

HEALTH MANAGEMENT OF KANSAS, INC.

Windsor Place

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To: House Health and Human Services Committee
From: Monte Coffman, Executive Director of Health Management of Kansas, Inc.
Date: 13 March 2015
Re: Support for House Bill 2319

As a member of the Board of Directors of Coffeyville Regional Medical Center (CRMC), I ask for your support of HB 2319.

For FY 2015, CRMC expects to deliver \$4,000,000 in uncompensated (free) care to financially indigent persons and families. This places a great financial strain on CRMC's operation. The expansion of KanCare would alleviate a significant portion of this burden.

Passage of HB 2319 would mean CRMC could:

1. Increase worker wages, which are at 2008 survey levels.
2. Increase employment by hiring additional employees.
3. Invest in new equipment.

All these items would certainly create an economic stimulus in our community and region. This is consistent with the Governor's position of economic expansion, wage growth and job creation.

Concerns for Future Cost to Kansas

I understand the concern for passage of HB 2319 is the future cost to the State of Kansas if the Federal government changed the rules.

Solution to Offset this Risk Concern

One of our company organizations, Windsor Place At-Home Care, has developed a chronic disease management program. Our in-home telehealth has provided outstanding results in reducing hospital admissions, emergency room visits and nursing home admissions.

We believe that the potential annual net Medicaid savings by the reduction of these expensive services through our program when fully utilized by the KanCare MCO's could be \$20,000,000 - \$50,000,000. These targeted savings could be used as a hedge against the potential State's cost exposure of the Federal government made changes.

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This innovation is Kansas-based and is presently working in Kansas. As our service scales, the savings become significant.

This is a pragmatic 21st century Kansas solution to a problem of health care funding and economic development.

Thank you for your consideration of HB 2319.

A handwritten signature in dark ink, appearing to read "Monte Coffman", with a stylized flourish at the end.

Monte Coffman
Executive Director
Health Management of Kansas, Inc.