



Responsible Policy. Real Prosperity.

February 14, 2018

Heidi Holliday, Executive Director
Kansas Center for Economic Growth
Testimony in Support of Senate Bill 38
Senate Public Health and Welfare Committee

Chair Schmidt and members of the committee:

Thank you for the opportunity to submit testimony in support of KanCare expansion from the Kansas Center for Economic Growth (KCEG). KCEG is a nonpartisan organization dedicated to promoting balanced budget and tax policies that help ensure all Kansans prosper.

Expansion of KanCare makes economic sense for Kansas. More than 150,000 working Kansans are now stuck in the “coverage gap.”¹ They make too money much to qualify for Medicaid but not enough to qualify for tax credits to help purchase health insurance on healthcare.gov. Expanding KanCare is a pro-growth policy for Kansas, and we can’t afford to wait any longer.

KanCare expansion benefits hardworking Kansans, local communities, and our state economy. It helps to create jobs in Kansas and allows the state to invest in the Kansas workforce.

- 1. KanCare expansion is good for hardworking Kansas families.** Many Kansans who work in child care, retail sales, nursing, construction, and food service have no health insurance. If Kansas expands KanCare, these hardworking families would qualify for health coverage. Kansans in all parts of the state will benefit, with the biggest gains in rural Western Kansas.
- 2. Expanding KanCare creates needed jobs in Kansas.** Kansas’ private sector job growth is lagging our neighbors. Conservative estimates are that KanCare expansion would bring 3,500 to 4,000 new jobs to the state of Kansas.² Additionally, expanding KanCare would help the nearly one-third of rural

¹ Data from the Alliance for a Healthy Kansas. <http://www.expandkancare.com/>

² *Medicaid Expansion: A Pro-Growth Policy*. Kansas Center for Economic Growth. <http://realprosperityks.com/wp-content/uploads/2014/04/Medicaid-Expansion-Brief.pdf>

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hospitals in our state at risk of closing.³ Expanding KanCare boosts the Kansas economy.

- 3. KanCare expansion makes good budget sense.** Currently, many uninsured Kansans use the emergency room for basic health care, and those costs are passed on to Kansas taxpayers. Expanding KanCare relieves this financial strain on hospitals. The state's financial obligation is no more than 10% of the cost of expansion, with the federal government picking up the rest of the bill. Kansas has forfeited more than \$2.3 billion in federal funds since January 1, 2014, by not expanding sooner.⁴ Expanding KanCare brings federal dollars to Kansas at a time when we need it most. In our neighboring state of Arkansas, expanding Medicaid had a dramatic impact. The rate of uninsured adults fell by half and the state saved more than \$100 million in FY 2017.⁵

In short, the Kansas Center for Economic Growth supports the expansion of KanCare through Senate Bill 38 because it makes good economic sense for Kansas. We urge you to support the expansion of KanCare, and we are happy to answer any questions you may have via email at info@realprosperityks.com.

³ *1 in 3 rural Kansas hospitals at risk of closing in study.* Wichita Eagle, Feb. 2, 2016.

<http://www.kansas.com/news/business/health-care/article58026428.html>

⁴ Data from the Alliance for a Healthy Kansas. www.expandkancare.com

⁵ TSG Status Report #3 to the Arkansas Health Reform Task Force.

http://posting.arktimes.com/media/pdf/final_august_status_report_sent_to_phil_8-17-19_239.pdf

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