



KHA's Current Report
June 7, 2024

President's Perspective – KHA Board Retreat and Meeting Highlights



The Kansas Hospital Association's Board of Directors convened last week to participate in the annual retreat and board meeting. The event serves as an opportunity for the KHA board members to delve deeper into health care issues impacting Kansas hospitals and the health care industry. This year, we were fortunate to have the opportunity to hear first-hand from Michelle Hood, executive vice president and chief operating officer of the American Hospital Association. Michelle's insights into the current and future health care trends provided a well-rounded foundation to kick off the retreat. Among the trends highlighted by Michelle included the escalating operational costs and economic pressures facing the hospital industry, the ongoing workforce challenges and potential solutions, and the impact technology and AI will have on the future delivery of health care services. Similar to KHA, the American Hospital Association is currently developing its next three-year strategic plan. AHA is gathering input from hospitals across the country as it continues to develop essential and valuable resources to assist hospitals in meeting their collective mission of serving their local communities.

KHA Board members also had the chance to hear from Marty Brown, president and CEO of PYA. Marty has significant experience and knowledge in the area of health care and hospital finance. His presentation, appropriately titled *You Can't Cost-Cut Your Way to Greatness*, focused on the latest health care trends surrounding hospital finances. The current health care system is composed of four primary players: patients, providers, payers and processors. While the initial three players face considerable struggles in the current system, it is the role of the "processor" or insurance company that maintains a majority of the power. Marty provided perspective and insights into the impact of Medicare Advantage, commercial insurance and the public programs in the health care system. The KHA Board has engaged PYA to assist in better understanding the relationship between providers and payers in Kansas and the surrounding states. More information will be shared in the coming weeks on the study.

Most of the KHA Board Retreat centered on developing KHA's 2025-2027 strategic plan. Facilitated by Todd Linden and Barbara Lorsbach with [governWell](#), the KHA Board engaged in small group discussions to identify core strategic priorities for the association. The KHA Board reviewed input gathered from the KHA membership during the recent 2024 Spring District Meetings and input from the KHA staff. While many strategic priorities were discussed, the top three areas revolved around advocacy and regulation, finance and reimbursement, and workforce recruitment and retention. KHA staff will be processing the guidance provided and developing a draft strategic plan for the KHA Board to consider at its upcoming meeting in September. Subsequently, the draft strategic plan will be shared during the Fall KHA District Meetings before the KHA Board considers final approval in November.

To cap off the retreat, the KHA Board held its official board meeting to discuss several upcoming events and emerging issues. A few of the highlights of the June board meeting are bulleted below:

- Reviewed the status of the 2024 KHA Operational Dashboard.
- Approved a new specialty hospital and associate membership application for Corterra of Wichita, LLC and Tabor College, respectively.
- Received the latest updates on federal and state advocacy efforts. KHA staff highlighted the 2024 Kansas legislative session, including issues related to the Medicaid provider rate increases to hospitals and physicians, 340B Drug Discount Program proviso, insurance and prior authorization, changes to the provider assessment program and several workforce initiatives. On the federal level, KHA staff reported on the latest activities regarding the congressional budget timeline, rural emergency hospital flexibilities, Medicare Advantage, 340B drug discount program and site-neutral payments. Staff also shared the fiscal year 2025 inpatient prospective payment system proposed rule and the status of the KHA Payer Scorecard.
- Adopted the KHA financial and investment report.
- Received information on the upcoming KHA-PAC fundraising activities.
- Heard an update from the KHA education department on the preparations for the 2024 KHA Convention and Trade Show.
- Obtained information on the latest activities surrounding health equity and maternal health initiatives.
- Reviewed information on several workforce resources such as the 2024 KHA Workforce Report.
- Discussed the latest efforts on the public perception and the We CARE We VOTE campaigns.
- Received reports from AHA, APS, Healthworks, KCMHC, KHC and KHSC.

