



MEDIA RELEASE

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KanCare 2.0 Provides Access While Retaining Personal Responsibility

Recent Studies Enforce Need to Support New Legislation for Coverage and Jobs

(March 5, 2015) – It is significantly important to rural and urban hospitals that a "Kansas-based" solution is reached on expansion. House Bill 2319, introduced by the Kansas Hospital Association, requires the Kansas Department of Health and Environment to develop a federal Medicaid waiver for a budget-neutral managed care program known as KanCare 2.0. This program would provide access to health care coverage options for newly eligible individuals while employing personal responsibility through cost sharing and rewarding healthy outcomes and responsible health choices.

Coverage: In a recent [Gallup poll](#), Kansas was the only state in the entire country where the percentage of uninsured actually increased from 2013 to 2014. According to Gallup, the Kansas rate went from 12.5 percent uninsured in 2013 to 14.4 percent uninsured in 2014, an increase of 1.9 percent. The rate in every other state actually declined. Nationwide, the uninsured rate fell 3.5 points, to 13.8 percent from 17.3 percent, between 2013 and 2014. Arkansas and Kentucky (two states that have expanded Medicaid) recorded the biggest drops, according to Gallup - 11.1 points and 9.8 points, respectively.

Jobs: Another [recent study](#) showed that Kentucky is seeing a positive economic impact in its first 12 months of Medicaid expansion. According to data released by Gov. Steve Beshear, the state added 12,000 jobs last year, including more than 5,400 in health care. That number is expected to rise to 40,000 new jobs by 2021, according to Beshear, who placed the net economic impact on the state at \$30 billion over eight years. Uncompensated care fell to \$766 million in 2014, down 60 percent from \$1.9 billion the previous year. The economic impact study for Kentucky was done by Deloitte Consulting.

Kansas Impact: In November, KHA issued a report, *Economic and Employment Effects of Expanding KanCare*, which quantified the negative consequences of the state's decision to not expand KanCare in 2014. In addition, the report highlighted the positive benefits implementation of KanCare expansion by 2016 could have for Kansas taxpayers and businesses, as well as uninsured citizens. This independent analysis provides solid data to help Kansas decide whether to accept or decline some \$2.2 billion in federal funds between 2016 and 2020. The full report can be found online at kha-net.org.

With this new legislation, HB 2319, Kansas has the opportunity to revisit this issue, which could lead to implementation of KanCare 2.0. Such an expansion could enable approximately 100,000 low-income Kansas adults to gain coverage in 2016, and 144,000 by 2017. Cost is a big issue for many, but this report demonstrated that KanCare expansion produces a net savings to the State of Kansas. If the state expands KanCare by 2016, there are increased state Medicaid costs, but those are offset by new state revenue and reductions in other health care spending. The net savings to Kansas, if KanCare is expanded, would total \$29 million in 2016 and approximately \$36 million from 2016 to 2020.

A Medicaid expansion solution should incorporate Kansas ideas and philosophies through a statewide demonstration program that will provide coverage through the KanCare program for all individuals below 138 percent of the Federal Poverty Level. Key policy provisions of KanCare 2.0 can be found online at kha-net.org.

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 216 member facilities, of which 127 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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