



ALLIANCE FOR A  
HEALTHY KANSAS

## KanCare Expansion: Just the Facts

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**KanCare expansion supports families by enhancing financial stability, supporting work, and reducing divorce.**

- Medicaid expansion reduces debt, unpaid bills, and referrals to collection agencies and improves credit scores among those who gain coverage.<sup>1,2</sup>
- Expansion is associated with a reduction in the number of short-term high interest (“payday”) loans taken out each month. It also lowers the number of individual borrowers each month and the amount of payday loan debt.<sup>3</sup>
- Expansion reduces “medical divorce.” Before expansion, most states had Medicaid eligibility rules that limited maximum asset levels. These rules still exist in Kansas. This is often a problem when one member of a couple is diagnosed with an illness that requires expensive care. In these cases, couples sometimes divorce and separate assets to ensure health care for the sick spouse and some remaining retirement assets for the other. Expansion decreases the prevalence of these divorces.<sup>4</sup>
- Medicaid expansion supports work. Access to affordable health insurance and care helps people maintain and manage their health and promotes the ability to obtain and maintain employment.<sup>5</sup>
- Majorities of employed adults who gained coverage through Medicaid expansions in Ohio and Michigan reported that having health coverage made it easier to work or made them better at their jobs. For those who were unemployed, majorities said it made it easier for them to look for work.<sup>6,7</sup>
- KanCare expansion will encourage work and job advancement among low-income parents. In Kansas, a parent makes too much to qualify for KanCare if she earns more than \$8,254 per year – about \$688 per month – for a family of three. If she works a minimum wage job just more than half-time, she would make too much to qualify. If she gets a better job, a raise, or more hours, she would fall into the coverage gap – her income would be too high for KanCare and too low to qualify for assistance to purchase private insurance. If Kansas were to expand KanCare, low-income parents could earn more without losing their health coverage.

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<sup>1</sup> Hu et al. *The Effect of the Patient Protection and Affordable Care Act Medicaid Expansions on Financial Well-Being*, National Bureau of Economic Research, April 2016.

<sup>2</sup> Caswell and Waidmann, *The Affordable Care Act Medicaid Expansions and Personal Finance*, Medical Care Research and Review, September 2017.

<sup>3</sup> Allen et al. *Early Medicaid Expansion Associated With Reduced Payday Borrowing In California*, Health Affairs 36(10), October 2017.

<sup>4</sup> Slusky and Ginther. *Did Medicaid Expansion Reduce Medical Divorce?* National Bureau of Economic Research, February 2017.

<sup>5</sup> Antonisse et al. *The Relationship Between Work and Health: Findings from a Literature Review*, Kaiser Family Foundation, August 2018.

<sup>6</sup> Ohio Department of Medicaid, *Ohio Medicaid Group VIII Assessment: A Report to the Ohio General Assembly*, January 2017.

<sup>7</sup> K. Gavin, *Medicaid Expansion Helped Enrollees Do Better at Work or in Job Searches*, University of Michigan, June 27, 2017.