



# Update on Implementation of the Affordable Care Act

City & County Management Conference

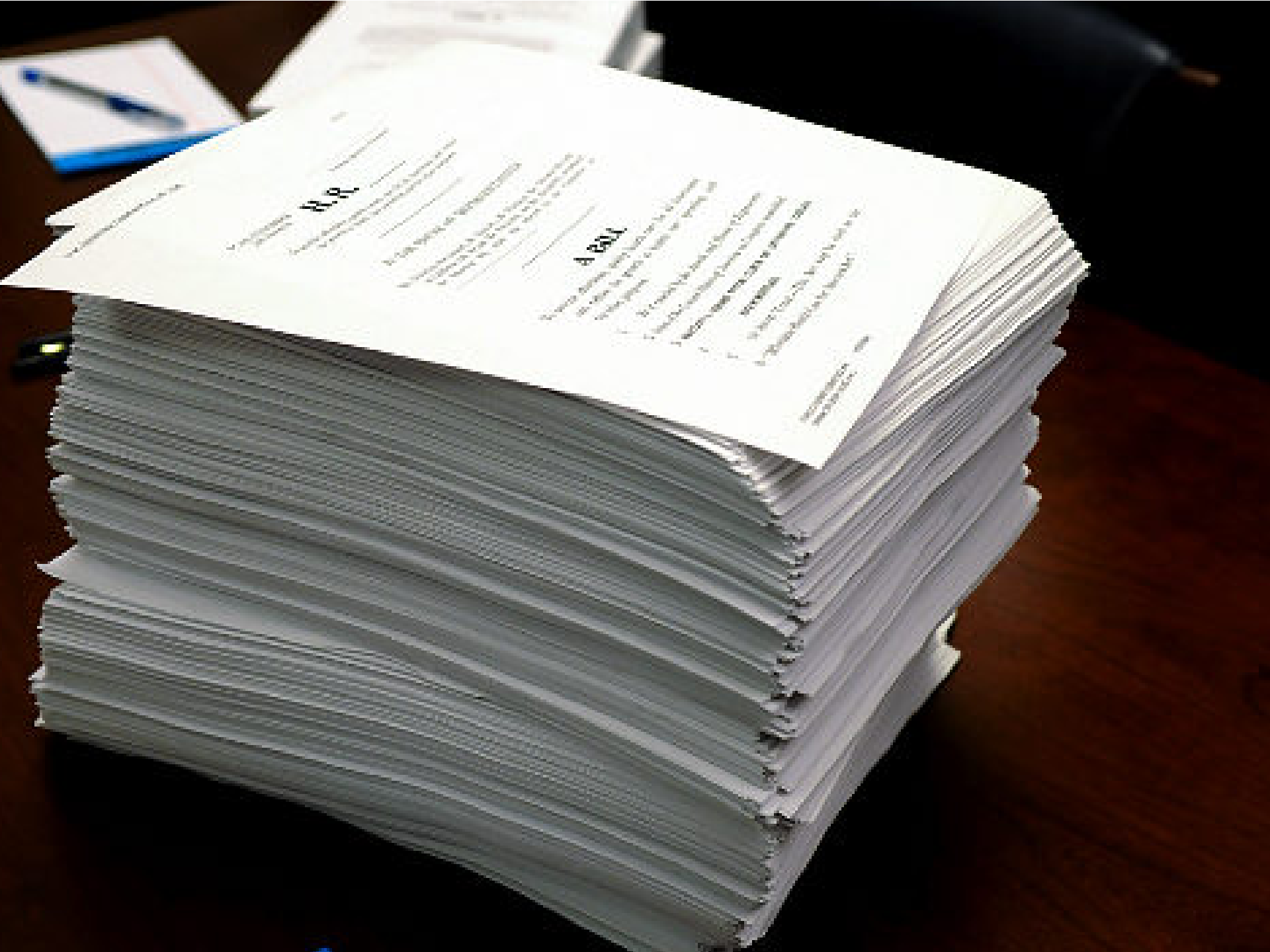
April 19, 2013

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[www.khi.org](http://www.khi.org)



