



...because your life matters

TO: Chairman Hawkins, House Health and Human Services Committee

FROM: Michael Mullins, Senior Vice President, Ascension Healthcare
CEO and Kansas Ministry Market Executive

DATE: February 8, 2017

RE: Testimony in Support of House Bill 2064

Good afternoon Chairman Hawkins and members of the committee. My name is Michael Mullins. I am the CEO of Via Christi Health in Wichita, Kansas, a part of Ascension. Via Christi is the largest healthcare system in our state and serves Kansas through our 10 owned or co-owned hospitals, physician clinics, and outpatient ancillary and retail (home based services).

On behalf of Via Christi, I am pleased to provide this testimony in support for House Bill 2064, The Bridge to a Healthy Kansas.

We are confident this legislative approach to expanding KanCare is a fiscally responsible Kansas-based solution that will bring hundreds of millions of our federal tax dollars back home to Kansas – creating jobs, boosting our economy, protecting hospitals and improving the health of Kansans. More importantly, expanding access to health care to an additional 150,000 Kansans is consistent with our Catholic mission to serve all who need our medical care, particularly those who are vulnerable and struggling financially.

These are hard-working Kansans who need access to affordable health care. They currently earn too much to qualify for KanCare, but too little to be eligible to get financial help to purchase private insurance. This leaves them with few options for affordable health coverage. Without access to primary healthcare, those without access to affordable care often wait until their health concerns reach the point of needing emergency care, which comes at a higher cost to all of us...but mostly means we continue to provide uncompensated services and care.

The current crisis in the state of Kansas' mental healthcare system is also creating a significant financial burden on Via Christi, as well as significant safety issues for both our

staff and patients. With the lack of additional bed capacity at our state psychiatric hospitals, we have patients sitting in our emergency rooms for multiple days before they can be transferred to the state hospital in Osawatomie. A high percentage of these patients are either uninsured or covered by KanCare. There needs to be a much higher level of attention, discussion and immediate action from both a policy and financial standpoint in order to adequately address these issues, and we believe expanding KanCare would provide the additional financial resources needed to address these challenges plaguing our mental health system.

This state's decision not to expand KanCare has had a very negative financial impact on Via Christi. Our organization employs over 8,000 people statewide, with salaries and wages averaging more than \$65,000, and totaling \$424 million. However, since 2013, we have experienced Medicare reimbursement cuts of more than \$40 million annually, Medicaid cuts this year amounting to \$ 6.2 million and the amount of charity care we provide has increased dramatically through the first two quarters of FY 2017 nearing \$125 million. In order to adjust to this challenging healthcare economic environment we have had to make difficult operational decisions, including reducing our workforce by 650 jobs since 2013. This has resulted in \$52 million annually in lost wages from the communities we serve, or a cumulative impact of over \$150 million in lost state spending.

I recently relocated from Indiana, where we did find common ground under the leadership of then Governor Pence, now Vice President Pence, and expanded the Healthy Indiana Medicaid program. We've reached out to our Ascension associates in Indiana and they tell us the plan is working well, and that the state is in a financial strong position. As a matter of fact, Indiana has recently applied to the Trump administration to extend their waiver and funding until January 31, 2021.

If our state expands KanCare and accepts the hundreds of millions of dollars in federal support, the positive financial impact would substantially offset the reimbursement cuts Via Christi has absorbed under both Medicare and the 4% cut under KanCare, and would greatly improve our ability to fulfill our mission to continue to serve Kansans and become a stronger healthcare delivery system. Failure to expand KanCare will continue to hurt the Kansas economy. Via Christi and other hospitals and healthcare providers



...because your life matters

around this state will continue to have to find ways to remain viable including reducing our workforces, discontinuing to offering vital services that our communities depend on, and possibly closing facilities.

For these reasons, I support The Bridge to a Healthy Kansas (HB 2064). Thank you for your consideration of my comments.