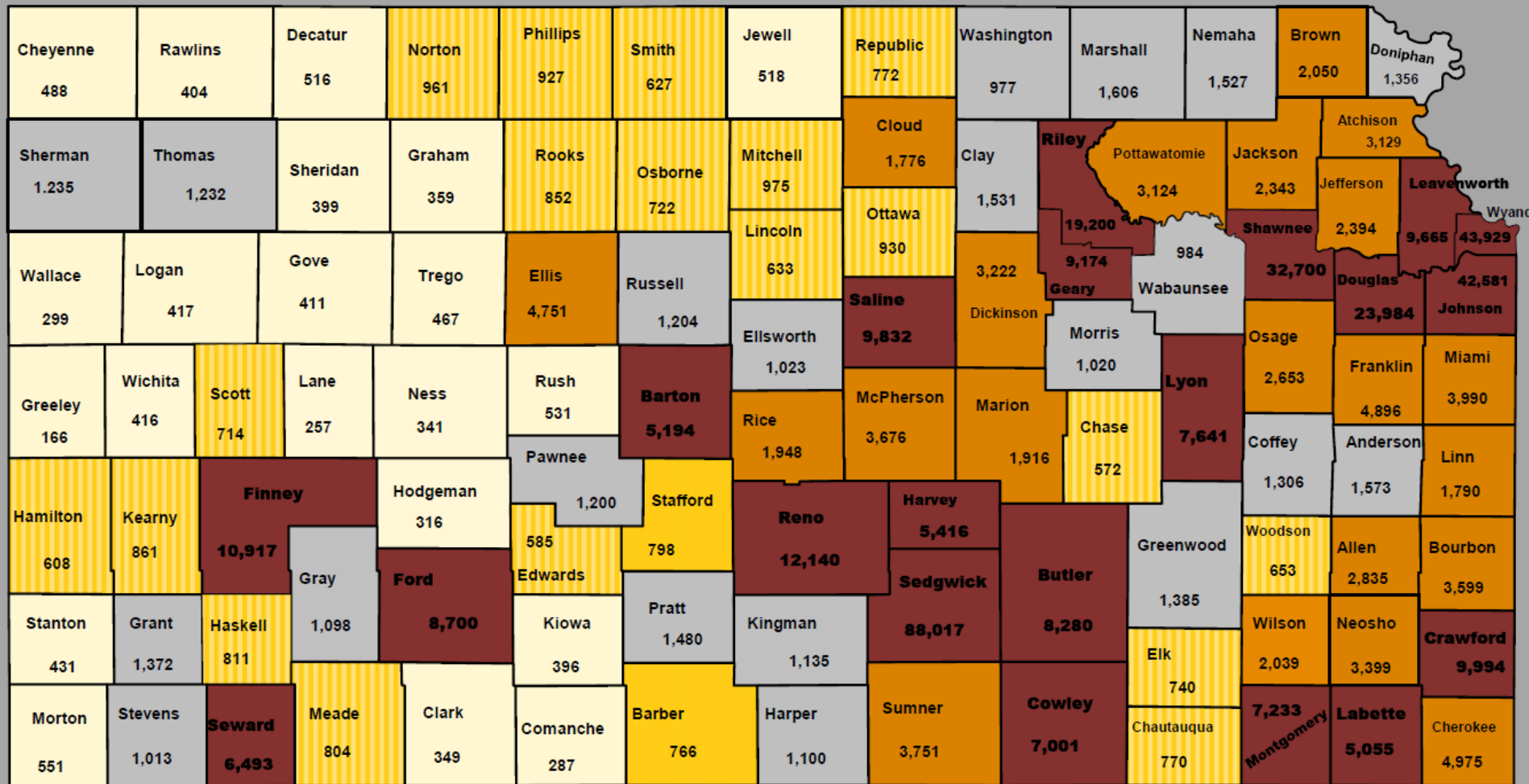
NOTE: Applies to states that do not expand Medicaid. The current median state Medicaid eligibility limit for parents is 48% FPL in the 21 states that are not moving forward with the Medicaid expansion at this time.

# Who Is Affected?

- Approximately 150,000 Kansans would become eligible for coverage if KanCare is expanded.
- The income at 138 percent of the Federal Poverty Level for a family of three is \$27,310 a year or \$2,276 a month.
- The majority of Kansans who would be eligible under KanCare expansion 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 in Kansas communities.
- 78,000 Kansans fall into the coverage gap – they don't qualify under the current KanCare program and are too poor to qualify for subsidies in the Health Insurance Marketplace.