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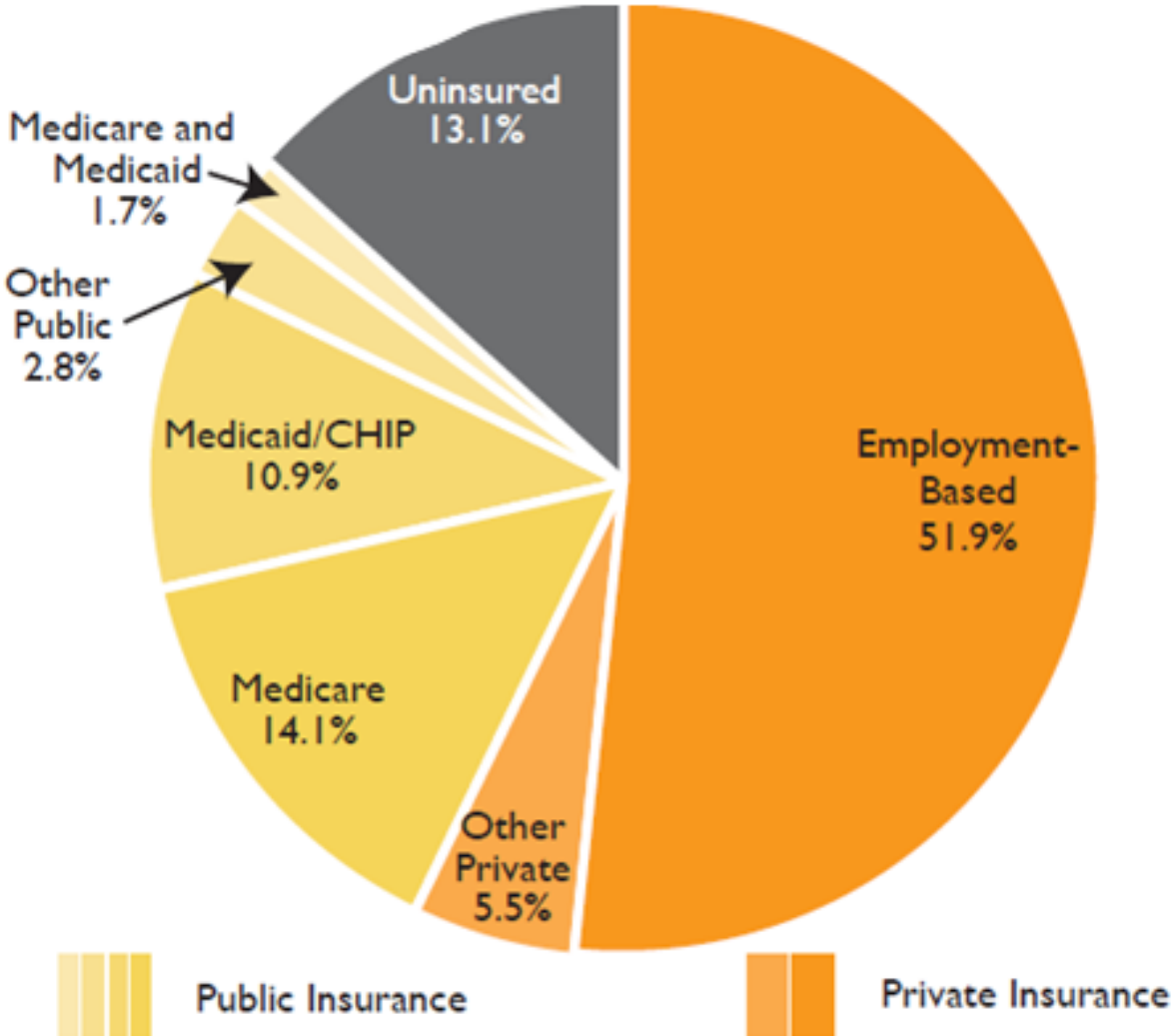
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# Update

- Insurance Exchange
- Impact on Employers
- Medicaid Expansion?

