



STATEMENT

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Medicaid Provider Cuts Will Threaten Access to Care

(May 18, 2016) The Governor's announcement of cuts to the KanCare program amounts to a broken promise to the people and the health care providers of Kansas. When KanCare was implemented, the Administration repeatedly stated that the program would improve access to health care and allow the state to avoid cutting provider rates. If the Governor's cuts are implemented, the opposite will be true.

Health care providers have been good partners regarding KanCare, in spite of the fact that the program pays them less than the cost of providing care; in spite of growing financial pressure facing those providers; and in spite of increasing evidence that KanCare isn't working as promised. The Governor's announcement will undoubtedly make some providers question whether they can continue to participate under such circumstances. Ultimately, and most importantly, that will threaten access to care in Kansas.

This action is being taken to help alleviate the state's worsening budget situation. Yet, the Kansas Hospital Association has repeatedly placed before the Governor and the Legislature KanCare expansion options that could avoid rate cuts; and, in fact, help the state budget problems.

The Governor's decision not only reneges on contractual commitments made to Kansas providers, but is simply bad public policy. In Kansas, the health care sector is the fourth largest employer statewide and generates approximately \$1.5 billion in state and local tax revenue annually. The Kansas Industry and Occupational Outlook created by the Kansas Department of Labor puts health care among the top 10 job creators, showing more job growth than any other industry in the state with over 33,000 new jobs added over the next decade. Putting health care providers in jeopardy with these cuts endangers not only providers, but the future of the state as a whole.

The Kansas Hospital Association is a voluntary, non-profit organization existing to be the leading advocate and resource for members. KHA membership includes 211 member facilities, of which 126 are full-service, community hospitals. Founded in 1910, KHA's vision is: *"Optimal Health for Kansans."*

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