

Testimony on:

*HB 2577 – Appropriations revisions for FY 2017 and
FY 2018 for various state agencies*

Presented to:

House Appropriations Committee

By:

Phillip Davis, CEO, Flint Hills Community Health Center

Feb. 3, 2016

Good afternoon, Chairman Ryckman Jr. and members of the House Appropriations Committee. I am Phillip Davis, CEO of Flint Hills Community Health Center.

I appreciate the opportunity to visit with you about the Governor's proposed 5% funding cut to the Primary Care Community-Based Services budget for SFY 2017 and its impact on Safety Net Clinics. We request a reinstatement of \$377,959 and ask that you amend it into HB 2577.

Flint Hills Community Health Center is one of 45 safety net clinics in Kansas, and we have locations in Emporia and Eureka. We employ more than 100 Kansans with an average salary of \$52,782, and provide healthcare services for more than 10,000 residents. Safety net clinics are locally created, controlled and operated and are strong economic engines for Kansas and their communities.

Safety net clinics provide healthcare services regardless of patients' ability to pay with a unique approach to transform care, improve health, and generate significant economic returns. In our efforts to improve individual, family and community health, we treat the whole person – instead of just the symptoms.

Our clinic's mission is to promote the health and well-being of the communities we serve in Chase, Greenwood, Lyon, Osage and Woodson counties. We do this by offering comprehensive medical, dental and behavioral health services on a sliding-fee scale based on household size and income. We also have lab services, immunizations, prescription assistance, and "enabling services" to remove barriers to care, like interpreter services and free transportation.

While we do what we can to remove these barriers to care for patients, we're able to provide these services in part because of the Legislature's investment of state funds for grants to the clinics and in programs developed to strengthen their effectiveness. These funds are appropriated to the Kansas Department of Health and Environment. They allow us to continue to employ medical and dental professionals so residents can access the services they need to stay healthy.

With the state funding our clinic received in 2015, we employed more than 15 medical professionals, including a physician, nurse practitioners, registered nurses, and licensed practical nurses. The funding also allows us to have a dentist, two registered dental hygienists and a dental assistant on staff, not to mention several employees providing clerical support for these healthcare providers.

Losing this funding will mean we cannot keep these healthcare professionals on our staff and cannot provide adequate care in a timely manner to the patients who depend on the availability of these services.

The average cost of one emergency room visit nationally is \$1,423¹. Contrast that to an entire year of clinic care, where the average cost per patient is less than \$476 (which may include medical, dental and behavioral health services, plus such services as care management, translation, etc.)

Patients use clinics like ours to receive primary medical care to manage their chronic conditions and reduce unnecessary emergency room visits.

Especially in Eureka, our clinic staff works very hard to cooperate with the county hospital staff to reduce unnecessary visits to the Emergency Room, particularly for KanCare patients. We have worked out a communication system with the hospital, which also developed a standardized triage system. Now the hospital now sends non-emergent medical conditions to our clinic for same-day care, and our clinic staff work to educate patients about the proper use of the ER and what services our clinic offers to help manage their health.

Access to health care is easier at safety net clinics. A 2014 study revealed that clinics like ours granted new patient appointments to Medicaid and uninsured patients at higher rates than other practices, and charged less for these visits.²

One example of these funds at work is one of our patients, a 7-year-old girl, was in and out of foster care before she was recently adopted. In an interim phase when she did not have insurance coverage, and her adoptive parents were also uninsured, she broke her arm. Her parents took her to the Emergency Room, panicking about how they would pay for the visit. The hospital sent them to our clinic, where a nurse practitioner set her arm. Still worried about how they would pay for these medical expenses, our nurse practitioner took them back to our receptionists to find out how much of a sliding-fee discount they could qualify for. Her family qualified for the highest sliding-fee discount. Instead of having to pay high Emergency Room fees or full fees in our clinic, her parents only paid \$20 for her visit (instead of \$320).

Your investment in our safety net clinics is sound. Care received at federally qualified health centers like ours is ranked among the most cost-effective, with studies showing their total patient care costs are 24-50% lower than other settings.³ Nationally, Medicaid patients served by clinics like ours save Medicaid an average of about 30% in annual spending per beneficiary (lower specialty care referrals, emergency room visits, hospital admissions, and prescription drug costs).

When the state supports safety net clinics like ours, the funds are used to expand services, create jobs and stimulate the economy. We are a cost-effective, cost-effective option for meeting Kansans' health needs.

¹ According to a National Medical Expenditure Panel Survey (MEPS); 2013

² Richards, Michael R., et. al. Medical Care. *Access Points for the Underserved: Primary Care Appointment Availability at Federally Qualified Health Centers in 10 States*. September, 2014.

³ National Association of Community Health Centers. *America's Health Centers Fact Sheet: January 2013*. Accessed at www.nachc.com on 1/28/16.

One in 10 Kansans uses services at a safety net clinic – a figure that is both increasing steadily statewide and is more like 1 in 6 within our service area. The area we serve is already underserved due to a lack of healthcare providers to meet demand, as well as countless other barriers.

The growth in Kansas safety net clinics over the past several years has been possible because of, the state's financial steward and KAMU partner in increasing clinic capacity. The progress afforded by strong state support is at risk, as losing this funding takes us back many years to a funding level that is lower than SFY2013.

When funds are cut, the health of our patients suffers. Extended hours to meet patients' scheduling needs are scaled back. Staff sizes are reduced. Same-day appointments fill up, and therefore wait times and waitlists for patient appointments grow longer. The services we offer to reduce barriers to care gradually go away. Our goal to improve the health of Kansans becomes much more difficult, all while their health needs continue to grow.

Our SFY 2017 request represents the restoration of the proposed 5% funding cut. This level of funding is essential, given that preliminary data shows the clinics had a 6% increase in the number of patients served, a 7% increase in visits, and experience additional administrative costs related to Health Homes, Patient-Centered Medical Homes, electronic health record implementation, and KanCare. Since SFY 2013, safety net clinics have seen a 13% increase in patients with a funding increase of less than 1%. In addition, these clinics provided more than \$44 million in uncompensated care, much of which went to cover cost of care for Kansans without health insurance.

The Kansas legislature faces difficult budgetary decisions. More than ever, state dollars must be invested in programs that provide cost-effective, integrated, quality health care. We request a reinstatement of \$377,959 and ask that you amend it into HB 2577. Without it, we will have to answer the question, "How do we cut state funding back to a level not seen since SFY2013 when we are experiencing the highest need, without jeopardizing what helps make Kansas healthy and strong?"

Thank you for your time, your interest and your ongoing support. I am happy to stand for questions.