# Numbers of Kansans Under Age 65 Earning Incomes at or Below 138% FPL



Source: U.S. Census Bureau, Small Area Health Insurance Estimates (2009)

Whether Kansas expands KanCare or not, Kansas dollars are going to the federal government ...

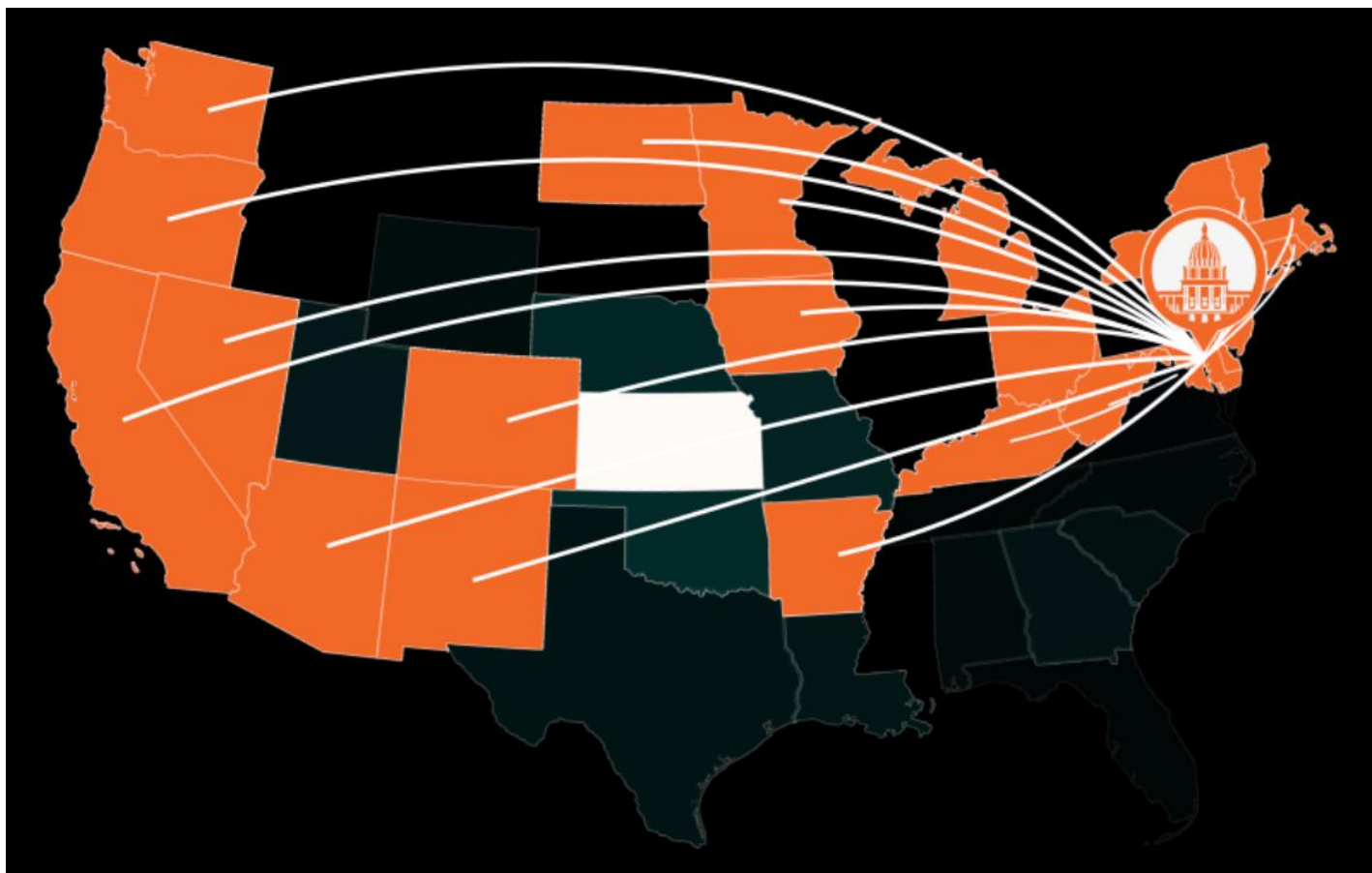


Since January 2014, more than three quarters of a billion dollars in federal reimbursement cuts, additional fees and taxes intended to support the Affordable Care Act has left Kansas and is going to the federal government ...



