TCOR

Kansas Department of Health and Environment

Analysis the Affordable Care Act Impact to Kansas Medicaid/CHIP Program

March 13, 2015

Update to the January 29, 2014 Analysis

AON
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Executive Summary

The Kansas Department of Health and Environment (State) contracted with Aon Hewitt to perform an independent analysis on the potential enrollment and budget impact of the Affordable Care Act (ACA) implementation to the State's Medicaid/Children's Health Insurance Program (CHIP). Several similar studies have been published by various research entities including the Kaiser Family Foundation, Kansas Policy Institute, and Kansas Health Institute in the past few years. As expected, the results of the studies vary due to the use of different approaches and data sources.

Aon Hewitt reviewed related studies including national studies and technical assistance guidance in addition to the three studies mentioned above and developed its own approach to model the potential impact of ACA implementation to Kansas's Medicaid/CHIP program. We modeled the impact by developing experience-based enrollment rate assumptions for those currently eligible for Medicaid/CHIP and for those who will be newly eligible under the expansion option using detailed eligibility and enrollment information provided by the State as well as census data and other data sources. The incremental increase of the projected enrollment rates under various ACA scenarios allowed Aon Hewitt to further differentiate the woodwork impact if there were no expansion, as well as determine the additional woodwork impact under the expansion scenario.

This report is an update to the previous report delivered to the State on January 29, 2014 to reflect the new information available. While the actual implementation of ACA started in 2014, we assumed January 1, 2016 as the start date of ACA for purposes of developing this report. Additionally, CHIP members who were reclassified as Medicaid members under ACA were kept in the CHIP category in our results given that the costs for these members are matched at the CHIP FMAP rate instead of the Medicaid FMAP rate.

No Medicaid Expansion Results

Even if Kansas chooses not to expand, we anticipate there will still be an increase in enrollment due to outreach efforts under ACA implementation. This expected increase in enrollment for those who are currently eligible but not enrolled in the Medicaid/CHIP program is commonly referred to as the woodwork effect. Assuming moderate statewide population growth will continue, and using the CY2013 Medicaid/CHIP enrollment experience as a base, our best estimate if the State chooses not to expand Medicaid, is that the Medicaid/CHIP enrollment will increase by 23,656 in CY2016, ramping up to 28,530 (16,529 for Medicaid and 12,001 for CHIP) by CY2017. We anticipate that it will take two years (2016-2017) for 90% of eligible members that will enroll to enroll.

The anticipated 10-year (CY2016-CY2025) State budget increase (state share only) for no expansion is $400.1M ($334.6M for Medicaid and $65.4M for CHIP) compared to expected costs if ACA had not been enacted.

Medicaid Expansion Results

If the State chooses to expand Medicaid, Aon Hewitt's best estimate is that the Medicaid/CHIP enrollment will increase by 141,626 in CY2016, ramping up to 170,801 (18,065 from currently eligible Medicaid, 13,778 from currently eligible CHIP, and 138,958 from those newly eligible for Medicaid) in CY2017. These estimates incorporate anticipated woodwork effects, newly eligible members and potential crowd out effects. Crowd out refers to enrollment shifts from private coverage to public insurance as an effect of Medicaid eligibility expansion.
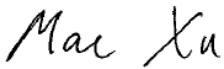
Under the expansion scenarios, the enrollment of currently eligible but not enrolled is assumed to increase more than under the no expansion scenario. This is due to extra outreach efforts initiated by various interest groups and anticipated additional enrollment of currently eligible children when newly eligible parents enroll in Medicaid. The enrollment increase from the newly eligible is mainly driven by the expansion of Medicaid eligibility to all eligible individuals under 133% of the federal poverty level (FPL), regardless of parental status or medical condition.

The anticipated 10-year (CY2016-CY2025) State budget increase (state share only) with expansion compared to expected costs if ACA did not exist is $1.2B ($1.15B for Medicaid and $75.2M for CHIP). At the request of the State, Aon Hewitt also summarized the same 10-year enrollment and budget impact in SFY basis (SFY16-SFY26).

The best estimates reflect our interpretation of the available data and our best assumptions regarding how various eligible beneficiaries will react to the implementation. The budget impact did not account for possible options to reclassify some currently eligible beneficiaries to newly eligible status to gain higher FMAP– funding, potential reductions in costs to state-only programs, or additional administrative costs associated with an expansion. Our enrollment and budget impact also assumed that ACA implementation has no material impact to those individuals age 65 and over.

Actuarial Certification—Statement of Opinion

The analysis was performed by Mac Xu, FSA and MAAA, and Maria C. Dominiak, FSA and MAAA. We followed generally accepted actuarial principles in performing this analysis and are reasonably familiar with ACA rules and the Kansas Medicaid program. We both meet the qualification requirements to issue this report. The results were based on our best interpretation of the data available to us and our best knowledge of how eligible beneficiaries will react to the implementation of ACA in Kansas. We relied on the accuracy and completeness of the data provided by the State. We reviewed the data for usefulness and reasonableness and took a conservative approach in the use of the data, especially the census data. However, if the data is not accurate or the enrollment experience has changed significantly from the base period we used, our results are likely to change.

_____   March 13, 2015
                                                      _____

Mac Xu, FSA, MAAA   Date

_____   March 13, 2015
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Maria C. Dominiak, FSA, MAAA   Date

Data

Aon Hewitt used the following data to perform this analysis:

- Monthly average Medicaid/CHIP enrollment counts by county, aid category, and age group for CY2013 from the State;

- Actual capitation rate ranges by region and detailed rate cell for CY2015 from the State;

- 5-year projection (CY2013-CY2017) of Medicaid/CHIP enrollment and budget under the 1115 waiver from the State;

- State specific Current Population Survey (CPS) data for 2-year average (2012-2013) income distribution by age group; and

- State specific Census data for CY2010 population counts by age group and other demographics.

We used State provided CY2013 enrollment data to identify the number of individuals actually enrolled for each of the following major eligibility groups: TANF-Children, TANF-Adults (age 19-64), CHIP-Children, Non-TANF Medicaid Children, and Non-TANF Adults. We excluded those aged 65 and over, since we do not expect any material enrollment or budget impact for this age group during the period of evaluation.

Per the State's guidance, we used the mid-point of the CY2015 KanCare capitation rate ranges that included the ACA mandated health insurance providers fee to develop the weighted average CY2015 capitation rates as the base cost PMPM for each of the major eligibility groups mentioned above. For Non-TANF Adults, we calculated the average rates for those who are labeled "Regular Non-TANF Adults" separately from the remaining Non-TANF adults who are labeled "Special Non-TANF Adults". The "Regular Non-TANF Adults" include those individuals who are disabled, pregnant, or medically needy while the "Special Non-TANF Adults" include those individuals with special health care needs or who meet the state's nursing home level of care requirements. These "Special Non-TANF Adults" are unlikely to produce any woodwork effect under the ACA scenarios, regardless of expansion.

As noted above, the State provided 5-year enrollment and budget projections (CY2013-CY2017) for its most recent 1115 waiver. This projection was considered in developing the average 10-year per member per year trend assumption specific to the State's managed care environment. The calculated average annual trend assumption of 2.5% appears to be low based on our CY15 KanCare rate setting experience. Considering that the KanCare program will be fully established by CY2016, we used 3.0% as the average annual cost trend for the 10-year projection to reflect general medical cost inflation, aging of the overall membership, and continuous medical technology advancement including the introduction of breakthrough specialty drugs.