Thanks to KHA Board Chair Bobby Olm-Shipmann for leading us through some important, yet challenging, discussions. And, thanks to the entire KHA Board for their excellent leadership!

--Chad Austin

Celebrate Community Health Improvement Week – June 10-14

Community Health Improvement Week is next week, June 10–14. Be sure to save the date, plan ways to celebrate and inspire others to build stronger, healthier communities. Learn more about how your organization can get ready, involved and inspired: aha.org/chiweek.

Additionally, during #CHIWeek, the Kansas Hospital Association is sharing social media posts highlighting [Kansas Health Matters](#), a one-stop data source for all things Kansas health and equity-related. Communities can easily pull data to see local health trends, set goals, evaluate progress and identify best practices. During #CHIWeek, we ask all Kansas hospitals to help promote this valuable tool. Please find the KHA #CHIWeek resources on KHA Communications [Box drive](#).

--Shelby Stacy

Refresher on the Basics of Managed Care Contracting Educational Webinar – June 12

Join us for an educational webinar at 1:30 p.m. on Wednesday, June 12, when Richelle Marting, an attorney with Marting Law, LLC, will provide a basic overview of managed care contracting, a review of critical elements contained in the draft Healthy Blue contracts, tips for negotiating favorable terms and anti-trust implications of coordinated negotiations. In addition to course instruction, participants will be provided a [managed care contracting toolkit](#) to assist them in vetting managed care contracts.



--Hayley Finch-Genschorck

Allan Thomas Channels Values into Health Care Career

The Kansas Hospital Association's Heart of Health Care Worker Award highlights hospital employees who have made a significant contribution to the betterment of their hospital. These individuals are nominated for this award because they routinely go above and beyond the call of duty.

Spending nearly a decade in the U.S. Army Reserve shaped Allan Thomas in ways that benefit all those around him, especially members of his team. The Army culture promotes loyalty, duty, respect, selfless service, honor, integrity and personal courage. These values and standards characterize the culture he has created in Via Christi Wichita Respiratory Services.

Thomas has spent his entire health care career (32 years) at Ascension Via Christi Hospitals Wichita. He started as a staff practitioner and quickly rose to leadership positions. For the past 20 years, he has led Via Christi Wichita Respiratory Services.

Thomas has developed a reputation for putting the needs of others first. Whether it's through the career exposure programs he's created for high school students through the MedEd Academy or starting the "Honor Walk" to support families as their loved one is wheeled to surgery to donate their organs, Thomas finds ways to go above and beyond.

Growing up in an underserved community in Wichita, Thomas understands how access to resources impacts the success of students and the community at large. He is a firm believer that education is the way up, especially for those who feel marginalized or overlooked.

This is why he started MedEd Academy, an opportunity for Wichita High School students to learn what working in health care is like. This day-long experience exposes them to a variety of health care careers, creating opportunities for personal, academic and career growth.

Thomas and other Heart of Health Care Worker Award nominees will be recognized during the KHA Awards Luncheon at the 2024 KHA Annual Convention on Sept. 5, 2024, at Sheraton Overland Park/Overland Park Convention Center, Overland Park.

--*Shelby Stacy*

HRSA Grants Workshop – June 12

The Health Resources and Services Administration, Office of Intergovernmental and External Affairs - Region 7, invites you to a Grants 101 Workshop on June 12 in Wichita. This workshop will discuss the federal grant application process, HRSA funding opportunities, common mistakes and tips for writing a strong application. Hospitals are encouraged to participate.

[Click to Register](#)

--*Jennifer Findley*

Adam Galindo Models Exceptional Care for Behavioral Health Care Patients

The Kansas Hospital Association's KHA's Heart of Health Care Worker Award highlights hospital employees who have made a significant contribution to the betterment of their hospital. These individuals are nominated for this award because they routinely go above and beyond the call of duty.