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... to support expansion in other states.



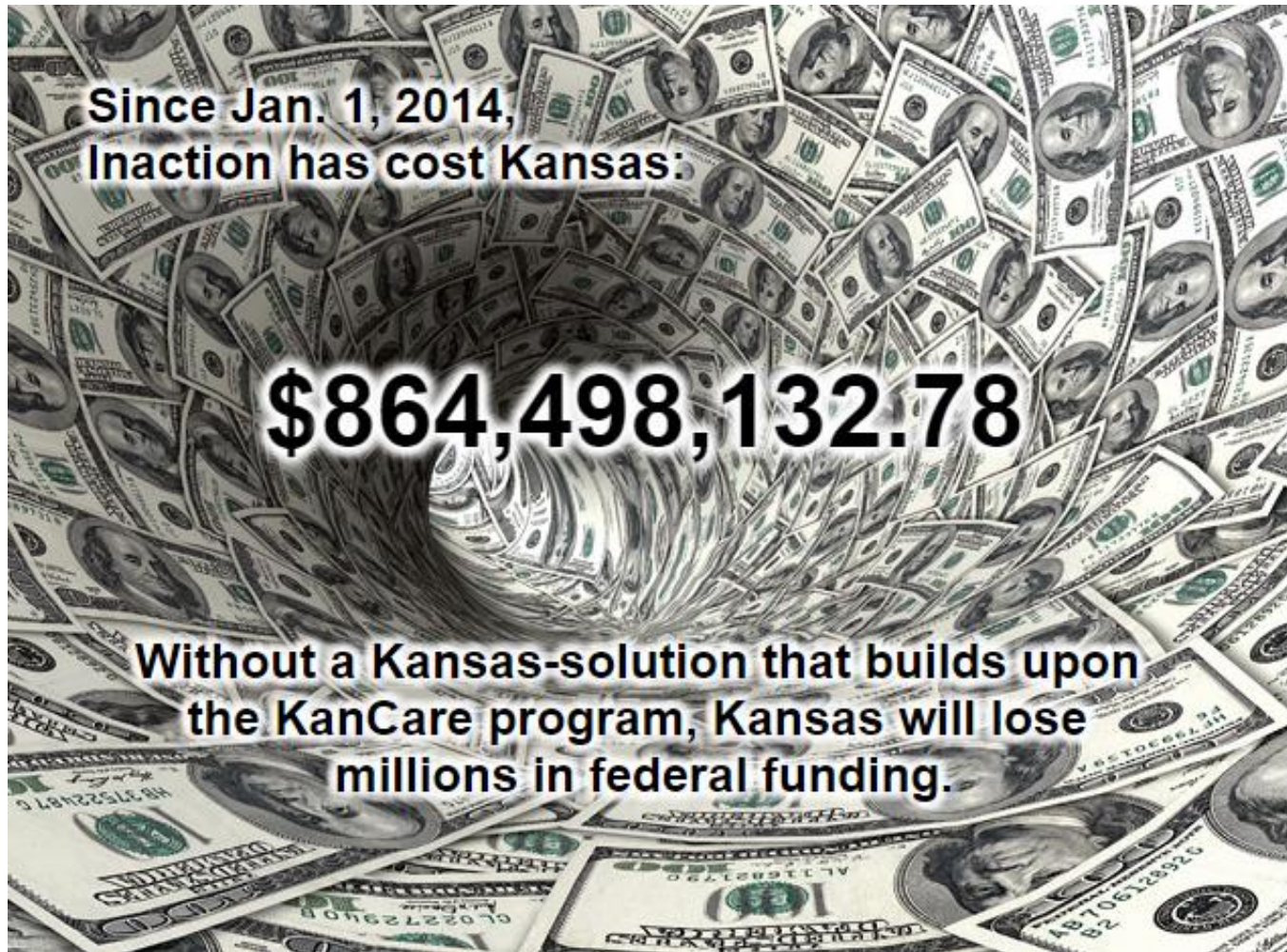
Kansans are financially supporting expansion, just not in Kansas.



