Individual Liberty
Economic Liberty
Strengthen Families
Sovereign States Rights
Ending Judicial Activism

March 19, 2015

HB 2319 Medicaid Expansion
Opponent testimony

Mr. Chairman and Committee Members,

The Supreme Court ruled the federal government could not withdraw existing Medicaid funding to punish states for not expanding their programs, thus giving states the choice to opt out of the expansion. This is obviously a huge deal paying for even 10 percent of the expansion is too much for a state with a tight budget.

Medicaid, the joint federal and state program designed to finance health care for the poor has **not** been fundamentally changed since it was created in 1965. Legislators know Medicaid desperately needs to be modernized for the 21st century, and even President Obama argued the case during the debate over ObamaCare. He was quoted, “It is not sufficient for us simply to add more people to Medicare or Medicaid to increase the rolls, to increase coverage in the absence of cost controls and reform,” he added that “another way of putting it is we can’t simply put more people into a broken system that doesn’t work.”

Medicaid was broken before the expansion because the doctor reimbursement rates are lower than private insurance, so many doctors simply will not take Medicaid and thus it is harder to get access to health care with Medicaid than private insurance. Now that we have included healthy adults into Medicaid we will probably never be able to get increases for reimbursement rates and the pool of doctors that accept Medicaid will continue to be limited, thus hurting the truly disabled and children.

Those who oppose Obamacare’s Medicaid expansion should think long and hard about it. We have the fiscal pressure that the expansion creates. This isn’t just about budgetary savings over expanding access to health care. We have the substandard care trying to be provided, people are inclined to believe that some health coverage is better than none at all. Then there is the economic devastation it has given us.

When I look at Kansas legislators I ask simple questions. Are you working in the interest of the people? Are you trying to control the people? Both of these issues can be addressed with this piece of legislation. Legislators should not be in the business of denying people access to health care. But they are being forced to halt the expansion of a program that provides limited access to quality care while devouring state budgets. We should be demanding that Washington allow states to improve Medicaid for its most vulnerable citizens. Not expanding it.

The Congressional Budget Office noted in February that Obamacare’s Medicaid expansion would reduce incentives to work and have had a modest effect on the overall supply of labor. While there is a debate in the academic literature about the effects of the Medicaid expansion on labor supply, that debate has tended to focus on parents who enroll in Medicaid, rather than adults without kids. The Medicaid expansion clearly is weakening our nation’s economy. I think it makes the case that rather than increasing economic opportunity, Obamacare, and its Medicaid expansion more specifically, actually kill it.

I think one of the strongest arguments against the expansion, is that it keeps many beneficiaries in poverty because it creates strong disincentives for work. Low-income adults without children, were largely ineligible for Medicaid but now get access because of Obamacare’s expansion of the program. It seems intuitively appropriate that people do not choose to be "trapped in poverty". It is much more likely they have very few, if any, reasonable alternatives.

If people are not working they are not only getting free health care (which they could always get) but they are contributing nothing. They are on welfare which means the taxpayers have more to feed and house. It isn't the middle class paying for the Obamacare, for the most part. It's the taxpayers, who are now subject to higher taxes to fund it.

The healthcare overhaul law did not improve Medicaid, but instead it offers a generous but temporary 100% federal match to encourage states to expand Medicaid to families earning up to 138% of poverty. Obamacare's "employer mandate" may be one of the largest destabilizing factors of our economy with businesses with 50 or more full-time equivalent employees (FTE). When you have to dictate the number of hours before mandates come forward. This has forced record numbers of part time employees.

Show me here the President, the Presidents administration, Democrats across the board are working in our interest or protecting the constitution? The National Bureau of Economic Administration provided an insight into these issues since 2009. Middle class pay checks are down $10.38 to $10.34. Median income is down from $54,423 to $51,939. Poverty is up from 13.2% to 14.5%.

We have millions of people (long term unemployed) estimated at more than 12 million, not able to find jobs. We have 46.1 million people as of March 2014 receiving benefits (food stamps, etc.). We have amassed more federal debt in the last six years in than all the previous presidents. We have a President and an administration making every attempt to disarm Americans (prohibiting guns, ammo, access, etc.)

State legislators have to understand and know before jumping off the fiscal cliff. The question then needs to be addressed on how to insulate or protect the state in the current mandated setting.

1) Medicaid harms the poor.
2) Medicaid spending has exploded. Medicaid spending has increased more than 250% since 1990.
3) Medicaid's access problems have gotten worse as more doctors drop out.
4) More States are being exposed to higher Medicaid costs no matter what Washington does to recalculate its payments.
5) Medicaid expansion worsens the cycle of dependence and harm to the economy.
6) Medicaid has crowded out private coverage.
7) Expanding Medicaid has exposed states to increased fraud and waste. These risk will only increase.
8) How are States going to demand more control and flexibility to expand coverage their own way?

We need to examine or find a single example of an efficient Federal program. The United Post Office, no one can compete to your mailbox and they still can't control cost, they pay no taxes and they are still not competitive with companies paying taxes (FedEx, UPS, etc). Social Security has been completely redesigned and robbed.

What makes anyone believe the government can do it better??

Respectfully Submitted,

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