



January 28, 2020

Kansas Senate Committee on Public Health and Welfare

RE: Senate Bill 252

Dear Chairman Suellentrop and members of the Committee:

On behalf of Americans for Prosperity activists in Kansas, I am here to testify in opposition to SB 252. AFP activists engage friends and neighbors on key issues and encourage them to take an active role in building a culture of mutual benefit, where people succeed by helping one another. Unfortunately, Medicaid expansion works against this mission because the program increases costs on taxpayers, diverts funding away from health care for vulnerable Kansans, and crowds out resources for important public services.

Nearly every state that has expanded Medicaid has seen costs increase far more than official estimates predicted. Research from the Foundation For Government Accountability shows Medicaid expansion has cost the average state 157 percent more than they initially estimated. In Colorado, Medicaid expansion has cost more than one-billion over projections.ⁱ

A key reason why Medicaid expansion has cost far more than predicted is because a large share of Medicaid expansion enrollees are able-bodied adults who already have health insurance. Over the past several years, 57 percent of new enrollees in government-funded insurance, which is overwhelmingly dominated by Medicaid, already owned private insurance.ⁱⁱ If Kansas expands Medicaid, it's likely that 54 percent of new able-bodied enrollees will already have employer-based coverage or individual coverage.ⁱⁱⁱ

Newly enrolled individuals will experience significantly worse access to care on Medicaid than on individual and employer-based care. Data compiled by the Centers for Disease Control show that only 64 percent of Kansas' primary care physicians accept new Medicaid patients. By contrast, 86 percent of Kansas physicians accept private insurance.^{iv} Pushing Kansans off private coverage and on to Medicaid will only make it more difficult for families to access basic medical care.

Furthermore, every Medicaid dollar that states spend on able-bodied adults is one less dollar states can spend on individuals with disabilities, pregnant mothers, and children in poverty. As a result, states that expand Medicaid have fewer resources to treat truly needy patients. Expansion states have forced nearly 250,000 sick patients to languish on waiting lists because they lack the funding for their care. Tragically, 21,904 of these individuals died before they could receive their care.^v

Medicaid expansion would similarly harm the 4,484 vulnerable Kansans who already rely on

Medicaid.^{vi}

Medicaid expansion's unsustainable costs will also crowd-out funding for important public services. In recent years, the growing cost of Medicaid has left state legislatures with fewer taxpayer dollars to spend on public education, public safety, and transportation. In fact a 2018 study from Harvard University found that every \$1 increase in Medicaid spending reduces per-pupil higher-education funding by \$2.44. The study's author concluded, "Medicaid has been the single biggest contributor to the decline in higher-education support at the state and local level."^{vii}

Even worse, a gigantic portion of new Medicaid spending is wasted on fraud and abuse. Recent audits by the federal Office of Inspector General found as much as one out of every five dollars spends is improperly spent on individuals who do not qualify for the program. These errors were due to Medicaid failing to properly identify the citizenship and income of new applicants.^{viii} As a result, families in expansion states are paying higher taxes on individuals who aren't even eligible for the program.

SB 252 would bring these disastrous consequences to Kansas. This bill would dramatically increase costs and taxpayers and crowd-out funding for public services Kansans rely on every day. Furthermore, it will make it significantly more difficult for Kansas' existing Medicaid program to provide essential health care services to our state's most vulnerable patients.

Kansas desperately needs reforms to provide reliable and affordable health care to our state's poorest residents, but Medicaid expansion is not the answer. Please vote "No" on SB 252 in committee to preserve state funding for core government functions that will actually improve the lives of everyday Kansans.

We thank you for the opportunity to address this critical issue and we look forward to working with the Committee to craft real reforms that expand access to affordable and high-quality health care for all Kansans .

Sincerely,

Elizabeth Patton
Deputy State Director
Americans for Prosperity-Kansas

ⁱ Jonathan Ingram and Nic Horton. "A Budget Crisis in Three Parts: How ObamaCare is Bankrupting Taxpayers." Foundation For Government Accountability. February 1, 2018. <https://thefga.org/wp-content/uploads/2018/02/A-Budget-Crisis-In-Three-Parts-2-6-18.pdf>

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- ⁱⁱ Chris Pope. “How to Increase Health-Insurance Coverage by Reducing ACA Crowd-Out.” *Manhattan Institute*. January 23, 2018. <https://www.manhattan-institute.org/html/how-increase-health-insurance-coverage-reducing-aca-crowd-out-10900.html>
- ⁱⁱⁱ Jonathan Ingram and Nic Horton. “How Medicaid expansion is crowding out private insurance.” *Foundation For Government Accountability*. April 11, 2019. <https://thefga.org/research/medicaid-crowding-out-private-insurance/>
- ^{iv} Sandra Decker. “Acceptance of New Patients With Public and Private Insurance by Office-based Physicians.” *National Center For Health Statistics*. March 2015. <https://www.cdc.gov/nchs/products/databriefs/db195.htm>
- ^v Nicholas Horton. “The Medicaid Waiting List Crisis.” *Foundation For Government Accountability*. March 6, 2018. <https://thefga.org/research/medicaid-waiting-list/>
- ^{vi} Waiting List Enrollment for Medicaid Section 1915(c) Home and Community-Based Services Waivers. <https://www.kff.org/health-reform/state-indicator/waiting-lists-for-hcbs-waivers/?currentTimeframe=0&sortModel=%7B%22collId%22:%22Location%22,%22sort%22:%22asc%22%7D>
- ^{vii} Douglas Weber. “Higher Ed, Lower Spending: *As States Cut Back, Where Has the Money Gone?*” *Education Next*. May 2018. https://www.educationnext.org/files/ednext_xviii_3_webber.pdf
- ^{viii} Brian Blase and Aaron Yelowitz. “The ACA’s Medicaid Expansion: A Review of Ineligible Enrollees and Improper Payments.” *Mercatus Center*. November 25, 2019. <https://www.mercatus.org/publications/healthcare/aca-medicaid-expansion>