



AMERICANS FOR PROSPERITY

KANSAS

March 19, 2015

Dear Chairman Hawkins and members of the committee,

Thank you for the opportunity to testify in front of you today on this key component of President Obama's controversial health care law. My name is Akash Chougule, and I am the Senior Policy Analyst at the national headquarters of Americans for Prosperity.

Americans for Prosperity and our two million activists across the country, including the tens of thousands here in Kansas, have been making the case against Medicaid expansion for years, and until now, this legislature seemed to understand that it would be a bad decision. AFP and our allies have explained that expanding this already over-burdened program would harm state budgets and funding for roads and schools, put taxpayers at risk, fail to provide access to quality care, and hurt the neediest citizens, all while entrenching Obamacare in Kansas and driving our country even deeper into seemingly insurmountable debt.

Unfortunately, many supporters of President Obama's law have cast aside these concerns as political talking points. But now, five years after the law's passage, we have real results to point to from states of all sizes and political make-ups that have expanded Medicaid under Obamacare.

It is important that Kansas legislators, patients, and taxpayers learn from the experiences of these states, because they make the case against Medicaid expansion crystal clear.

For example, in my home state of Rhode Island, fully one-quarter of the population is now on Medicaid. Medicaid spending has grown by a billion dollars since 2013, and is \$118 million over budget this year. The state budget office estimates this single program will take up nearly one-third of this year's \$8.8 billion budget, squeezing out other priorities critical to the state, like roads and schools.

With this health care program quickly spiraling out of control, the state is being forced to make tough choices on how to plug the growing budget hole. Lawmakers have to choose between a handful of politically difficult options: raise taxes, cut Medicaid benefits, kick people off the program, reduce spending on other priorities like roads and schools, or some combination thereof. Just last week, the newly-elected Democrat governor proposed cutting \$91 million from Medicaid and adding a new tax on insurance plans in her budget outline.

Illinois offers additional evidence of the financial train-wreck that is Medicaid expansion. Health officials originally estimated it would cost \$573 million from 2017 through 2020, when the state's funding obligation kicked in. But nearly 200,000 more people enrolled in the program in 2014 than originally projected, and state budget officials were forced to revise cost estimates to \$2 billion - well over three times the initial estimates.

While most states that expanded Medicaid under Obamacare are traditionally Democrat-controlled, a number of Republican states also took the plunge, only to suffer similar results. Ohio Governor John Kasich championed expansion in his state. There, program costs have exceeded projections every single month since expansion first went live in January 2014, and is on track to run \$1 billion over-budget at the end of this fiscal year.

Over 100,000 more Ohioans had already joined Medicaid rolls at the end of 2014 than the state had projected there would be by July 2015. Worse yet, Governor Kasich proposed cutting off many pregnant women and women with breast or cervical cancer from the program as a direct result of Obamacare's Medicaid expansion.

Finally, some red states like Arkansas enacted their own self-named "conservative alternative" expansions. Arkansas' problem-plagued "private option" ran over-budget every single month in 2014. And - like elsewhere - enrollment ballooned far beyond expectations: the state originally estimated that 215,000 people would ever enroll in the program - after just one year, there are more than 230,000 enrollees, and this welfare program is sure to continue to grow.

Moreover, the private option became a political nightmare for last November's elections. Over 30 members of Arkansas' legislature were defeated, and almost all of their opponents ran against the Medicaid expansion. Earlier this year, the legislature sought a way out of this failed experiment. Unable to build enough political support and gumption for an immediate repeal, they passed a law that sunsets expansion in 2016 - but the prospects of this actually occurring are as yet unknown.

These trends - costs and enrollment grossly exceeding projections and thus becoming a political firestorm - are apparent in nearly every state that's expanded Medicaid under Obamacare, and are sure to be the case in Kansas as well. As members of this legislature, you know full well that those are implications that this state's patients, taxpayers, and of course, politicians, cannot afford.

The lesson to lawmakers who have yet to give in to promises of "free" money from a federal government \$18 trillion in debt is quite clear: don't fall for it. Nothing is free, and your constituents will be the ones picking up the tab, one way or another. To the special interests lobbying for expansion: Medicaid is a money-loser in the long run and expansion crowds out private insurance, so stop digging. And to patients: rejecting expansion will finally open the door to substantive, productive, market-based, supply-side reforms that are badly in needed in Kansas and around the country in order to expand access to quality healthcare.

Rejecting Medicaid will expansion protect Kansas taxpayers, reduce the strain on an overburdened program, and ultimately keep President Obama's failed health law from taking hold.

For these reasons, Americans for Prosperity's thousands of Kansas activists from every corner of the state strongly oppose Obamacare's Medicaid expansion. We certainly plan to hold accountable any legislator who supports this misguided scheme, and applaud those who choose stand with Kansas taxpayers and patients instead.

Thank you again for the opportunity to testify before you today.