



MEDIA RELEASE

For further information:

Contact - Cindy Samuelson
(785) 233-7436; (785) 249-1727
csamuelson@kha-net.org

Economic and Employment Effects of Expanding KanCare in Kansas

New report shows expanding KanCare could result in a net cost savings for Kansas from 2014-2020

(February 18, 2013) A new report released by the Kansas Hospital Association, *Economic and Employment Effects of Expanding KanCare in Kansas*, provides important information about the positive economic impact that KanCare expansion would have on the state of Kansas. This independent analysis will be valuable as Kansas decides whether to accept or decline federal funds to expand the KanCare program to approximately 169,000 Kansans.

In addition to looking at the number of Kansans covered and the cost of expansion, this report examines:

- The level of additional federal funds that will be earned in Kansas due to the Medicaid expansion;
- Kansas' economic activity (gross state product);
- Employment levels in Kansas;
- State tax revenues that would increase due to higher economic activity; and
- Other budgetary savings, such as savings in other health care costs that may occur if KanCare covers more low-income patients

The February 2013 report, produced by researchers at Regional Economic Models, Inc. and the George Washington University, estimates the federal funding associated with KanCare expansion will help create approximately 3,400 new jobs in 2014 and 4,000 new jobs by 2020. These jobs will not only be in hospitals, clinics, nursing and other health facilities but also in those industries that support the Kansas health care industry.

“The new report demonstrates that expanding KanCare could help grow the Kansas economy,” said Tom Bell, president and CEO of the Kansas Hospital Association. “This report documents the importance of Kansas carefully considering all aspects of expansion and making a decision that is best for Kansas.”

The total amount of expenditures on health care for those covered under an expanded Medicaid program would be hundreds of millions of dollars, however the majority of that money would be put right back into the

Kansas economy. According to the report, expanding KanCare could actually result in a net cost savings for the state of Kansas of \$82 million from 2014-2020.

“A decision to forego Medicaid expansion is more than just a decision to refuse the federal funding associated with Medicaid expansion,” said Bell. “In fact, it amounts to additional real cuts to hospitals that are currently serving as the primary safety net for many uninsured individuals, and it comes at a time when the uncompensated care burden on those hospitals continues to grow at an alarming rate.”

A report brief, in addition to the full report, can be found on the KHA Web site at: www.kha-net.org. Funding for the report was provided by the American Hospital Association.

The Kansas Hospital Association is a not-for-profit association of health care provider organizations and individuals that are committed to the health improvement of their communities. KHA membership includes 217 member facilities, of which 126 are full-service community hospitals. Founded in 1910, KHA maintains its vision of “an organization of hospitals working together to improve access, quality and the affordability of health care for all Kansans.”

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