

To: Chairman Gene Suellentrop and members of the Senate Public Health and Welfare Committee
From: David Jordan, United Methodist Health Ministry Fund
Date: January 22, 2020
RE: Senate Bill 252

Thank you, Chairman Suellentrop and Committee members for allowing me the opportunity to provide testimony on behalf of the United Methodist Health Ministry Fund in support of SB 252, An Act Expanding medical assistance eligibility and implementing a health insurance plan reinsurance program. The United Methodist Health Ministry Fund is a 33-year old health philanthropy headquartered in Hutchinson. The Fund annually grants approximately \$2 million for programming in specific areas of interest, including access to care, early childhood development and Healthy Congregations. Over last three decades, we have provided over \$70 million in funding to improve the health of Kansans.

Senate Bill 252 is the result of bipartisan compromise that is forged in a mutual desire of legislative leaders from both parties and the Governor to improve the health of Kansans through expanding Kansans' Medicaid program, known as KanCare. Expanding KanCare would be the most impactful action that Kansas could take to improve the health of Kansans and to improve the delivery of care in Kansas. **We urge the committee to support the compromise bill as written.**

To date, Kansas has lost over \$3.8 billion by not expanding KanCare. We cannot afford to wait any longer to take action. Expanding KanCare is a budget positive policy proposal. It is well past time to bring \$1.8 billion of our tax dollars back to Kansas every day to create jobs, protect our hospitals and improve the health of 150,000 Kansans.

Below, you will find that the research and experience from other states support that expanding KanCare is the right decision for Kansas.

Improves access and health

More than 150,000 Kansans, our family, friends, and neighbors, currently fall into a health coverage gap. They earn too much to qualify for KanCare but too little to be eligible for financial help to buy private insurance. These hard working men and women are left with few options for affordable health coverage.

Why is this important? Because the absence of insurance coverage is hazardous to their health and that impacts all Kansans. The uninsured receive less preventive care, are more severely ill when diagnosed, and receive less therapeutic care and fewer medications after diagnosis than those with coverage. They're more likely to have chronic illnesses and less likely to have those illnesses under control.

Those who are uninsured and suffer from cancer, heart disease, diabetes, or any number of other diseases have a higher rate of disability and death than those with the same illnesses who have insurance coverage. And these health-related data don't begin to address the financial implications

of being uninsured, from increased risk of debt and bankruptcy to diminished employment productivity. To put it simply, those without insurance are sicker, poorer, and more likely to die than the rest of us.

The [Hutchinson News](#) reported the story of Brenda Brown's mother, who was uninsured for about three years because she fell into the coverage gap. As a result, despite not feeling well, she delayed care until she was old enough to qualify for Medicare. But it was too late. When she finally received a long overdue mammogram, doctors discovered that she had stage four breast cancer, and is now terminal.

Expanding KanCare would have covered Brown's mother, allowing her to receive the routine and preventive care that may have saved her life. Her story is not unique; thousands of insured Kansans like her have [delayed care and have suffered as a result](#).

Expanding KanCare will increase [access to primary and preventive care, improve health](#), and reduce costs.

Protects our hospitals and our communities

As noted, tens of thousands of hardworking Kansans are uninsured because of the failure to expand KanCare. As a result, they have few options for affordable coverage, which results in our hospitals, safety net clinics, mental health centers and other providers caring for thousands of these hardworking Kansans without being paid.

Forcing providers to shoulder uncompensated care puts them in a financially vulnerable position. According to a national study, this puts more than 1/3 of our local hospitals at risk of closure and weakens the overall health care system. The hospital in Independence, Kansas, closed and the lack of Medicaid expansion was consistently cited as an important factor. It would be a tragedy to allow that to happen in other rural communities – especially when we have a solution.

In order to prevent hospital closures, Kansas communities are raising local taxes to support their hospitals and to offset the uncompensated care costs. For instance, Arkansas City raised their sales tax 1.5 cents to support the hospital. Expanding KanCare would have brought the same revenue to the hospital and would have negated the need to raise local taxes. This is true in dozens of Kansas communities.

Expanding KanCare will protect and benefit all hospitals, safety net clinics, and other community providers. [Hospitals in rural communities stand to gain significantly](#). They are also more likely to be major employers in their communities. As a result, the increase in revenues from having more covered patients greatly assists those rural hospitals and the communities they serve.

Not expanding KanCare could limit access to health care in all Kansas communities. We cannot afford to lose another hospital because we have not expanded KanCare and our communities cannot afford to raise local taxes to pay for patients who would be covered by expanding KanCare.

Creates Jobs & Stimulate the Economy

Expanding KanCare is a [pro-growth policy](#) that will bring hundreds of millions of federal dollars to Kansas annually, which ripples through the state economy, creates jobs, and allows savings in other areas. Because expanding KanCare is a Kansas specific, budget neutral proposal, those benefits would require no investment by the state, compared to what it spends trying to boost Kansas' economy in other ways. In fact, a report by the [Commonwealth Fund](#), a private foundation that aims to promote a high-performing health care system, estimated that the state would spend less on Medicaid expansion than on subsidies to business, which are also intended to promote economic growth.

The data are clear that expanding KanCare would create jobs and economic impact in Kansas. According to a 2019 report by Kansas State University economist John Leatherman, expansion of KanCare would create more than 13,000 new jobs, with most coming in the health care field at hospitals and nursing and residential facilities. In addition, expansion would generate job growth in other industries, including real estate, retail and construction.

Next door in Colorado, [a recent report found that Colorado's](#) economy supports more than 31,000 additional jobs due to Medicaid expansion. By FY 2034-35, that number will grow to more than 43,000. If we expand KanCare, we can create thousands of good paying jobs in Kansas.

Fiscally responsible Kansas-based solution

As the Legislature searches for revenue to deal with school finance and other priorities, we have forfeited billions of dollars by foregoing KanCare expansion. Bringing those dollars back to Kansas is a fiscally responsible, budget positive proposal. The bottom line is that expansion would not only pay for itself, but could provide a surplus to the state to help address other critical budget needs, including mental health, substance use treatment, and criminal justice.

More than 35 other states have chosen to bring home their federal tax dollars and expand their Medicaid programs. Multiple studies show that these state have seen substantial budget savings and job growth, allowing them to address budget shortfalls and invest in their other critical priorities like education and transportation.

We cannot afford to wait any longer. Let's expand KanCare by supporting Senate Bill 252 as written.