



Testimony to the Kansas Health and Human Services Committee

February 9th, 2017

Thank you Mr. Chairman, and good afternoon committee members, I appreciate the opportunity to come before you today and speak about House Bill 2064. My name is Melissa Fausz and I'm here today representing Americans for Prosperity-Kansas and our 50,000 volunteer activists from across the state.

AFP-Kansas opposes HB 2064, as we have opposed all legislation that seeks to expand Medicaid under the 2010 federal healthcare law. We believe that expanding Medicaid is financially unsustainable, prioritizes able-bodied, working-age adults over the more vulnerable population that currently relies on this program, and fails to adequately address the underlying issues with our healthcare system that have caused a lack of access to affordable, quality healthcare options for some Kansans.

Every state that made predictions regarding enrollment in Medicaid expansion experienced enrollment above those projections. In fact, nationwide, enrollment numbers have been twice what was projected, with some states experiencing enrollment numbers three to four times higher than anticipated. This, combined with the fact that Medicaid expansion benefits per enrollee have cost 50% more than was originally estimated by the federal government, has resulted in major cost overruns that have left many states scrambling to close budget gaps. Oregon, Ohio, and Arkansas are just a few states who have had to cut other budget items or increase taxes to make ends meet thanks to Medicaid expansion.

Medicaid costs already constitute a major portion of the Kansas state budget, and are eating up more and more of the state budget every year, leaving less funding for other government services necessary to the well-being and quality of life of Kansas families. Consider that, in 2013 Medicaid costs constituted less than one-fifth of the state budget – yet just two years later Medicaid spending accounted for nearly one out of every four dollars the state spent. Expansion with HB 2064 would only exacerbate this situation at a time when Kansas can least afford it.

Further, in exchange for this massive increase in government spending, new beneficiaries may find their new insurance cards worth little more than the plastic they are printed on. Fewer Kansas healthcare providers than ever are accepting Medicaid. In 2011 approximately seven in ten Kansas physicians were accepting new patients. Two years later that number had already dropped to fewer than two out of three – a trend that shows no sign of reversing itself. And even when patients find a doctor accepting new Medicaid patients, national survey data indicate that Medicaid beneficiaries will have to wait a few weeks to a few months for an appointment,

depending on the type of care being sought. If it is this difficult for Medicaid recipients to access care now, it will become increasingly impossible after pouring an additional 100,000 individuals into the already strained program.

The quality of care recipients receive through the program is also troubling, given the amount funding the program receives per enrollee. A study from MIT, Harvard, and Dartmouth researchers found that, for every dollar spent in the Medicaid program, only 20 to 40 cents of benefit was reaching the enrollee. It may come as no surprise, then, that the two seminal random-assignment studies done on Medicaid beneficiaries found that enrollee health outcomes woefully underperformed compared to private insurance, and often failed to outperform the health outcomes of the uninsured.

Kansas can do better than this. By rejecting this costly expansion, we can preserve state funding for core government functions that will actually improve the lives of everyday Kansans. And we can do even more by enacting patient-centered reforms to our healthcare system that will allow market pressures to deflate healthcare costs and improve access to a wide variety of care options for families across the state.

For these reasons, we respectfully ask that you vote against HB 2064, and hope you will join us in advocating for true, fiscally responsible healthcare reforms that Kansans will be able to benefit from for years to come. Thank you.

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Americans for Prosperity

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