



# **STATEMENT**

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## **Senate Revision of Better Care Reconciliation Act Falls Short** *New bill does not adequately address concerns of Kansas providers*

(July 14, 2017) Access to health care coverage is essential to Kansas hospitals and the patients they serve. Unfortunately, the revision to the Better Care Reconciliation Act comes up short, particularly for our most vulnerable patients. The revised plan will still result in hundreds of millions of dollars in Medicaid cuts for Kansas. These cuts will reduce access to services for children, people with disabilities and seniors in nursing homes. The threat this bill poses to the long-term practicality of Medicaid as a reliable safety net throws into question how care for low income Kansans will be paid for as the below-market rate caps on federal payments go into place in 2020 and beyond.

Although we appreciate the Senate's effort to close the gap for non-expansion states, the additional funds are hugely inadequate and do not compare to the dollars afforded to expansion states. Even with the revisions, the equity funding gap is approximately \$5.6 billion over 8 years (down from \$6.3 billion in the original BCRA due to the reformulation of DSH payments). Unfortunately, the March 2017 deadline for expansion remains in this legislation and if passed, Kansas would not be allowed to expand Medicaid in the future.

Additionally, this revised legislation will allow for health insurance plans that provide incomplete coverage and therefore will create access issues and lead to higher deductibles for patients. Specifically, the Cruz provision will likely result in ACA compliant plans acting like underfunded high-risk pools, thereby driving up the cost of insurance for people with pre-existing conditions in a manner similar to the pre-ACA universe. It would unquestionably increase the number and size of plans with very high deductibles—plans that usually result in bad debt for hospitals when some plan owners fail to pay up to their deductible before their insurance kicks in.

We will continue to work with our Senators to address our concerns with this legislation.

The Kansas Hospital Association is a voluntary, non-profit organization existing to be the leading advocate and resource for members. KHA membership includes 212 member facilities, of which 127 are full-service, community hospitals.

Founded in 1910, KHA's vision is: *"Optimal Health for Kansans."*