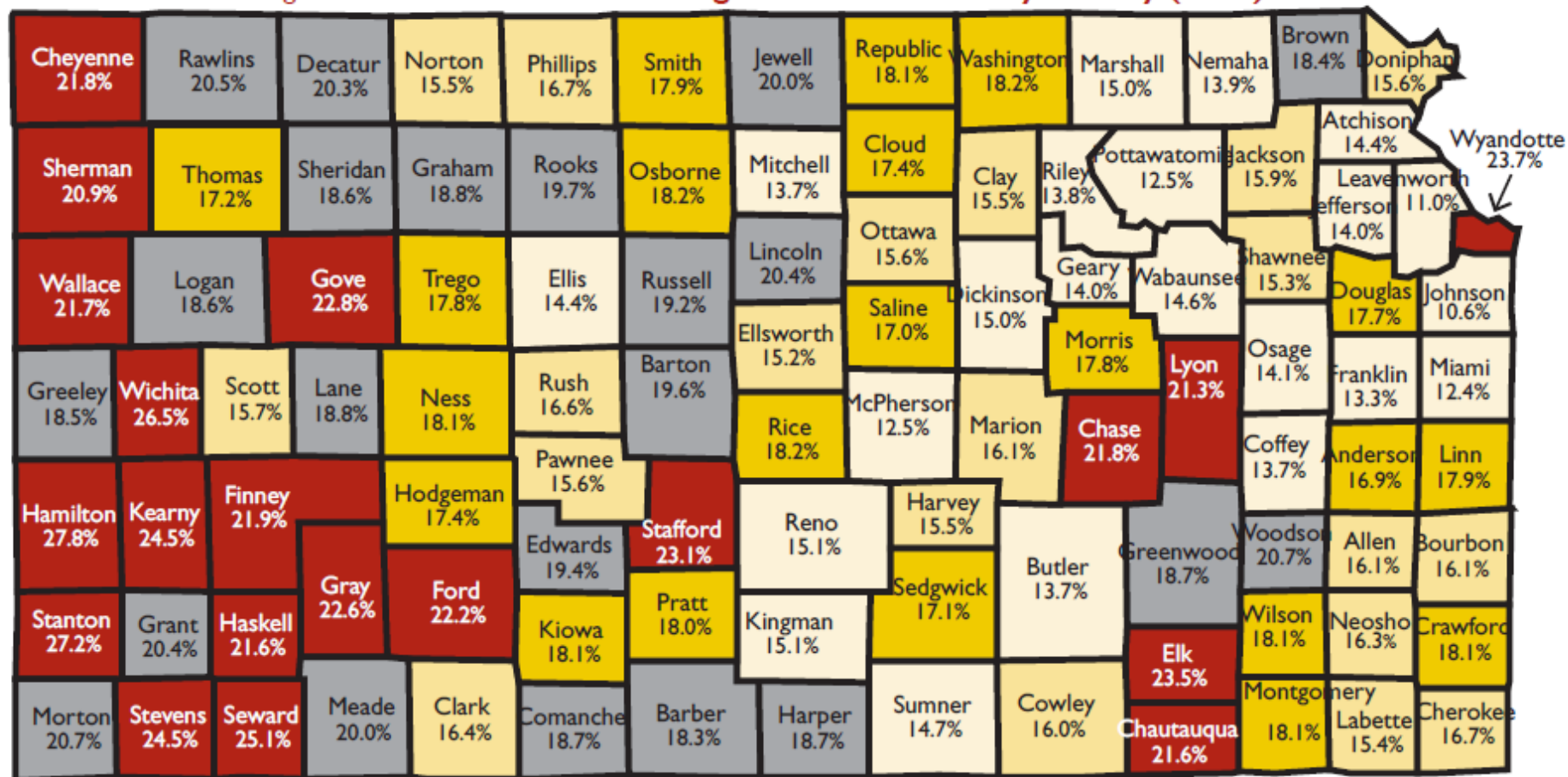
# Primary Sources of Health Insurance, All Kansans (2010-2011)



Notes: All Kansans — Approximately 2,786,000. Because CPS respondents can report more than one type of insurance, KHI used a standard hierarchy to assign health insurance status.

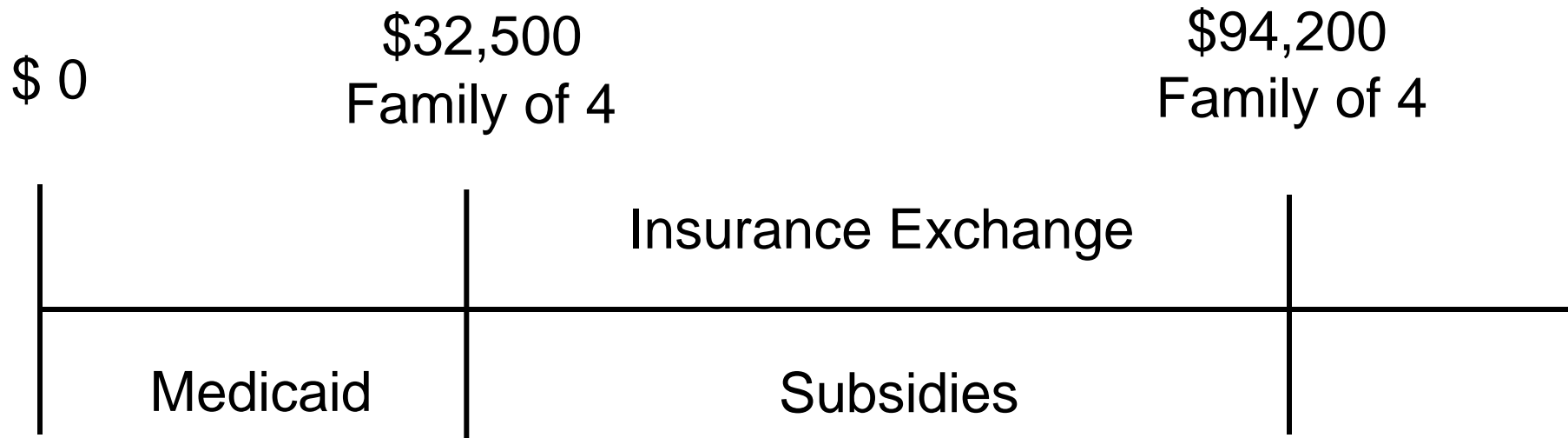
Source: KHI estimates are two-year averages based on the 2011 and 2012 Annual Social and Economic Supplements to the Current Population Surveys.

