KAMU
THE PRIMARY CARE ASSOCIATION OF KANSAS
strength
unity
advocacy

Chairman Hawkins and Members of the Committee:

I am Denise Cyzman and am honored to represent the Kansas Association for the Medically Underserved (KAMU) by providing written testimony in support of House Bill 2319. As the Primary Care Association of Kansas, we represent 52 member organizations, 43 of which are Kansas Safety Net clinics. In 2014, these clinics served 252,000 Kansans through 724,000 visits in 84 locations. Safety net clinics provide healthcare services regardless of patients' ability to pay. Most patients have limited financial resources; two out of three live at or below the poverty level and almost 50% do not have health insurance.

Expanding KanCare is an investment in safety net clinics, their patients, their communities, and our great state. Approximately 150,000 uninsured Kansans will be afforded health insurance through expansion of KanCare, or what we call KanCare 2.0. These constituents live in every part of Kansas. They are not people who are unemployed, uneducated, or not playing an integral part in our economy. Most working-age Kansans who lack insurance have jobs; 80% of those eligible for KanCare 2.0 work at least one job. Almost 4 out of 10 have some college or a college degree. These Kansans are the people we serve. They are also the people who serve us. We interact with and rely on them each and every day. They are our child care workers, nursing assistants, home health workers, car mechanics, and fast food employees, to name a few.

Uninsured Kansans experience harmful health and financial consequences when faced with difficult choices to delay care, borrow money, or skip paying medical or other bills in order to access care. They seek health care when they are sicker, requiring more expensive care. They have worse health outcomes and higher death rates than those with insurance. Their financial security is jeopardized when bills remain unpaid and are eventually sent to collections. A poor credit history impacts their ability to get and keep a job or buy a car to go back and forth to work.

KanCare expansion is not solely an individual issue. Having health insurance increases the chances people will have a usual source of primary care. Our safety net clinics currently serve and will continue to serve many who will be eligible for KanCare 2.0. With expansion, clinics will be compensated for the cost of providing care that previously went unreimbursed. A 2015 study reported that safety net clinics in expansion states had a 40% decrease in uninsured visits post expansion. ***We estimate that KanCare 2.0 will reduce the Kansas safety net clinics annual uncompensated care by more than $20 million***. This will enable our clinics to serve more patients, broaden the types of services they provide, and expand into communities where there

are primary care gaps. Additionally, decreasing uncompensated care lessens the impact on employers and tax payers as the need for state and local funds and higher private health insurance premiums to offset some of these costs is reduced.

The decision to expand KanCare is a decision to create jobs. Several reports document projected employment increases, and we are beginning to see the impact in states where expansion has occurred. In Kansas, it is estimated that 4,000 new jobs will be created by 2020. About one-half of these are higher paying, healthcare jobs. Some of these jobs will be in our safety net clinics. On the flip side, our clinics are concerned they will lose providers if KanCare is not expanded. Healthcare providers may choose to work in states with Medicaid expansion, where the impact of uncompensated care has been diminished.

We cannot ignore the impact KanCare 2.0 will have on our state. The Kansas Department of Health and Environment (KDHE) estimates that KanCare expansion will bring $5.9 billion in additional federal spending to Kansas, increasing the demand for both medical and non-medical goods and services. Expanding KanCare will help grow our economy, create jobs, and support the state's budget through increased revenues.

I understand the primary challenge is to determine how to pay for expansion. Current work to increase KanCare efficiencies, effectiveness, and cost-savings will generate state savings and revenues to offset some of the state's cost for expansion. Shifting state funding for mental health, substance abuse, and other state services to KanCare 2.0 will provide additional savings. Early economic analyses from states with expansion (Connecticut, Kentucky, New Mexico, and Washington) revealed that expansion did indeed yield state savings and state revenues while causing limited increases in state costs. We can expect the Kansas solution to Medicaid expansion to be similar. And let us not forget that we are already paying for Medicaid expansion. Our Kansas tax dollars support Medicaid expansion in other states. On behalf of KAMU, its 43 safety net clinics, and their 252,000 patients, I urge this committee to work HB2319 and catalyze a Kansas solution to Medicaid expansion. It is time for a Kansas Plan.

Thank you for the opportunity to provide testimony. I am happy to stand for questions or provide the reference materials used to prepare this testimony.