Since the current eligibility rules vary by age group, we segmented the total population in each age group by income bands using CPS data to reflect the impact under ACA. While we have a high level of confidence on the accuracy and completeness of the State provided data, we are cautious about the use of census data, especially the CPS data for this analysis. Due to the relatively small sample size used in the CPS (about 31,000 households participated in the annual survey in Kansas), we are not confident that the distribution data for a single year is credible by detailed age group and poverty range level. Therefore, we identified the number of people within a particular poverty range for each of our customized age groups (age under 1, 1-5, 6-18, and 19-64) using a 2-year average (CY2012-CY2013) of CPS data. For example, for age 6-18, we developed the population distribution by the following poverty ranges: 0-105%

FPL, 106-138% FPL, 139-230% FPL, 230%+FPL to reflect the State specific eligibility rules applicable to CY2013. Medicaid is currently available for those individuals age 6-18 through 105% FPL. Expanded Medicaid will be available through 138% FPL, and CHIP is currently available through 230% FPL. We included 5% in each FPL threshold to reflect that Kansas Medicaid/CHIP programs allow a certain amount of income deduction for eligibility determination purposes.

Different poverty ranges were used to develop the population distribution for the projection period (CY2016 – CY2025) since Kansas has adopted MAGI based eligibility rules effective October 1, 2013. Under MAGI based eligibility rules, Kansas Medicaid will cover age under 1 through 166% FPL, age 1-5 through 149% FPL, age 6-18 through 133% FPL and CHIP will cover age under 19 through 245% FPL if they are not eligible for Medicaid.

We relied on the actual 2010 census data for the statewide population counts by age group. The census also provided estimates of the 2011 and 2012 population for the State of Kansas. Based on this information, we calculated the annual population growth rate of 0.5% and assumed that the growth rate will continue through 2025.

Methodology and Assumptions

To model the enrollment and budget impact of ACA implementation, Aon Hewitt developed an actuarial approach reflecting the State's specific experience with current enrollees and eligible population groups. This approach also recognizes that the Medicaid population is not a homogeneous group in terms of enrollment behavior since eligibility rules vary by age, parental status and medical condition. The approach further reflects the expected differences in enrollment behavior between the Medicaid eligible population and the CHIP eligible population given that CHIP covers children at higher income levels, may require premium payments, and has more stringent enrollment requirements than Medicaid. In addition, the State receives a different Federal Medical Assistance Percentage (FMAP) for CHIP.

All of the assumptions were developed based on the State's actual enrollment experience, supplemented with Aon Hewitt's knowledge of other states' experience and assumptions regarding the enrollment behaviors of the eligible population. This approach was tested for sensitivity to the most likely assumptions, and the range of the results is relatively narrow. Because of this, we have presented the enrollment and budget impacts using best estimate assumptions, rather than providing a range.

The following describes each key step of this approach.

Step 1: Determine key ratios needed for the projection

As the overall population grows, we expect the population distribution by federal poverty level and the population distribution by medical conditions to grow proportionally. In other words, we expect the percentage of the entire population eligible for Medicaid/CHIP to grow at the same rate as the overall population (0.5% annually) assuming no changes to the poverty-based and medical condition based eligibility rules as well as the economic situation. Therefore, to project the 10-year impact of ACA implementation, the first key ratios are the percentages of entire population eligible for Medicaid/CHIP under the current Medicaid/CHIP eligibility rules and the expanded Medicaid/CHIP eligibility rules. These percentages will be the same for the baseline "No ACA" and the "ACA without Medicaid expansion" scenarios, but are expected to be higher for adults under the "ACA with Medicaid expansion" scenario.

The second key ratios are the enrollment rates for the Medicaid/CHIP eligible population. It is expected that the enrollment rates will increase and therefore be higher for those currently eligible under the "ACA without Medicaid expansion" scenario compared to the baseline (No ACA). It is also expected that the enrollment rates will be higher for those currently eligible under the "ACA with Medicaid expansion" scenario compared to the "ACA without Medicaid expansion" scenario.

Step 2: Develop baseline key ratios by major Medicaid/CHIP eligibility group (no ACA)

According to the types of eligibility rules under the current Medicaid/CHIP program, we divided the entire population into the following major eligibility groups:

TANF related groups:

- TANF Children under age 19;
- CHIP Children under age 19; and
- TANF Adults age 19-64 (parental/caregiver requirement applies).

Non-TANF based groups (mainly medical condition based groups):

- Non-TANF Medicaid Children under age 19; and
- Non-TANF Medicaid Adults age 19-64.

Given the poverty based eligibility rules for TANF children and CHIP children and the known population distribution for each age group, Aon Hewitt calculated the two key ratios described in Step 1 above for these two groups based on the data inputs. The calculated baseline percentages of children eligible for TANF and CHIP under MAGI based rules are 25.36% and 23.89% respectively. The calculated baseline enrollment rates for TANF eligible children and CHIP eligible children are 88.47% and 30.21% respectively. Based on our understanding of the CHIP eligibility and enrollment process, the lower enrollment rates for CHIP children are likely due to the fact that CHIP eligible children come from families above 100% of the federal poverty level who are more likely to have other insurance. In addition, CHIP requirements for premium payment, status of previous coverage, and a waiting period for families above 200% FPL who voluntarily drop other coverage are likely to further limit the enrollment rates for CHIP.

Since a portion of CHIP eligible children (112%-133% FPL under MAGI rules) will move to Medicaid under ACA, regardless of expansion and are eligible for higher FMAP than other CHIP eligible children, we further split the CHIP eligible children into two groups: those under 133% FPL and those at or above 133% FPL. The enrollment rates have been calculated specific to each of these two groups.

TANF Adults are currently defined as parents or caregivers age 19-64 with income below 32% FPL. Because of the limited income level and the instability of the population within this range, the distribution data developed from CPS data is not likely to be credible even after applying the 2-year smoothing process noted above. In addition, the average childless adult ratio developed across all income levels may not apply to this very low income adult group. Therefore, the percentage of adults eligible for TANF was based on a slightly different approach than what was used for the other TANF related groups (TANF children and CHIP children). First, we assumed the enrollment rate for this group to be the same as the overall TANF children enrollment rate (88.47%) given they have the same access to Medicaid coverage as their children. Second, based on the number of enrolled TANF adults and the assumed enrollment rate (88.47%), we calculated the baseline percentage of adults eligible for TANF to be 1.61%.

We applied a similar approach to the Non-TANF groups (Non-TANF Medicaid Adults and Non-TANF Medicaid Children) to calculate the eligible percentages and enrollment rates. The Non-TANF groups are eligible for Medicaid due, in part, to medical conditions and are likely to actively seek health care coverage. Therefore, they are more likely to enroll in Medicaid than the TANF population when they become eligible. However, we do not expect all Non-TANF eligible individuals would enroll in Medicaid, since not all eligible enrollees may understand that they are eligible for Medicaid if they meet certain requirements. Based on these considerations, the enrollment rate for Non-TANF Medicaid Adults and Non-TANF Medicaid Children was assumed to be 94%, higher than the baseline enrollment rate of 88.47% for the TANF population. Using the same method as the one for TANF adults, the baseline percentages of adults and children eligible for Non-TANF categories were calculated to be 4.20% and 4.58% respectively.

Exhibit 1 provides a summary of these two key baseline (No ACA) ratios for each eligibility group under the Medicaid expansion scenario with January 1, 2016 as the starting date for the expansion.

Step 3: Develop expected key ratios under ACA scenarios by major Medicaid/CHIP eligibility group

As we discussed in Step 1, the percentages of the entire population eligible for Medicaid/CHIP will be the same for the baseline (No ACA) and the ACA without Medicaid expansion scenario. Under the ACA with standard Medicaid expansion scenario, this percentage will not change for children but will increase for adults (age 19-64) due to the coverage of all adults through 133% FPL. According to the population distribution calculated using CPS data, the percentage of adults below 133% FPL is 16.84%. The percentage of adults who become newly eligible for Medicaid will be the difference between 16.84% and the percentage of adults below 133% FPL who are currently eligible for Medicaid (TANF Adults and part of Non-TANF Adults).

