



TO: Members of the Senate Ways and Means Committee

FROM: Bill Heinrich
Chief Financial Officer
AdventHealth Mid-America Region

DATE: March 5, 2025

RE: Kansas Department of Health and Environment (KDHE) Budget

On behalf of **AdventHealth** facilities in Kansas and our more than 4,000 employees, we support the request for investment in Medicaid outpatient rates, which is critical to recruiting and retaining providers in our state and stabilizing hospitals in Kansas.

At **AdventHealth Ottawa** and similar rural communities, the government is the majority payer. We cannot negotiate higher rates of reimbursement with Medicare and Medicaid to meet increased labor and supply costs. Enhancements in Medicaid base rates will assist hospitals to close the gaps between Medicaid reimbursement and our costs of care.

As hospitals across the state strive to maintain access to services in our communities, increased Medicaid reimbursement helps address the shortfall especially as uncompensated care remains high. Additionally, Kansas base rates remain lower than our surrounding states. We encourage the Legislature to adopt this increase to strengthen health systems across Kansas.

Additionally, AdventHealth supports the **\$10 million** request in additional funding for critical **behavioral health** access.

It is imperative that we improve access to psychiatric treatment, remove barriers to care, and retain and add additional treatment options across the state. More psychiatric beds are needed in Kansas to meet the needs of our communities, especially for placement at state hospitals. We appreciate the state constructing a new psychiatric hospital in Wichita. Additional involuntary beds are sorely needed and will help to improve the entire behavioral health ecosystem of care.

While access to behavioral health still lags compared to other clinical services, **AdventHealth Shawnee Mission** is known in our community for behavioral health services, especially to law enforcement from across the region who bring patients to our hospital.

On our AdventHealth Shawnee Mission campus in Johnson County, we are proud of the care we provide at our large behavioral health inpatient unit with 42 beds. We have a 50+ year history of providing behavioral health services and hope to continue for decades to come. This care strengthens our communities, improves health outcomes, and helps to mitigate crises.

As the only community hospital in Johnson County with a behavioral health inpatient unit, we strongly urge the committee to approve funding to ensure the sustainability of these services and their availability to Kansas residents.

Unfortunately, the large number of uninsured patients is a significant challenge. In recent years, we experienced nearly \$3 million annually in uncompensated care on our behavioral health inpatient unit alone. This is not sustainable and disincentivizes expansion of behavioral health services which will continue to be a significant need in our community.

AdventHealth Shawnee Mission is also home to the busiest Emergency Department in Johnson County. The majority of Johnson County Mental Health Center (JCMHC) assessments for involuntary placement occur in our Emergency Department. Unfortunately, due to the shortage of behavioral health beds in Kansas, we have no alternative but to regularly hold patients for days in our Emergency Department (ED) while waiting on a bed at Osawatimie State Hospital (OSH). Recently, we have experienced up to eight involuntary patients on a given day in the ED waiting for an involuntary bed to open at Osawatimie or an SIA facility. This creates a backlog for other community members who are attempting to access emergency services and delays access to care. These “holds” create a significant financial burden to an already challenging hospital financial landscape.

AdventHealth’s mission is *Extending the Healing Ministry of Christ*, and our behavioral health services are a part of that healing mission. Thank you to this committee for your service and leadership to improve health care access. AdventHealth is proud to provide care at our hospitals in Shawnee Mission, Ottawa, South Overland Park and opening this summer at Lenexa City Center.