

A Resource for Candidates Running for the U.S. Congress

Kansas Hospitals: Keeping Kansans and Our Communities Healthy

Kansas hospitals and health systems have stepped up in unprecedented ways to meet the challenges of COVID-19, yet now face catastrophic financial challenges in light of this pandemic. Today's environment requires ongoing advocacy, whether state or federal, legislative or regulatory, as well as trustworthy data and information to help hospitals survive and thrive. The following sheds light on important issues that elected leaders and candidates for the U.S. Congress need to know.



**Kansas Hospital
ASSOCIATION**

The Role of KHA

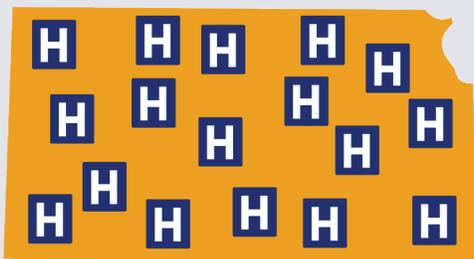
The hospitals of Kansas founded the Kansas Hospital Association in 1910 to improve hospital care through the exchange of knowledge and ideas. Over the years, the Association has provided its membership with opportunities to share information, receive continuing education, and develop approaches to legislative and regulatory reforms.

OUR VISION: Optimal Health for Kansans.

OUR MISSION: To be the leading advocate and resource for members.

THE IMPACT OF KANSAS HOSPITALS

123 Community Hospitals



Economic Impact



- 97,010 employees
- \$16.4 billion in total sales
- \$7.1 billion in labor income
- \$8.4 billion in total income
- Employment multiplier of 1.91
- Labor income multiplier of 1.6
- Sales tax: \$259.1 million

Annual Health Services



- More than 8,000 staffed beds
- Approximately 300,000 inpatient visits
- More than 1.4 million inpatient days
- More than 30,000 births
- More than 8.2 million outpatient visits
- More than 1 million emergency department visits



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Focus Areas in Today's Environment



Access: Many factors affect access to care: availability of government programs such as Medicare, Medicaid and the Children's Health Insurance Program, private insurance coverage, and a strong and resilient workforce.



Innovation: Top priorities include IT/data analytics, patient/consumer engagement, and use of artificial intelligence. Virtual care, patient-friendly online portals, and alternative places of care are more important than ever.



New Models: Affordable, accessible health care is essential. Hospitals are leading the charge toward value-based care with new models that provide coordinated care using the best technology and data to improve patient outcomes.



Population Health: Hospitals seek to manage and prevent chronic disease and improve community well-being. This includes addressing social determinants such as housing and food insecurity, and providing access to behavioral health resources.



Health Equity: Addressing disparities and ensuring full access to care, with a focus on patient and family engagement, is a priority that will further our shared vision of optimal health for all Kansans.

Federal Advocacy Issues for Kansas

Rural Health Care: When a rural hospital closes, a community not only loses a vital economic engine but also gets set up for an increase in mortality rates. The federal government currently requires rural hospitals to operate acute, inpatient beds in order to get paid for treating Medicare patients.

A traditional hospital may not always be the right model to provide coverage in small communities.

KHA has worked with our members and state and federal leaders to develop a Primary Health Center model that ensures access to **emergency and primary care services in a financially sustainable manner.**



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Federal Advocacy Issues for Kansas, cont.

Telemedicine: At the outset of the COVID-19 pandemic, the federal government put in place temporary programs called 1135 waivers that allow many telemedicine services for Medicare beneficiaries to be reimbursed at a level comparable with in-person visits. Many health care providers and patients have quickly become comfortable with telemedicine as the “new normal.” Federal law must reflect this change and **Medicare’s reimbursement rates need to be updated**, ensuring that telemedicine remains a **core component of health care delivery**.

Advance Medicare Payment Forgiveness: When the COVID-19 crisis hit, many hospitals operating on the margins used flexibilities provided by the federal government to receive their projected share of Medicare payments up front. These hospitals are now threatened by a long period of economic difficulty. Congress can help by **forgiving these up-front payments**, changing them from loans to grants.

340B Drug Pricing Program: Federal law requires that hospitals and other safety net clinics serving low-income patients receive discounts from pharmaceutical companies on various drugs. This **spreads the financial burden** of providing life-saving treatments to the uninsured beyond just the hospitals that treat them. This program is under attack as pharmaceutical companies seek to remove themselves from this responsibility. Federal laws and regulations on the 340B Drug Pricing Program **need no changes**.

Kansas’ Provider Assessment: Kansas collects an assessment from hospitals based on total patient revenue. The state pools the proceeds, receives a match from the federal government, and distributes the combined funds to all providers who serve Medicaid patients. This provides an incentive to see Medicaid beneficiaries, although Medicaid pays far below market rates. **Kansas has one of the country’s lowest provider assessment rates: 1.83%**. The Kansas Legislature passed a rate increase of up to 3%, but the federal government has been reticent to approve, even though other states have rates over 5%. It is imperative to **negotiate a fair rate with Kansas and correct this imbalance**.

For more information, go to www.kha-net.org, call (785) 233-7436 or contact caustin@kha-net.org or adunkel@kha-net.org.