As calculated in Step 2, eligible TANF Adults account for 1.61% of all adults and eligible Non-TANF Adults account for 4.20% of all adults. We know that all eligible TANF adults are under 133% FPL and the majority of Non-TANF Adults are under 133% FPL. Based on our best knowledge of the eligibility rules for Non-TANF adults, we assumed 20% of them are above 133% FPL. Therefore, the newly eligible adults are estimated to be 11.86% (16.84% - 1.61% - 80%*4.20%) of all adults. To identify the adults under 133% FPL who may become eligible for the State Health Insurance Exchange under the ACA without Medicaid expansion scenario, we further break out the adults into three groups: those below 100% FPL, those between 100% FPL and 133% FPL, and those above 133% FPL.

Exhibit 1 provides a summary of the first key ratio for each eligibility group under the ACA without Medicaid expansion scenario and the ACA with Medicaid expansion scenario.

In step 2, we developed the baseline enrollment rates for each major eligibility group. We estimate that the enrollment rates will increase under the ACA without Medicaid expansion scenario due to State outreach efforts, regardless of expansion. Based on discussions with the State, we expect the enrollment rates to increase even higher under the ACA with Medicaid expansion scenario because of extra outreach efforts initiated by various interest groups and the anticipated additional enrollment of currently eligible children when newly eligible parents enroll in Medicaid.

For the Medicaid population, the baseline enrollment rates are 88.47% for the TANF population and 94% for the Non-TANF population. Under the fully implemented ACA without Medicaid expansion scenario, we assumed the enrollment rates will increase to 95.47% for the TANF population and 96% for the Non-TANF population. Under the fully implemented ACA with Medicaid expansion scenario, we assumed the

enrollment rates would increase slightly for those currently eligible for Medicaid due to the additional outreach efforts, but given the high baseline enrollment rates, the impact would be limited.

For the newly eligible Medicaid population, we expect the enrollment rate to be 73.61% when expansion is fully implemented. In developing the expected enrollment rate for newly eligible adults, we developed assumptions for two separate groups - newly eligible parents and newly eligible childless adults. We assumed the enrollment rate for newly eligible parents will be similar to the enrollment rate for the currently eligible TANF Children population. For the newly eligible childless adults, the expected enrollment rate is estimated to be substantially lower. The weighted average expected enrollment rate for all newly eligible adults is estimated to be 73.61%. This results in an uninsured rate for age 19-64 below 133% FPL of 5%, which is similar to the Census estimate of uninsured for the same age group below 133% FPL in Massachusetts, the only state that currently has an individual mandate. Massachusetts provides a reasonable benchmark for the expected uninsured rate for this particular age group in the State of Kansas when the expansion is fully implemented.

For the CHIP population, the overall baseline enrollment rate from the population distribution is 27.03% for the group above 133% FPL and 43.22% for the group under 133% FPL. The variance of the baseline enrollment rates for these two groups is likely due to their different levels of access to health insurance. For the group above 133% FPL, we assumed the enrollment rate will increase to 32.03% under the ACA without Medicaid expansion scenario due to the expected simplification of the CHIP enrollment process and outreach efforts along with increased public awareness of the CHIP program. We also assumed that the enrollment rate will increase to 32.53% under the ACA with Medicaid expansion scenario because of extra outreach efforts. The group under 133% FPL will be eligible for Medicaid under the ACA regardless of expansion scenario; therefore, their enrollment rates are expected to jump to a much higher level under the ACA without expansion scenario. We assumed the rate to be 65%.

The CHIP enrollment rates under the ACA with expansion scenario are expected to increase to 70% since some newly eligible parents above 100% but below 133% FPL are anticipated to drop other coverage and enroll their children in Medicaid (formerly CHIP).

Exhibit 1 provides a summary of the second key ratio for each eligibility group under the ACA without Medicaid expansion scenario and the ACA with Medicaid expansion scenario.

Step 4: Calculate expected enrollment increase and budget increase under ACA scenarios by major Medicaid/CHIP eligibility group

As noted in step 3, all enrollment rate assumptions developed for the ACA scenarios represent our assumptions once the program is fully implemented. Our 10-year projections assume the following State provided implementation phase-in schedule: 75% for first year, 90% for second year, and 1% incremental increase for the third year and beyond.

Based on the two key ratios calculated in step 3 and the projected total population for a particular year, the expected enrollment increase for each eligibility group can be calculated using the data inputs and assumptions summarized in Exhibit 1. Specifically, the enrollment increase for the currently eligible population is equal to the product of the phase-in schedule percentage, the estimated total adult/children population, percentage of currently eligible and the difference between the expected enrollment rate and the baseline enrollment rate. The enrollment increase for the newly eligible population is equal to the product of the phase-in schedule percentage, the estimated total population for adult/children, percentage of newly eligible and the expected enrollment rate.

To calculate the budget increase, we developed the expected per member per year (PMPY) costs for the newly enrolled individuals based on the expected PMPY costs of the currently enrolled. The CY2015 costs for the currently enrolled population were trended forward assuming a 3.0% annual trend.

In developing the PMPY cost for those newly enrolled, we considered the similarities in terms of health care needs between the currently enrolled population and newly enrolled population. Since we modeled the enrollment and budget impact at the detailed eligibility group level, the expected PMPY cost was matched at the detailed eligibility group level except for the following two groups: currently eligible but newly enrolled Non-TANF adults, and newly eligible and newly enrolled adults.

For the currently eligible but newly enrolled Non-TANF adults, the average costs are expected to be similar to the "Regular Non-TANF adults" who are disabled, pregnant, or medically needy rather than costs for the remaining Non-TANF adults who are labeled "Special Non-TANF adults". As noted in the Data section of this report, these "Special Non-TANF adults" are unlikely to produce any woodwork effect under ACA scenarios, regardless of expansion. Therefore, the average costs for the currently eligible but newly enrolled Non-TANF adults are based on the average costs of the "Regular Non-TANF adults" only.

For the newly eligible and newly enrolled adults, the costs are expected to be similar to those of TANF adults for the same age and gender group, assuming no material differences in the benefit package offered. However, the overall PMPY costs for the newly eligible are calculated to be higher than the overall PMPY costs for the currently eligible TANF adults based on the expected age and gender mix for the newly eligible. The analysis assumes no material differences in the benefit package offered, since changes to benefits are not specifically known at this point. It is anticipated that most of the individuals in this group are either covered by non-Medicaid insurance or are currently uninsured. Based on experiences in other states that have expanded Medicaid to individuals with higher incomes, there may be some pent up demand for health care services for those currently uninsured and newly enrolled in the initial years, which should then reduce in later years. Note that the projected costs for the newly eligible reflect the differences of age and gender mix compared to the current TANF adults but do not reflect any cost variation due to potential pent up demand over the ten year projection period.

The expected total budget increase (state share and federal share combined) for a particular eligibility group in a particular projection year is equal to the product of the corresponding enrollment increase and the projected PMPY cost. The federal share of the budget increase is calculated by applying the corresponding Federal Medical Assistance Percentage (FMAP) rate. The State share of the budget increase is calculated by applying the corresponding State Medical Assistance Percentage (SMAP) rate. FMAP rates will vary for the current eligibles and the newly eligibles by year. For the newly eligible population under standard Medicaid expansion, the FMAP rate is 100% for 2016 and then gradually decreases to 90% in 2020 and beyond. CY2015 Medicaid FMAP rates were projected through the 2025 projection period for the current eligible Medicaid and CHIP populations.

Results

The results are summarized in the attached Exhibit 2A at an aggregate level for each projection year, CY2016 through CY2025, for the Medicaid expansion scenario.

