



Virgil Watson
Chief Executive Officer

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TO: Kansas House Committee on Taxation
FROM: Virgil Watson Jr., Chief Executive Officer
DATE: February 16, 2017
RE: Proponent for House Bill 2341 to designate Cowley County as a ROZ

On behalf of South Central Kansas Medical Center I am pleased to provide a letter of support for House Bill 2341 to designate Cowley County as a rural opportunity zone.

As the CEO for a rural hospital, I find that one of our greatest struggles is the inability to recruit physicians to our community. The financial strength of a medical facility is based upon an appropriate foundation of primary care providers. Without enough physicians to see the local citizens in a timely manner one of two options occur: the patient leaves the community to seek care elsewhere, or they seek care through our emergency department. The first option takes dollars out of the community, weakens our facility financially, and creates an undo hardship for the patient through extended travel times. The second option creates unnecessary medical expenses, and regularly leads to higher rates of charity care and bad debt for our organization.

As we struggle to recruit new providers to our community, we look for every available benefit which can be used as a selling point. A five-year State income tax waiver is a significant benefit when considering the salary range of most physicians. In addition, many of the physicians coming out of residency carry with them student loan debt in the hundreds of thousands of dollars. Any student loan assistance is seen favorably and is nothing short of a requirement by many physician candidates.

Designating Cowley County as a rural opportunity zone will allow us to be competitive in recruiting talent, creating jobs, boosting our economy, protecting our hospital and improving the health of our community. For these reasons, I support the request for Cowley County to be designated a ROZ county as presented in HB 2341. Thank you for your consideration of my comments.

Sincerely,

A handwritten signature in blue ink, appearing to read "V. Watson", with a long horizontal flourish extending to the right.

Virgil Watson Jr.
Chief Executive Officer
South Central Kansas Medical Center