Figure 24. Percent of Kansans Age 0–64 Uninsured by County (2010)

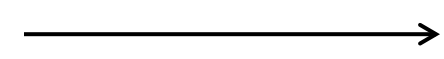


Uninsured Rates:  10.6% to 15.1%  15.2% to 16.7%  16.8% to 18.2%  18.3% to 20.7%  20.8% to 27.8%

Source: U.S. Census Bureau, Small Area Health Insurance Estimates (2010).



Insurance costs no more than 3% of income



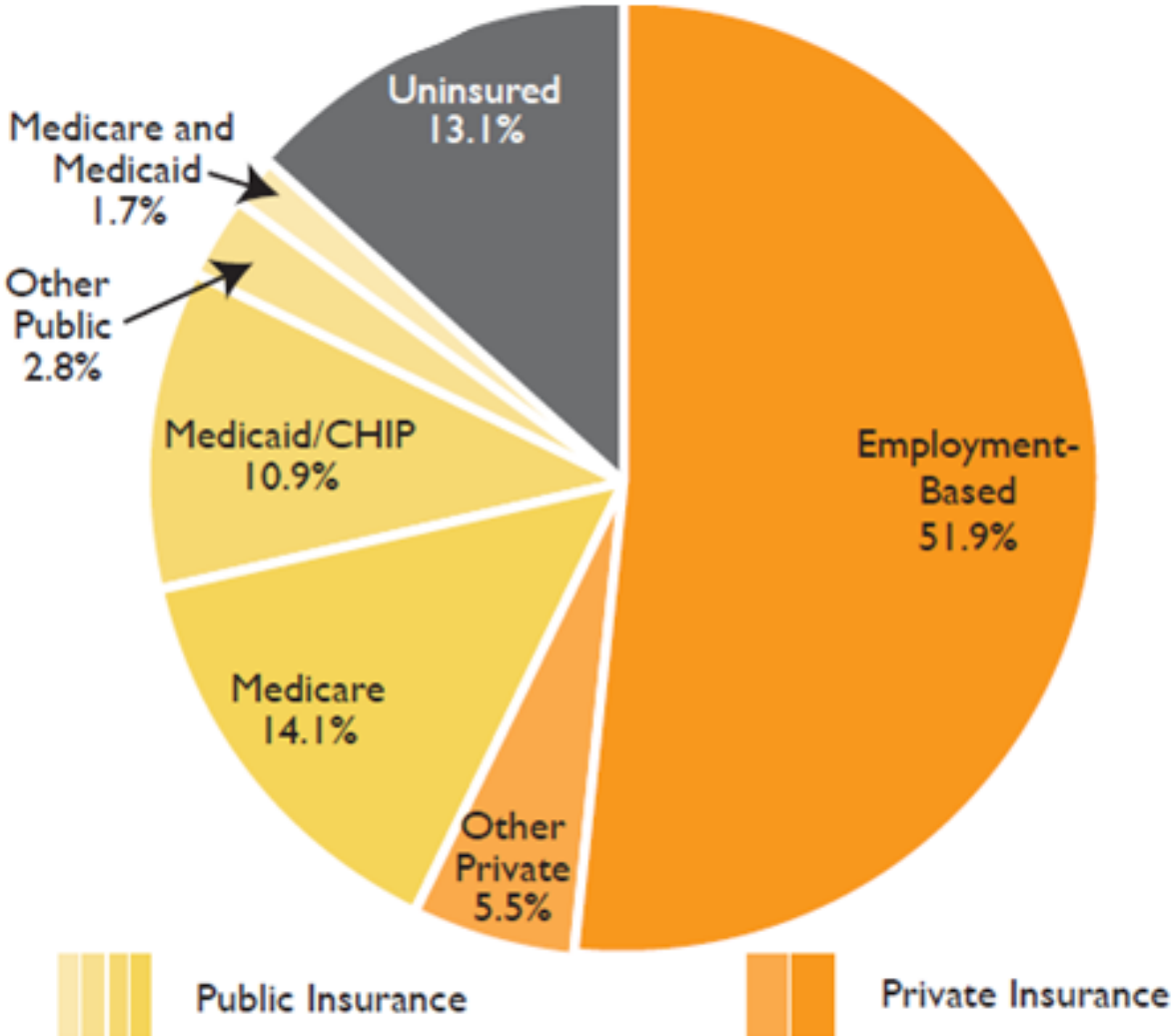
Insurance costs no more than 9.5% of income



# Insurance Exchange

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# Health Insurance Exchange in Kansas

## Estimated Potential Users of Kansas Exchange

Characteristics	Number
Currently uninsured or insured with direct-purchase coverage and eligible for tax credits	193,000
Currently uninsured or insured with direct-purchase coverage and ineligible for tax credits	75,000
Currently covered by insurance through a small employer group; eligibility for tax credits varies	245,000
Eligible for tax credits if Kansas chooses to not expand Medicaid	43,000