No Medicaid Expansion Results

Assuming moderate statewide population growth will continue, and using the CY2013 Medicaid/CHIP enrollment experience as a base, our best estimate if the State chooses not to expand Medicaid, is that the Medicaid/CHIP enrollment will increase by 23,656 in CY2016, ramping up to 28,530 (16,529 for Medicaid and 12,001 for CHIP) by CY2017. We anticipate that it will take two years (2016-2017) for 90% of eligible members that will enroll to enroll. The increase in enrollment without expansion is assumed to occur due to outreach efforts under ACA implementation, regardless of expansion. This expected increase in enrollment for those who are currently eligible but not enrolled in the Medicaid/CHIP program is commonly referred to as the woodwork effect. The anticipated 10-year (CY2016-CY2025) State budget increase (state share only) for no expansion is $400.1M ($334.6M for Medicaid and $65.4M for CHIP) compared to expected costs if ACA did not exist.

Medicaid Expansion Results

If the State chooses to expand Medicaid, Aon Hewitt's best estimate is that the Medicaid/CHIP enrollment will increase by 141,626 in CY2016, ramping up to 170,801 (18,065 from currently eligible Medicaid, 13,778 from currently eligible CHIP, and 138,958 from those newly eligible for Medicaid) in CY2017. These estimates incorporate anticipated woodwork effects, newly eligible members and potential crowd out effects. Crowd out refers to enrollment shifts from private coverage to public insurance as an effect of Medicaid eligibility expansion. Under the expansion scenarios, the enrollment of currently eligible but not enrolled is assumed to increase more than under the no expansion scenario. This is due to extra outreach efforts initiated by various interest groups and anticipated additional enrollment of currently eligible children when newly eligible parents enroll in Medicaid. The enrollment increase from the newly eligible is mainly driven by the expansion of Medicaid eligibility to all eligible individuals under 133% of the federal poverty level (FPL), regardless of parental status or medical condition.

The anticipated 10-year (CY2016-CY2025) State budget increase (state share only) with expansion compared to expected costs if ACA did not exist is $1.2B ($1.15B for Medicaid and $75.2M for CHIP). At the request of the State, Aon Hewitt also summarized the same 10-year enrollment and budget impact in SFY basis (SFY16-SFY26) in the attached Exhibit 2B.

The best estimates reflect our interpretation of the available data and our best assumptions regarding how various eligible beneficiaries will react to the implementation. The budget impact did not account for possible options to reclassify some currently eligible beneficiaries to newly eligible status to gain higher FMAP funding, potential reductions in costs to state-only programs, or additional administrative costs associated with an expansion. Our enrollment and budget impact also assumed that ACA implementation has no material impact to those individuals age 65 and over.

We would like to thank the State of Kansas Department of Health and Environment for their assistance in providing data and responding to questions regarding current eligibility processes in the state of Kansas. We would also like to thank Roberta Bradford of Bradford Advisors, for providing technical guidance and review.

Exhibit 1 – Medicaid Expansion Starting on 1/1/2016

State of Kansas ACA Enrollment and Budget Impact Results Projected with Aon Hewitt's Best Estimate Assumptions

Demographic and Economic Factors	
Population Growth	0.50%
PMPY Trend	3.00%
Under Age 19 (CY2010 Census)	769,880
Age 19-64 (2010 Census)	1,707,122

Average Capitation Rates	CY2016 PMPM	CY2016 PMPY
Medicaid TANF-Children	$ 206.45	$ 2,477.45
Medicaid Non-TANF Children	$ 1,173.06	$ 14,076.67
Medicaid TANF-Adult	$ 416.14	$ 4,993.64
Medicaid Newly Eligible Adult	$ 467.09	$ 5,605.05
Medicaid DPM-Adult (Disabled, Pregn	$ 838.32	$ 10,059.89
Medicaid Other-Adult (LTC/DD/MH/BC	$ 4,319.56	$ 51,834.72
Medicaid Non-TANF-Adult	$ 1,622.22	$ 19,466.60
M-CHIP Children	$ 165.89	$ 1,990.65
CHIP Children	$ 162.97	$ 1,955.69

FMAP	Medicaid Current Eligible	Medicaid Newly Eligible	CHIP Eligible (>133% FPL)	CHIP Eligible (<133% FPL)	ACA Phase-In Schedule	
CY2016	55.96%	100.00%	92.17%	92.17%	CY2016	75.0%
CY2017	55.96%	95.00%	92.17%	92.17%	CY2017	90.0%
CY2018	55.96%	94.00%	92.17%	92.17%	CY2018	91.0%
CY2019	55.96%	93.00%	92.17%	92.17%	CY2019	92.0%
CY2020	55.96%	90.00%	69.17%	69.17%	CY2020	93.0%
CY2021	55.96%	90.00%	69.17%	69.17%	CY2021	94.0%
CY2022	55.96%	90.00%	69.17%	69.17%	CY2022	95.0%
CY2023	55.96%	90.00%	69.17%	69.17%	CY2023	96.0%
CY2024	55.96%	90.00%	69.17%	69.17%	CY2024	97.0%
CY2025	55.96%	90.00%	69.17%	69.17%	CY2025	98.0%

Exhibit 1 – Medicaid Expansion Starting on 1/1/2016

State of Kansas ACA Enrollment and Budget Impact Results Projected with Aon Hewitt's Best Estimate Assumptions

Medicaid/CHIP Eligible Rate	No ACA	ACA without Expansion	ACA with Standard Expansion	
Medicaid Population	Current Eligible	Current Eligible	Current Eligible	Newly Eligible
Under 19				
- TANF Children	25.36%	25.36%	25.36%	0.00%
- Non-TANF Children	4.58%	4.58%	4.58%	0.00%
Age 19-64				
- TANF Adults (<33% FPL)	1.61%	1.61%	1.61%	0.00%
- Non-TANF Adults (0%-99% FPL)	2.38%	2.38%	2.38%	7.91%
- Non-TANF Adults (100%-133% FPL)	0.99%	0.99%	0.99%	3.95%
- Non-TANF Adults (>133% FPL)	0.84%	0.84%	0.84%	0.00%
CHIP Population				
Under 19				
Under 19 < 133% FPL	2.85%	2.85%	2.85%	0.00%
Under 19 > 133% FPL	21.04%	21.04%	21.04%	0.00%

Enrollment Rate For Medicaid/CHIP Eligibles	No ACA	ACA without Expansion	ACA with Standard Expansion	
Medicaid Population	Current Eligible	Current Eligible	Current Eligible	Newly Eligible
Under 19				
- TANF Children	88.47%	95.47%	95.97%	NA
- Non-TANF Children	94.00%	96.00%	96.50%	NA
Age 19-64				
- TANF Adults (<33% FPL)	88.47%	95.47%	95.97%	NA
- Non-TANF Adults (0%-99% FPL)	94.00%	96.00%	96.50%	73.61%
- Non-TANF Adults (100%-133% FPL)	94.00%	96.00%	96.50%	73.61%
- Non-TANF Adults (>133% FPL)	94.00%	96.00%	96.50%	NA
CHIP Population				
Under 19				
Under 19 < 133% FPL	43.22%	65.00%	70.00%	NA
Under 19 > 133% FPL	27.03%	32.03%	32.53%	NA

Exhibit 2A – ACA and Medicaid Expansion Starting on 1/1/2016

State of Kansas ACA Enrollment and Budget Impact Results Projected with Aon Hewitt's Best Estimate Assumptions

