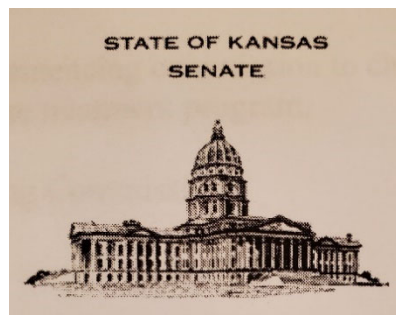


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Standing Committees:
Chair: Public Health and Welfare
Education
Financial Institutions/Insurance
Judiciary

BEVERLY GOSSAGE
District 9

Testimony on Medicaid Expansion

03/20/2024

Good afternoon, Chairman Landwehr, Vice Chair Eplee, Ranking Minority Ruiz and distinguished members of the House Health and Human Services Committee. Thank you for the opportunity to speak in opposition to Medicaid Expansion and to address the consequence of Medicaid Expansion that is left out of the articles, pamphlets and propaganda that we receive on this topic.

As you know, we serve in a citizen legislature, so most of us have real jobs. Mine for the last twenty years has been as a health insurance agent, helping families, individuals and employers find affordable coverage in multiple states. I also guide folks into how to sign up for Medicare and Medicaid.

As part of my community outreach, I have given industry-related information through testimony to multiple states, conducted briefings at the U.S. Capitol on health care reform, and served on numerous boards and committees related to this topic, including by invitation of the White House to help pioneer health savings accounts.

In this testimony I will focus on my area of expertise, which is the individual and group insurance market. In particular, I will speak about the non-group market, where those who may be eligible for Medicaid, if expanded, currently buy or are qualified to buy an insurance plan. I will leave it to others to discuss Medicaid expansion's effect on a state's budget, the myth of expansion being the silver bullet for hospitals, and the failure that numerous other states have seen with their expansion of Medicaid, including the promised job increase that ended with states losing jobs and experiencing hospital closures.

Before describing the expansion, let's review the services currently provided in Kansas in a federal/state match of approximately 60% federal. Medicaid and the Children's Health Insurance Program (CHIP) are programs responsible for "purchasing health services for low income families, children, pregnant women, and seniors and people with disabilities. These programs are not health insurance. So, when the federal government says more people were "insured" due to the Affordable Care Act, and they include in that sum those added to the Medicaid rolls, that is like saying more people are employed but include those who are on welfare or draw unemployment.

So who would be eligible for Medicaid expansion?

According to Kansas Health Institute 106,000 nondisabled adults who earn zero up to 138% of the poverty level could be added to Medicaid during expansion. (Note: Medicaid expansion population does not include children.) As to **health insurance**, KHI reports over 68,000 of them are currently insured through an employer or private insurance. In fact, if these folks just earn at least the poverty level, they have access to very affordable health insurance coverage through healthcare.gov. This leaves 38,000 folks estimated to be uninsured but who have access to **health care** through sliding scales at community clinics and private services like Catholic Charities.

Let's discuss those in the Federally Facilitated Marketplace (FFM) earning 100% to 138% of the poverty level which is \$15,060 to \$20,783 annually. Poverty level equates to earning a starting wage at Wendy's working 25 hours a week. (Note: If an employee works at least 30 hours a week for most businesses, including fast food chains or retail stores, they will be offered employer-sponsored health insurance.)

According to recent CMS (Center for Medicare and Medicaid Services) data, approximately 171,000 Kansans chose a plan in the FFM in 2024. Kaiser Family Foundation states, "...zero-premium plans with enhanced subsidies are available for many low-income people, particularly in states that did not expand Medicaid." Over 50% receive premium subsidies plus the cost sharing subsidies that reduce the out-of-pocket costs for claims. Note that their ACA subsidies, though taxpayer paid, are not coming out of the state budget.

Let's use Bob, a 27-year-old in Topeka, earning the poverty level, for example. He would have a monthly tax credit of \$390 per month. He could have many plans from which to select like the ones below.

Oscar Insurance Company
[Silver Simple PCP Saver CSR 150](#)
 Extra savings | Silver | EPO | Plan ID: 43490KS0010025 | Rating: Not rated

| Premium | Estimated total yearly cost | Deductible | Out-of-pocket maximum |
|---|---------------------------------|---|------------------------------------|
| \$0.00 /month Including a \$390 tax credit was \$389.49 | Add yearly cost | \$0 Individual total (health & drug combined) Extra deductible for some services | \$1,550 Individual total |

You pay

| | | |
|--------------------------|---------------------------|--|
| Primary care | \$5 per visit from day 1 | View plan details for full list of benefits, limits, and exclusions. |
| Specialist care | \$10 per visit from day 1 | |
| Urgent care | \$30 per visit from day 1 | |
| Emergency room | 20% | |
| Outpatient mental health | \$5 per visit from day 1 | |
| Generic drugs | No charge | |

Oscar Insurance Company
[Silver Classic CSR 150](#)
 Extra savings | Silver | EPO | Plan ID: 43490KS0010006 | Rating: Not rated

| Premium | Estimated total yearly cost | Deductible | Out-of-pocket maximum |
|---|---------------------------------|---|------------------------------------|
| \$7.68 /month Including a \$390 tax credit was \$397.68 | Add yearly cost | \$0 Individual total (health & drug combined) Extra deductible for some services | \$1,550 Individual total |

You pay

| | | |
|--------------------------|---------------------------|--|
| Primary care | No charge | View plan details for full list of benefits, limits, and exclusions. |
| Specialist care | \$5 per visit from day 1 | |
| Urgent care | \$15 per visit from day 1 | |
| Emergency room | \$500 | |
| Outpatient mental health | No charge | |
| Generic drugs | No charge | |

What happens to Bob if Kansas were to expand Medicaid? Bob would receive a letter in the mail advising him that he has a choice to join Medicaid or he can keep his private plan. However, he will lose his subsidies. This is what that plan would then look like. Understandably, Bob would not recognize this as his plan as it has been stripped of all subsidies since his state expanded Medicaid.

