

Testimony in Support of The HEALTH CARE COMPACT (S 73)

**By Daniel Tripp, Health Care Compact Alliance
Senate Financial Institutions and Insurance Committee
Thursday, February 16, 2012**

Good afternoon Chairwoman Teichman and members of the Senate Financial Institutions and Insurance Committee. My name is Dan Tripp and I am here today on behalf of the Health Care Compact Alliance (HCCA). The HCCA is a non-partisan section 501(c)(4) organization providing tools that enable citizens to exert greater control over their government. As you can expect, we are in strong support of SB373.

What is the Health Care Compact?

- An interstate compact
 - Contract between two or more states
 - Cannot be amended; each state contract must be the same
 - 200 interstate compacts in existence; 90 approved by Congress
 - Pre-dates the Constitution
- Responsibility and authority for regulating health care, and control of funds, to reside with states, instead of the federal government
- Interstate Advisory Health Care Commission is created, consisting of individuals from member states
- No fiscal impact to Kansans
- Funding Formula uses FY 2010 Federal Healthcare Expenditures and adjusts annually for population and inflation

Why a Health Care Compact?

- Federal system impacts 300+ million people; federal spending on health care exceeds \$2.3 trillion annually; 2,688 pages of regulations for Medicare and Medicaid
- Health care is too large and complex to manage at a federal level
- States are more effective regulators and can manage health care delivery more cheaply and efficiently.

How does the Health Care Compact work?

- Three stages:
 1. States contract between one another, asking the U.S. Congress to give the *ability* to each state to have responsibility and authority over health care. This legislation answers the philosophical question: Can the states do a better job than the federal government of managing health care?
 2. U.S. Congress authorizes compact and gives authority to the states to administer health care programs.
 3. Kansas Legislature designs healthcare plan, passes enabling legislation and draws down federal health care dollars.

**Senate Financial Institutions and
Insurance Committee**

Date 2-16-12
Attachment # 2-1

Status of: *Health Care Compact at the State Level*

- Four states are currently members of the compact: Georgia, Missouri, Oklahoma, Texas
- 14 additional states are debating it in 2012

Items of note:

- State not permanently bound by the Compact; the state does not have to change federal health care delivery and can leave the compact by a simple vote of the legislature.
- You, as state legislators, are better equipped, because of your closeness to your constituency, to make decisions on how to spend health care-related dollars on behalf of the citizens of Kansas.

Again, thank you for the opportunity to testify. We urge your passage of SB373.