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# Ticker Highlighting Lost Federal Funds



**Since Jan. 1, 2014,  
Inaction has cost Kansas:**

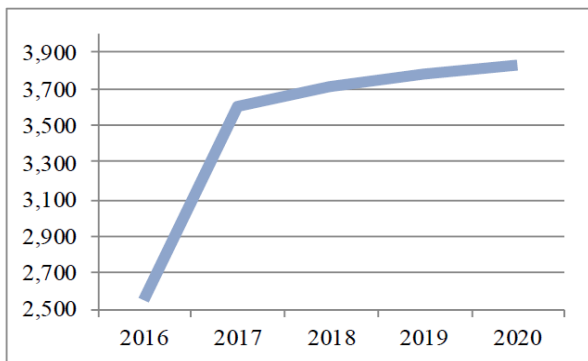
**\$864,498,132.78**

**Without a Kansas-solution that builds upon  
the KanCare program, Kansas will lose  
millions in federal funding.**

This information is from a report prepared for the Kansas Hospital Association. All opinions and conclusions in this report are those of the authors and do not represent institutional views of REMI, GW, or the Kansas Hospital Association.



**KanCare Expansion Increases Jobs**



**Without Expansion ...**  
**2,546 fewer jobs are created in 2016**  
**3,830 fewer jobs are created in 2020**

**Economic Effects of Expansion**

Year	New Federal Funds (in millions)	Increase in Gross State Product (in millions)
2016	\$299.2	\$182.9
2017	\$435.3	\$259.9
2018	\$465.8	\$269.0
2019	\$498.4	\$275.5
2020	\$533.3	\$280.7
<b>Total</b>	<b>\$2,231.9</b>	<b>\$1,268.1</b>

**Kansas Fiscal Impacts**

Year	Increased State Medicaid Costs	New State Revenues	Offsetting State Health Savings	Net State Savings
2016	\$10.30	\$5.20	\$34.10	\$29.00
2017	\$68.40	\$12.80	\$54.80	(\$0.80)
2018	\$72.90	\$15.90	\$58.80	\$1.80
2019	\$77.60	\$17.10	\$63.10	\$2.60
2020	\$82.70	\$18.10	\$67.80	\$3.20
<b>Total</b>	<b>\$311.90</b>	<b>\$69.10</b>	<b>\$278.50</b>	<b>\$35.70</b>

In Millions of Dollars



DECEMBER 2015

# Impact of Medicaid Expansion on the Kansas State Budget

Prepared by Manatt Health for the Kansas  
Grantmakers in Health

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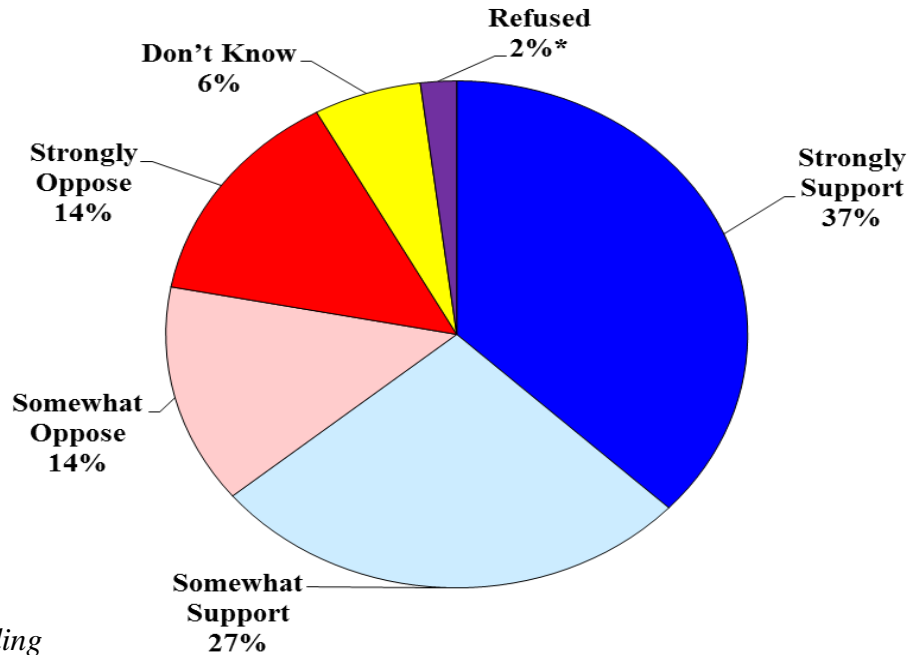


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# A solid majority of voters support expanding KanCare.

