



KANSAS HEALTH INSTITUTE

Informing Policy. Improving Health.

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Senate Public Health and Welfare Committee

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S.B. 38, KanCare Bridge to a Healthy Kansas

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To improve the health of all Kansans through educational offerings that support effective policymaking, engage stakeholders at the state and community levels, and provide nonpartisan, actionable and evidence-based information.

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Chairwoman Schmidt and Members of the Committee:

Thank you for the opportunity to provide neutral testimony regarding Senate Bill 38, the KanCare Bridge to a Healthy Kansas program. My name is Kari Bruffett, and I am the Kansas Health Institute's director of policy.

The Kansas Health Institute (KHI) is a nonprofit, nonpartisan educational organization based in Topeka, founded in 1995 with a multiyear grant from the Kansas Health Foundation.

Today I am presenting KHI's updated estimate of new enrollees in KanCare if the program were to be expanded under the conditions of Senate Bill 38.

Enrollment Estimate

This estimate uses detailed data from the U.S. Census Bureau's American Community Survey (ACS) for 2016, which is the latest-available data. Because of population changes and a reduction in the number of uninsured since our last estimate in November 2016, KHI now projects that a KanCare expansion under the existing terms of the Affordable Care Act would add **145,000** beneficiaries, including **95,000 adults age 19-64** and nearly **50,000 children**. That number is about 7,000 fewer Kansans than KHI projected in November 2016.

The adults include:

- 55,000 currently uninsured Kansans who would be newly eligible under expansion;
- 5,000 currently uninsured adults who may already be eligible for Medicaid but are not enrolled (the "woodwork" effect); and
- Almost 36,000 currently insured adults who would be projected to switch to Medicaid if expanded (the "crowd-out" effect).

Children are included in the estimate because of woodwork or crowd-out effects:

- Nearly 16,000 children who are currently uninsured but likely eligible for Medicaid or the Children's Health Insurance Program (CHIP) would be estimated to enroll in KanCare (the "woodwork" effect) because of increased enrollment outreach activities, or because their parents newly enroll; and
- Close to 34,000 currently insured children would be projected to enroll in KanCare (the "crowd-out" effect) for similar reasons, including if their parents were to switch from another form of coverage to KanCare.

Nearly 24,000 children in the "crowd-out" estimate are in households that earn too much for their children to be on Medicaid but not too much for them to be enrolled in CHIP, which has a higher income threshold (currently 241 percent of the federal poverty level). Because their parents likely would not be eligible for Medicaid, crowd-out might be expected to be lower for those children, but this estimate uses a consistent 25-percent crowd-out assumption across populations.

For a comparison to how many adults and children overall were uninsured in 2016, please see the attached infographic from this year's Annual Insurance Update, which uses the same data source as the expansion enrollment estimate. The infographic shows 240,000 uninsured Kansans.

As summarized in the bottom right corner of the infographic, 74,000 uninsured adults likely would qualify for Medicaid if expanded. In the expansion estimate, KHI assumes 74 percent – the 55,000 adults described earlier – would enroll. The infographic also highlights the 35,600 uninsured Kansans (including 24,000 children and 11,000 adults) who likely are already eligible for KanCare but are not yet enrolled.

Employment Status

While Kansas has not expanded its Medicaid program, some that have done so have also proposed to implement work requirements for adults in their expansion populations. The Trump Administration has approved two such proposals (Kentucky and Indiana).

While S.B. 38 includes a work referral provision rather than a work requirement, some policymakers have asked to understand the employment status of the adults who would be likely to enroll in KanCare if expanded.

- Of the 95,000 adults projected to newly enroll in KanCare if expanded, 64,000 (or two-thirds) were employed at some point in the previous 12 months, according to the ACS data.
- Of those 64,000 adults, 26,000 reported working at least 30 hours a week for the entire year (technically, at least 50 weeks in the year).

