

**Written Testimony on:**

***SB 389 - Appropriations revisions for FY 2017 and  
FY 2018 for various state agencies***

**Presented to:**

***Ways and Means Committee***

**By:**

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Good afternoon, Chairman Masterson and members of the Committee, I am Denise Cyzman, Executive Director for the Kansas Association for the Medically Underserved (KAMU). We appreciate the opportunity to present written testimony regarding the Kansas Department of Health and Environment's Community-Based Primary Care Clinic budget for SFY2017 and its impact on Safety Net Clinics.

KAMU is celebrating our 25<sup>th</sup> year as the Primary Care Association of Kansas. As the Primary Care Association, KAMU represents 45 safety net clinics, with 91 locations, that all share the same mission of providing health care services without regard for the patients' ability to pay. These clinics have a unique approach to health care that leads efforts to transform care, improve health, and generate significant economic returns. KAMU and our members believe Kansas should be a state where all individuals have access to comprehensive, affordable and quality health care. Approximately one out of every ten Kansans rely on a safety net clinic for health care.

KAMU is committed to leading the effort for integrated, quality care provided through a patient-centered medical home. Safety net clinics meet community needs by providing comprehensive services that go beyond basic medical care. These services include behavioral, dental, and vision services, pharmacy, and "enabling services" that remove barriers to care. Offering a wide range of services improves individual, family, and community health.

We continue to celebrate and recognize the growth of the number of Kansans served by our safety net clinics. Preliminary data for 2015 show that state-funded clinics served more than the 256,000 patients; a 6% increase in patients served in just one year. Additionally, the number of total patient visits increased 7% to almost 800,000. In 2015, six KAMU members opened new satellite clinics and three other clinics became Federally Qualified Health Centers (FQHCs).

Over the past several years, the Kansas Legislature has made a significant investment in the safety net clinic system. The economy of the state requires that policy makers assure that investment continues to result in a positive economic impact for Kansas communities while also providing essential services to the people in those communities. The growth in Kansas safety net clinics has been possible because of your investment of state funds for grants to the clinics and in programs developed to strengthen their effectiveness. These funds are appropriated to the Kansas Department of Health and Environment, the state's financial steward and partner to KAMU in increasing clinic capacity. The progress afforded by strong state support is at risk, as

the amount recommended by the Governor for SFY2017 takes us back many years, to a funding level that is lower than SFY2013.

The recent history of our funding includes:

<b><u>Budget Year</u></b>	<b><u>Recommended by Governor</u></b>	<b><u>Approved by Legislature</u></b>
SFY 2013	\$7,596,581	\$7,877,649
SFY 2014	\$7,243,225	\$7,877,649
SFY 2015	\$7,243,225	\$8,202,649
SFY 2015 (mid-year)	Cut \$254,000	\$7,948,649 Actual award
SFY 2016	\$7,570,690	\$7,948,649
<b><i>SFY 2017</i></b>	<b><i>\$7,570,690</i></b>	<b><i>Request \$7,948,649</i></b>

**The SFY 2017 request represents the restoration of the proposed 5% funding cut recommended by the Governor. Restoring the proposed cut is essential, given that the clinics had a 6% increase in the number of patients served, a 7% increase in visits, and experience additional administrative costs related to Patient-Centered Medical Homes, electronic health record implementation, and KanCare. Since SFY 2013, safety net clinics have seen a 13% increase in patients with a funding increase of less than 1%. In addition, these clinics provided more than \$44 million in uncompensated care, much of which went to cover cost of care for Kansans without health insurance.**

The data on the impact on the safety net clinics clearly demonstrate your investment in our clinics is a sound one. Care received at federally qualified health centers (FQHCs) – one type of safety net clinic - is ranked among the most cost-effective, with studies showing their total patient care costs are 24-50% lower than those serviced in other settings.<sup>1</sup> Nationally, studies show that Medicaid patients served by FQHCs saves Medicaid an average of about 30% in annual spending per beneficiary due to lower specialty care referrals, emergency room visits, hospital admissions, and prescription drug costs. The average cost of one emergency room visit nationally is \$1,423<sup>2</sup>. Contrast that to an entire year of care at a clinic, where the average cost per patient is less than \$476 – and the clinic care may include medical, dental and behavioral health services, plus such services as care management, translation, and health education. Clinics may also provide enabling services such as transportation to and from appointments, assisting patients to identify affordable housing, and providing food through food pantries.

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<sup>1</sup> National Association of Community Health Centers. *America's Health Centers Fact Sheet: January 2013*. Accessed at [www.nachc.com](http://www.nachc.com) on 1/28/16.

<sup>2</sup> According to a National Medical Expenditure Panel Survey (MEPS); 2013  
KAMU House Social Services Committee, 2.2.16

Access to health care is easier at safety net clinics for those at greatest need – those who could experience significant barriers to health care. A 2014 study revealed that FQHCs granted new patient appointments to Medicaid beneficiaries and uninsured patients at higher rates than other primary care practices, in addition to charging less for these visits.<sup>3</sup>

The locally created, controlled and operated safety net clinics are strong economic engines for Kansas, as a state, and for their communities, specifically. For example, they create high paying health professional jobs; in many communities, they are among the largest employers.

Again this year, the Kansas legislature faces difficult budgetary decisions. Now more than ever, state dollars must be invested in programs that provide cost effective, integrated, quality health care for our most vulnerable Kansans. **KAMU, therefore, requests a reinstatement of \$377,959 in state general funds for safety net clinics for SFY 2017, and we ask that this be amended into the SB 389.** This modest increase reflects a total state investment in safety net clinics at only 8.5 cents per patient per day.<sup>4</sup> If this funding is not restored, the question that begs to be asked is, “How do we cut state funding back to a level not seen since SFY2013 at a time where we are experiencing the highest need without jeopardizing what helps to make Kansas healthy and strong?”

Thank you for your time, your interest and your ongoing support.

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<sup>3</sup> Richards, Michael R., et. al. Medical Care. *Access Points for the Underserved: Primary Care Appointment Availability at Federally Qualified Health Centers in 10 States*. September, 2014.

<sup>4</sup> Based on preliminary 2015 data: patient caseload of 256,453  
KAMU House Social Services Committee, 2.2.16