

KanCare 2.0



OUR MISSION | To be the voice and resource for community-based hospitals.



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

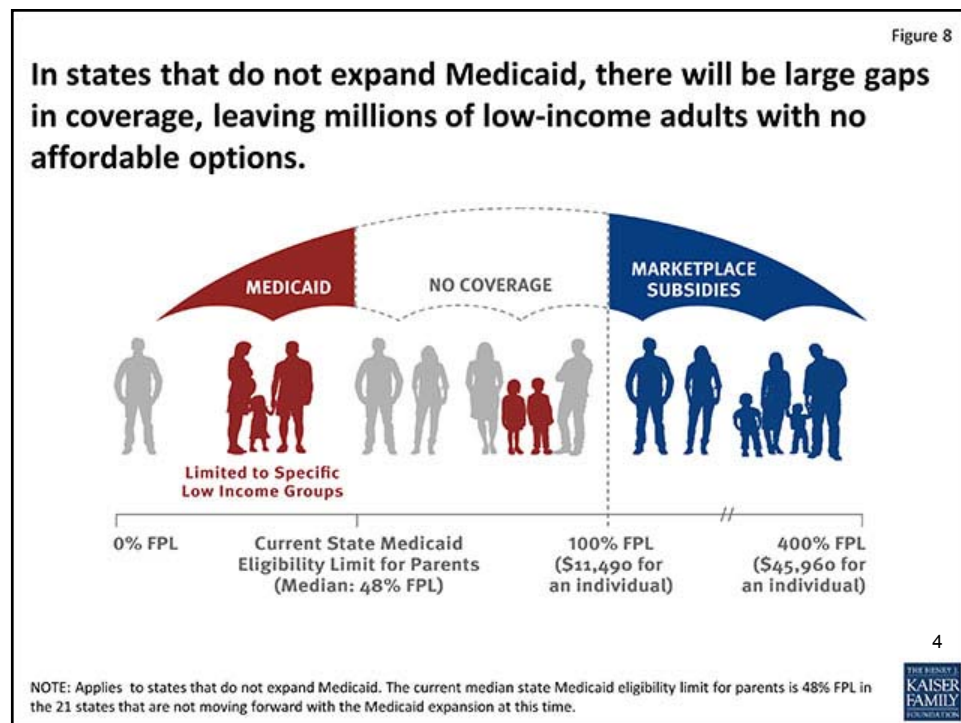
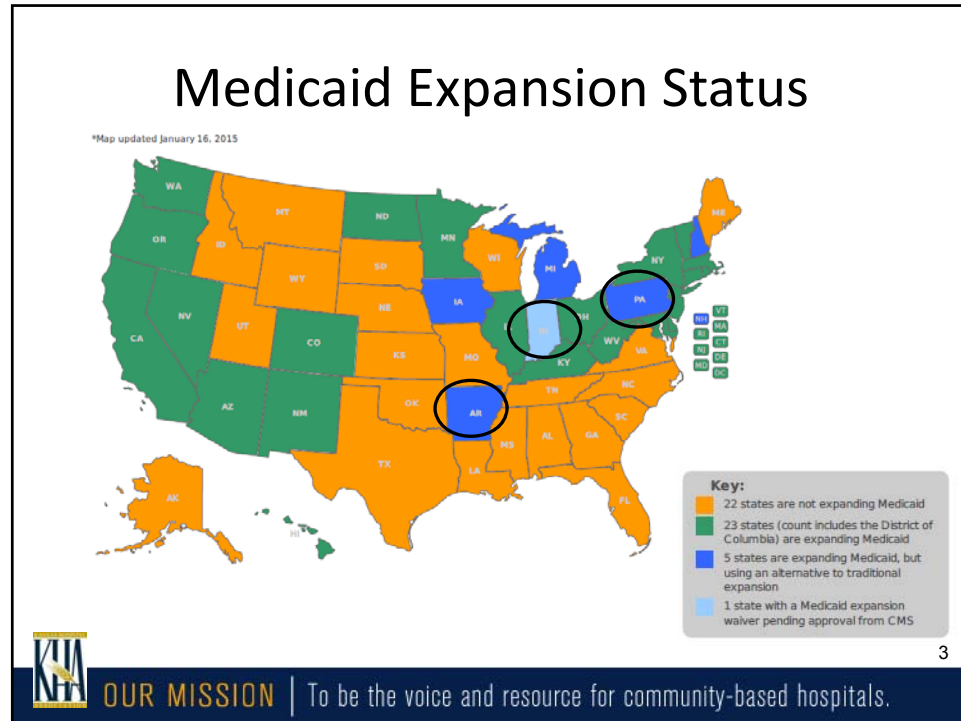
Federal share is 100% for newly eligible population through 2016; then gradually decreases to 90%