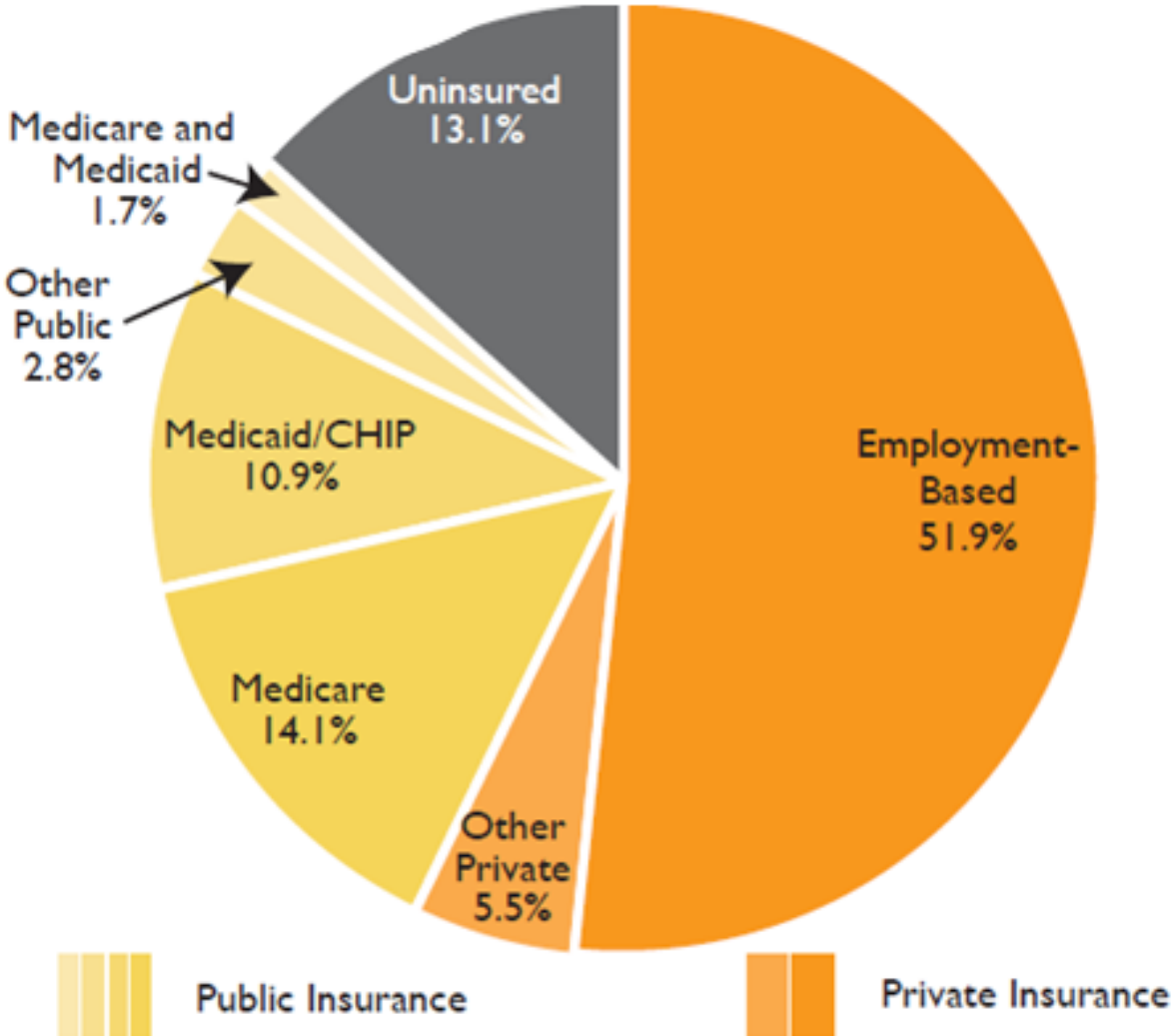




# Kansas Employers

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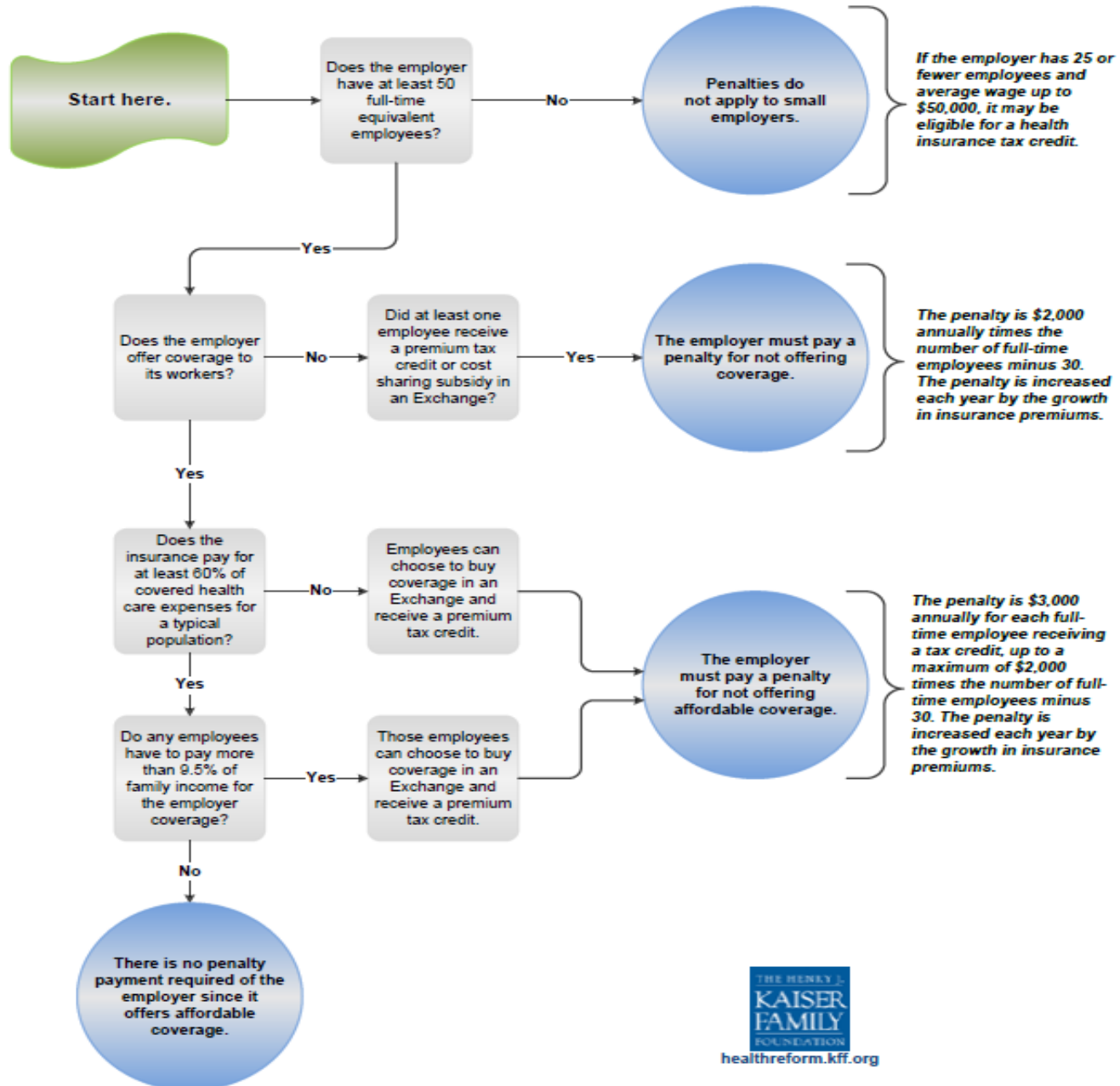
Source: KHI estimates are two-year averages based on the 2011 and 2012 Annual Social and Economic Supplements to the Current Population Surveys.



## Two Key Facts

- More than 70 % of Kansas private employers have fewer than 50 employees.
- 97 % of large Kansas private employers already offer health insurance.

