



Health Reform Resource Project:

funded by Kansas Grantmakers in Health

Written Testimony in Support of SB 195

Presented to the Senate Committee on Public Health and Welfare

By Sheldon Weisgrau

January 23, 2018

Chairwoman Schmidt and Members of the Committee:

Thank you for the opportunity to present testimony in support of SB 195 to enable suspension of eligibility for Medicaid in certain circumstances. This legislation is important to ensure health coverage to Kansans and reduce recidivism and the costs of health care incurred by the state and counties.

I am Sheldon Weisgrau, director of the Health Reform Resource Project. I work with Kansas Grantmakers in Health, a consortium of six health foundations in the state, to provide education, technical assistance, and support to help Kansans better understand health care, health reform, and the changing health system.

Under current policy, when Kansans on Medicaid are incarcerated or treated at residential mental health facilities, their Medicaid benefits are terminated. If the inmate is then admitted to a hospital, he/she is uninsured. As a result, the state or county, not the Medicaid program, is responsible for the costs of the hospitalization. This cost falls entirely on the state or county government.

If the inmate's Medicaid eligibility had been suspended instead of terminated, it could quickly be reinstated upon hospital admission and the state would be able to access federal matching funds under the Medicaid program. In this case, the federal government would be responsible for paying 55 percent of the costs of hospitalization, with the state paying the other 45 percent. If Medicaid eligibility is terminated, however, the state (in the case of state prison inmates) or county (in the case of county jail inmates) would be responsible for the entire cost (the fiscal note for SB 195 does not take these cost shifts into effect).

In addition, when Medicaid coverage is terminated, the inmate/patient must re-enroll in Medicaid upon release, a process that could take up to 45 days (and perhaps even longer in Kansas, which regularly maintains a Medicaid enrollment backlog). If eligibility had been suspended, reinstatement could happen more quickly, ensuring access to health services and

continuity of care.

People re-entering communities following incarceration have significant health care needs and access to care is a critical factor in preventing return to jail or prison following release.^{i,ii} In addition, when people involved in the criminal justice system have health coverage and can obtain care, they are more likely to experience a seamless re-entry, be more equipped to hold stable jobs, and be productive members of society.^{iii,iv}

Connecting people to coverage also reduces uncompensated care.^v When people have health coverage, they are more likely to receive preventive services, perhaps improving long-term health outcomes.^{vi} This would ultimately save money in the health system, much of which is funded with taxpayer dollars.

While SB 195 is important in easing transition to the community from state hospitals, jails, and prisons and saving money, it is only part of the solution. Suspension, rather than termination of Medicaid eligibility will cover a portion of the re-integrating population. Medicaid expansion, which has still not been adopted in Kansas, would cover most of the rest. Only by expanding Medicaid can Kansas legislators ensure the highest level of health coverage for Kansans and maximum leveraging of the state residents' federal tax dollars.

ⁱ Wallace, D. and Papachristos, A.V. Recidivism and the Availability of Health Care Organizations. *Justice Quarterly*, 31(3), pp 588-608, July 9, 2012.

ⁱⁱ Mallik-Kane, K. and Visher, C.A. *“Health and Prisoner Reentry: How Physical, Mental, and Substance Abuse Conditions Shape the Process of Reintegration.”* Urban Institute Justice Policy Center, February 2008.

ⁱⁱⁱ Ibid.

^{iv} Ollove. M. *“Ex-Felons Are About to Get Health Coverage.”* Pew Charitable Trusts Stateline, April 5, 2013.

^v Bachrach D, Boozang P, and Lipson M. *“The Impact of Medicaid Expansion on Uncompensated Care Costs.”* State Health Reform Assistance Network, Manatt Health Solutions, June 1, 2015.

^{vi} Callow, A. *“Kentucky’s Medicaid Expansion Yields Coverage and Access to Important Preventive Care.”* Families USA, August 19, 2015.