



# Vision 2020 Committee Presentation on KanCare Expansion

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# Via Christi Health

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Chief Operating Officer  
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# Via Christi Health

Via Christi Health is the largest provider of health care services in Kansas.

Through the dedication of our nearly 10,000 employees, we serve Kansas and Northeast Oklahoma through our owned or co-owned medical centers, physician clinics, senior villages and programs and our retail (home-based) and outpatient services.

# Why we favor expanding KanCare

- I am testifying both as a physician and as an experienced health care leader.
- My Via Christi physician colleagues and I support expanding KanCare because it would provide health coverage and access to needed health care services to 169,000 additional Kansans.
- Of those, nearly 100,000 are the “working poor” — people who have modest-wage jobs but make too much to qualify for Medicaid.
- Via Christi favors expanding KanCare because we want to help provide the best possible health care to these 169,000 Kansans.

# Patient-Centered Medical Home

- Our experience shows that providing access to primary health care will save Kansas money.
- Via Christi's patient-centered medical home pilot project uses physician-led care teams to provide patients with better preventive care and help managing chronic illnesses.
- In 2014, this program reduced:
  - ◆ Our patients' cost of care by 12%
  - ◆ Hospital admissions by 23%
  - ◆ Hospital readmissions by 43%
  - ◆ Emergency Room visits by 12%

# One Patient's Story

- One patient we helped had uncontrolled diabetes detected during a routine screening.
- Our care team helped her develop a healthier diet, provided her access to needed medications and the support needed to change her lifestyle.
- In 6 months, the patient's blood sugar reading went from 13.8 to 6.1 – and she's lost 42 pounds by eating healthier.
- Without this access to basic primary care, the patient could have gone into a diabetic coma, requiring an expensive Emergency Room visit and hospitalization.

# Let's help more Kansans

- Expanding KanCare would provide this type of primary health care to 169,000 more Kansans.
- Including nearly 100,000 who are working.
- Studies show that, over time, this will lower overall healthcare costs – and reduce the amount of money Kansas spends on Medicaid.
- But some type of insurance coverage is needed for people to have access to the basic health care services provided by health care systems like Via Christi .

# KanCare expansion: What we know

Each state decides whether to expand eligibility to 138% of the Federal Poverty Level (FPL)

Federal government covers 100% of the cost through 2016; gradually decreases to 90%

**Regardless of the state's decision, Medicare reimbursement cuts (including DSH) to Kansas hospitals will occur**



# 10-year impact of ACA without expansion

Reimbursement cuts (including DSH) totaling:

**\$1.3 billion**

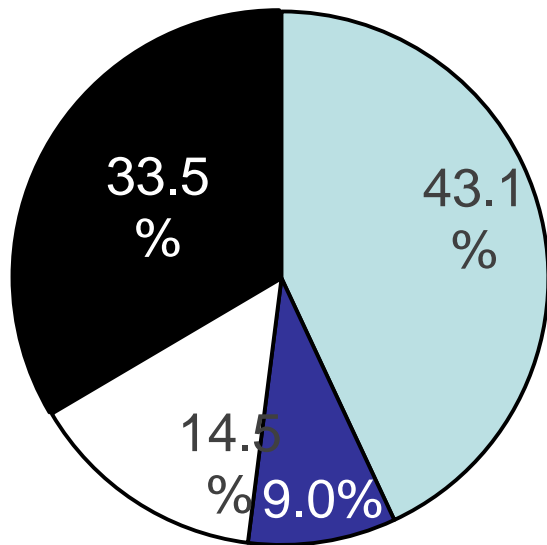
to Kansas hospitals

**\$250 million**

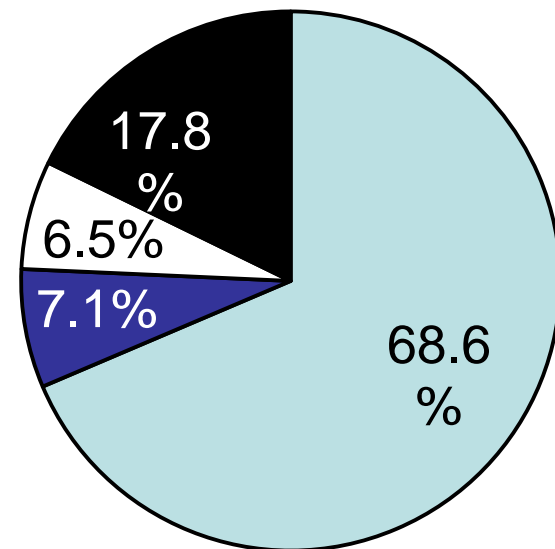
to Via Christi Hospitals

# Work Status of Uninsured <138% FPL

0-99% FPL

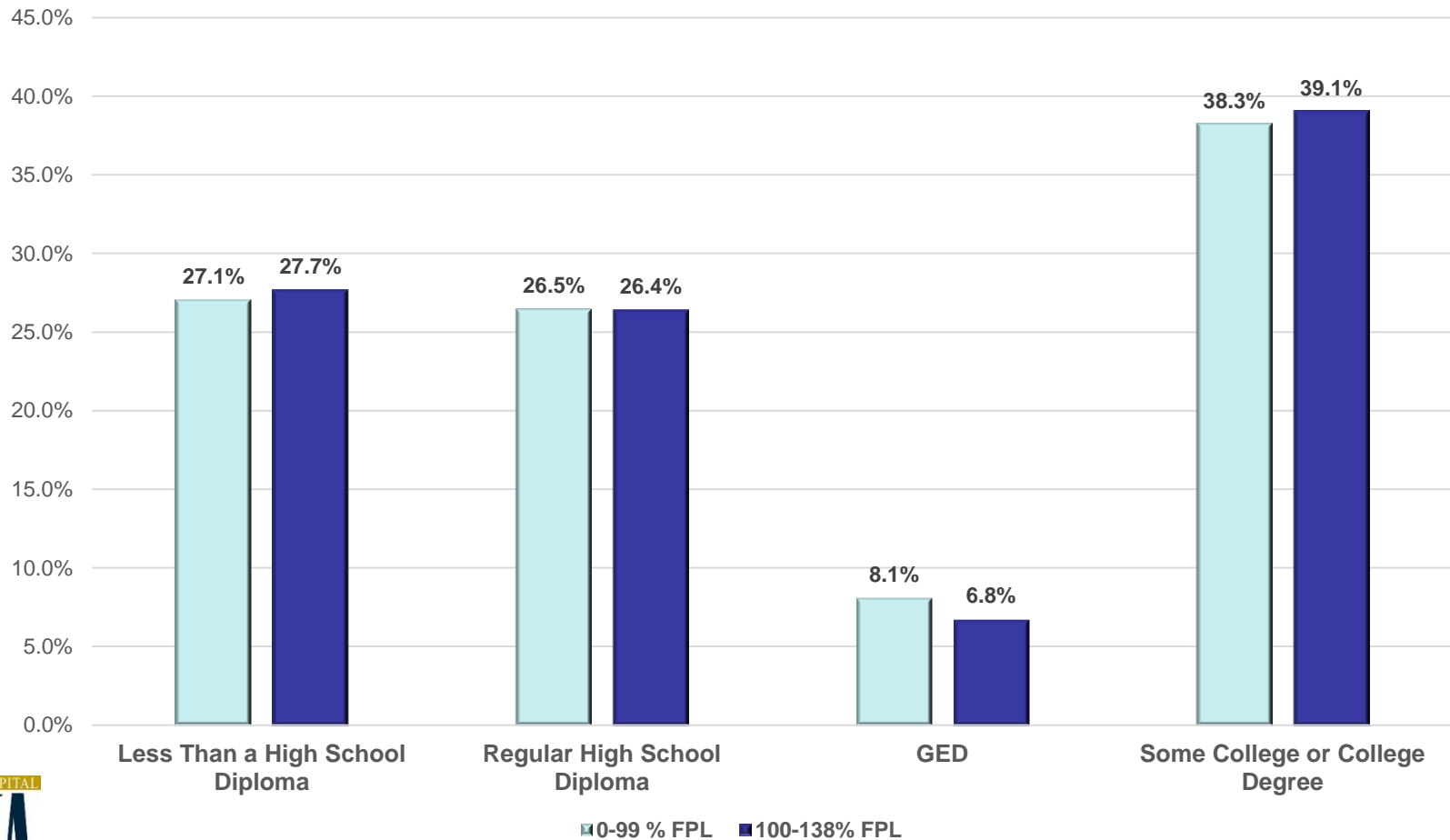


100-138% FPL



■ Did Not Work    □ 1-13 Weeks    ■ 14-26 Weeks    ■ 27-52 Weeks

# Education level of the uninsured under 138% Federal Poverty Level



# KanCare 2.0 Expansion Plan

Jeff Korsmo,  
President and CEO  
Via Christi Health

# Good for the Kansas economy

- Expanding KanCare would be good for the Kansas economy.
- Since Jan. 1, 2014, Kansas has lost over \$367 million in federal funding.
- KanCare 2.0 would increase federal funding by \$2.2 billion between 2016 and 2020\*.

*\*2014 Study by Regional Economic Models, Inc. and George Washington University*



# Good for the Kansas economy

- \*A new economic study shows that more than 3,700 fewer jobs would be created statewide by 2020\* if we don't expand KanCare:
  - Half of those jobs would be in health care
  - The other half would be in construction, retail and wholesale, professional/scientific/technical, and food and beverage
- “Non-expansion will derail substantial economic gains that could otherwise boost the state economy.”



*\*2014 Study by Regional Economic Models, Inc. and George Washington University*



# Impact on Via Christi

- In Kansas, Via Christi provided \$91.4 million in Community Benefit in 2014, including \$40.9 million in charity care.
- Since 2013, Via Christi has absorbed nearly \$24.8 million in annual reimbursement cuts to pay for the ACA.
- KanCare expansion would provide Via Christi with approximately \$13.9 million in annual revenues.

# Impact on Via Christi

- To translate those numbers into jobs, Via Christi eliminated approximately 350 jobs in June 2013 in part because of the reimbursement cuts.
- Expanding KanCare would help us to better protect existing jobs.
- But the best reason to expand KanCare is the 169,000 people who would be helped by having access to basic primary health care.
- In the long run, this will save Kansas government money by keeping these people healthier – and out of the hospital.



# Summary

- The Kansas Hospital Association, Via Christi and other Kansas health care systems are partnering with the state and other key stakeholders in developing a plan to expand KanCare in a manner that best fits the needs of our state.
- We plan to introduce legislation this session that would provide the Governor the authority to move forward with seeking approval of a waiver for KanCare 2.0 from CMS.
- Now, let me turn to Tom Bell of the Kansas Hospital Association who will provide details of the KanCare 2.0 plan.