Adam Galindo has been an integral member of the Newman Regional Health team since joining the hospital more than 10 years ago. He started as a bedside and ICU nurse and quickly moved to a supervisory role. He also became certified as a critical care nurse.

As a lifelong learner, Galindo furthered his career by obtaining his APRN. He was immediately recruited to the newly developed Hospitalist team and has been a core member ever since. Galindo leads by example and is always willing to take on new challenges. This includes acting as a mentor to new nurses. Galindo's bedside experience is imperative to his APRN qualities and fostering a strong learning environment. Newman Regional Health works closely with Emporia State University School of Nursing and this has resulted in a significant number of new nursing graduates being employed and benefiting from Galindo's mentorship and approachability.

Like many hospitals, NRH has experienced an increase in both the volume and severity of behavioral health patients. Galindo is the rounding provider for the majority of behavioral health patients. He has led the effort to improve care for this population through his exceptional ability to treat each person as unique with their own individual needs and circumstances. He has improved the team's ability to function within policy and regulations while ensuring that patients are treated as more than a diagnosis.

Galindo is always willing to take on new projects or tasks. He agreed to take on additional responsibility by managing the day-to-day care of the swing bed patients, including attending weekly family meetings. In this role, he has been instrumental in growing the swing bed volume and subsequently improving the community's access to high-quality skilled care close to home.

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--*Shelby Stacy*

Medicare Advantage Contracting Survey Results

In May, the Kansas Hospital Association conducted a survey asking hospitals if they are currently contracted with Medicare Advantage plans and if they plan to drop any MA contracts in the next year. The survey revealed:

- Thirteen hospitals in Kansas have no signed MA contracts; and
- Ten other hospitals will most likely drop at least one MA contract in the next year.

Common responses to the survey included:

- There is a high cost to administer MA plans
- MA plans authorization and care coordination processes harm patients
- Post-Acute Care such as skilled care, home health or long-term rehab care are most likely to be denied with MA plans
- Hospitals are constantly underpaid by MA plans
- MA plans are financially breaking hospitals and harming patients

Please contact [Shannan Flach](#) at (785) 233-7436, if you have questions.
--Shannan Flach

KHA Submits Comment Letter on Medicare Advantage RFI

On May 29, the Kansas Hospital Association submitted [comments](#) to a Centers for Medicare & Medicaid Services request related to Medicare Advantage program concerns. In the letter, KHA highlighted:

- Network inadequacy
- Medicare Advantage Internal Policy Overrides
- Speed of approvals or denials and medical necessity denials
- Post audits by Medicare Advantage plans
- Continued confusion on Medicare Advantage marketing tactics
- Lack of enforcement and accountability

If you have any questions, please contact [Shannan Flach](#) at (785) 233-7436.
--Shannan Flach

Kansas Broadband Planning Meeting – June 18

Calling all local broadband champions! The Kansas Office of Broadband is hosting a virtual planning workshop to equip and empower you and your communities at 11:00 a.m. on June 18. Join KOBD to learn about the timeline, Broadband Equity, Access and Deployment funding, public broadband options, eligibility and more!

[Click to Register](#)

--Jennifer Findley

Grant Funds Available for Broadband Activities – June 21

The Kansas Office of Broadband is offering grant funds to support equal access to high-speed internet, provide devices to underserved Kansans and expand digital skills training for communities across Kansas. KOBD is hosting an informational webinar at 2:00 p.m. on June 21 to discuss funding priorities, grant requirements and application timelines.

[Click to Register](#)

--Jennifer Findley

KHA Data Intern Position Available

This position supports the KHA data department, engaging member hospitals through data analysis projects and assisting members with the use of KHA data programs. Located in Topeka, this paid, part-time internship requires 20-34 hours per week. This internship offers hands-on experience working with real health care datasets while directly impacting our mission to advocate for hospitals. An excellent career immersion experience in health care with networking opportunities.