Medicaid Budget Impact

CY	Age Group	ACA Without Medicaid Expansion — Enrollment Increase	State Budget Increase	Federal Budget Increase	ACA With Medicaid Expansion — Incremental Enrollment Increase from current eligible	Incremental State Budget Increase from current eligible	Incremental Federal Budget Increase from current eligible	Enrollment Increase from newly Eligible	State Budget Increase from newly eligible	Federal Budget Increase from newly eligible	ACA with Medicaid Expansion vs Non-ACA — Enrollment Increase	State Budget Increase	Federal Budget Increase
2016	Under Age 65	13,705	23,090,131	29,339,776	1,274	3,129,220	3,976,184	115,222	-	645,826,557	130,202	26,219,351	679,142,517
2017	Under Age 65	16,529	28,682,099	36,445,283	1,537	3,887,054	4,939,136	138,958	40,111,642	762,121,191	157,023	72,680,795	803,505,610
2018	Under Age 65	16,796	30,020,167	38,145,517	1,561	4,068,392	5,169,555	141,204	50,379,500	789,278,831	159,562	84,468,058	832,593,903
2019	Under Age 65	17,065	31,416,864	39,920,247	1,587	4,257,675	5,410,070	143,470	61,510,657	817,213,009	162,122	97,185,195	862,543,326
2020	Under Age 65	17,337	32,874,657	41,772,612	1,612	4,455,238	5,661,106	145,755	91,949,788	827,548,089	164,704	129,279,683	874,981,806
2021	Under Age 65	17,611	34,396,118	43,705,875	1,637	4,661,429	5,923,105	148,058	96,205,283	865,847,548	167,307	135,262,830	915,476,529
2022	Under Age 65	17,888	35,983,919	45,723,436	1,663	4,876,611	6,196,529	150,382	100,646,334	905,817,005	169,932	141,506,864	957,736,971
2023	Under Age 65	18,166	37,640,846	47,828,832	1,689	5,101,161	6,481,856	152,724	105,280,727	947,526,541	172,580	148,022,734	1,001,837,230
2024	Under Age 65	18,447	39,369,796	50,025,745	1,715	5,335,471	6,779,586	155,087	110,116,567	991,049,100	175,249	154,821,834	1,047,854,431
2025	Under Age 65	18,731	41,173,785	52,318,007	1,741	5,579,952	7,090,238	157,469	115,162,289	1,036,460,605	177,941	161,916,026	1,095,868,850
2016-2025	**Under Age 65**		334,648,383	425,225,330		45,352,201	57,627,365		771,362,786	8,588,688,477		1,151,363,369	9,071,541,171

CHIP Budget Impact

CY	Age Group	ACA Without Medicaid Expansion — Enrollment Increase	State Budget Increase	Federal Budget Increase	ACA With Medicaid Expansion — Incremental Enrollment Increase from current eligible	Incremental State Budget Increase from current eligible	Incremental Federal Budget Increase from current eligible	Enrollment Increase from newly Eligible	State Budget Increase from newly eligible	Federal Budget Increase from newly eligible	ACA with Medicaid Expansion vs Non-ACA — Enrollment Increase	State Budget Increase	Federal Budget Increase
2016	Under Age 19	9,951	1,533,892	18,056,040	1,474	227,980	2,683,642				11,425	1,761,872	20,739,682
2017	Under Age 19	12,001	1,905,370	22,428,852	1,777	283,192	3,333,567				13,778	2,188,562	25,762,419
2018	Under Age 19	12,195	1,994,258	23,475,195	1,806	296,404	3,489,083				14,001	2,290,662	26,964,278
2019	Under Age 19	12,390	2,087,042	24,567,385	1,835	310,194	3,651,414				14,225	2,397,235	28,218,799
2020	Under Age 19	12,588	8,598,868	19,292,368	1,864	1,278,037	2,867,396				14,452	9,876,905	22,159,764
2021	Under Age 19	12,787	8,996,829	20,185,231	1,894	1,337,185	3,000,101				14,680	10,334,014	23,185,332
2022	Under Age 19	12,987	9,412,143	21,117,026	1,923	1,398,913	3,138,592				14,911	10,811,056	24,255,618
2023	Under Age 19	13,190	9,845,537	22,089,387	1,953	1,463,328	3,283,113				15,143	11,308,865	25,372,500
2024	Under Age 19	13,394	10,297,771	23,104,015	1,983	1,530,542	3,433,915				15,377	11,828,313	26,537,931
2025	Under Age 19	13,599	10,769,631	24,162,679	2,014	1,600,674	3,591,263				15,613	12,370,306	27,753,942
2016-2025	**Under Age 19**		65,441,340	218,478,178		9,726,449	32,472,087					75,167,789	250,950,265

Medicaid/CHIP Budget Impact

CY	Age Group	ACA Without Medicaid Expansion — Enrollment Increase	State Budget Increase	Federal Budget Increase	ACA With Medicaid Expansion — Incremental Enrollment Increase from current eligible	Incremental State Budget Increase from current eligible	Incremental Federal Budget Increase from current eligible	Enrollment Increase from newly Eligible	State Budget Increase from newly eligible	Federal Budget Increase from newly eligible	ACA with Medicaid Expansion vs Non-ACA — Enrollment Increase	State Budget Increase	Federal Budget Increase
2016	Under Age 65	23,656	24,624,023	47,395,816	2,748	3,357,200	6,659,826	115,222	-	645,826,557	141,626	27,981,223	699,882,199
2017	Under Age 65	28,530	30,587,469	58,874,135	3,314	4,170,246	8,272,703	138,958	40,111,642	762,121,191	170,801	74,869,357	829,268,029
2018	Under Age 65	28,991	32,014,425	61,620,712	3,367	4,364,795	8,658,638	141,204	50,379,500	789,278,831	173,563	86,758,720	859,558,181
2019	Under Age 65	29,456	33,503,905	64,487,632	3,421	4,567,868	9,061,484	143,470	61,510,657	817,213,009	176,347	99,582,430	890,762,125
2020	Under Age 65	29,925	41,473,525	61,064,979	3,476	5,733,275	8,528,502	145,755	91,949,788	827,548,089	179,155	139,156,587	897,141,570
2021	Under Age 65	30,398	43,392,947	63,891,106	3,531	5,998,614	8,923,206	148,058	96,205,283	865,847,548	181,987	145,596,844	938,661,860
2022	Under Age 65	30,875	45,396,062	66,840,462	3,586	6,275,524	9,335,121	150,382	100,646,334	905,817,005	184,843	152,317,920	981,992,589
2023	Under Age 65	31,356	47,486,383	69,918,219	3,642	6,564,488	9,764,969	152,724	105,280,727	947,526,541	187,723	159,331,599	1,027,209,730
2024	Under Age 65	31,841	49,667,567	73,129,760	3,699	6,866,014	10,213,502	155,087	110,116,567	991,049,100	190,626	166,650,147	1,074,392,362
2025	Under Age 65	32,330	51,943,416	76,480,686	3,755	7,180,626	10,681,501	157,469	115,162,289	1,036,460,605	193,555	174,286,332	1,123,622,792
2016-2025	**Under Age 65**		400,089,723	643,703,508		55,078,650	90,099,452		771,362,786	8,588,688,477		1,226,531,158	9,322,491,436

Exhibit 2A – ACA and Medicaid Expansion Starting on 1/1/2016

State of Kansas ACA Enrollment and Budget Impact Results Projected with Aon Hewitt's Best Estimate Assumptions

Medicaid Budget Impact		ACA Without Medicaid Expansion			ACA With Medicaid Expansion						ACA with Medicaid Expansion vs Non-ACA		
CY	Age Group	Enrollment Increase	State Budget Increase	Federal Budget Increase	Incremental Enrollment Increase from current eligible	Incremental State Budget Increase from current eligible	Incremental Federal Budget Increase from current eligible	Enrollment Increase from newly Eligible	State Budget Increase from newly eligible	Federal Budget Increase from newly eligible	Enrollment Increase	State Budget Increase	Federal Budget Increase
2016	Age 19-64 (100-133% FPL)	260	$ 1,151,766	$ 1,463,506	65	$ 287,941	$ 365,877	38,375	$ -	$ 215,091,710	38,700	$ 1,439,707	$ 216,921,093
2017	Age 19-64 (100-133% FPL)	314	$ 1,430,701	$ 1,817,938	78	$ 357,675	$ 454,485	46,280	$ 13,359,131	$ 253,823,489	46,672	$ 15,147,507	$ 256,095,912
2018	Age 19-64 (100-133% FPL)	319	$ 1,497,445	$ 1,902,748	80	$ 374,361	$ 475,687	47,028	$ 16,778,828	$ 262,868,307	47,426	$ 18,650,635	$ 265,246,742
2019	Age 19-64 (100-133% FPL)	324	$ 1,567,114	$ 1,991,274	81	$ 391,779	$ 497,819	47,782	$ 20,486,046	$ 272,171,749	48,187	$ 22,444,938	$ 274,660,841
2020	Age 19-64 (100-133% FPL)	329	$ 1,639,831	$ 2,083,672	82	$ 409,958	$ 520,918	48,543	$ 30,623,759	$ 275,613,834	48,954	$ 32,673,548	$ 278,218,424
2021	Age 19-64 (100-133% FPL)	334	$ 1,715,723	$ 2,180,106	84	$ 428,931	$ 545,027	49,311	$ 32,041,047	$ 288,369,420	49,728	$ 34,185,701	$ 291,094,553
2022	Age 19-64 (100-133% FPL)	339	$ 1,794,925	$ 2,280,745	85	$ 448,731	$ 570,186	50,084	$ 33,520,133	$ 301,681,197	50,509	$ 35,763,789	$ 304,532,127
2023	Age 19-64 (100-133% FPL)	345	$ 1,877,575	$ 2,385,765	86	$ 469,394	$ 596,441	50,865	$ 35,063,612	$ 315,572,504	51,295	$ 37,410,580	$ 318,554,710
2024	Age 19-64 (100-133% FPL)	350	$ 1,963,817	$ 2,495,349	87	$ 490,954	$ 623,837	51,651	$ 36,674,182	$ 330,067,637	52,089	$ 39,128,953	$ 333,186,824
2025	Age 19-64 (100-133% FPL)	355	$ 2,053,802	$ 2,609,691	89	$ 513,451	$ 652,423	52,445	$ 38,354,653	$ 345,191,880	52,889	$ 40,921,906	$ 348,453,994
2016-2025	Age 19-64 (100-133% FPL)		$ 16,692,698	$ 21,210,795		$ 4,173,175	$ 5,302,699		$ 256,901,390	$ 2,860,451,726		$ 277,767,264	$ 2,886,965,220

Medicaid Budget Impact		ACA Without Medicaid Expansion			ACA With Medicaid Expansion						ACA with Medicaid Expansion vs Non-ACA		
CY	Age Group	Enrollment Increase	State Budget Increase	Federal Budget Increase	Incremental Enrollment Increase from current eligible	Incremental State Budget Increase from current eligible	Incremental Federal Budget Increase from current eligible	Enrollment Increase from newly Eligible	State Budget Increase from newly eligible	Federal Budget Increase from newly eligible	Enrollment Increase	State Budget Increase	Federal Budget Increase
2016	Age 19-64 (0%-100% FPL)	627	$ 2,777,202	$ 3,528,889	157	$ 694,301	$ 882,222	76,848	$ -	$ 430,734,847	77,631	$ 3,471,503	$ 435,145,958
2017	Age 19-64 (0%-100% FPL)	756	$ 3,449,785	$ 4,383,515	189	$ 862,446	$ 1,095,879	92,678	$ 26,752,511	$ 508,297,702	93,623	$ 31,064,742	$ 513,777,095
2018	Age 19-64 (0%-100% FPL)	768	$ 3,610,724	$ 4,588,013	192	$ 902,681	$ 1,147,003	94,176	$ 33,600,672	$ 526,410,525	95,137	$ 38,114,076	$ 532,145,541
2019	Age 19-64 (0%-100% FPL)	781	$ 3,778,714	$ 4,801,472	195	$ 944,678	$ 1,200,368	95,687	$ 41,024,611	$ 545,041,260	96,663	$ 45,748,003	$ 551,043,100
2020	Age 19-64 (0%-100% FPL)	793	$ 3,954,052	$ 5,024,268	198	$ 988,513	$ 1,256,067	97,211	$ 61,326,028	$ 551,934,255	98,202	$ 66,268,593	$ 558,214,590
2021	Age 19-64 (0%-100% FPL)	805	$ 4,137,048	$ 5,256,794	201	$ 1,034,262	$ 1,314,199	98,748	$ 64,164,236	$ 577,478,128	99,755	$ 69,335,547	$ 584,049,121
2022	Age 19-64 (0%-100% FPL)	818	$ 4,328,023	$ 5,499,459	205	$ 1,082,006	$ 1,374,865	100,297	$ 67,126,201	$ 604,135,809	101,320	$ 72,536,230	$ 611,010,133
2023	Age 19-64 (0%-100% FPL)	831	$ 4,527,313	$ 5,752,689	208	$ 1,131,828	$ 1,438,172	101,860	$ 70,217,115	$ 631,954,037	102,898	$ 75,876,256	$ 639,144,899
2024	Age 19-64 (0%-100% FPL)	844	$ 4,735,265	$ 6,016,926	211	$ 1,183,816	$ 1,504,232	103,435	$ 73,442,385	$ 660,981,463	104,490	$ 79,361,466	$ 668,502,621
2025	Age 19-64 (0%-100% FPL)	857	$ 4,952,243	$ 6,292,632	214	$ 1,238,061	$ 1,573,158	105,024	$ 76,807,636	$ 691,268,724	106,095	$ 82,997,940	$ 699,134,514
2016-2025	Age 19-64 (0%-100% FPL)		$ 40,250,370	$ 51,144,657		$ 10,062,592	$ 12,786,164		$ 514,461,395	$ 5,728,236,750		$ 564,774,357	$ 5,792,167,571

Exhibit 2B – ACA and Medicaid Expansion Starting on 1/1/2016

State of Kansas ACA Enrollment and Budget Impact Results Projected with Aon Hewitt's Best Estimate Assumptions

Medicaid Budget Impact

SFY	Age Group	ACA Without Medicaid Expansion — Enrollment Increase	State Budget Increase	Federal Budget Increase	ACA With Medicaid Expansion — Incremental Enrollment Increase from current eligible	Incremental State Budget Increase from current eligible	Incremental Federal Budget Increase from current eligible	Enrollment Increase from newly Eligible	State Budget Increase from newly eligible	Federal Budget Increase from newly eligible	ACA with Medicaid Expansion vs Non-ACA — Enrollment Increase	State Budget Increase	Federal Budget Increase
2016 (1/1/2016-6/30/2016)	Under Age 65	6,853	11,545,066	14,669,888	637	1,564,610	1,988,092	57,611	-	322,913,278	65,101	13,109,675	339,571,258
2017 (7/1/2016-6/30/2017)	Under Age 65	15,117	25,886,115	32,892,530	1,405	3,508,137	4,457,660	127,090	20,055,821	703,973,874	143,613	49,450,073	741,324,063
2018 (7/1/2017-6/30/2018)	Under Age 65	16,662	29,351,133	37,295,400	1,549	3,977,723	5,054,345	140,081	45,245,571	775,700,011	158,293	78,574,427	818,049,756
2019 (7/1/2018-6/30/2019)	Under Age 65	16,931	30,718,515	39,032,882	1,574	4,163,033	5,289,812	142,337	55,945,078	803,245,920	160,842	90,826,627	847,568,614
2020 (7/1/2019-6/30/2020)	Under Age 65	17,201	32,145,760	40,846,430	1,599	4,356,456	5,535,588	144,612	76,730,222	822,380,549	163,413	113,232,439	868,762,566
2021 (7/1/2020-6/30/2021)	Under Age 65	17,474	33,635,387	42,739,243	1,625	4,558,333	5,792,106	146,906	94,077,535	846,697,819	166,005	132,271,256	895,229,168
2022 (7/1/2021-6/30/2022)	Under Age 65	17,749	35,190,018	44,714,656	1,650	4,769,020	6,059,817	149,220	98,425,809	885,832,277	168,620	138,384,847	936,606,750
2023 (7/1/2022-6/30/2023)	Under Age 65	18,027	36,812,383	46,776,134	1,676	4,988,886	6,339,193	151,553	102,963,530	926,671,773	171,256	144,764,799	979,787,100
2024 (7/1/2023-6/30/2024)	Under Age 65	18,307	38,505,321	48,927,288	1,702	5,218,316	6,630,721	153,906	107,698,647	969,287,821	173,914	151,422,284	1,024,845,830
2025 (7/1/2024-6/30/2025)	Under Age 65	18,589	40,271,791	51,171,876	1,728	5,457,711	6,934,912	156,278	112,639,428	1,013,754,852	176,595	158,368,930	1,071,861,640
2026 (7/1/2025-12/31/2025)	Under Age 65	9,365	20,586,893	26,159,003	871	2,789,976	3,545,119	78,735	57,581,145	518,230,302	88,971	80,958,013	547,934,425
10-Year Total	**Under Age 65**		334,648,383	425,225,330		45,352,201	57,627,365		771,362,786	8,588,688,477		1,151,363,369	9,071,541,171

