



TO: House and Senate Committees

FROM: Benjamin Anderson, President and Chief Executive Officer, Hutchinson Regional Healthcare System

DATE: March 20, 2024

RE: SB355/HB 2556

On behalf of Hutchinson Regional Healthcare System, I am pleased to provide a letter of support for SB 355/HB 2556.

I have been a Republican all my life, born and raised a conservative. I still have a picture of me standing with George W. Bush in a Bass Pro shirt after working at an event for him back in college.

Our family values included a genuine commitment to human life and dignity. I was raised to believe that every person is created by God with equal, inherent value. No one person is better than another. Faith, family, education, and community were the foundation of our core belief system. Although we were poor, my single mother taught me that work is good for the human soul and anything that disincentivizes hard work is bad for both the individual and society. I did not support the Affordable Care Act when it first became law and was against Medicaid expansion in Kansas or in any state during those early years.

There are three reasons I am here now, as the President and Chief Executive Officer of Hutchinson Regional Healthcare System, advocating to expand Medicaid in our state.

The first stems from my experience as a hospital CEO in two rural Kansas towns. From 2009 to 2013, I was at Ashland Health Center during a renaissance period in the history of the organization. There were 951 people in Ashland back then. Yet, that small community made a local investment in their health care through a hospital replacement project funded by property taxes. Ashland Health Center remains alive and well today.

From 2013 to 2019, I was CEO of Kearny County Hospital, when our primary care patient base grew by 60% as we recruited missionary-minded doctors to serve western Kansas through a generous PTO benefit package that allowed them to serve a few weeks overseas each year. Those same physicians helped our hospital significantly improve birth outcomes for women in a 20-county region.

During these 11 years, I saw the grim reality of uncompensated emergency care for uninsured Kansans drive up the cost of health care for insured Kansans. That trend was leading to increases in write offs associated with high-deductible plans. Each year, our hospital had to scrap together the money to stay open. Around that time, we started to see financially distressed rural Kansas hospitals close their doors. This dynamic still exists today.

The second reason for my change in perspective is connected to my experience working as Vice President for Colorado Hospital Association. My role with the Association was to directly support the 45 hospitals outside the Front Range. I had intimate access to their financial and operational realities. I assisted with their strategic plans and board development. I served as an informal coach to many of those CEOs.

Colorado is a Medicaid expansion state, and to my knowledge and unlike Kansas, it has never lost a rural hospital. Quite simply, I saw the difference between a state that did not expand Medicaid and one that did. Bringing back the federal tax dollars that they were paying allowed them the margin to focus on stewardship, governance, community health, revenue cycle, and value-based insurance contracts while families focused on growing their children and going to work. Uninsured

patients were not among the key issues we faced in Colorado and a financially struggling hospital was a rare and correctable circumstance when compared to Kansas.

The third and most immediate reason for my support of Medicaid expansion is our current reality in Reno County. Hutchinson Regional Healthcare System, which we call “Hutch Regional,” consists of a 180-bed medical center with 11 psychiatric beds, a hospice and home health care company, a durable medical equipment company, and a Certified Community Behavioral Health Center serving five rural counties. Our health care delivery system is a crucial outpost in central Kansas and, in partnership with the Hutchinson Clinic, our health system cares for patients all the way out to the Nebraska, Colorado, and Oklahoma borders.

The years during and after the pandemic have been financially devastating for Hutch Regional and the health system was forced to eliminate over 80 jobs in February of 2023. Our emergency department, which averages over 65 patients per day, has become a front door for our hospital as many of those patients do not have a way to access preventive care. Medicaid expansion would significantly improve our financial stability and allow us to develop a system that would ensure a healthy future for Reno County and the surrounding areas.

As leaders, we often debate whether access to health care is a right or a privilege. The reality is that health is a public asset and disease does not discriminate. In a rural community, our kids learn together in our schools. Even if these children are insured and their parents are not, and they are more likely to bring disease to school. Healthy people are productive. They pay taxes and engage in their communities.

There is a narrative circulating in public forums that Medicaid Expansion puts hospitals at higher risk of closure. The argument is that expanding Medicaid pushes people away from private health insurance and onto Medicaid. Assuming that inpatient Medicaid rates are lower than private insurance rates, hospitals would theoretically suffer. This argument is inherently flawed in the context of rural health care.

Rural Kansas is home to 81 Critical Access Hospitals, the third most of any state in the United States, and several Sole Community Hospitals. These health systems are often connected to Rural Health Clinics, which receive favorable reimbursement from Medicaid for preventive, outpatient services. Furthermore, providing inpatient care to patients covered by Medicaid can qualify these hospitals for millions of dollars in funding through the federal 340B prescription drug program.

The second argument is that if federal government reduces its contribution to states to fund Medicaid Expansion, the program will become unaffordable. The reality is that we are already paying the price for this care, which is most often provided in our emergency rooms, through increased premiums for insured patients. If this continues, health care will become further out of reach for the average Kansan and more rural hospitals will close.

As a fiscal conservative, I prefer to minimize the tax burden on our society. I believe the taxes we do pay, however, need to benefit the people who are paying them. To date, Kansans have paid billions of dollars in federal taxes that have benefitted Americans in New York, California, and my former place of residence in Colorado. These tax dollars need to come home to help us build our communities.

To protect the health and future of our rural communities, I am asking this legislative body to support the expansion of Medicaid in Kansas.

Sincerely

A handwritten signature in black ink, appearing to read "Ben Anderson", with a small "MBA" or similar mark to the right.

Benjamin D. Anderson, M.B.A., M.H.C.D.S  
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