

Written Testimony on:
SB 389 - Appropriations revisions for FY 2017 and
FY 2018 for various state agencies

Kansas Department of Health and Environment
Aid to Local - Primary Care Community-Based Services Budget

Presented to:
Senate Ways and Means

By:
Bryan R. Brady, Chief Executive Officer of First Care Clinic and Board President of the Kansas
Association for the Medically Underserved

Good Morning Chairman Masterson and members of the committee. I am Bryan Brady, CEO of the First Care Clinic and Board President of the Kansas Association for the Medically Underserved.

I appreciate the opportunity to visit with you about the FY 17 budget cut to the primary care funding for the safety net clinics of \$378,000. This budget cut would lead to direct services to our patients being cut and increased emergency room visits because of lack of access to care. We ask that you restore this funding cut with an amendment to the SB 389.

The safety net clinics in Kansas provide a vast array of services to the uninsured and underinsured throughout the state. These services include primary healthcare, dental care, behavioral healthcare and many more add on services necessary to adequately serve these populations.

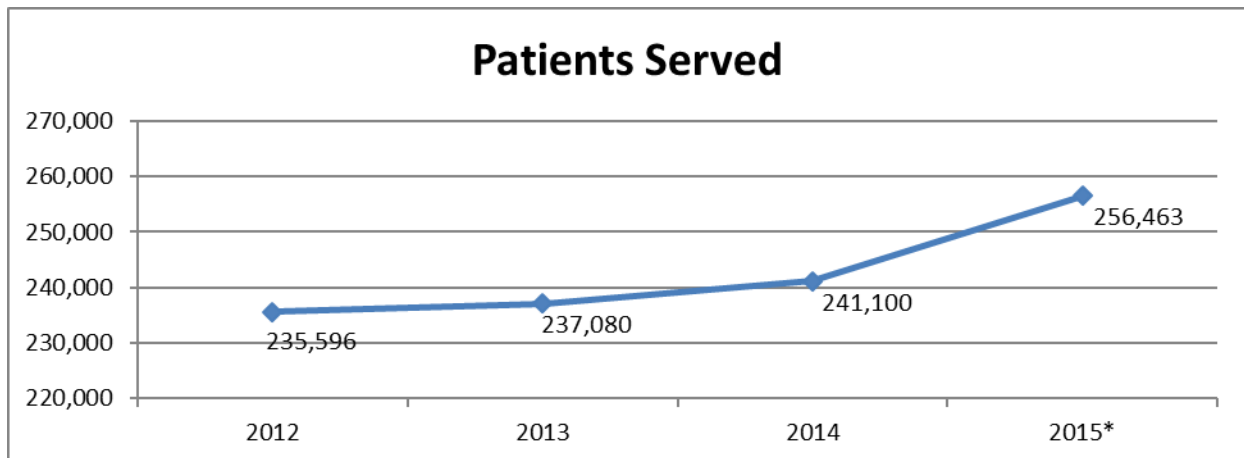
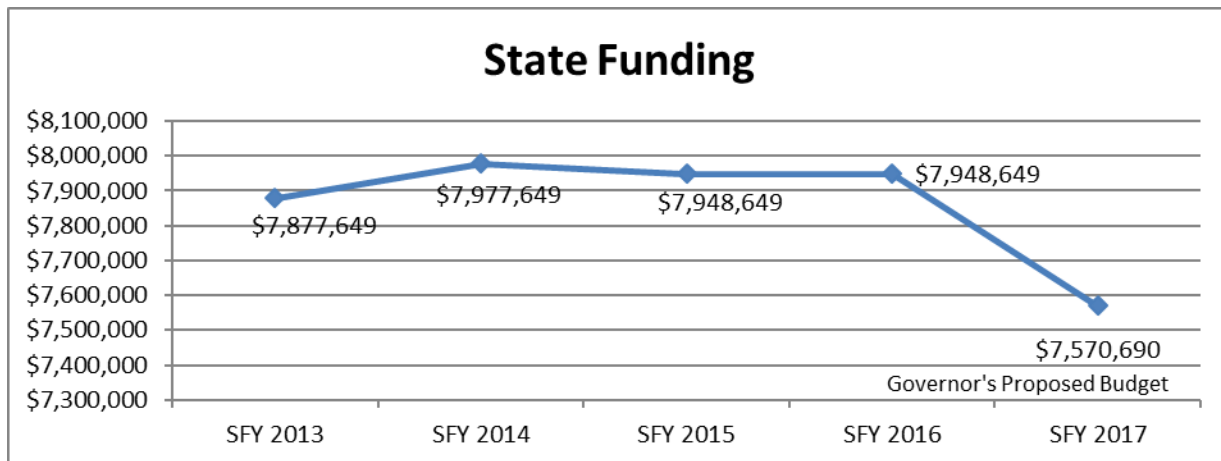
For many of these patients the safety net clinics serve as one of two alternatives to access care. The other alternative is the emergency room. A mode of care that cannot turn anyone away, but misuse of the emergency room drives healthcare costs higher and may delay care for others truly in need of emergency care. The average cost of an ER visit is \$1,423 according to 2013 data

from the National Medical Expenditure Panel Survey. If you account for minimal inflation and estimate 2016 costs, the costs could be well over \$1,500 per ER visit. If we look at data from the National Association of Community Health Centers, it shows that the safety net clinics in Kansas average cost per patient per year is \$476. This means that the safety net clinics can take care of three patients for an entire year for the cost of one patient's ER visit. That sounds like a pretty good investment to me. Now consider this, that same patient most likely had access to dental and behavioral health services while at the safety net clinic. This is where the value of safety net clinics really start to shine. All of these services are delivered by one organization with minimal overhead costs and in a coordinated manner.

Now that I have shown you the value of these services I would like to share some insight into how our clinic uses the State's funds. Part of the funding pays for the salary of a Nurse Practitioner who sees approximately 3,000 medical visits per year. The second part of the funding covers a portion of a dentist's salary that sees approximately 2,000 dental visits per year. While these funds don't cover the full amount of the Dentist's salary, the loss would be significant enough that our salary would no longer be competitive, and we would not be able to retain the dentist. The last part of the funding is used to pay a part time position that helps uninsured patients gain access to medications that are vital to improving their health. In 2014, this position helped patients gain access to \$119,000 worth of prescription medications. The loss of state primary care grant dollars would have a devastating impact to our clinic including loss of staff and fewer available appointments for patients to access care.

Rest assured that our clinic is not alone and that a cut in funding would have an impact state wide on the operations of safety net clinics.

I want to be clear we are not asking for more money; we are simply asking for the cut to be restored to level funding. The safety net clinics are vital to the health of many Kansans throughout the state. In the past, the safety net clinics have traditionally done more and more each year with essentially level funding as you can see in the following graphs as they show a 6% increase in patients in 2015 over the prior year.



Your investment in our safety net clinics is sound. Care received at clinics like ours is ranked among the most cost-effective, with studies showing total patient care costs are 24-50% lower than other settings. 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).

While it is understood that the State of Kansas faces challenges with the budget, the primary care funding provided to the safety net clinics is a small percentage of funding that provides a large return to the citizens of Kansas. Your continued support of the safety net clinics in Kansas is

greatly appreciated. Again, we ask that pass an amendment to SB 389 to restore the \$378,000 budget cut to the Kansas safety net clinics.

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

Bryan R. Brady
Chief Executive Officer