

# SIGNIFICANT FINANCIAL ISSUES AFFECTING KANSAS HOSPITALS

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



**20 percent**

Kansans 65 and older that will be eligible for Medicare by 2030.

Medicare payments to hospitals **only cover about 87 percent** of costs.



U.S. inflation rose dramatically



**4.7%**  
in 2021



**8.0%**  
in 2022

Kansas' Population  
**2,937,150**

**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 services to meet growing demand, keep pace with the rapid changes in health care and subsidize access to community services.

National average of cash on hand is **265 days**.



Kansas average of cash on hand is **62 days**.

215 SE EIGHTH AVE.  
TOPEKA, KS 66603-3906

(785) 233-7436  
KHA-NET.ORG

SOCIAL TAGS



@kansashospitals



Kansas Hospital Association

SOURCES

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



# How Can I Use this Data to Have Important Conversations about Financial Challenges and Make Positive Changes?

## Local

- **Engage** local businesses about the importance of choosing their insurance payer.
- **Use** [Economic Impact Report](#) to encourage support for the local hospital.
- **Educate** the community on the impact of Medicare Advantage on hospitals.
- **Partner** with local health care organizations to educate them on financial challenges.
- **Understand** how local, city and county financial support impacts your hospital.
- **Know** your local percentage of population that is 65 and older.
- **Forecast** how many in your community will be eligible for Medicare by 2030.
- **Highlight** your specific labor, supply and drug costs, as well as solutions you are putting in place related to workforce, purchasing or other strategies.
- **Be** transparent and share your financial statistics.
- **Pull** data from other sources such as [Kansas Health Matters](#) or the [QHi Benchmarking](#) tool to expand on the challenges.
- **Speak** with your local radio/newspaper to share what these numbers mean and the impact to your hospital.

## State

- **Communicate** to insurance payers about challenges and opportunities.
- **Champion** Medicaid (KanCare) Expansion.
- **Encourage** your leadership team, board members and staff to participate in KHA advocacy efforts.
- **Schedule** your state representatives to visit your hospital to discuss challenges and solutions.
- **Leverage** contacts with the Kansas Insurance Department and the Kansas Department of Health and Environment.
- **Share** patient stories that impact financial condition of hospital.

## Federal

- **Invite** your U.S. Congressmen to your hospital to discuss challenges and solutions.
- **Advocate** for legislative action to:
  - protect the DSH program;
  - reform 340B;
  - increase Medicare reimbursement;
  - provide additional oversight for Medicare Advantage; and
  - protect access to care.

### Benchmarking Tools for Rural Hospitals and Clinics



Scan here:



### Community Health-Related Statistical Data



Scan here:



### Find Legislators and Advocacy Information



Scan here:

