



TO: House Health and Human Services Committee

FROM: Randall Nyp, CEO Saint John Hospital

DATE: March 18, 2015

RE: House Bill 2319 – Support

On behalf of Saint John Hospital, 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.

Under the current structure of the ACA, Saint John would be slated for estimated Medicare cuts of \$490,000 in 2016; an amount which will increase annually, resulting in cuts for Saint John Hospital of more than \$8 million over the next ten years. These cuts were meant to initially to fund the role-out of the ACA. The proposed Medicaid expansion by the states was meant to mitigate the reductions.

Not expanding the breadth of KanCare to assist the poorest families in the community served by Saint John would deal a devastating blow to our financial stability. At some point we would be forced to significantly reduce critical services and staff.

Saint John Hospital was the first hospital started by the Sisters of Charity of Leavenworth 150 years ago. Since then Saint John has provided for the healthcare needs of the Leavenworth-Lansing communities – regardless of ability to pay. When the hospital was in financial distress and on the verge of closure by the SCLHS Health System, it was purchased by Prime Healthcare. With new ownership willing to invest in infrastructure and updating equipment Saint John has begun move to financial stability.

The hospital is ready to open a much needed newly built Emergency Department to replace the antiquated and cramped existing one. The residents of Leavenworth and Lansing and outlying rural areas rely on Saint John for healthcare services – especially in emergency situations. Located near Fort Leavenworth, it also serves the military and support population.

Because of its critical location 10,515 patients sought emergency care at Saint John in 2014. In addition, almost a thousand more were inpatients at Saint John. Not all of them had insurance or the ability to pay out of pocket, but they were not turned away. In 2014, Saint John provided more than 5 million in uncompensated care.

On a wider economic note, Saint John employs 265 persons of all skill sets and income levels, most of whom live in Leavenworth County. The income they spend and the taxes they pay have a significant impact on the county's annual revenue.

Saint John has begun a solid financial turnaround, but without expansion of KanCare, the scales could tip in the other direction, beginning a spiral of elimination of programs and staff cuts. This would limit the availability of

vital health services and would also have a negative effect on economic future of the county and the families who depend on Saint John for their livelihood.

With the passage of the proposed expansion, Saint John Hospital will continue to serve the people of Leavenworth for another 150 years. We will be able to expand needed services and continue to provide quality healthcare for this rural area.

Additionally, with expansion of KanCare the patients would have access to regular health checks, allowing their primary care home to motivate healthy life styles and monitor their health before it reaches a critical point and hospitalization. They would also have access to chronic disease management, reducing unnecessary and expensive trips to emergency departments.

I know no better way for the Kansas Legislature to work for the best interest for all Kansans than to endorse good health for all by passing the expansion of KanCare. I earnestly encourage you to do so.

Thank you for your consideration of my comments.