For more information or to apply, please send a resume and a brief introduction about your interests and career goals to Sally Othmer, vice president of data and strategic analytics, at sothmer@kha-net.org.

The [job description](#) is available online.

--Sally Othmer

KHA HIDI Advantage Optics® Update

[Advantage Optics](#), the online reporting tool accessed from the [HIDI Advantage User Portal](#), is where your KHA hospital-level data resides. Beginning with January 2024 discharges, the site began updating monthly instead of quarterly. The site was recently updated with the March 2024 data and now contains October 2018 – March 2024 inpatient, outpatient and emergency department discharges. This includes Executive Snapshot Dashboards, located under Market Optics.

This release includes the second quarter of fiscal year 2024 limited data sets (October 2023 – March 2024). KHA [member request forms](#) for the KHA Limited Data Sets can be found on the [KHA website](#).

As a reminder, monthly discharge data submission to the [HIDI](#) site is due 45 days following the end of the discharge month. April discharge data is due for submission by June 15.

For assistance with [access](#) to the KHA HIDI Advantage site, and information on data submission, please contact [Dee Lewis](#) at (785) 233-7436. For assistance with training, please contact [Sally Othmer](#) at (785) 233-7436.

--Sally Othmer

Region VII Common Survey Citations Compiled for CAH and PPS Hospitals

Two new resource documents have been added to the [KHA regulatory page](#) for [Critical Access Hospitals](#) and [prospective payment system hospitals](#). The documents compile 2024 survey citations using the Centers for Medicare & Medicaid Services database for Region VII. Using Region VII provides a much broader picture of what deficiencies surveyors are citing during accreditation, complaint and validation surveys for the states of Kansas, Missouri, Nebraska and Iowa. These documents will be updated quarterly, or semi-annually, depending on the frequency of CMS updates to the survey database.

--Ron Marshall

Sunflower Chapter HFMA Medicare Cost Report Workshop

[The Sunflower \(Kansas\) Chapter of the Healthcare Financial Management Association](#) invites you to attend the [July 17-18 workshop](#) at the Hilton Garden Inn in Manhattan. This workshop includes Forvis Mazars and Wendling Noe Nelson & Johnson LLC presentations. This is an in-person event only. The registration fee is \$120 for HFMA members and \$220 for non-members.

[Click to View Agenda](#)

[Click to Register](#)

--Dee Lewis

KHA Property Insurance Update

According to AM Best, the United States property casualty insurance industry recorded aggregate underwriting losses of \$21.2 billion in 2023. As bad as that may sound, it's an improvement over total industry losses of \$24.9 billion in 2024. If there's a story behind these steep losses, it is that Severe Convective Storms (aka wind and hail) continue to set new loss records seemingly every year. In fact, SCS generated nearly \$58 billion in total insured losses in 2023, making it, by far, the costliest year for SCS in United States History, according to AON.

This may lead one to believe that severe weather is becoming more severe, more frequent, or both. Although that possibility certainly exists, another explanation is also evident - inflation. In a relatively short time, Conrade Insurance Group internal data observed the average cost of new hospital construction increase from \$350/sq ft in 2019 to approximately \$700/sq ft in 2024. Similarly, they have seen the cost of a new, correctly installed TPO roof roughly double from \$5/sq ft to \$10/sq ft over the same period of time. Simply put, the hailstorm that did \$500,000 of damage to your hospital in 2019 may do \$1,000,000 damage today. When taking these drastic cost escalations into account, this can better explain why Severe Convective Storms are setting new loss records seemingly every year.

By now, we've all become familiar with the volatility in the property insurance marketplace over the past few years. As time passes, this volatility is best understood through the lens of insurance carrier reactions to the inflation that has severely impacted loss costs. And to some extent, the anticipation of further escalation of inflation-driven loss costs.