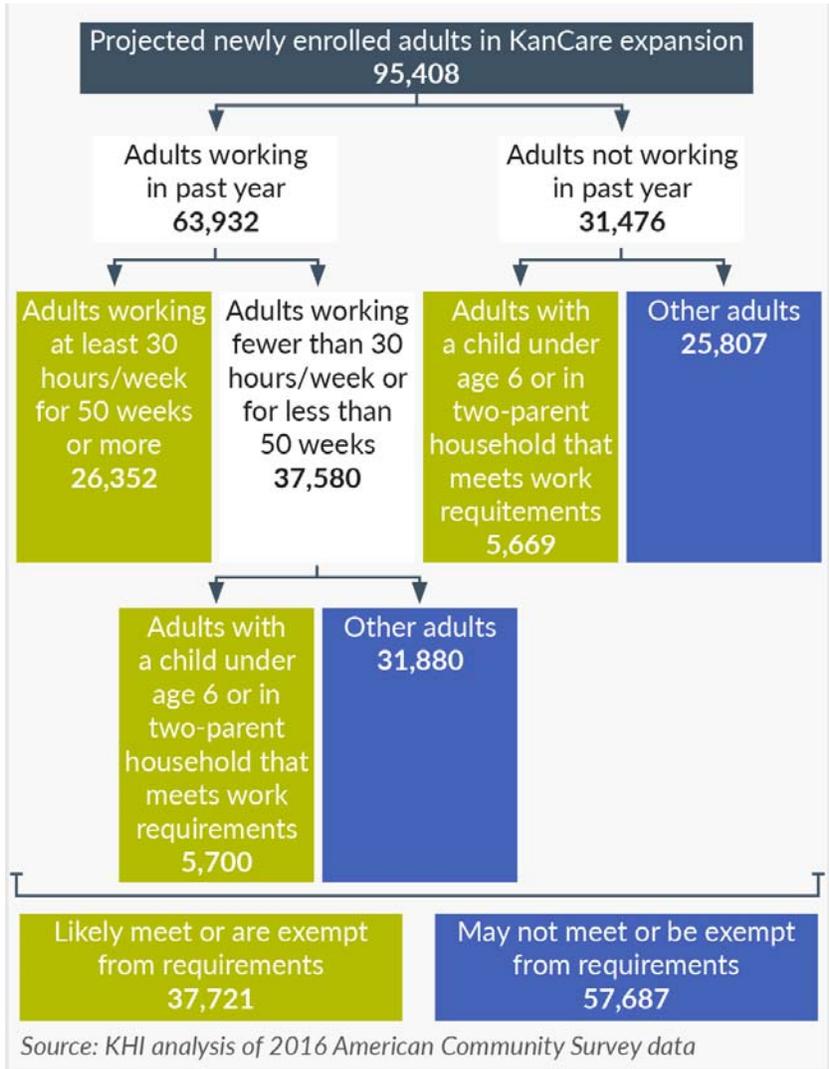
If a work requirement of 30 hours a week – very similar to the Temporary Assistance for Needy Families (TANF) criteria cited by the Kansas Department of Health and Environment in the KanCare renewal application proposing a work/community engagement requirement – were in place, another 11,000 of the 95,000 projected new adult enrollees would be exempt from work requirements because they were caring for a child under age 6, or because their household met work requirements when a spouse or partner's hours were counted.

Additional adults also might be exempt from work requirements. For example, they could be exempt if they were pregnant, disabled or caring for an older adult in the home. Other adult enrollees could meet work activity or community engagement requirements by volunteering, seeking a General Education Degree, enrolling in vocational education or job readiness programs, or serving in supervised community service, among other activities. The ACS data do not include all of those elements.

While more precisely estimating the effect of work requirements in an expansion would require additional information about likely enrollees' activities and circumstances, this analysis provides policymakers with a high-level view of the current employment status of adults age 19-64 who would be expected to enroll in KanCare if expanded.

Thank you for the opportunity to present this information to you today. I will be happy to stand for questions at the appropriate time.

Figure 1. Projected Newly Enrolled Adults in KanCare Expansion, by Employment in Past Year



Note: Some adults included in the estimate of those who may not meet or be exempt from requirements could be exempt for other reasons, including pregnancy or disability, or could meet requirements by engaging in other specified activities. Estimates are based on age, income, employment, household composition, and presence of a related child under age 6.

HEALTH INSURANCE IN KANSAS 2016