CHIP Budget Impact

SFY	Age Group	ACA Without Medicaid Expansion — Enrollment Increase	State Budget Increase	Federal Budget Increase	ACA With Medicaid Expansion — Incremental Enrollment Increase from current eligible	Incremental State Budget Increase from current eligible	Incremental Federal Budget Increase from current eligible	Enrollment Increase from newly Eligible	State Budget Increase from newly eligible	Federal Budget Increase from newly eligible	ACA with Medicaid Expansion vs Non-ACA — Enrollment Increase	State Budget Increase	Federal Budget Increase
2016 (1/1/2016-6/30/2016)	Under Age 19	4,975	766,946	9,028,020	737	113,990	1,341,821				5,712	880,936	10,369,841
2017 (7/1/2016-6/30/2017)	Under Age 19	10,976	1,719,631	20,242,446	1,625	255,586	3,008,605				12,601	1,975,217	23,251,051
2018 (7/1/2017-6/30/2018)	Under Age 19	12,098	1,949,814	22,952,023	1,792	289,798	3,411,325				13,889	2,239,612	26,363,349
2019 (7/1/2018-6/30/2019)	Under Age 19	12,293	2,040,650	24,021,290	1,820	303,299	3,570,249				14,113	2,343,949	27,591,539
2020 (7/1/2019-6/30/2020)	Under Age 19	12,489	5,342,955	21,929,876	1,850	794,115	3,259,405				14,339	6,137,070	25,189,281
2021 (7/1/2020-6/30/2021)	Under Age 19	12,687	8,797,848	19,738,799	1,879	1,307,611	2,933,748				14,566	10,105,460	22,672,548
2022 (7/1/2021-6/30/2022)	Under Age 19	12,887	9,204,486	20,651,128	1,908	1,368,049	3,069,347				14,795	10,572,535	23,720,475
2023 (7/1/2022-6/30/2023)	Under Age 19	13,089	9,628,840	21,603,207	1,938	1,431,120	3,210,853				15,027	11,059,960	24,814,059
2024 (7/1/2023-6/30/2024)	Under Age 19	13,292	10,071,654	22,596,701	1,968	1,496,935	3,358,514				15,260	11,568,589	25,955,215
2025 (7/1/2024-6/30/2025)	Under Age 19	13,497	10,533,701	23,633,347	1,999	1,565,608	3,512,589				15,495	12,099,309	27,145,936
2026 (7/1/2025-12/31/2025)	Under Age 19	6,800	5,384,816	12,081,340	1,007	800,337	1,795,632				7,807	6,185,153	13,876,971
10-Year Total	**Under Age 19**		65,441,340	218,478,178		9,726,449	32,472,087					75,167,789	250,950,265

Medicaid/CHIP Budget Impact

SFY	Age Group	ACA Without Medicaid Expansion — Enrollment Increase	State Budget Increase	Federal Budget Increase	ACA With Medicaid Expansion — Incremental Enrollment Increase from current eligible	Incremental State Budget Increase from current eligible	Incremental Federal Budget Increase from current eligible	Enrollment Increase from newly Eligible	State Budget Increase from newly eligible	Federal Budget Increase from newly eligible	ACA with Medicaid Expansion vs Non-ACA — Enrollment Increase	State Budget Increase	Federal Budget Increase
2016 (1/1/2016-6/30/2016)	Under Age 65	11,828	12,312,011	23,697,908	1,374	1,678,600	3,329,913	57,611	-	322,913,278	70,813	13,990,611	349,941,100
2017 (7/1/2016-6/30/2017)	Under Age 65	26,093	27,605,746	53,134,976	3,031	3,763,723	7,466,264	127,090	20,055,821	703,973,874	156,214	51,425,290	764,575,114
2018 (7/1/2017-6/30/2018)	Under Age 65	28,760	31,300,947	60,247,423	3,341	4,267,521	8,465,670	140,081	45,245,571	775,700,011	172,182	80,814,038	844,413,105
2019 (7/1/2018-6/30/2019)	Under Age 65	29,223	32,759,165	63,054,172	3,394	4,466,332	8,860,061	142,337	55,945,078	803,245,920	174,955	93,170,575	875,160,153
2020 (7/1/2019-6/30/2020)	Under Age 65	29,690	37,488,715	62,776,306	3,449	5,150,571	8,794,993	144,612	76,730,222	822,380,549	177,751	119,369,509	893,951,847
2021 (7/1/2020-6/30/2021)	Under Age 65	30,161	42,433,236	62,478,043	3,503	5,865,944	8,725,854	146,906	94,077,535	846,697,819	180,571	142,376,716	917,901,715
2022 (7/1/2021-6/30/2022)	Under Age 65	30,636	44,394,504	65,365,784	3,559	6,137,069	9,129,164	149,220	98,425,809	885,832,277	183,415	148,957,382	960,327,225
2023 (7/1/2022-6/30/2023)	Under Age 65	31,115	46,441,223	68,379,341	3,614	6,420,006	9,550,045	151,553	102,963,530	926,671,773	186,283	155,824,759	1,004,601,159
2024 (7/1/2023-6/30/2024)	Under Age 65	31,599	48,576,975	71,523,989	3,670	6,715,251	9,989,235	153,906	107,698,647	969,287,821	189,175	162,990,873	1,050,801,046
2025 (7/1/2024-6/30/2025)	Under Age 65	32,086	50,805,492	74,805,223	3,727	7,023,320	10,447,501	156,278	112,639,428	1,013,754,852	192,091	170,468,239	1,099,007,577
2026 (7/1/2025-12/31/2025)	Under Age 65	16,165	25,971,708	38,240,343	1,878	3,590,313	5,340,751	78,735	57,581,145	518,230,302	96,777	87,143,166	561,811,396
10-Year Total	**Under Age 65**		400,089,723	643,703,508		55,078,650	90,099,452		771,362,786	8,588,688,477		1,226,531,158	9,322,491,436

Exhibit 2B – ACA and Medicaid Expansion Starting on 1/1/2016

State of Kansas ACA Enrollment and Budget Impact Results Projected with Aon Hewitt's Best Estimate Assumptions

