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TO: House Health and Human Services Committee

FROM: Mark R. Thompson, President
Kansas Association of Hospital Attorneys

DATE: March 18, 2015

RE: House Bill 2319 – Support

On behalf of the Kansas Association of Hospital Attorneys ("KAHA"), 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. KanCare 2.0 would provide access to healthcare coverage options for newly eligible individuals while employing personal responsibility through cost sharing and rewarding healthy outcomes and responsible health choices.

KAHA is a statewide organization of the attorneys who represent and advise Kansas hospitals. In this capacity, we see the financial strains our clients face daily to deliver services and maintain their vital roles in the personal health of the residents they serve and in the economic health of the communities in which they operate. We support Kansas hospitals in their common sense proposal for a Kansas-based solution to build upon the KanCare program using the federal funds available for Medicaid expansion. House Bill 2319 represents just such a solution and merits both serious consideration and debate, and also passage with the objective of empowering the governor to negotiate with CMS the solution that fits Kansas needs.

We are already seeing in the legal work that we are asked to perform the effects of Kansas not yet taking advantage of the opportunity to access the Medicaid expansion funds. For example, we are now more likely to work with the hospital CEO or HR director on planning and dealing with the effects of a reduction in force than a service improvement opportunity like acquisition of a new or replacement medical technology or a facility expansion or renovation. Further, we are seeing increases in requests for ways in which hospitals can collaborate to reduce costs and to share resources. Creative efforts at belt tightening are an admirable response by responsible boards and officers to cope with shrinking revenues and increasing costs. In our view, however, it would be a great service to our state hospitals, the citizens they

serve and the state's economy for Kansas to seize the opportunity available to it to build upon KanCare with the federal funds available for Medicaid expansion. Rather than struggling to stay open with sealing wax and baling wire, our state's hospitals deserve the opportunity to use the federal dollars to do more for the citizens they already serve.

Accompanying this letter are the reasons endorsed by Kansas hospitals for supporting HB 2319. As advisers who see the effects upon Kansas hospitals and the communities they serve of not pursuing the federal dollars available, we fully support Kansas hospitals in backing HB 2319.

Thank you for your consideration of my comments on behalf of KAHA.

Very truly yours,



Mark R. Thompson

cc: KAHA Membership