



TO: House Health and Human Services Committee
FROM: Tom Macaronas, CEO, CFO, COO
DATE: March 16, 2015
RE: House Bill 2319—Support

On behalf of Labette Health, I am pleased to provide a letter of support for House Bill 2319, which requires the Kansas Department of Health and Environment to develop a federal Medicaid waiver for a budget-neutral managed care program known as KanCare 2.0. KanCare 2.0 would provide access to healthcare coverage options for newly eligible individuals while employing personal responsibility through cost sharing and rewarding healthy outcomes and responsible health choices.

Labette Health, located in Parsons, KS, provides employment to 538 with an average annual income of \$48-57,000. We are the largest employer in Labette County.

Being in one of the 17 counties that the Governor has recognized as an area for opportunity, many of our community members depend on our facility for services. Last year we:

- provided services to 2130 Inpatient Acute Care patients
- provided services to 80 Inpatient Rehabilitative Care patients
- treated 11,850 patients in our Emergency Room
- transported 3000 patients through our Emergency Medical Services
- provided services to 72,250 Outpatient patients

Based on the population we serve and the health care needs of our community, including life-sustaining health needs, we have developed programs in Wound & Skin Care, Physiatry, Diabetes Education & Consulting, Sleep Medicine, Medication Assistance, Transportation Services, Community Health Clinic, OB/GYN, Pulmonary, Home Care and much more. We have also developed sound working relationships with the area Junior Colleges allowing health professionals and others to shadow as a key component of their education and preparation to enter the work force. We've cultivated the same with two of the local high schools.

Based on the impact of the continued deterioration of State-funded Healthcare Program reimbursement and what is demonstrated in the recently updated "Annual Impact of KanCare Expansion" study, Labette Health has developed a plan to reduce staffing and evaluate those programs that without additional funding, will potentially be cut. To date we have adjusted our workforce by 15 positions over the past 12 months and have curtailed approximately six services. This type of disturbing activity will only increase—causing those in our communities we serve to seek alternative health care settings **outside of Kansas**. And the fact as patients migrate out of the community and in this case the state, they will also do their shopping, dining and family entertainment as well—impacting our local and state economy in other ways.

With the expansion, valued at over \$3 million for Labette Health and over \$1 million for Labette County, we would be able to focus on addressing the needs for those patients that could very well be left **WITHOUT** if local hospitals such as Mercy-Independence and Oswego Community Hospital were to discontinue providing a full scope of healthcare services.

Thank you for your consideration of my comments.

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