



February 8, 2017

Mr. Chairman and Members of the Committee,

On behalf of the Wichita Regional Chamber and our 1,600 members, thank you for the opportunity to provide testimony in support of H.B. 2064, AN ACT establishing the KanCare bridge to a healthy Kansas program.

KanCare (Medicaid) expansion is central to the success of local businesses and the growth of our state's economy. KanCare expansion brings much-needed jobs to our state, helps address the state's budget crisis, and allows us to come up with our own solutions, which encourages personal responsibility. And, it will be revenue neutral thus making sure our tax dollars are wisely spent.

Creating jobs is a top priority for the Chamber and for all Kansans. However, from December 2015 to December 2016, Kansas lost 9,400 private sector jobs (Bureau of Labor Statistics). Expanding KanCare is a pro-growth policy that will bring hundreds of millions of federal dollars to Kansas annually, which ripples through the state economy, creates jobs, and allows savings in other areas.

With KanCare expansion, the state's economy will grow by an additional \$300 million per year which makes expanding KanCare good for our state budget. States that expanded Medicaid saw more job growth and lower health inflation, and spent less on social and health services which were unneeded once more residents had medical coverage, according to a Robert Wood Johnson Foundation analysis.

Expansion states also have seen jobs grow at a higher rate, uncompensated care expenses fall and not as many rural hospitals at risk for closure. In addition, states that decided to expand Medicaid saw more job growth in the health sector. On average, the states that expanded Medicaid in January 2014 saw jobs grow by 2.4 percent during 2014, while jobs in states that did not expand grew by only 1.8 percent in the same year. Next door in Colorado, a recent report found that Colorado's economy supports 31,074 additional jobs due to Medicaid expansion. By FY 2034-35, that number will grow to 43,018.

Expanding KanCare would create jobs and economic impact in Kansas. The Bridge to a Healthy Kansas would provide financial stability to the current health care system. Two of the top five largest private employers in Wichita are Via Christi Health and Wesley Medical Center and expanding KanCare is their top legislative priority.

According to a report released in 2014 by researchers from George Washington University and Regional Economic Models Inc., expansion of KanCare could create between 3,500 and 4,000 new jobs, with most coming in the health care field at hospitals and nursing and residential facilities. In Sedgwick County alone, 21,024 uninsured residents would gain health coverage, there would be an anticipated 563 new jobs and \$89 million in new annual health care spending, creating economic impact and improving health.

For every \$1 million spent in healthcare, an additional \$500,000 is generated within the Kansas economy and for each job created in healthcare, an additional 0.6 jobs are created or supported due to business and household spending. In addition, expansion would generate job growth in other industries, including real estate, retail and construction.

Expanding KanCare is a unique, budget-neutral solution. It makes health care coverage more accessible at no additional cost to Kansas taxpayers and without using State General Funds. Expanding KanCare also boosts the Kansas economy without an additional investment by the state, as compared to other programs. It is important to note that Kansas does not save money by refusing expansion — we simply give up the opportunity to bring tax dollars back to our state. To date, we have forfeited over \$1.6 billion dollars by not expanding KanCare. We have an opportunity to bring millions of our federal tax dollars back home to Kansas to create jobs, protect hospitals and improve health.

Every day we fail to expand KanCare, Kansas loses \$1.9 million, which could be used to create jobs, protect hospitals and our communities and improve the health of Kansans.

With this in mind, the Wichita Regional Chamber strongly urges the Committee to report H.B. 2064 favorable for passage.

Very truly yours,



Gary Plummer
President and CEO
Wichita Regional Chamber of Commerce