*“As you may know, Medicaid is a federal and state health insurance program for low-income people and some other needy populations. It is funded by state and federal funds. The federal health reform law allows states to expand Medicaid to cover individuals who have an income level up to \$15,420 annually or 138% of the federal poverty level. It is estimated this expansion would provide coverage to an additional 160,000 Kansans. Do you support or oppose expanding the Kansas Medicaid program, also known as KanCare?”*

**Total Support: 64%**  
**Total Oppose: 29%\***



*\*Denotes Rounding*



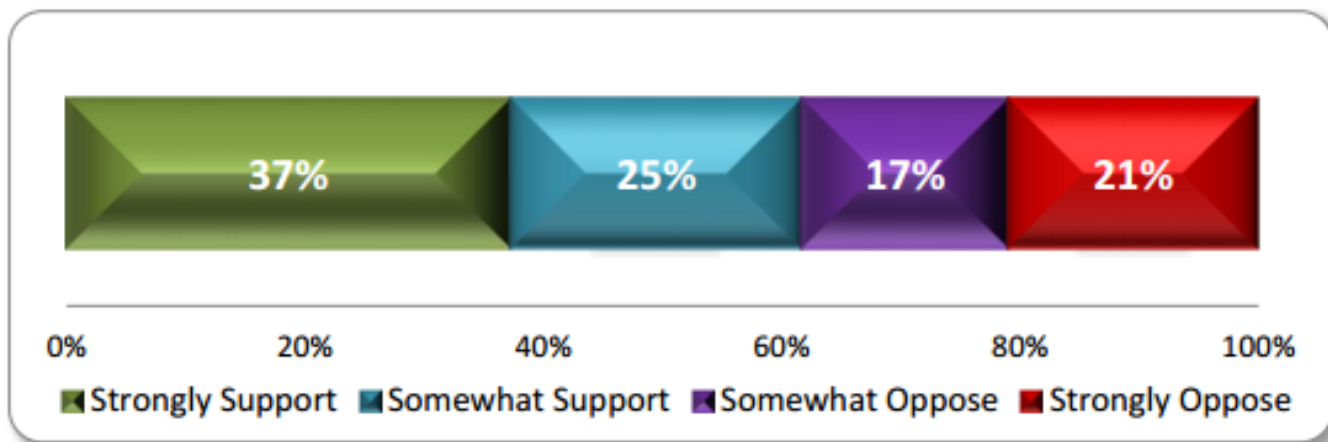
# Public Continues to Support

## The Docking Institute of Public Affairs

Fort Hays State University

October 2015

Figure 49: Opinion on Medicaid Expansion (n=567)



Question: *Kansas officials have been reluctant to adopt Medicaid expansion, which would increase the number of Kansans eligible for this federal program. What is your preference regarding expanding Medicaid under the Affordable Care Act? Would you say you: Strongly support, Somewhat support, Somewhat oppose, or Strongly oppose expanding Medicaid under the Affordable Care Act?*

# Evolution of Governor's Position

- June 2012—Supreme Court case
- July 2012 "He will make a decision after the elections,"
- January 2013— "I want to wait until the federal government plays more of its cards before I make a decision"
- Early 2014--"I've not declared a position on it because you're seeing the federal government adjust monthly"
- Early march 2015 if the Kansas Legislature presented him with a budget-neutral expansion bill, he would likely sign it
- Mid march 2015--administration wouldn't consider expanding Medicaid eligibility for "able-bodied adults" until it cleared the waiting lists of disabled persons
  - This is the "moral choice"



# Governor Brownback on Mercy Hospital Closure

”They should blame it on Obamacare”



This isn't about blame—it is about the state doing what it can to support access to care.



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Supporting Medicaid Expansion is a "morally reprehensible" position



Rather than focus on these attempts at division, we would rather talk about something that could bring Kansans together: the development of a unique, Kansas-based program that builds on the Governor's own KanCare program and helps to bring our federal tax dollars back to Kansas.



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# KHA's Message:

Kansas should **thoughtfully develop a unique, Kansas-based solution** that takes advantage of the federal funds to build upon and improve our current KanCare program.

The cost of caring for those who would be covered by KanCare expansion is already being absorbed by hospitals, health care providers, businesses and other payers.