Medicaid Budget Impact		ACA Without Medicaid Expansion			ACA With Medicaid Expansion						ACA with Medicaid Expansion vs Non-ACA		
SFY	Age Group	Enrollment Increase	State Budget Increase	Federal Budget Increase	Incremental Enrollment Increase from current eligible	Incremental State Budget Increase from current eligible	Incremental Federal Budget Increase from current eligible	Enrollment Increase from newly Eligible	State Budget Increase from newly eligible	Federal Budget Increase from newly eligible	Enrollment Increase	State Budget Increase	Federal Budget Increase
2016 (1/1/2016-6/30/2016)	Age 19-64 (100-133% FPL)	130	$ 575,883	$ 731,753	32	$ 143,971	$ 182,938	19,187	$ -	$ 107,545,855	19,350	$ 719,854	$ 108,460,546
2017 (7/1/2016-6/30/2017)	Age 19-64 (100-133% FPL)	287	$ 1,291,233	$ 1,640,722	72	$ 322,808	$ 410,181	42,327	$ 6,679,566	$ 234,457,599	42,686	$ 8,293,607	$ 236,508,502
2018 (7/1/2017-6/30/2018)	Age 19-64 (100-133% FPL)	316	$ 1,464,073	$ 1,860,343	79	$ 366,018	$ 465,086	46,654	$ 15,068,980	$ 258,345,898	47,049	$ 16,899,071	$ 260,671,327
2019 (7/1/2018-6/30/2019)	Age 19-64 (100-133% FPL)	321	$ 1,532,280	$ 1,947,011	80	$ 383,070	$ 486,753	47,405	$ 18,632,437	$ 267,520,028	47,807	$ 20,547,786	$ 269,953,792
2020 (7/1/2019-6/30/2020)	Age 19-64 (100-133% FPL)	326	$ 1,603,473	$ 2,037,473	82	$ 400,868	$ 509,368	48,163	$ 25,554,902	$ 273,892,791	48,571	$ 27,559,243	$ 276,439,633
2021 (7/1/2020-6/30/2021)	Age 19-64 (100-133% FPL)	331	$ 1,677,777	$ 2,131,889	83	$ 419,444	$ 532,972	48,927	$ 31,332,403	$ 281,991,627	49,341	$ 33,429,624	$ 284,656,489
2022 (7/1/2021-6/30/2022)	Age 19-64 (100-133% FPL)	337	$ 1,755,324	$ 2,230,425	84	$ 438,831	$ 557,606	49,698	$ 32,780,590	$ 295,025,308	50,118	$ 34,974,745	$ 297,813,340
2023 (7/1/2022-6/30/2023)	Age 19-64 (100-133% FPL)	342	$ 1,836,250	$ 2,333,255	85	$ 459,062	$ 583,314	50,475	$ 34,291,872	$ 308,626,850	50,902	$ 36,587,184	$ 311,543,419
2024 (7/1/2023-6/30/2024)	Age 19-64 (100-133% FPL)	347	$ 1,920,696	$ 2,440,557	87	$ 480,174	$ 610,139	51,258	$ 35,868,897	$ 322,820,071	51,692	$ 38,269,766	$ 325,870,767
2025 (7/1/2024-6/30/2025)	Age 19-64 (100-133% FPL)	353	$ 2,008,810	$ 2,552,520	88	$ 502,202	$ 638,130	52,048	$ 37,514,418	$ 337,629,759	52,489	$ 40,025,430	$ 340,820,409
2026 (7/1/2025-12/31/2025)	Age 19-64 (100-133% FPL)	178	$ 1,026,901	$ 1,304,845	44	$ 256,725	$ 326,211	26,222	$ 19,177,327	$ 172,595,940	26,445	$ 20,460,953	$ 174,226,997
10-Year Total	Age 19-64 (100-133% FPL)		$ 16,692,698	$ 21,210,795		$ 4,173,175	$ 5,302,699		$ 256,901,390	$ 2,860,451,726		$ 277,767,264	$ 2,886,965,220

Medicaid Budget Impact		ACA Without Medicaid Expansion			ACA With Medicaid Expansion						ACA with Medicaid Expansion vs Non-ACA		
SFY	Age Group	Enrollment Increase	State Budget Increase	Federal Budget Increase	Incremental Enrollment Increase from current eligible	Incremental State Budget Increase from current eligible	Incremental Federal Budget Increase from current eligible	Enrollment Increase from newly Eligible	State Budget Increase from newly eligible	Federal Budget Increase from newly eligible	Enrollment Increase	State Budget Increase	Federal Budget Increase
2016 (1/1/2016-6/30/2016)	Age 19-64 (0%-100% FPL)	313	$ 1,388,601	$ 1,764,444	78	$ 347,150	$ 441,111	38,424	$ -	$ 215,367,424	38,816	$ 1,735,752	$ 217,572,979
2017 (7/1/2016-6/30/2017)	Age 19-64 (0%-100% FPL)	691	$ 3,113,494	$ 3,956,202	173	$ 778,373	$ 989,050	84,763	$ 13,376,255	$ 469,516,274	85,627	$ 17,268,123	$ 474,461,526
2018 (7/1/2017-6/30/2018)	Age 19-64 (0%-100% FPL)	762	$ 3,530,255	$ 4,485,764	191	$ 882,564	$ 1,121,441	93,427	$ 30,176,591	$ 517,354,113	94,380	$ 34,589,409	$ 522,961,318
2019 (7/1/2018-6/30/2019)	Age 19-64 (0%-100% FPL)	774	$ 3,694,719	$ 4,694,742	194	$ 923,680	$ 1,173,686	94,932	$ 37,312,641	$ 535,725,892	95,900	$ 41,931,040	$ 541,594,320
2020 (7/1/2019-6/30/2020)	Age 19-64 (0%-100% FPL)	787	$ 3,866,383	$ 4,912,870	197	$ 966,596	$ 1,228,217	96,449	$ 51,175,320	$ 548,487,758	97,433	$ 56,008,298	$ 554,628,845
2021 (7/1/2020-6/30/2021)	Age 19-64 (0%-100% FPL)	799	$ 4,045,550	$ 5,140,531	200	$ 1,011,388	$ 1,285,133	97,979	$ 62,745,132	$ 564,706,192	98,978	$ 67,802,070	$ 571,131,855
2022 (7/1/2021-6/30/2022)	Age 19-64 (0%-100% FPL)	812	$ 4,232,536	$ 5,378,127	203	$ 1,058,134	$ 1,344,532	99,522	$ 65,645,219	$ 590,806,969	100,537	$ 70,935,888	$ 597,529,627
2023 (7/1/2022-6/30/2023)	Age 19-64 (0%-100% FPL)	825	$ 4,427,668	$ 5,626,074	206	$ 1,106,917	$ 1,406,519	101,078	$ 68,671,658	$ 618,044,923	102,109	$ 74,206,243	$ 625,077,516
2024 (7/1/2023-6/30/2024)	Age 19-64 (0%-100% FPL)	837	$ 4,631,289	$ 5,884,808	209	$ 1,157,822	$ 1,471,202	102,648	$ 71,829,750	$ 646,467,750	103,694	$ 77,618,861	$ 653,823,760
2025 (7/1/2024-6/30/2025)	Age 19-64 (0%-100% FPL)	850	$ 4,843,754	$ 6,154,779	213	$ 1,210,939	$ 1,538,695	104,230	$ 75,125,010	$ 676,125,094	105,293	$ 81,179,703	$ 683,818,568
2026 (7/1/2025-12/31/2025)	Age 19-64 (0%-100% FPL)	428	$ 2,476,121	$ 3,146,316	107	$ 619,030	$ 786,579	52,512	$ 38,403,818	$ 345,634,362	53,048	$ 41,498,970	$ 349,567,257
10-Year Total	Age 19-64 (0%-100% FPL)		$ 40,250,370	$ 51,144,657		$ 10,062,592	$ 12,786,164		$ 514,461,395	$ 5,728,236,750		$ 564,774,357	$ 5,792,167,571