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TO: House Health and Human Services Committee

FROM: Gene Meyer, President/CEO

DATE: March 18, 2015

RE: House Bill 2319 – Support

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President &  
Chief Executive Officer  
Gene Meyer

On behalf of Lawrence Memorial Hospital, 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.

In 2014, Lawrence Memorial Hospital had 6,875 inpatients, and helped with the birth of 1,119 children. LMH also had 166,129 outpatients and treated 37,222 emergency room patients. In addition to the tremendous impact LMH has on Douglas County health, it also has a huge effect on the economy. Hospitals in Kansas are responsible for 4.4 percent of all jobs and generate \$5.3 billion in direct total income. Health services in Douglas County last year accounted for \$262 million in total income and had a ripple effect of \$95 million in retail sales. We employ 1,376 people, making us the fifth largest employer in Douglas County. The average employee at Lawrence Memorial Hospital earns \$30.31 per hour.

If Medicaid is not expanded in Kansas, LMH will have to make cuts to several nonessential programs. This will dramatically affect the services we provide through charity care, and it will impact a large number of people who seek services at LMH.

If KanCare 2.0 is passed and Medicaid is expanded in Kansas, this will allow community hospitals such as LMH to continue to provide services for people who come to us in need. We do not and cannot refuse care to anyone who comes through our doors seeking medical attention. In 2014, LMH had approximately 12,000 charity care patient encounters. This is up from 7,464 patients in just four years earlier. Total charity care allowances have increased from approximately \$8 million in 2010 to \$15 million in 2014. Due to a reduction in payments from a multitude of sources, the ACA mandated and regulatory cuts in Medicare and the projected cuts in years to come, LMH may not be able to continue provide services at the current levels.

All of us at LMH have worked extremely hard to be an efficient provider of care, which was one factor in LMH being recognized by Truven Health Analytics for the past three years as one of



the top 100 hospitals in the country. We believe in good business practices and prudent leadership. Kansas is a proud state, and you have solved some difficult issues over the last few years and this issue is even more important to ALL Kansans. This issue can mean life or death to some Kansans. Again, I respectfully request your serious consideration for the expansion of Medicaid in our state.