



**To:** House Health and Human Services Committee

**From:** Jerry Slaughter  
Executive Director

**Date:** March 18, 2015

**Subject:** HB 2319; concerning Medicaid expansion

The Kansas Medical Society appreciates the opportunity to submit the following comments on HB 2319, which directs KDHE to develop and submit a Medicaid waiver application that would expand coverage to certain individuals with an income that is equal to or less than 138% of the federal poverty level. KMS supports HB 2319.

For more than twenty years, the Kansas Medical Society has supported a public policy that all Kansans should have health insurance. To the extent that private health insurance is either unaffordable or unavailable due to health or employment status, public programs such as Medicaid should provide such coverage. The benefits of good health insurance are indisputable. Better primary and preventive care, screening for cancers, high blood pressure and other chronic illnesses, as well as early identification and treatment of diseases, will improve health outcomes, reduce disability and suffering, avoid communicable diseases, increase productivity and save dollars.

Unfortunately, the polarizing dynamics associated with the Affordable Care Act across the country have complicated the public policy question of making Medicaid coverage available to more low-income, uninsured individuals. Had consideration of such a programmatic expansion occurred in the absence of the ACA, it may have been a much different discussion because of the significantly more generous federal match involved. That said, we shouldn't dismiss out of hand the sincere concerns of those who are reluctant to expand our program for fear that the federal government will change the rules of engagement at some point in the future in a way that creates adverse financial consequences for our state.

However, HB 2319 appears to address the financial risk issue by requiring that the program be budget neutral, meaning that if there is a substantive change in the program that would expose the state to financial risk from any source, the state could protect itself by withdrawing its commitment.

In addition, the program contains some important safeguards and features that will make it a more efficient and manageable program. Incentivizing healthy behaviors, requiring cost sharing and personal responsibility, and rewarding healthy outcomes and responsible

health choices, are all positive elements in the plan design that will produce measurable health benefits to participants and cost savings to the state.

Most importantly, HB 2319 has the potential to cover up to an estimated 144,000 uninsured, childless adults, many of whom are employed, or seeking employment. Today, Kansas has some of the most restrictive income qualification guidelines in the country for non-pregnant, non-disabled adults under the age of 65, even with children in the home. This population can't afford health insurance, and must either rely on care provided charitably by hospitals and physicians, or obtain care from the safety net system of clinics throughout the state. While safety net clinics are an important asset for the state, they are not a substitute for comprehensive health insurance.

Additionally, as a result of planned reductions in federal uncompensated care funding and Medicare payments, Kansas hospitals have been put at significant financial risk. Our state cannot meet the health care needs of our population in the future without a strong network of financially viable community hospitals. The public expects hospitals to care for uninsured Kansans, but their ability to do so is increasingly threatened without the support that will be made available through this legislation.

We believe HB 2319 to be a carefully balanced, fiscally responsible approach to extending coverage to a large group of low-income, uninsured individuals. We respectfully urge your support of the bill. Thank you.