So, what should a Kansas hospital do to protect themselves right now? Two factors have proven to be advantageous in this trying property insurance marketplace:

1. Avoid Severe Convective Storm losses altogether. To some extent, this is simply a matter of good (or bad) luck. However, there is a noticeable connection between roof age and claim likelihood. Investments in the upkeep of your physical plant – especially roofs – are as likely to provide ROI as at any time in history.

2. Sustainable insurance relationships. One of the more difficult positions to find yourself in right now is in search of new property insurance. Many carriers are unwilling to write new coverage for a risk profile they would otherwise be willing to renew if it was business already on the books. Terms and conditions have had to adjust to meet these inflation-driven loss realities, but capable insurance brokers are finding solutions for Kansas hospitals - even those with tough losses. The KHSC Chubb property insurance program provided by Conrade Insurance Group is a good example of sustainability in this volatile era.

If you have any questions about your hospital's property insurance, please don't hesitate to contact [Chris Conrade](#), Conrade Insurance Group Inc., for a consultation.

--Steve Poage

Federal and National News

2024 MLR Rebate Analysis Available

The KFF [estimates](#) insurers will issue \$1.1 billion in medical loss ratio rebates across all commercial markets in 2024. The Affordable Care Act limits the amount of premium income insurers can keep for administration, marketing and profits. The MLR for individual and small group markets is 20 percent and is 15 percent for large group insurers. If an insurer fails to meet the MLR threshold, they are required to pay back the excess profits or margins in the form of rebates to individuals and employers. KFF published findings based on preliminary data reported by insurers to state regulators and compiled by Mark Farrah Associates.

CMS Publishes Revised ICR for IRA Rebate Reduction Requests

The Centers for Medicare & Medicaid Services released a revised information collection request for rebate reduction requests under Sections 11101 and 11102 of the Inflation Reduction Act. The IRA requires drug manufacturers that raise the prices of certain drugs covered under Medicare Part B and D faster than the rate of inflation to pay a Medicare rebate. Drug companies seek a reduction to the rebate when severe supply chain disruptions occur or when a rebatable generic drug is likely to be in short supply. CMS previously proposed a rule in February that included the process to receive a rebate reduction, and now has [released](#) a revised ICR seeking comments by Wednesday, July 3.

GAO Issues Recommendations on Medicaid Managed Care Prior Authorization Oversight

The Government Accountability Office [issued](#) a report [recommending](#) the Centers for Medicare & Medicaid Services set expectations for how states should monitor managed care plans' prior authorization decisions and take steps to confirm whether states are meeting those expectations. The report also recommends CMS take action to determine whether managed care prior authorization processes inappropriately limit access to Early and Periodic Screening, Diagnostic and Treatment services for children. The GAO found no consistency among plans concerning the services that require prior authorization, the medical necessity criteria used and the entities involved in the processes.

The GAO reviewed five states. Generally speaking, although states receive data on prior authorization approvals and denials, meaningful use of the data is lacking. In addition, the state's oversight of prior authorization practices focused primarily on processes instead of whether the plans' prior authorization decisions were appropriate.

MLN Connects Provider eNews Available

The Centers for Medicare & Medicaid Services issued the following [updates](#) to *MLN Connects Provider eNews*:

- [CMS Roundup \(May 31, 2024\)](#)
- [Quality Payment Program: 2022 Performance Information on Medicare.gov Compare Tool](#)
- [Skilled Nursing Facility Value-Based Purchasing Program: June Confidential Feedback Reports](#)
- [Medicare Providers: Deadlines for Joining an Accountable Care Organization](#)
- [Advancing Health Equity During Pride Month](#)

Before You Go ...

An Advanced Hazmat Life Support class, offered as a partnership between the SSM Health Training and Simulation Center and Region VII Disaster Health Response Ecosystem, will be held Wednesday, Aug. 14, through Friday, Aug. 16, in Fenton, MO. This class will be offered free to those living and working in Missouri, Iowa, Kansas and Nebraska. [Registration is required.](#)