



Opinion Editorial

For further information:

Contact - Cindy Samuelson
(785) 233-7436; (785) 249-1727
csamuelson@kha-net.org

Governor Brownback Tax Proposal Makes Matters Worse

By Tom Bell, President and CEO, Kansas Hospital Association

(August 23, 2016) We need to set the record straight regarding Gov. Brownback's plan to tax hospitals. The Governor has stated that he wants to increase the current hospital provider tax to replace his four percent Medicaid provider reimbursement cut ... and to help struggling rural hospitals.

The Governor seems to be saying that in order to reverse the four percent rate cuts, he is going to increase a tax on the very entities those cuts are hurting. That is at best inconsistent, and more likely it will exacerbate the problems being faced by health care providers. For example, one such facility, Sumner Regional Medical Center in Wellington, was exempted from the direct four percent Medicaid cut, but would be assessed an additional tax of \$32,000 under the Governor's proposal. It's been often reported Sumner Regional is struggling. This is certainly no way to help that rural hospital.

The Governor's hospital tax increase, just like his Medicaid cut announcement, shows a lack of understanding of the interdependence of Kansas hospitals specifically, and the Kansas health care system in general. ALL hospitals are challenged by the Medicaid cuts and ALL hospitals will be even more challenged by an increase in the hospital provider tax. And consequently, every community, large and small, will feel its effects.

Kansas hospitals and health care providers have been good partners in attempting to make the KanCare program operate efficiently, even in the face of growing problems with that program. The Governor's proposal does further damage to this partnership.

There is, of course, one way to draw down additional federal dollars at an even greater match rate. And that is to develop a unique Kansas plan that takes advantage of the option to expand our KanCare program in a way that benefits not only our most vulnerable citizens, but also the Kansas economy. We look forward to working with the 2017 Kansas Legislature to craft such a plan.

Tom Bell is the president and CEO of the Kansas Hospital Association in Topeka, Kansas. KHA is a voluntary, non-profit organization existing to be the leading advocate and resource for members. KHA membership includes 210 member facilities, of which 126 are full-service, community hospitals. Founded in 1910, KHA's vision is: "Optimal Health for Kansas."

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