

To: Senate Committee on Public Health and Welfare  
From: Wendi Stark, Research Associate  
Date: February 16, 2021  
RE: SB 175 Proponent testimony (Written)

Chairman Hilderbrand and committee members, thank you for the opportunity to provide testimony in support of SB 175, enacting the Rural Emergency Hospital Act.

Under the new licensing in this act, the rural emergency hospital would be open to the community 24 hours a day, every day of the year and would concentrate on the delivery of preventative and primary care for rural communities, with telemedicine services and the ability to coordinate care for an individual when higher levels of service, such as in-patient care, are required. Under the new licensing in this act, the rural emergency hospital would be open to the community 24 hours a day, every day of the year and would concentrate on the delivery of preventative and primary care for rural communities, with telemedicine services and the ability to coordinate care for an individual when higher levels of service, such as in-patient care, are required. Importantly, licensure under this act would align a Kansas rural hospital with the requirements for reimbursement under federal healthcare programs available to rural emergency rural hospitals as laid out in the federal Consolidated Appropriations Act of 2021.

The innovative arrangements envisioned under SB 175 for rural emergency hospitals provide an option for rural hospitals that is badly needed. The Kansas Hospital Association has been working closely with its rural hospital members over the past two years to help hospitals develop models that match their services to the needs of rural populations. Many rural hospitals are struggling to adapt models that are no longer appropriate for the healthcare needs of their communities and to cover their overheads. One pre-COVID study suggested that up to 70 of our rural hospitals are struggling financially, with a quarter of that number facing extremely serious challenges.<sup>1</sup> When a local hospital closes, it causes a ripple effect on the city's economy. In most cases, hospital staff will leave the community, resulting in an immediate decreased property and sales tax base. The closure of a rural hospital can also increase unemployment. Additionally, the closure of a hospital makes it more difficult to attract new business to the community.

SB 175 makes provisions for a model that has the potential to make improvements for delivery of healthcare and to secure an improved payment model in rural Kansas that can benefit our citizens in very practical ways. For these reasons, the League respectfully asks the committee to recommend SB 175 favorably to the full Senate for its consideration.

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<sup>1</sup> Saving Rural Hospitals and Sustaining Rural Healthcare, Harold D. Miller, Center for Healthcare Quality & Payment Reform 2020