



ALLIANCE FOR A  
HEALTHY KANSAS

## KanCare Expansion: Just the Facts

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### **States can count on Federal financial support for expansion.**

Payment for the Medicaid program is shared by the federal and state governments. Medicaid expansion is financed with an enhanced match rate, in which the federal government funds 90% of program costs (compared to 55% in the current KanCare program). This enhanced rate cannot be changed without approval of the Congress and the President.

- Funding for Medicaid expansion was covered in full by the federal government through 2016. Federal funding gradually phases down to 90% in 2020 and never drops below that rate.<sup>1,2</sup> So, for every \$100 in health care costs for newly eligible Kansans, the federal government will pay \$90, a return on state investment of 9 to 1.
- New federal law would be required to change the funding commitment, and history shows little evidence that this is likely. Congress has modified Medicaid's overall matching rate only three times over the last three and a half decades and has never permanently decreased these rates.<sup>3</sup>
- Now that 36 states have adopted Medicaid expansion, a supermajority of members of Congress represent expansion states. It is highly unlikely they would vote to stop the flow of billions of dollars to their states and leave millions of their constituents uninsured.
- In the event that federal law is changed and funding declines – or for any other reason – states can withdraw from Medicaid expansion. Several states have included such “circuit breaker” provisions in their authorizing legislation and such a provision has been included in expansion legislation considered by the Kansas legislature.

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<sup>1</sup> *The Patient Protection and Affordable Care Act*, PL 111-148, March 23, 2010.

<sup>2</sup> *The Social Security Act*, §1905(y)(1), August 14, 1935.

<sup>3</sup> Park, *History Rebuts Claim That Federal Medicaid Matching Rates Are Unstable*, Center on Budget and Policy Priorities, February 2014.