



TO: House Health and Human Services Committee
FROM: Dennis E. Franks, FACHE, CEO 
DATE: March 18, 2015
RE: House Bill 2319 – Support

On behalf of Neosho Memorial Regional Medical Center, 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.

Our best estimate is that 800 Neosho County residents would benefit from KanCare 2.0. They are hard working men and women holding one or more low paying jobs. They are our friends and our neighbors. They go without basic health services delaying care until more expensive treatment may be needed.

This medical center is the region's largest employer with close to 400 employees. Our annual payroll is \$18.5 million and has a significant multiplier impact in the community estimated at over \$22.7 million.

Neosho Memorial is also the largest critical access hospital in the state of Kansas (based upon revenue). We serve over 30,000 patients with a wide range of services including inpatient, emergency, ICU, surgery, obstetrics, observation, outpatient testing and treatment, therapy, home health, hospice, an orthopedic clinic, a rural health clinic, a fitness center and community education and outreach. Neosho Memorial is also a rural health clinical training site for six allied health programs including a physician and mid-level provider training.

The impact of the ACA reductions has been severe. They include:

\$74,000 in ACA Medicare Cuts*

\$171,000 in ACA Medicaid DSH Cuts*

\$426,000 in Losses thru 2014 Due to Inaction on Expansion

\$5,882,000 in Uncompensated Care

*10 year average

It is apparent that the needs of southeast Kansas residents would be well met with the adoption of KanCare 2.0. Without it, we will be faced with making very difficult decisions that will have a significant and long-term impact on the state of Kansas.

Thank you for your consideration of my comments. Please support House Bill 2319.