# Penalties for Employers Not Offering Affordable Coverage Under the Affordable Care Act Beginning in 2014

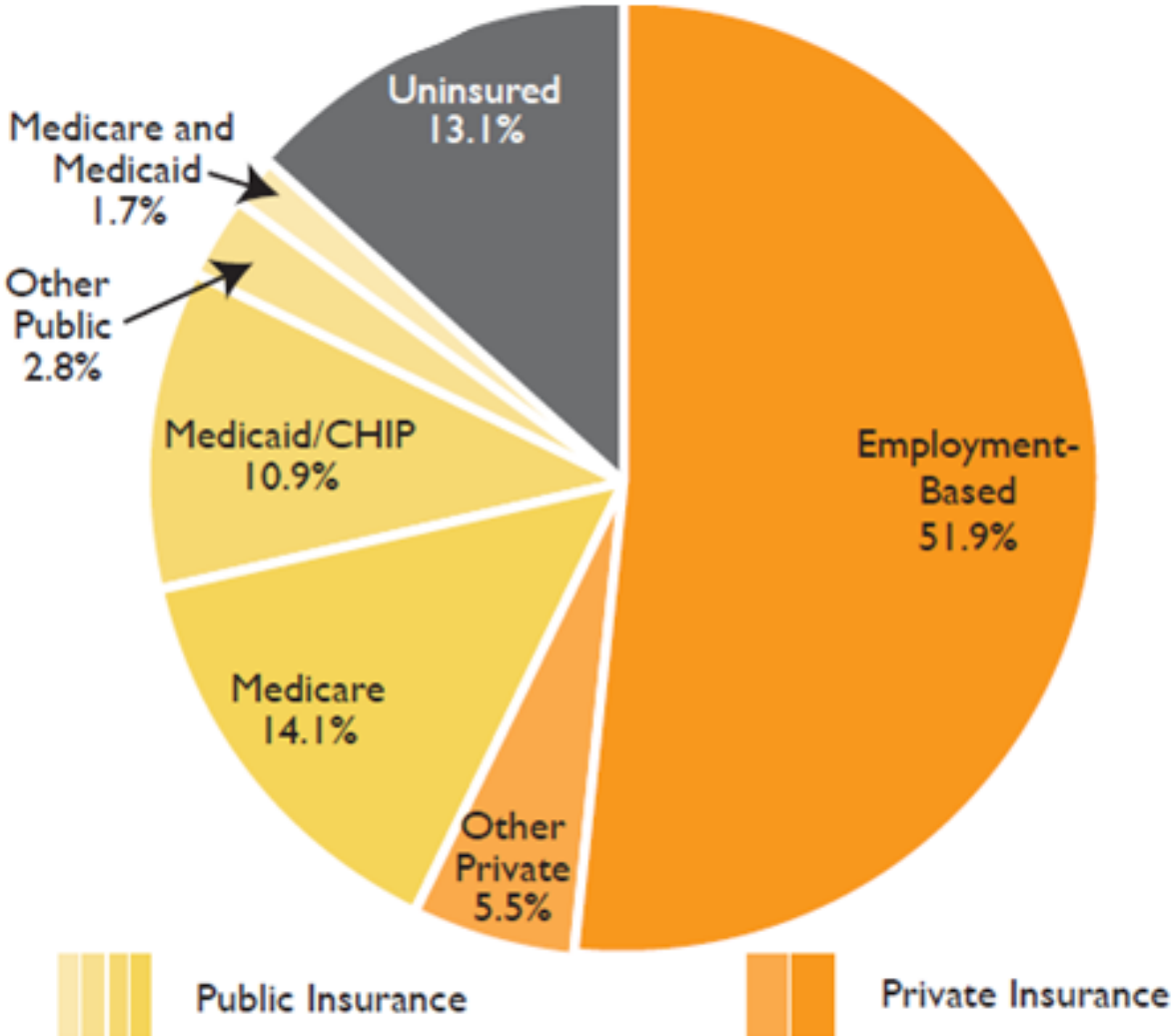




# Medicaid Expansion?

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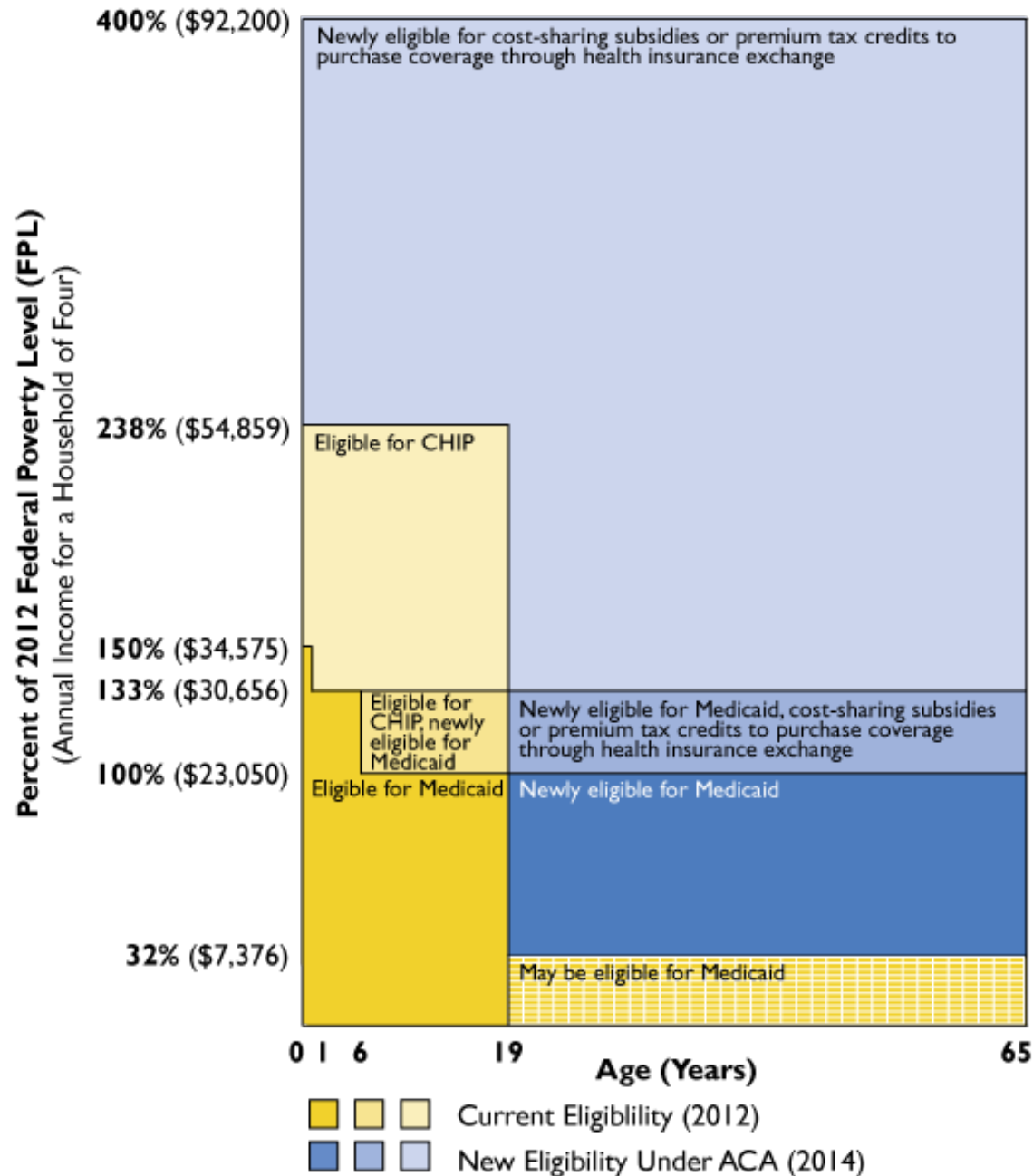


