

RESPONSE TO GOVERNOR'S VETO MESSAGE ON HB 2044 TO EXPAND KANCARE

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On March 30, 2017, Governor Brownback released a statement to accompany his veto of House Bill 2044 to expand KanCare, which would extend affordable health coverage to more than 150,000 hardworking Kansans. Unfortunately, the message contains several false narratives that opponents of Medicaid expansion have used for years, in Kansas and other states. What follows is a point-by-point response to the administration's key arguments:

Brownback: An effective program would help people find a job, escape poverty, and gain economic security.

KanCare expansion does all three.

- Medicaid serves as a critical work support program, enabling adults to remain healthy enough to stay employed and improving enrollees' health to allow them to become employed.
- Most of those eligible for expansion are working, but health concerns are a threat to the stability of employment. Of those who are not working, many have chronic illnesses and disabilities and would benefit from preventive care and medical services that would come with coverage.
- A January 2017 study from the Ohio Department of Medicaid found that employment stability is one of several benefits to the Medicaid expansion population. More than half of expansion enrollees reported that Medicaid has made it easier to secure and maintain employment. Of those who are unemployed, 75 percent reported that Medicaid makes it easier to look for work.
- A July 2016 analysis from the conservative American Enterprise Institute (AEI) found that illness or disability are the top reasons why poor people, particularly adults without children, are not working. AEI argues that policies that focus on improving the health of the poor are needed to support employment.
- An April 2016 study from the National Bureau of Economic Research (NBER) found that Medicaid expansion significantly reduced the number of unpaid bills and the amount of debt sent to third-party collection agencies, improving financial status and credit scores. NBER found that Medicaid expansion has important financial impacts beyond use of health care services.

Brownback: Expansion prioritizes services for able-bodied adults at the expense of disabled Kansans.

KanCare expansion will help the state reduce the waiting list of Kansans with disabilities waiting for home and community-based waiver services (HCBS).

- A February 2017 study by the National Health Law Program (NHeLP) found that states that expanded Medicaid have much shorter waiting lists for HCBS services. A majority of the nation's population lives in states that have expanded their Medicaid programs, but only 25% of people on HCBS waiting lists reside in these states. Three-quarters of people on waiting lists are found in states like Kansas that have resisted expansion.
- NHeLP found Medicaid expansion does not cause the funding pie to get split among more people, but instead grows the pie, making more resources and funding available and helping people with disabilities get the services they need to live independently.
- A December 2016 study conducted at the University of Kansas shows that people with disabilities living in Medicaid expansion states are significantly more likely to be employed than those living in non-expansion states.
- Many Kansans with disabilities aren't currently eligible for KanCare, are uninsured, and would be covered by expanding the program.
- Direct support workers and personal care attendants who care for Kansans with disabilities are often uninsured and many would be covered by expansion. This would reduce turnover and help recruit more workers to offset a critical shortage.

Brownback: The costs of expansion are unsustainable.

KanCare expansion will help the state budget.

- Gov. Brownback's statements only address the additional costs of expansion. They fail to acknowledge savings and revenue that would be generated.
- KanCare expansion will create budget savings.
 - Thousands of Kansans who would be eligible for KanCare under the current state match of 44% of costs would instead be eligible for expansion, in which the state never pays more than 10%.
 - This shift, in which many pregnant women, Kansans with disabilities, and others would move to the expansion population, will save more than \$60 million in state spending in FY 2019 alone.
- KanCare expansion would generate revenue.
 - The state receives rebates on prescription drugs from pharmaceutical companies. More Kansans covered means higher drug rebates.
 - The state imposes a privilege fee on managed care organizations (MCOs), including the three MCOs that administer KanCare. With expansion, more

Kansans would enroll in the program and the MCOs, generating more revenue for the state.

- In FY 2019, these two revenue sources will bring in more than \$68 million.
- KanCare expansion grows the economy.
 - More than \$1 billion in new health spending will create economic activity, jobs, and tax revenue totaling (very conservatively) nearly \$26 million in FY 2019.
- The net positive impact of KanCare expansion to the Kansas budget is more than \$73 million in FY 2019.
- Stated cost and enrollment overruns in expansion states do not reflect savings and revenue.
 - Governors, including Republicans from expansion states, are actively lobbying Congress to retain Medicaid expansion even as other changes to federal health law are considered.

“Brownback: Expansion provides funding to abortion providers.

This bill has nothing to do with abortion. Federal law prohibits use of federal funds to cover abortion services.

- Coverage of health care services, including preventive care, prenatal care, delivery of babies, and lifesaving services, is a pro-life policy.

“Brownback: Kansas should not take action on expansion while legislators in Washington, D.C. work to overhaul the Affordable Care Act.

Changes in Washington, D.C. could take years. Kansas lawmakers should act now to protect the interests of Kansans rather than waiting for politicians to act in D.C.

- The recent attempt to repeal and replace the ACA, the American Health Care Act, was unable to garner enough votes to pass the House and was withdrawn.
- There is no consensus in Congress on what an ACA overhaul would entail, or a clear political path to make it happen.
- At every key ACA decision point over the last seven years, Gov. Brownback has said Kansas should wait until decisions come from DC, either from Congress, the Supreme Court, or via election. Waiting means that nothing in Kansas gets done. The time for waiting is over.