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



OUR MISSION | To be the voice and resource for community-based hospitals.

2



Path to Personal Responsibility

No Insurance

- No accountability or responsibility
- Endless access to ER
- Cost of care shifted to Private Insurance Consumers

KanCare

- “Skin in the Game” Component to create more responsible consumers
- Access to primary care and management of chronic conditions
- Co-pays and premiums to help cover cost

Private Insurance

- Responsible for selecting and purchasing private health care services
- Able to access right care at the right time
- Cost of care born by the beneficiary



OUR MISSION | To be the voice and resource for community-based hospitals.

5

**THE GEORGE
WASHINGTON
UNIVERSITY**
WASHINGTON, DC

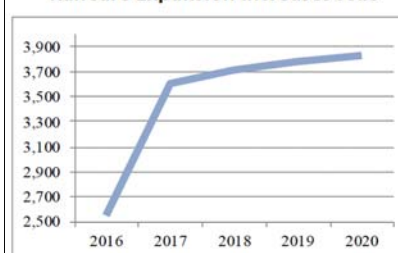
This information is from a report prepared for the Kansas Hospital Association. All opinions and conclusions in this report are those of the authors and do not represent institutional views of REMI, GW, or the Kansas Hospital Association.



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
Total	\$2,231.9	\$1,268.1

KanCare Expansion Increases Jobs



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



OUR MISSION | To be the voice and resource for community-based hospitals.

6

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
Total	\$311.90	\$69.10	\$278.50	\$35.70

In Millions of Dollars



OUR MISSION | To be the voice and resource for community-based hospitals.

7

KHA's Core Principles

- Significantly important to Kansas hospitals that a "Kansas-based" solution is reached
- KanCare 2.0 will be a statewide demonstration program that will provide coverage through the KanCare program for all individuals below 138 percent of the Federal Poverty Level
- KanCare 2.0 will utilize the 100 percent federal match through 2016
- Develop dedicated funding source(s) to help offset the state's financial share of KanCare 2.0



OUR MISSION | To be the voice and resource for community-based hospitals.

8

Potential Key Policy Provisions

- Use of **Premium Assistance** for those who have access to employer sponsored insurance
- Use of **high deductible health plan model** with annual and lifetime expenditure limits, in conjunction with a health savings account, to empower beneficiaries to become better consumers and access services at the right place and the right time
- **Cost-sharing** for those who do not participate in the health savings accounts who fall under 100% FPL – again, to promote the use of services at the right place and right time
- **Incentives for healthy behaviors** – use of preventive services like prenatal care, blood sugar monitoring, and cholesterol monitoring, etc. – that include roll-over of health savings account balances to reduce the required contribution for the following year
- Incentives for **participation in job search and training**



OUR MISSION | To be the voice and resource for community-based hospitals.

9

Potential Key Policy Provisions

- **Incentives for participation in adult education** for those who do not yet have either a high school diploma or GED
- **Assistance and incentives for seeking a disability determination** where appropriate and assistance with assistive technology where it is not
- **Focus on continuing health delivery reform initiatives**, such as improving health status and quality of care, promoting patient centered medical homes, reducing emergency department utilization, increase use of prenatal care, and reduced infant mortality rates
- **Dedicated funding source(s)** would be developed to **help offset** the state's financial share of KanCare 2.0



OUR MISSION | To be the voice and resource for community-based hospitals.

10