

MEDICAID EXPANSION POSITION STATEMENT



On June 28, 2012, the U.S. Supreme Court released its decision regarding the constitutionality of the Patient Protection and Affordable Care Act (ACA). The verdict upheld nearly every critical pillar of the ACA, except a federal requirement that state Medicaid programs expand eligibility to 138% of the federal poverty level (FPL) for parents, childless adults, and the disabled.

As a result, Kansas and Missouri legislatures must decide whether or not to expand their Medicaid programs, which currently offer no coverage to childless adults and very low income eligibility limits for parents (18% FPL in Missouri and 30% FPL in Kansas). To put this into context, 18% FPL for a family of four is \$4,239 annually.

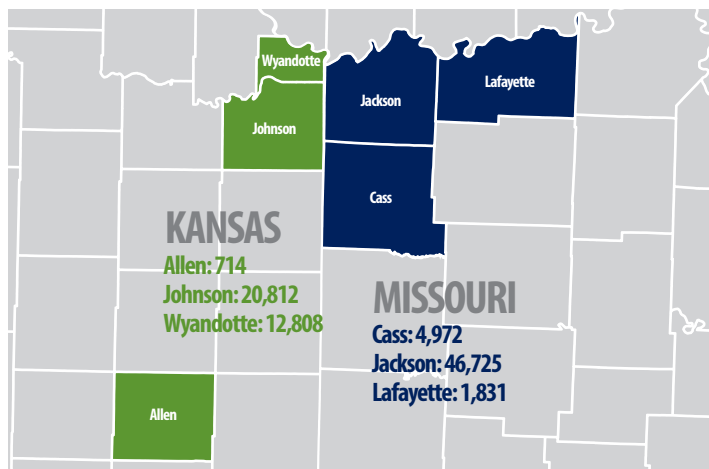
The ACA envisioned a seamless health insurance coverage system that would offer individuals below 400% FPL access to quality, affordable health insurance through either Medicaid or a subsidized private plan through the health insurance marketplace. Absent Medicaid expansion, the coverage system in both Missouri and Kansas, has a large coverage gap that leaves thousands of residents behind.

Residents are left behind because they make too much money to qualify for the current Medicaid program and too little for a subsidized marketplace plan.

Expanding Medicaid is affordable for our region. The national health care reform law provides the bulk of funds; meaning Kansas and Missouri won't have to pay anything until 2017 and only 10% of the expansion costs after that.

HCF SERVICE AREAS

88,000 consumers in these counties are uninsured and fall into the Medicaid coverage gap:



KEY TALKING POINTS

The Kansas and Missouri Medicaid programs currently offer no coverage to childless adults and very low income eligibility limits for parents.

Absent Medicaid expansion, the coverage system in both Missouri and Kansas has a large coverage gap that leaves thousands of residents behind.

More than 250,000 residents of the Kansas City region are currently uninsured.

Medicaid expansion stands to bring \$325 million into the HCF service area per year.

RATIONALE FOR HCF SUPPORT

While HCF is proud to have disbursed over \$185 million in grants since we began grantmaking in 2005, the level of need in our service area has never been greater and far exceeds our capacity. In 2013 alone, HCF received 410 grant applications, requesting over \$55 million. Of these requests, HCF was able to disburse \$20.3 million, meeting less than half of the demand.

HCF seeks to eliminate barriers to health for the uninsured and underserved. Lack of health insurance is a serious detriment to overall wellbeing – those who are uninsured are more likely to delay necessary care, forego preventive care, receive late-stage diagnoses, and have unmanaged chronic illnesses. More than 250,000 residents of the Kansas City region are currently uninsured. Central to HCF's mission is expanding access to quality, affordable health insurance for these residents.

Medicaid beneficiaries have access to health services not currently available to the uninsured, even those who are plugged into existing safety net health care clinics.

Medicaid benefits include dental care, mental health services, home health care, durable Medicaid equipment, prescription benefits, lab work, and psychiatric care. Many of these auxiliary services are very difficult to access within the safety net system.

Based upon average annual Medicaid spending per enrollee, Medicaid expansion stands to bring \$325 million into the HCF service area each year to provide health care to those who were previously uninsured. If HCF were to invest in these health services with its own resources, our current net assets would be spent within two years.