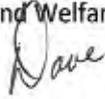


Memorandum

To: Senate Public Health and Welfare Committee

From: Senator Dave Kerr



RE: Response to Secretary Mosier's Comments

Thank you for allowing me to respond to the comments made by KDHE Secretary Susan Mosier regarding the revenue and savings numbers I presented to you on Monday during the hearing on HB 2044.

The Secretary asserted that the savings calculated and shown on the spreadsheet for the Medically Needy Spenddown population, SSI population and the pregnant women did not account for persons who were outside of the 19-64 age range. This is untrue.

1. The Medically Needy Spenddown calculation is based on data received from KDHE for only the 19-64 age group.
2. While the data included in the KDHE Medical Assistance Report does not break down SSI beneficiaries by age, the Federal Social Security Administration reports that as of January 2017, nearly 60% of federally administered SSI payments were made to beneficiaries aged 19-64. Applying this ratio to the 53,301 SSI Aged/Blind/Disabled beneficiaries in Kansas, 31,282 are in the 19-64 age group. While some expansion states like Arkansas have seen a the growth in their SSI Disability applications drop to nearly zero, our calculations assume that Kansas growth would be reduced by only 25% with expansion. By comparison, KDHE assumes almost no impact - a reduction of only 4.8%
3. According to the KDHE 2015 Adolescent and Teenage Pregnancy Report, only 2,490 births in the entire state of Kansas were to young women under the age of 19. Nationwide, about 50 percent of births for women under 25 can be attributed to Medicaid. Even if all those births could be attributed to KanCare, this leaves 14,950 women in the appropriate age group. Our estimate assumes only 5,800 of those women would be covered in the expansion population.

The Secretary indicated that much of the Medically Needy Spenddown population would not be eligible to transition to the expansion population. We agree, which is why we assumed only 25% of those persons aged 19-64 in the Medically Needy Spenddown program could transition to expanded KanCare.

Finally, the Secretary claims that in spite of there being nearly a billion additional dollars available to care for the newly eligible population, there will be no economic impact because of the current shortage of health care providers in many areas of Kansas. If this were accurate, it means there would be no program costs about which to be concerned. In fact, lowering the uninsured rate in the state will attract health care providers just as it has elsewhere. Other states have seen 13-18 percent of new spending come back in tax revenues. We have estimated only 2.5 percent.

Now that I have seen the Secretary's comments, I am more convinced than ever that KDHE has ignored most of the savings and benefits that Kansas can expect to enjoy as a result of passing and implementing HB 2044. The estimates provided to you on the spreadsheet as a part of our testimony on Monday are sound.

Thank you for your attention and support.