

THE UNIVERSITY OF KANSAS HOSPITAL

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HB 2319 – KanCare Expansion– Proponent
March 18, 2015

Chairman Hawkins and honorable members of the committee, thank you for the opportunity to speak as a proponent of HB 2319.

As you may know, I have been a primary care provider my entire career, and I have applied that knowledge base in different ways. At present, I am directing the Kansas Heart and Stroke Collaborative, an effort driven by The University of Kansas Hospital. The Collaborative is made up of KU Hospital, Hays Medical Center, and 11 critical access hospitals.

I feel strongly about advocating for patients and working to positively impact our state's health, and although I am here today on behalf of The University of Kansas Hospital, my support for KanCare Expansion goes beyond hospital interests. Expansion is critical for Kansas. Our providers need it. Our people need it.

When the Affordable Care Act (ACA) was originally written, hospitals knew Medicare cuts were included, but the Act was predicated on those cuts being backfilled by Medicaid expansion. However, the Supreme Court ruled each state could decide about expansion individually. In the meantime, though, hospitals have been experiencing significant Medicare cuts because those did not stop just because the rules changed on Medicaid expansion.

We may not be satisfied with Congress or the ACA or the Supreme Court, but our feelings on those do not change reality for providers and patients. At The University of Kansas Hospital, since passage of the ACA, we have averaged a loss of about \$10 million in Medicare reimbursement per year. Multiply that by five years, and we are reaching \$50 million in reductions. Without expansion in 2013 and 2014, Kansas hospitals together lost over \$106 million. In 2015, Kansas hospitals are set to lose over \$137 million due to ACA cuts. It is estimated expansion could offset up to \$128 million of those cuts.

Those are dollars that used to come to our state and don't any more. HB 2319 is the first step to stemming that tide. We must bring dollars back to Kansas, back to our providers, and move forward by building on the KanCare system we already have in place.

What we call the "expansion population" are people in the working poor category. The vast majority of those in the expansion population are regular, hard-working people, some working multiple jobs. The trouble is they are not benefits-eligible at any of those jobs.

That is where KanCare expansion comes in. By moving forward with HB 2319, we can give the Governor flexibility to revisit KanCare and increase eligibility to up to 138 percent of the federal poverty level and do so with a model that reflects Kansan's caring nature and values. For 2015, 138 percent of the federal poverty level is \$32,913 for a family of four. For a single person, it is only \$16,105. If we can get them insurance, we also get them access to affordable health care. Access to care in turn translates to healthier families and a healthier workforce. Those are things I think we all want for our state.

At The University of Kansas Hospital, we had about \$60 million in uncompensated care costs in FY 2014. That's an almost \$10 million jump in that cost from the previous year, and the year before that was another \$10 million jump. Not all of that is charity care, but with the KanCare expansion model being proposed, we believe we can cut charity care costs by 30 percent.

Each hospital has its own set of circumstances, and it is important to look not only at the provider community as a whole, but also at every hospital individually. For some rural hospitals, for example, KanCare coverage for more people in their community could be the difference between staying open and having to close. Rural hospitals are often among the largest – if not the largest – employers in their communities. If for no other reason, for their sakes, we cannot afford to do nothing.

The University of Kansas Hospital is committed to providing the best care possible, and we are committed to our community. What is good for Wyandotte County and the state of Kansas is also good for us. We are here today not just for ourselves, but for our patients, our community, and our state. We urge you to move forward with HB 2319 and invest with us in a Kansas solution.

Thank you for your time and consideration. I am glad to stand for questions at the appropriate time.