



# **Testimony in Opposition to House Bill 2556**

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*Presented to*

**Kansas House Committee on Health and Human Services**

**Opportunity Solutions Project**

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**March 20, 2024**

Chair Landwehr and Members of the House Committee on Health & Human Services:

My name is Sam Adolphsen, I'm a visiting fellow at the Opportunity Solutions Project (OSP) and the former Chief Operating Officer of the Maine Department of Health and Human Services, where I helped oversee the state's Medicaid program.

OSP strongly opposes HB 2556. To be clear, this proposal is 100 percent the Medicaid expansion that was offered by the Obama administration 10 years ago that Kansas has rejected time and again. There is nothing new or innovative or conservative about this proposal. There are some buzzwords the governor would like you to believe are genuine attempts at compromise or cost control, but those amount to nothing more than a house of cards built on the shaky ground of increased government dependency.

This bill may well be the most poorly named bill in Kansas history, and it only gets worse after the title. Naming it the "Cutting Healthcare Costs for All Kansans act" is just plain wrong. It is hard to blame the authors for rejecting more accurate title options, given how the truth sounds.

For example, the "**Cutting People Off Their Private Health Care Plans Act**" would be accurate with Medicaid expansion because more than 36,000 Kansans already covered by a fully subsidized private plan on the exchange would be kicked off that insurance and forced onto Medicaid.<sup>1</sup> The "**Cutting Reimbursement Rates to Rural Hospitals Act**" would be correct as well. Medicaid pays hospitals and other providers significantly less than private insurers. Kansas hospitals stand to lose millions of dollars and increase their Medicaid shortfalls when these folks shift from private to government-run health care.<sup>2</sup>

And I certainly understand why they chose not to call it the "**Following Other States' Failures Act**." That doesn't sound too good but it's accurate. Section 4 of the governor's proposal gives an option for the administration to operate the so-called "private option" that would have Kansas pay premiums for some of these individuals. That option has been tried by three states—Iowa, New Hampshire, and Arkansas. Both Iowa and New Hampshire abruptly ended the program due to mounting costs and insurers fleeing the program.<sup>3</sup> Arkansas thought they would spend \$800 million a year, and instead are spending more than \$2 billion per year.<sup>4</sup>

It's true that Governor Kelly is not required to do that but is simply given the option. But what kind of a choice is that? Kick 36,000 people off their current private plan and put

them into worse, state-funded Medicaid, or adopt a model that costs at least double and other states have abandoned?

Kansas shouldn't choose either of these bad options.

The **“Expanding Welfare to Only Able-Bodied Adults Act”** probably wouldn't be a very popular title. But it's exactly what this bill would do, adding hundreds of thousands of able-bodied adults to Medicaid.<sup>5</sup> It does not expand or add eligibility for one single person who is not an able-bodied adult. While the governor and others may try to conflate the truly needy, elderly, disabled, or children with the recipients of this bill—that is false. This bill expands medical welfare to exactly one group: able-bodied adults, many without kids in the household.

How about the **“Cutting Into Other Budget Priorities Act?”** Medicaid in Kansas has already grown dramatically in recent years. Up from seven percent just a couple decades ago, Medicaid is now a full 23 percent of the state budget.<sup>6</sup>

Maybe the most disturbing bill title to hit the cutting room floor, though is the **“Washington, D.C. Is in Charge Now Act.”** The provisions in section 3 and 4 are totally dependent on approval of the federal government bureaucrats. Even if these provisions were written well with the intention of controlling costs and promoting work (they are not), Kansas will not get approval from the current administration in D.C. Because the governor included a “severability” clause in Section 7(b), when D.C. denies these waivers, Kansas will be left with the same Medicaid expansion that California and New York have.

And we know what that looks like: more able-bodied adults who can and should be working on welfare, busted state budgets threatening taxpayers and the truly needy, and more control of state programs in D.C.

I ask the committee to stand up for taxpayers and the truly needy, and against more government dependency, by opposing HB 2556.

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<sup>1</sup> Jonathan Bain, “How millions of Americans will be kicked off private insurance if the remaining states expand Medicaid,” The Foundation for Government Accountability (2024), <https://thefga.org/research/how-millions-americans-kicked-off-private-insurance/>

<sup>2</sup> Dublois and Greibrok, “Medicaid Expansion Dramatically Increases Hospital Shortfalls ...and Puts Their Futures at Risk,” The Foundation for Government Accountability (2024), <https://thefga.org/research/medicaid-expansion-dramatically-increases-hospital-shortfalls/>

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<sup>3</sup> Jonathan Ingram, "Arkansas's so-called conservative approach to ObamaCare expansion has failed," The Foundation for Government Accountability (2020), <https://thefga.org/research/arkansas-conservative-obamacare-expansion-has-failed/>

<sup>4</sup> Jonathan Bain, "Arkansas's Medicaid Meltdown: How Bad Policies Have Led to Busted Budgets and Skyrocketing Enrollment," The Foundation for Government Accountability (2023), <https://thefga.org/research/arkansas-medicaid-meltdown-busted-budgets-skyrocketing-enrollment/>

<sup>5</sup> Jonathan Bain, "Busted budgets and skyrocketing enrollment: why states should reject the false promises of Medicaid expansion," The Foundation for Government Accountability (2023), <https://thefga.org/research/states-should-reject-false-promises-of-medicaid-expansion/>

<sup>6</sup> NASBO, "2023 State Expenditures Report," National Association of State Budget Officers (2024), [https://higherlogicdownload.s3.amazonaws.com/NASBO/9d2d2db1-c943-4f1b-b750-0fca152d64c2/UploadedImages/SER%20Archive/2023\\_State\\_Expenditure\\_Report-S.pdf](https://higherlogicdownload.s3.amazonaws.com/NASBO/9d2d2db1-c943-4f1b-b750-0fca152d64c2/UploadedImages/SER%20Archive/2023_State_Expenditure_Report-S.pdf)