

Congress of the United States
House of Representatives
Washington, DC 20515-1604

January 29th, 2020

Chairman Gene Suellentrop
Senate Public Health and Welfare Committee
300 SW 10th St.
Room 441-E
Topeka, Kansas 66612

Chairman Suellentrop,

I write to you today to raise my upmost concern and opposition to any consideration to expand Medicaid in Kansas. Addressing the current population of uninsured individuals in the state however well-intentioned should not be done through Medicaid expansion.

Despite the 90 percent federal share for the Obamacare program according to the Kansas Health Institute the expected state share of expansion would be an astronomical \$520 Million¹ over the next ten years. I urge the Kansas legislature to consider this cost estimate with some skepticism and scrutiny.

Time and again, other expansion states have seen costs balloon over the initial estimates – in the first year of expansion Ohio saw their program come in 53 percent² over budget in the first half of the year alone. Further considerations should be given to the likelihood that the enrollment numbers themselves will exceed the predictions resulting in even more cost increases.

In October of 2019, the Centers for Medicare and Medicaid Administrator Seema Verma testified before the House Energy and Commerce Committee that there were significant problems with enrollment in Medicaid. Further research conducted by the National Bureau of Economic Research (NBER)³ found that there was an increase of three percentage points in the enrollment of adults who were above the 138 percent threshold of the Federal poverty level resulting in 522,000 individuals potentially improperly enrolled. Kansas does not have the capacity or infrastructure to absorb the financial impact of fraud at that scale.

The conclusions drawn by NBER are not unique to their study alone. Audits conducted by the Office of the Inspector General (OIG)⁴ have found similar rates of fraud across the country. In Louisiana after such an audit, it was discovered that 82⁵ percent of expansion enrollees were ineligible at some point

¹ <https://www.khi.org/policy/article/20-05>

² <https://www.heritage.org/health-care-reform/commentary/why-state-medicaid-expansion-hurts-everyone>

³ <https://www.healthaffairs.org/doi/10.1377/hblog20191115.353837/full/>

⁴ https://www.mercatus.org/system/files/blase-medicaid-expansion-mercatus-summary-v1_0.pdf

⁵ <https://thefederalist.com/2019/08/20/medicaid-enrollment-fraud-exploded-obamacare/>

during the year in which they enrolled; 1,672 individuals even had six-figure incomes. As a result of the audit, Louisiana eventually dropped approximately 30,000 individuals who were improperly enrolled. While Louisiana is an extreme example it is not far fetched to expect that Kansas will also experience levels of improper enrollment similar to other states. Medicaid expansion has proven ineffective and irresponsible why make the same mistakes as other states?

Additionally, I would urge the legislature to consider what their intended goal is. If it is to provide insurance to those who currently are uninsured, then they should consider the unintended consequence of individuals who do currently have private insurance dropping their coverage and switching to Medicaid.

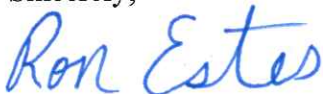
Current estimates show that roughly 50,000⁶ Kansans currently uninsured would gain access to Medicaid through expansion. However, estimates also show that roughly 55,000 individuals who were previously covered by another product would be likely to switch. This is a concerning number given that people who leave their insurance for Medicaid will not only drive up the cost for the public program but will also potentially cause premiums to increase for the products they leave due to less healthy individuals remaining in those pools. This is a domino effect that will drive health care costs up for already struggling Kansans and is counter to the purpose of Medicaid expansion.

The Kansas legislature should not approve Medicaid expansion, but look for other ways to support Kansans who are currently uninsured. The state could easily place more support and emphasis on community health centers and other charitable options without endangering our current health system.

Lastly, if the legislature does continue to move forward on this reckless and financially irresponsible plan it, at a minimum, should include a waiver for work requirements. Work requirements have time and again been shown to help move individuals into employment and increase their access to private insurance.

I would ask that the legislature take these concerns into consideration and not expand Medicaid in our wonderful state.

Sincerely,



Ron Estes
Kansas 4th District

⁶ <https://www.healthinsurance.org/kansas-medicaid/>