



KanCare Expansion Opponents: Lawmakers Should Learn From Other States' Mistakes

Jim Mclean

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The message delivered to a legislative committee Thursday by opponents of expanding Medicaid eligibility in Kansas boiled down to this: Expansion has been a disaster in the states that have enacted it, so don't do it.

Gregg Pfister, legislative relations director for the Florida-based Foundation for Government Accountability, ticked through a list of expansion states where costs and enrollment significantly exceeded projections.

"When considering expansion, each one of these states looked at the problem, studied the projections and decided that this was an expenditure that their state could afford. Unfortunately, they were wrong," Pfister told members of the House Health and Human Services Committee.

So far, 31 states and the District of Columbia have expanded their Medicaid programs. Kansas is among 19 that haven't.

Supporters of Medicaid expansion in Kansas acknowledge that demand for services has exceeded projections in some states, but they don't necessarily consider that a problem given that more people are getting needed services and the federal government is shouldering most of the cost.

"Even with enrollment exceeding estimates, states have seen budget savings and revenue that still makes expansion budget positive in most cases," said Sheldon Weisgrau, in a memo distributed to the media before the hearing to counter the anticipated arguments of opponents.

Weisgrau is director of the Health Reform Resource Project, an educational initiative funded by several regional health foundations, some of which also provide funding to KCUR and the Kansas News Service. In addition to creating cost overruns, Michael Tanner, a senior fellow at the Cato Institute in Washington, D.C., said Medicaid doesn't provide quality care.

“In almost every health outcome, Medicaid is outperformed by private health insurance,” Tanner said. “In my opinion, it would be a significant mistake for Kansas to expand Medicaid at this time.”

The main study Tanner cited to support his claim didn’t follow patients long enough to determine the extent to which their health improved once they obtained Medicaid coverage, Weisgrau said.

Susan Mosier, secretary of the Kansas Department of Health and Environment, reiterated Gov. Sam Brownback’s reasons for opposing expansion, which include uncertainty about the future of the Affordable Care Act and the federal money it guarantees to states to cover most of the cost of expansion.

Mosier also took issue with claims made by supporters, most notably the Kansas Hospital Association, that expansion would generate more than enough revenue to cover the state’s share of the cost.

“There are several flaws with that analysis,” Mosier said. “There is no cost benefit to the state, in fact there is additional cost.”

The official estimate that Brownback administration’s budget office prepared said expansion would cost the state an additional \$110 million in the first two years.

Audrey Dunkel, a senior financial analyst for the hospital association, disputed the accuracy of the estimate. She said revenues and cost savings generated by expansion — most of which were acknowledged in the budget office report — would generate about \$13 million more than the amount needed to cover the state’s share of expansion costs.

The expansion bill under consideration — House Bill 2064 — would extend eligibility for KanCare, the state’s privatized Medicaid program, to more than 300,000 Kansans with annual incomes at or below 138 percent of the federal poverty level, about \$16,000 for an individual. However, it’s expected that only about half that number would enroll for a variety of reasons.

The committee is expected to vote next week on whether to send the bill to the full House.