



TO: Kansas House of Representatives, Health and Human Services Committee
FROM: Joe Stratton, Chief Executive Officer, D.B.A., F.A.C.H.E.
DATE: March 17, 2015
RE: House Bill 2319 – Support

On behalf of Geary Community Hospital (GCH), 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.

This very important program would provide access to health care coverage options for newly eligible individuals and families, while employing personal responsibility through cost sharing and rewarding healthy outcomes and responsible health choices.

The cost of caring for those who would be covered by KanCare expansion is already being absorbed by hospitals, healthcare providers, businesses and other payers through uncompensated care and higher insurance premiums. GCH could potentially realize a \$2.5 million increase in revenues with KanCare Expansion, offsetting both the ACA Medicare and ACA Medicaid DSH reductions. As well, Geary County could recognize over a \$700,000 increase in revenue due to KanCare Expansion.

GCH's service area encompasses the Geary, Clay, Dickinson, Morris and Riley Counties. Geary County is our primary service area and we treat over 15,000 patients in our Emergency Room, deliver approximately 320 babies and have over 55,000 outpatient visits annually. Geary Community Hospital employs approximately 500 people and is the third largest employer in Geary County. GCH employees reside in 41 communities throughout central and northeast Kansas who commute to work daily. The Kansas Hospital Association, in a report prepared by the Office of Local Government at K-State Research and Extension, estimates that for every job created in Geary County's health sector, another .27 jobs are created in other businesses and industries in the county's economy.

Kansas hospitals like GCH support expanding the state KanCare program, as we know a lack of insurance coverage keeps people from receiving regular care. Unfortunately, the uninsured often turn up in our emergency room, since their health is not properly managed and tends to deteriorate over the course of time, which makes for an unhealthy Kansas populace. We need to empower our Governor and Legislators to negotiate with CMS to develop a Kansas Solution using the KanCare program that will protect Kansas and invest in our state, our citizens and our communities.

Thank you for your consideration.

Respectfully,

Joe Stratton, D.B.A., F.A.C.H.E.
Chief Executive Officer