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## Current Eligibility (2012) and New Eligibility Under ACA (2014)



Kansas Funds

Federal Funds

43 %

57 %



Medicaid

Nursing  
Homes

Medical  
Services

Home and  
Community  
Based Care  
Services



# Impact of Medicaid Expansion

110,425 new adults

11,760 “woodwork” adults

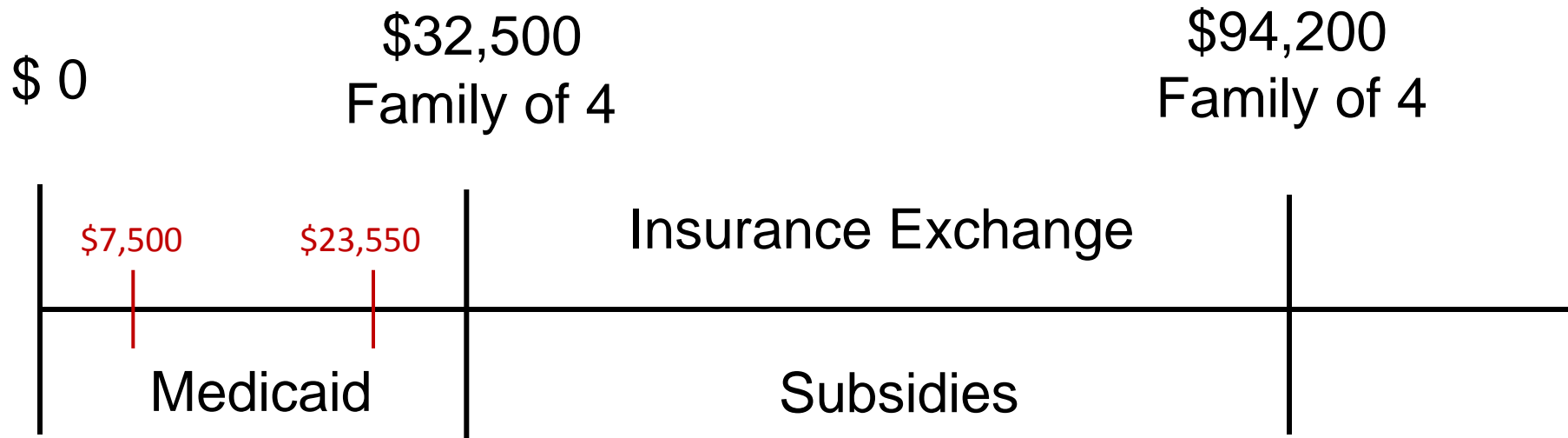
117,886 children

240,071

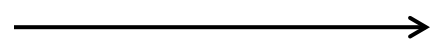


# Cost of Medicaid Expansion

- The federal government pays 100 % of the cost for newly eligible recipients for 3 years, and then moves to a 90/10 cost share.
- However, the federal government pays 57 % and the state 43% for those already eligible but not previously enrolled.
- KHI's best estimate of total costs from 2014 to 2020 is \$3.4 billion. \$518 million of that would be paid by the state.



Insurance costs no more than 3% of income



Insurance costs no more than 9.5% of income





# What should Kansas do?

- Should the state expand Medicaid as 27 other states have already planned to do?
- Is it worth the state cost to provide health coverage to more people?
- Is it worth the state cost to potentially pull in billions in federal dollars?
- Can the federal government be trusted to deliver in the future?



# Kansas Health Institute



*Information for policy makers. Health for Kansans.*