



Kansas Still Studying Fiscal Impact of Expanding Medicaid

Allison Kite

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Kansas officials and advocates of expanding the state's Medicaid program are at odds over what the expansion would cost, delaying a legislative committee's vote on the idea.

House Health and Human Services Committee Chairman Daniel Hawkins said Tuesday that the vote count on the panel is "neck and neck" on a bill expanding the state's Medicaid program, known as KanCare.

The Legislature's consideration of the bill comes as Republicans in Washington look to repeal and replace the Affordable Care Act, which encouraged states to expand their Medicaid programs. It also comes after federal Centers for Medicare and Medicaid Services found Kansas' existing program out of compliance just before former President Barack Obama left office in January.

Hawkins, a Wichita Republican who has opposed expanding Medicaid, had said the committee could vote on the bill Wednesday but then sent the state's estimate on the financial impact back for further review after some questioned its analysis.

GOP Gov. Sam Brownback also has opposed expanding Medicaid, and officials in his administration have long argued that doing so would financially burden the state. The Kansas Department of Health and Environment, which oversees KanCare, testified against the bill.

In a memo earlier this month, Budget Director Shawn Sullivan said state agencies estimated that the state's costs would increase by nearly \$33 million during the fiscal year beginning July 1 and by nearly \$78 million the year after that. His memo also said the state would need to hire 179 new employees within two years.

"They're just looking at it again," said Lt. Gov. Jeff Colyer, a reconstructive plastic surgeon who often acts as the Brownback administration's spokesman on health care issues.

The bill's supporters question whether expanding Medicaid would be a burden. They said it would be budget-neutral and possibly an economic boon because of additional federal dollars for Medicaid, potential jobs created by increased access to care and fees collected from private companies now managing KanCare for the state. Kansas privatized its Medicaid program in 2013.

"They look at the additional costs that might go into the Medicaid budget, but they fail to consider savings and revenue," said Sheldon Weisgrau, director of the Health Reform Research Project.

Sullivan's memo included figures showing that the state would attract hundreds of millions of dollars in new federal funds and drug rebates.

But KDHE spokeswoman Angela de Rocha said expanding Medicaid has been "a budget disaster" for other states because of higher-than-expected enrollments.

Opponents like de Rocha also cite uncertainty over the future of the Affordable Care Act as one reason not to expand Medicaid. Michael Tanner, a senior fellow at the conservative Cato Institute said proposals in Washington outline so many different changes to health care that the state would be better off waiting until more is decided rather than "swimming after the Titanic."

But the Kaiser Family Foundation published a review of academic research on Medicaid expansion, saying that states that expanded had seen positive economic impacts despite higher-than-expected enrollment.

And David Jordan, executive director of the Alliance for a Healthy Kansas, said members of Congress representing expansion states would advocate for keeping their expansions. In written testimony to the House committee, he said the state has forfeited about \$1.6 billion in tax dollars paid to the federal government by not expanding.