Kansas Medicaid Expansion: Myths vs. Reality

Claim: *Medicaid expansion is health insurance for those with low incomes.*

Reality: Medicaid expansion is not “health insurance” for those with low incomes. It is a payment system that will give 100 percent free health care with no accountability and no skin in the game to 343,000 Kansas recipients.[[1]](#endnote-1) It is **full-blown welfare** **for able-bodied adults** and would be the largest expansion of welfare in the history of the State of Kansas. It also would include individuals with incomes above the poverty level.

Claim: *Medicaid expansion doesn’t include other programs like nursing homes and care for the*

*blind.*

Reality: This claim is correct, and an important point. **Medicaid expansion does nothing at all to help the elderly, people with disabilities, children, or parents who have little to no income.** In fact, Medicaid expansion will add thousands of abled-bodied adults to Medicaid, siphoning already limited resources away from those most vulnerable populations. In other states, Medicaid expansion has **crowded out scarce resources for individuals with severe disabilities** stuck on government waiting lists. [[2]](#endnote-2) Tens of thousands of vulnerable individuals have died while waiting for care in Medicaid expansion states, even while those states expanded welfare to able-bodied adults under expansion.[[3]](#endnote-3) In Kansas, the thousands of individuals with intellectual and developmental disabilities on Medicaid waiting lists would sit and watch as able-bodied adults are pushed to the front of the line.[[4]](#endnote-4)

Claim: *“The state only picks up 10 percent of the cost.”*

Reality: The 10 percent state share alone **would cost taxpayers approximately $13 billion** over the next decade.[[5]](#endnote-5) In other expansion states—like Ohio—Medicaid now consumes roughly 40 percent of their state budget.[[6]](#endnote-6) And since Kansas taxpayers also pay federal taxes, they would inherently bear a portion of the federal costs that are not part of the state share.

Claim: ***"Medicaid expansion has produced a net savings for many states."***

Reality: This is patently false. In Idaho, for example, Medicaid expansion has seen untenable cost overruns.[[7]](#endnote-7) In fact, in every state with available data, Medicaid expansion has shattered cost expectations.[[8]](#endnote-8) This is in part because actual expansion enrollment is roughly 160 percent greater than projections.[[9]](#endnote-9) For example, in Arkansas, expansion enrollment was supposed to cap out at 215,000.[[10]](#endnote-10) **Today, it sits at nearly 343,000** **enrollees.[[11]](#endnote-11)**

Claim: ***By not expanding Medicaid, Kansas is leaving federal dollars on the table.***

Reality: There is no magic pot of federal money sitting idle or being left on the table. As the Congressional Research Service has noted, "**If a state doesn’t implement the ACA Medicaid expansion, the federal funds that would have been used for that state’s expansion are not being sent to another state**."[[12]](#endnote-12) Medicaid expansion simply means an expansion of federal debt. Plus, Kansas already receives more dollars than it sends to Washington, D.C.[[13]](#endnote-13)

Claim: *There is no record of states raising taxes to pay for Medicaid expansion.*

Reality: **This is simply wrong.** For example, Montana implemented a $15 million hospital tax to pay for Medicaid expansion.[[14]](#endnote-14) A total of 11 states have levied these types of taxes to pay for expansion.[[15]](#endnote-15) And in both Indiana and Louisiana, taxes were raised on tobacco products—hitting the lowest-income residents the hardest—to pay for expansion.[[16]](#endnote-16) **Medicaid expansion is almost always associated with higher taxes and/or fees, and to suggest otherwise is entirely false**.

Claim: *Medicaid expansion will have a net positive benefit on providers.*

Reality: This is not true. According to independent analyses, 40 percent of expansion states lost hospital jobs in the first year of the program; promised hospital jobs never materialized in states like Arkansas, Iowa, Kentucky, and more; non-expansion states have experienced greater hospital job growth; and **hospitals are still closing in expansion states** despite promises from expansion advocates.[[17]](#endnote-17)-[[18]](#endnote-18)

Claim: *Medicaid expansion will decrease bad debt for providers.*

Reality: This is incorrect. After expansion began, hospitals' Medicaid shortfalls grew by more than $5 billion, including in states from California to West Virginia.[[19]](#endnote-19) This same study found that **Kansas could expect to see an additional $12.5 million in hospital Medicaid shortfalls** if it expanded Medicaid, as cost shifts from moving individuals from private insurance to Medicaid would exceed any savings from uncompensated care reductions.[[20]](#endnote-20)

Claim: *Medicaid expansion will bring additional financial stability to Kansas hospitals that are at risk of closure.*

Reality: Medicaid expansion does not save hospitals. For example, in Montana, an independent study found **the Big Sky State was ranked worst in the nation** **for at-risk rural hospitals after expansion was implemented**—despite the claims of expansion advocates that it would save hospitals.[[21]](#endnote-21) Hospitals have continued to close in expansion states across the country.[[22]](#endnote-22)

Claim: *Medicaid expansion would improve health outcomes.*

Reality: A January 2023 found that **Medicaid expansion has no effect on major health outcomes**.[[23]](#endnote-23) The gold-standard study of the impact of Medicaid expansion on health outcomes found expansion had no effect at all on major health indicators like blood pressure and cholesterol.[[24]](#endnote-24) Other studies have found that individuals on Medicaid have higher risks of death and worse health outcomes compared to even individuals without any insurance at all.[[25]](#endnote-25)

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