

SIGNIFICANT FINANCIAL ISSUES AFFECTING KANSAS HOSPITALS

Stagnant reimbursement and increases in labor costs and inflation are creating financial stress.

Kansans 65 and older

17%

Kansas' Population
2,937,150

25 percent of Kansans will be eligible for Medicare by 2030

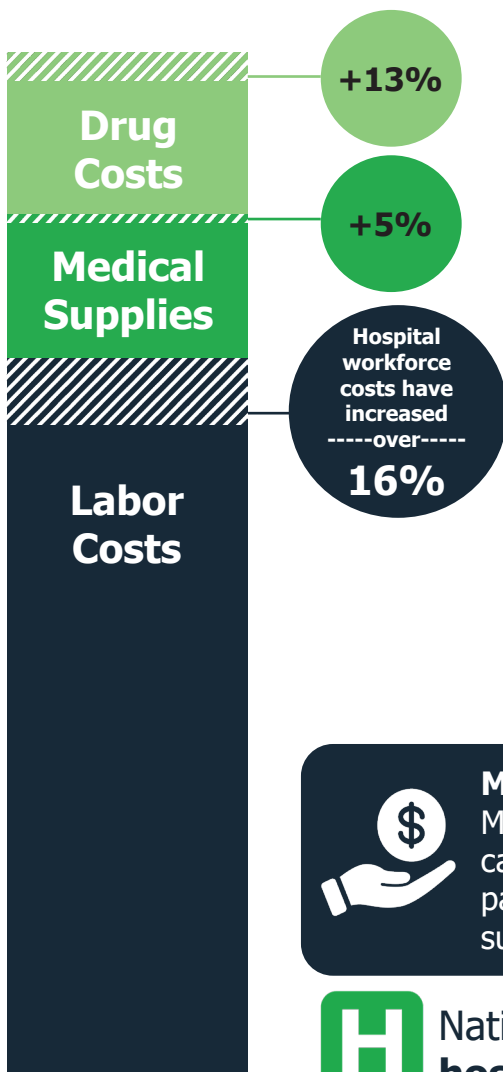
U.S. inflation rose dramatically

4.7%
in 2021

8.0%
in 2022

82 of 105 counties in Kansas have experienced a **loss of population** in the **past 10 years**.

IN THE LAST THREE YEARS, HOSPITAL EXPENSES HAVE INCREASED BY MORE THAN 35%.



Labor, supplies and drug costs comprise

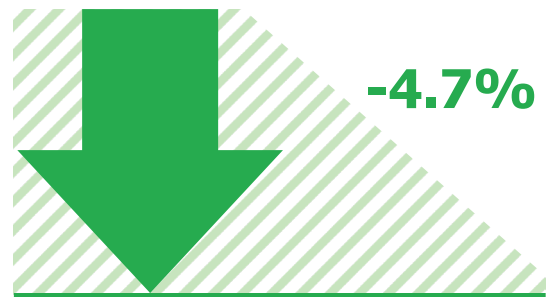
70%

of a hospital's budget



73 percent of hospitals in Kansas had a **negative operating margin** going into 2023.

Average Operating Margins



Margins Matter

Margins allow hospitals to invest in critical health care services to meet growing demand, keep pace with the rapid changes in health care and subsidize access to community services.

Average days of cash on hand

62

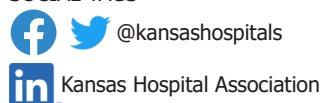


National studies have published that **60 Kansas hospitals** are at **risk of closing**.

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SOCIAL TAGS



SOURCES

- KHA Survey Data Completed March 2023
- 2022 Cost Report Data, Centers for Medicare and Medicaid Services
- Census Bureau, 2022
- Kaufman Hall March 2023, National Hospital Flash Report
- CHQPR Rural Hospitals at Risk Report, July 2023

