



COMMON CLAIMS & FACTS ABOUT KANCARE EXPANSION

Prepared by Sheldon Weisgrau, Health Reform Resource Project

On March 30, 2017, Gov. Brownback released a statement to accompany his veto of House Bill 2044 to expand KanCare (the Kansas version of Medicaid), which would extend affordable health coverage to more than 150,000 hardworking Kansans. Unfortunately, the message contains several false narratives that opponents of Medicaid expansion have used for years, in Kansas and other states. What follows is a point-by-point response to the administration's key arguments.

CLAIM #1

"Now is not the right time for expansion; our state budget cannot afford it now or in the near future."

FACT: KanCare expansion will help the state budget.

- Gov. Brownback points only to the additional costs of expansion. He fails to acknowledge savings and revenue that would be generated.
- KanCare expansion will create budget savings.
 - Thousands of Kansans who would be eligible for KanCare under the current state match of 44% of costs would instead be eligible for expansion, in which the state never pays more than 10%.
 - **This shift** -- in which many pregnant women, Kansans with disabilities, and others would move to the expansion population -- **will alone save more than \$60 million in state spending in FY 2019.**
- KanCare expansion would generate revenue.
 - The state receives rebates on prescription drugs from pharmaceutical companies. More Kansans covered means higher drug rebates.
 - The state imposes a privilege fee on managed care organizations (MCOs), including the three MCOs that administer KanCare. With expansion, more Kansans would enroll in the program and the MCOs, generating more revenue for the state.
 - In FY 2019, **just these two revenue sources will bring in more than \$68 million.**
- KanCare expansion grows the economy.
 - More than \$1 billion in new health spending will create economic activity, jobs, and additional tax revenue totaling (conservative estimate) nearly \$26 million in FY 2019.
- **In total, the projected net positive impact of KanCare expansion to the Kansas budget is more than \$73 million in FY 2019.**
- The sometimes cited cost and enrollment overruns in some expansion states do not reflect state budget savings and new revenue.
 - Governors, including Republicans from expansion states, are actively lobbying Congress to retain Medicaid expansion even as other changes to federal health law are considered.



CLAIM #2

“Expansion prioritizes services for able-bodied adults at the expense of disabled Kansans.”

FACT: KanCare expansion will help the state reduce the waiting list of Kansans with disabilities.

- A February 2017 study by the National Health Law Program (NHeLP) found that **states that expanded Medicaid have much shorter waiting lists** for home and community-based waiver services (HCBS). Three-quarters of Americans on waiting lists are found in states like Kansas that have resisted expansion.
- NHeLP demonstrated that Medicaid expansion does not cause the funding pie to get split among more people, but instead grows the pie, making more resources and funding available and helping people with disabilities get the services they need to live independently.
- A December 2016 study conducted at the University of Kansas shows that people with disabilities living in Medicaid expansion states are significantly more likely to be employed than those living in non-expansion.
- **Many Kansans with disabilities aren't currently eligible for KanCare**, are uninsured, and would be covered by expanding the program.
- Direct support workers and personal care attendants who care for Kansans with disabilities are often uninsured and many would be covered by expansion. This would reduce turnover and help recruit more workers to offset a critical shortage.

CLAIM #3

An effective program would help people find a job, escape poverty, and gain economic security.

FACT: KanCare expansion helps people find a job, escape poverty, and gain economic security.

- Medicaid serves as a critical work support program, enabling adults to remain healthy enough to stay employed, or improving enrollees' health to allow them to become employed.
- **Most of those eligible for expansion are working**, they just don't have health insurance. Health concerns are a threat to the stability of employment and to the financial security of such families. Of those who are not working, many have chronic illnesses and disabilities and would benefit from preventive care and medical services under KanCare.
- A July 2016 analysis from the conservative American Enterprise Institute (AEI) found that **illness or disability are the top reasons why poor people are not working**, particularly adults without children. AEI argues that policies that focus on improving the health of the poor are needed to support employment.
- An April 2016 study from the National Bureau of Economic Research (NBER) found that Medicaid expansion significantly reduced the number of unpaid bills and the amount of debt sent to third-party collection agencies, improving financial status and credit scores. NBER found that Medicaid expansion has important financial impacts beyond use of health care services.



CLAIM #4

“Expansion provides funding to abortion providers.”

FACT: KanCare expansion has nothing to do with abortion. Period. Federal law prohibits use of federal funds to cover abortion services.

- Coverage of health care services by KanCare — including preventive care, prenatal care, delivery of babies, and lifesaving services — is a pro-life policy.

CLAIM #5

“Kansas should not take action on expansion while Congress works to overhaul the Affordable Care Act.”

FACT: Any potential changes to the ACA could take years to come. Kansas lawmakers should act now to protect the interests of Kansans rather than waiting for politicians to act in D.C.

- The recent attempt to repeal the ACA and implement the American Health Care Act was unable to garner enough votes to pass the House and was withdrawn.
- There is no consensus in Congress regarding what an ACA overhaul would entail, nor a clear political path to make it happen.
- At every key ACA decision point over the last seven years, Gov. Brownback and others in the Kansas Legislature have said Kansas should wait until decisions come from D.C., either from Congress, the Supreme Court, or via election.
- Waiting means that nothing in Kansas gets done. The time for waiting has long been over.

FOR MORE INFORMATION about KanCare expansion: ExpandKanCare.org