Oscar Insurance Company
[Silver Simple PCP Saver](#)
 Silver | EPO | Plan ID: 43490KS0010025 | Rating: Not rated

| Premium | Estimated total yearly cost | Deductible | Out-of-pocket maximum |
|-----------------|---------------------------------|--|-----------------------------|
| \$389.49 /month | Add yearly cost | \$5,750 Individual total (health & drug combined) Extra deductible for some services | \$8,900 Individual total |

You pay

| | | |
|--------------------------|----------------------------------|--|
| Primary care | \$20 per visit from day 1 | View plan details for full list of benefits, limits, and exclusions. |
| Specialist care | \$80 per visit from day 1 | |
| Urgent care | \$100 per visit from day 1 | |
| Emergency room | 40% coinsurance after deductible | |
| Outpatient mental health | \$20 per visit from day 1 | |
| Generic drugs | \$3 | |

Because he is under 30, Bob could get a catastrophic plan below. But both of these full priced plans are unaffordable for him. So, he is not given a real choice. Bob will be forced into Medicaid.

Oscar Insurance Company
[Secure](#)
 Catastrophic | EPO | Plan ID: 43490KS0010011 | Rating: Not rated

| Premium | Estimated total yearly cost | Deductible | Out-of-pocket maximum |
|-----------------|---------------------------------|--|-----------------------------|
| \$256.04 /month | Add yearly cost | \$9,450 Individual total (health & drug combined) | \$9,450 Individual total |

You pay

| | | |
|--------------------------|----------------------------|--|
| Primary care | No charge after deductible | View plan details for full list of benefits, limits, and exclusions. |
| Specialist care | No charge after deductible | |
| Urgent care | No charge after deductible | |
| Emergency room | No charge after deductible | |
| Outpatient mental health | No charge after deductible | |
| Generic drugs | No charge after deductible | |

Bob's result on Healthcare.gov if he enters a Missouri zip code today.

HealthCare.gov Español Log in

Step 2 of 3: Tell us about you & your household [View steps](#)

Estimated savings overview

May be eligible for coverage through Medicaid or the Children's Health Insurance Program (CHIP):

You (age: 27)

They won't be covered by plans you preview here.

[Learn more about Medicaid & CHIP](#)

Plans will be listed at full price

You can continue to view plans, but your household may qualify for lower priced plans through Medicaid or CHIP.
[View full price plans](#)

A mom called me to enroll her college-aged children into a health plan as they were coming off their father's employer plan, were not tax dependents and earned about the poverty level. We started with the daughter who had a Kansas zip code. Mom was pleased and liked the zero premium plan. When we looked up the son who was in Missouri, I told her he would be in Medicaid or we could look at full priced plans. Her concern was that he couldn't find a doctor who could see him while on Medicaid to treat him for his mental health issues as there is a waiting list to see providers who take Medicaid. She asked if he could get the same plan that we found for her sister. I explained that that choice was not available to him since Missouri expanded Medicaid.

I have seen the same issues when a client moves from Kansas to a state that expanded Medicaid. They don't want to choose Medicaid but have no choice.

Has anyone thought to ask these folks how they would feel about being forced by their legislators to go on Medicaid and likely give up their doctor and private plan that they had? How would you feel? The ACA does not permit excluding this group from the expansion population nor does it permit work requirements for the Medicaid expansion population.

How does expansion affect the current Medicaid beneficiaries?

Since current Medicaid beneficiaries have difficulty accessing an appointment with a provider, especially a specialist, primarily due to fewer providers accepting Medicaid, adding able bodied adults to Medicaid further strains the already stretched provider network for current Medicaid beneficiaries, causing them to experience even longer wait times.

In Kansas we have the benefit of looking at states that did bow to pressure from lobbyists and bought into the promises of free federal dollars and expanded their Medicaid program. I recommend reading the Forbes piece “Kansas Should Avoid the Medicaid Expansion Trap” and the Paragon Health Institute’s study on Florida’s decision not to expand Medicaid.

Therefore, for multiple reasons, I urge my fellow legislators to vote against Medicaid Expansion. Kansas is wise to preserve limited Medicaid funds for the truly vulnerable for whom Medicaid was originally designed. And not to displace people from their private plans onto a government program that will stretch the state budget and withhold funds from other vital projects.

We legislators should rather focus on removing obstacles that discourage Kansans from seeking employment and barriers that prevent employers from expanding businesses to hire more workers, while educating the public on health services available at a sliding scale for low income Kansans. We should move more quickly to create and gain approval for the Community Based Waiver like Missouri has done to finally deliver long overdue services to those 5000 folks on the IDD waiver list. Some of whom have been waiting for over ten years.