



# Community Health Center of Southeast Kansas

Testimony – HB 2064

House Health and Human Services Committee – February 7, 2017

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Mr. Chairman and members of the Committee, thank you for allowing me to provide testimony in support of HB 2064.

## Background

My organization provides access to medical, dental, behavioral health and related services to all individuals regardless of ability to pay with the goal of improving the overall health of the communities we serve. Last year we cared for more than **43,000 patients** during nearly **160,000 visits** to clinics located in Baxter Springs, Coffeyville, Columbus, Independence, Iola, Parsons and Pittsburg.

Our patients are overwhelmingly of modest means. Over **96% of our patients are considered low-income** with earnings below 200% of the Federal Poverty Level (about \$40,000 for a family of three or less). Directly related to income is insurance status: more than **15,000 of our patients are uninsured**. Inseparable from socioeconomic and insurance status is overall health. According to the annual County Health Rankings report, the nine counties of southeast Kansas have an **average Health Factors\* ranking of 93 of 101 counties ranked**. Our healthiest county ranked 77, our unhealthiest 100.

## Unmet Need

While we are proud of the progress we have made in expanding access to care – our organization was founded just fourteen years ago – **there are still more than 35,000 low-income individuals in the region whom we do not serve**. Individuals who are likely to put off needed care or forego it altogether which can often lead to larger costs - both human and financial – in the long run.

## The “Gap”

One such individual recently came to CHC/SEK to apply for coverage through the Health Insurance Marketplace. A mother of two, having recently lost her husband in a car accident, living with in-laws and surviving on \$700 per month, she enrolled in nursing school only to find that health insurance – which she had gone without – was required. After working with a CHC/SEK Patient Navigator, she learned that she was in the “gap” – **making too much to qualify for KanCare and not enough to qualify for a subsidized Marketplace plan**. A reporter told her story in a national publication – which led to donations from individuals (outside of Kansas) to CHC/SEK to pay her premiums for two years while she attends nursing school...not a very efficient means for addressing the coverage gap and one not generally available to those struggling every day simply to not get sick.

*“A lot of people say ‘Come on, we have to be responsible for ourselves.’ Well you can be as responsible as you want all day and **you can’t pay \$600 a month for insurance if you make \$7.25 an hour. It’s just math.**”*

- CHC/SEK Patient Navigator



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## Access

This patient's story is about the value of **access to cost-saving primary care** – which expansion of KanCare will address – by creating a healthier population and through avoiding other more expensive forms of care. Expansion would also provide critically needed **access to specialty care**. At CHC/SEK, and in CHC's across Kansas, primary care providers serve as stand-in specialists — researching, consulting specialists who will talk with them and doing as much as possible — for critically ill and uninsured patients who cannot afford to see one.

*“It's very hard to know that because of a lack of resources, someone will die. To have to look in a patient's eyes and say: **'Your prognosis is different than that of someone who lives in another state. Your prognosis is less because you don't have access to insurance.'**” – CHC/SEK Physician*

## Impact on Community Health Centers

KanCare expansion will have broad impacts on CHC's in Kansas. CHC's in expansion states have been able to dramatically reduce the number of uninsured patients they see, far more than clinics in non-expansion states – which puts Kansas CHC's a significant competitive disadvantage. Increased revenue from enhanced coverage would infuse CHC's with much needed resources that would allow us to **care for more patients, hire additional staff, provide a larger array of services, better implement innovative and cost-effective service models - such as integration of primary care and behavioral health services, expand existing clinics and open new ones** in communities where there is no access to comprehensive primary care regardless of ability to pay.

## Economic Impact

Often lost in this discussion is the economic impact that KanCare would have on rural areas – especially the economically distressed communities of southeast Kansas. Since 2002, our organization has grown from having eleven employees to more than 300 with comprehensive benefits and an **average annual income of more than \$50,000**, significantly above the state average of \$27,706 and more than twice that of many of the communities in which our facilities are located.

CHC/SEK spent more than \$21M last year that had a direct economic impact on the region. According to Capital Link – a national financial consulting organization – CHC's create significant indirect and induced employment and economic benefits through the “multiplier” effect. When applied to CHC/SEK, it means that the \$21M spent last year is estimated to have turned into an additional \$8.1M in other economic benefit for a **total impact of \$29.1M\*\***.

This economic impact moves far beyond job creation and sustaining a fragile rural healthcare system, though, it goes to the very heart of healthcare – **it creates hope and healing for those Kansans who often go unnoticed**. Those that spend their days in service others – waiting our tables, stocking our shelves, cleaning our offices, comforting our aging parents, caring for our children.

On behalf of our board, staff, patients and especially those that we are yet to serve, I ask for your support of this critical piece of legislation that will expand access to care by providing critically needed resources to our healthcare system ultimately resulting in healthier and more prosperous communities.

Thank you for considering my testimony. Best wishes as you deliberate on this matter.



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*\* The overall rankings in health factors represent what influences the health of a county. They are an estimate of the future health of counties as compared to other counties within a state. The ranks are based on four types of measures: health behaviors, clinical care, social and economic, and physical environment factors.*

*\*\*This analysis applies the “multiplier effect,” using an integrated economic modeling and planning tool called IMPLAN (IMPact analysis for PLANning) to patients of health centers to capture the direct, indirect, and induced economic effects of health centers. IMPLAN was developed by the U.S. Department of Agriculture and the Minnesota IMPLAN Group (MIG) and employs multipliers, specific to each county and each industrial sector to determine total output, employment, and earnings. This analysis was conducted using Implan Version 3, Trade Flows Model.*