



Health Reform Resource Project:

Funded by Kansas Grantmakers in Health

Testimony on:

HCR 5013

Presented to:

House Standing Committee on Appropriations

By:

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Chairman Rhoades and Members of the Committee: thank you for the opportunity to provide testimony in opposition to House Concurrent Resolution 5013.

I am Sheldon Weisgrau, Director of the Health Reform Resource Project, an initiative of Kansas Grantmakers in Health to provide resources and education as we improve our health care system to one that provides better care, enhanced health, and improved cost effectiveness.

More than 365,000 Kansans do not have health insurance, nearly one in every seven residents of the state. Most of these Kansans are employed, working in jobs that do not offer health insurance and unable to afford coverage on their own.

We now have a rare opportunity to significantly reduce the number of uninsured in the state. Expanding KanCare, the state's privately managed Medicaid program, will provide insurance coverage to as many as 150,000 more Kansans.

Growing KanCare is an extremely cost effective way to ensure that Kansans have health insurance coverage. By improving care coordination, KanCare is designed to significantly reduce the growth of health care costs in the Medicaid program. Money from Kansas tax payers is already earmarked by the federal government to go to Medicaid expansion. Should Kansas choose not to expand, our hard earned money will go to other states to pay for care for their residents. Keep that money at home and help our Kansans who need it most.

KanCare expansion will create new jobs and economic growth throughout the state. It will also allow both the state and local governments to reduce spending that is currently used to support the provision of services to the uninsured. A recent study commissioned by the Kansas Hospital Association (<http://www.kha-net.org/communications/mediareleases/d102613.aspx>) shows that expanding KanCare will result in a net cost savings for the state.

It's also important to remember that health insurance matters. People without insurance are not as healthy as those with it. They have more difficulty holding jobs and earn less than those with insurance. They don't live as long. Gaining insurance coverage lessens or reverses many of these harmful effects.

Even those with insurance pay a price for this. Research shows that insured people who reside in communities with a high rate of uninsurance have more difficulty getting needed services, are less likely to have a usual source of care, and are less satisfied

with the care they receive. And we all pay an indirect “tax,” as well, through higher prices for health care services and more expensive insurance premiums to subsidize the costs of those who cannot pay.

Finally, if we don't expand KanCare, it will cause economic harm to the health care system. The Affordable Care Act envisions the number of uninsured Americans to drop dramatically. As a result, it reduces direct federal support for uncompensated care to hospitals and other health care providers. Without KanCare expansion, these providers will still be expected to care for the uninsured, but will receive far less support for it. Their bottom lines will be affected and their ability to continue to provide care, even to those with insurance, will be harmed.

The reluctance of some to expand a government program is understandable. It's important to remember, though, that the choice for the vast majority of the uninsured is not between KanCare and private insurance. It is between KanCare and nothing.

There is also skepticism that the federal government will meet its commitment to provide generous matching funds for KanCare expansion. But changing this commitment is not a decision that can be made casually. It will take an act of Congress to do so. Nevertheless, if this is a concern, the state can adopt a legislative “circuit breaker” that discontinues the expansion if federal support drops below the 90 percent level currently contained in statute.

KanCare expansion is both good health policy and good economic policy. Hard working Kansans deserve the value of health insurance coverage and Kansas businesses benefit from a healthy workforce. I urge you to follow the lead of other states that have decided to participate. Support KanCare expansion and vote against HCR 5013.