Kansas Emergency Medical Services Association

"Unity Is Strength"

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Good Morning Committee,

I want thank you for the opportunity to speak on a very familiar topic which has received a great deal of discussion, not only here, but around the State of Kansas. That is the topic on Medicaid and the discussion of enhancements.

My name is Terry David and I come today wearing several hats. I am the EMS Director in Rice County, Kansas, where I have been the Chief Officer since 1995. I also am on the Board of Directors of the local hospital and have served in that role for the last 14 years. In addition, I serve as a local Republican Committeeman so I have a pretty good understanding of the issues involving the debate over Kancare and any expansion of that program.

The current model of Medicaid reimbursement is broken and was broken prior to contracting with the three companies that are currently handling reimbursements. The rate in which ambulance services are paid has not been improved since 2005 and is an extremely losing business model.

Rice County EMS responded to 828 calls for service last year and with a total expenditures of $519,306.26 which means it costs us $627.18 per call to operate the service. This number is very liberal as the 828 calls for service include refusals, fire stand-by, etc.

Medicaid currently reimburses us, on average, $180.00 per call and as you can see it makes no financial sense to transport Medicaid patients, who by the way, are significant users of pre-hospital care. Our rates are not out of line with other services and are actually smaller than surrounding agencies and are set using Medicare rates.

The Kansas Medicaid reimbursement rate for an Advanced Life Support (ALS) call is $180.00, where we charge $500.00. While we charge 10.50 per mile for transportation, Medicaid reimbursement is $1.00 per mile. That barely covers the cost of fuel, let alone equipment and personnel costs.

The numbers on the Hospital side are worse as our local hospital, Rice County District Hospital #1 (which is a critical access hospital) wrote off a total of $885,000 that was Medicaid and an additional $700,000 from folks who have no ability to pay.

During the same time period the hospital budget showed a loss of $ 469,000 and we, the board of trustees, passed a budget for this current year that was in the red $161,000. Had the Board not made the difficult decision to raise the hospital mill levy by 1.5 mills and cut expenses across the board the number would have been closer to $800,000.

When the annual audit was presented, I questioned the auditors how long we could stay in business with such a situation and their only answer was, "There are many other hospitals worse

off than our facility." While we have not seen any hospitals close in Kansas, I believe it is only a matter of time that we are faced with this in Kansas as hospital closures are occurring nation-wide. It is unrealistic to think that the local communities will continue to pay increased taxes to keep a facility open that is "bleeding" financially.

In our situation we transport the majority of patients to the local hospital, depending on the level of care needed. We also transport patients, on a regular basis, to Great Bend Regional, Hutchinson Hospital and McPherson Hospital.

We staff one crew on duty at a time with one crew on-call as a back-up and if the hospital were to close, the impact would be significant as I would have to have twice the staff as currently to provide adequate response to Rice County given the longer transport times.

This situation gets progressively worse west of my location due to the ability of ambulance services to adequately staff and the distances between tertiary medical facilities. I also do independent consulting and can say without reservation that staffing is a major problem with ambulance services in the rural area. Those who would suggest transporting those patients with air support have limited understanding as to the cost of such a trip as well as other limitations.

In closing, I would encourage all of you to continue the dialogue about expansion of Kancare and be open-minded as to the facts that have, and will continue to be presented from various organizations as this is a patient problem, not a party problem.

Recently the Kansas Association of Counties listed the expansion of Kancare as one of their legislative platform issues. This was approved with little dissent in November at their state conference. Having worked in and with local government most of my life and getting to know County Commissioners from across the state, they are a very conservative group of citizens, but they also know and hear the concerns of keeping local hospitals open and EMS systems viable and feel strongly about improving health care in their local communities.

Terry David

Past-President

Kansas EMS Association