



January 22, 2020

To: Senator Gene Suellentrop, Chair, and Members  
Committee on Public Health and Welfare

From: Brenda R. Sharpe, President and CEO  
REACH Healthcare Foundation

Subject: KanCare Expansion Offers Path Forward on Addressing Coverage for Kansans

Dear Members of the Committee on Public Health and Welfare:

Thank you for committing to a hearing on SB 252 to expand medical assistance eligibility and implement a health insurance plan reinsurance program. The Legislature is at an important juncture of giving fair consideration to a bill that represents a bipartisan compromise proposal to expand KanCare and implement other reforms to address the health coverage needs of uninsured Kansans.

The REACH Healthcare Foundation has remained steadfast in our support for a bipartisan effort to address the health coverage needs of more than 130,000 Kansas adults who don't have access to affordable health services. We have allocated more than \$65 million since our start to support an effective health care safety net, mental health services, dental care and other initiatives. While the quality and availability of these safety net services have grown, Kansas has not made progress in closing its health coverage gap because of the state's restrictive Medicaid eligibility rules. Meanwhile, three dozen states have moved forward to expand Medicaid. Furthermore, business and public support for KanCare expansion has grown as people have learned more about the health and economic benefits of extending coverage.

**We believe strongly that expanding KanCare is a fiscally sound option that would yield health improvement across the state – and support continuous economic growth.** The 37 states that have gone before us are leveraging Medicaid expansion today to address the health needs of their populations. Dozens of health and economic studies are available that have pinpointed the benefits associated with access to health care.

**With an expansion, the state's return for the expanded population would be \$9 for every \$1 in state spending.** Funding is based on the state's enrollment and adjusts in response to demographic and economic shifts, and public health needs. Expansion also would allow Kansas to leverage federal dollars to cover health care costs currently paid by the state.

**The majority of uninsured, non-disabled adults under age 64 are employed, but in jobs that do not offer coverage or at a cost they can afford.** As our workforce and population continues to change, these are the very people who contribute needed services for our state's economy to grow — working in industries such as construction, retail, child care, agriculture and the arts.

**High out-of-pocket spending for medical care is an increasingly critical issue.** It can lead to a depletion of assets and medical debt, as well as fear and distress about household finances. Patients may delay or forgo

medical care because of cost, jeopardizing the benefits of treatment. A number of studies (American Cancer Society, Federal Reserve Bank) have found that extension of Medicaid eligibility reduced patients' out-of-pocket medical costs and non-medical debt, improving their overall financial health, compared with those living in states that did not expand Medicaid.

At a time when Kansans are urging leaders to restore the state's financial health, strengthen jobs and grow the economy, investing in our workforce and communities through KanCare expansion should be part of the Legislature's toolbox. Shortchanging this discussion offers no economic benefit to families or communities that are seeking a solution.

Thank you for your full consideration of this critical health opportunity.



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