HORTON "The Electric City" KANSAS FIRST REA

Chamber of Commerce

hortonchamber@rainbowtel.net
116 W. 8th St., P.O. Box 105
Horton, KS 66439
785-486-3321

TO: House Health and Human Services Committee

FROM: Jeremy Forkenbrock, Chamber Vice President

DATE: March 18, 2015

RE: House Bill 2319 – Support

On behalf of the Horton Chamber of Commerce, 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 health care coverage options for newly eligible individuals while employing personal responsibility through cost sharing and rewarding healthy outcomes and responsible health choices.

Horton Community Hospital primarily services the communities of Horton Ks, and Everest Ks, in Brown County. Those communities comprise approx. 3,300 people, 1,335 households, and about 883 families.

The median age in our area is about 40 years old and the average household income is approx. $46,000.00. Which is almost $20,000 dollars below the average household income in Kansas. So we are a poor community just adjacent to the Kickapoo Reservation. The average population over 65 years of age is about 635 people.

Because we live in a very poor county we see an unusually large number of individuals that do not have proper insurance. Because our community members don't often receive regular care they often end up in our local hospital's emergency room because their health is not managed properly.

KanCare expansion would cover Kansans making under 138 percent of the federal poverty level- which would be $27,310 annually for a family of three. This would be significant help for our community members.

The Kansas Dept. of Health and Environment commissioned a study that estimates KanCare expansion would bring $2.1 billion in federal dollars to Kansas over the first three years and nearly $ 8.0 billion over the next ten years to care for the most vulnerable Kansans.

Over the past year, the condition of rural health across the country has undergone dramatic changes primarily due to Sequestration and the Affordable Care Act (ACA), which went into effect January 2014. In the last two years alone, over 47 hospitals across the country have closed, wounding rural economies and leaving some of our nation's most vulnerable populations without timely access to care.

In a recent national report, statistics show that in those states where Medicaid expansion has occurred, self-pay bad debt declined by almost 25%. Self-pay bad debt for Horton Community Hospital (HCH) runs around $900K a year and a reduction of 25% would equate to approximately $225K. Since the ACA's implementation in January of 2014, HCH has experienced all of the negative impacts of the ACA without any of the benefits that would otherwise be available through the Medicaid expansion portion of the Act.

In addition to the negative impact of the ACA, the Federal Sequestration portion that went into effect on Jan 2013 has reduced reimbursement to all Medicare providers by 2 percent. Horton Community Hospital is licensed as what is called a Critical Access Hospital which is supposed to guarantee 101% of cost incurred by the hospitals for care of Medicare patients. Sequestration cuts have reduced that reimbursement to only 99% of allowable cost, thus guaranteeing a loss for every Medicare patient for which the hospital provides care.

Rural hospitals and providers are critical to the communities they serve and offer life-saving health care access, provide for a strong economy and are a social anchor for the region. Horton Community Hospital for example, employs approximately 91 people and has $4 million in annual wages, salaries and benefits within the local community.

Thank you for your consideration of my comments.

Jeremy Forkenbrock, Vice President

Tim Lentz

Tim Lentz, President

Linda Obbards

Linda Obbards, Secretary