

# KHA's Trustee Resource July 2024

#### Trustee Breakfast and Education Session at the KHA Convention

I hope you can join us for the <u>KHA Annual Convention</u> and <u>Trade Show</u> on Sept. 5-6 at the Sheraton Overland Park and Overland Park Convention Center. <u>Online registration</u> is available, and trustees were mailed convention brochures earlier this month. The trustee registration fee is only \$25. This reduced rate is KHA's way of recognizing the vital role trustees play in the hospital industry and thanking them for joining us at this important annual event. Please register by Friday, Aug. 16.

There will be a Trustee Breakfast and Educational Session from 7:15 a.m. to 8:45 a.m. on Friday, Sept. 6. Catherine Walberg and Tom Bell, Goodell, Stratton, Edmonds, and Palmer, LLP, will present the session *Legal Issues Important to Hospital Boards*. We encourage trustees and CEOs to join us. In addition to this session, we have organized a convention to provide attendees with excellent education and several networking opportunities.

KHA's Convention starts with the KHA political advocacy and grassroots breakfast, where attendees can hear from <u>Charlie Cook</u>, <u>The Current Political and Legislative Environment</u>. Next, keynote speaker <u>Justin Wren</u> shares how he has fought large and small opponents. Along the way, he evolved into an astonishing force for good in the world. You also won't want to miss <u>David Agus</u>, <u>MD</u>, <u>Future Health – A Vision for Personal and Corporate Health in the Next Decade</u>. We round out Thursday with <u>Erin Stafford</u>, who explains how to escape burnout and maintain peak performance sustainably.

In addition to the Friday Trustee Breakfast and Educational Session, Marcus Engel, *The Other End of the Stethoscope*, will remind health care professionals of their vital role in patients' healing process. <u>Dan Meers</u>, "KC Wolf" will close our convention with his incredible story and the lessons he learned about leadership and life during his long recovery journey.

We hope hospital trustees can join other health care leaders at the KHA Convention and Trade Show in September.

## Navigating the Future: The Imperative of Effective Trustee Succession Planning

Hospital and health system boards are responsible for steering their organizations through the challenges of health care transformation, medical and technological advancements, regulatory changes and shifting patient needs. Because the board sets the tone that impacts the community for years to come, future trustee leadership should not be left to chance.

**Strategic Continuity and Resilience** – One of the primary goals of succession planning is to maintain strategic continuity and build resilience within the organization. Effective succession planning ensures the board remains equipped with the skills, knowledge and perspectives necessary to navigate the unique challenges hospitals and health systems face. By anticipating and preparing for board member transitions, hospitals can avoid governance gaps that might impede their strategic operations or dilute their vision.

**Enhancing Board Diversity** – A diverse board of trustees is a strong catalyst for innovation, strategic dialogue and decision-making. For hospital boards, diversity should span expertise, gender, race, age, background and community representation. Part of trustee succession planning includes comparing the board's composition to the community-at-large and identifying gaps that may be missing on the board.

**Cultivating Leadership and Expertise** – The process of trustee succession planning is tied to the cultivation of leadership within the hospital's broader community. By identifying and nurturing potential trustees, the board invests in the development of future leaders who are aligned with the hospital's mission and values. This approach enriches the pool of candidates ready to step into governance roles and strengthens the hospital's ties to its community. In addition, the connection between seasoned hospital leaders and emerging community leaders allows outgoing members to pass on valuable insights and experiences to future successors.

Practical ways boards may build future leaders include:

- Seek out existing hospital volunteers.
- Reach out to individuals in the community with experience in governance or leadership through local community and business organizations.
- Offer opportunities for potential leaders to serve in other capacities, such as on the hospital's foundation board or in ad hoc committees or task forces.

**Defining Trustee Roles** – Too often, boards fill vacancies through an informal process of candidate suggestions from other trustees. Existing board members may have connections to individuals who make excellent board members. Still, internal recommendations may also result in the recruitment of friends and acquaintances that mirror existing board members rather than bringing in varied perspectives and backgrounds. Potential candidates should be selected based on the individual's fit with the organization's mission, the current board team and the unique skills and perspectives the candidate brings to the board.

Before identifying specific candidates, boards should create:

- 1. An up-to-date trustee job description defining typical trustee responsibilities and expectations.
- 2. A "candidate profile" that articulates the qualities, skills and characteristics the board seeks in a new trustee.

The criteria for board membership should focus on the best thinkers and leaders rather than filling a requirement for a specific constituency or occupation. An exception is if the board needs expertise in a specific area that is lacking.

Assessing Current Board Traits and Identifying Gaps – Hospital and health systems can determine "gaps" in current governance expertise and perspectives by comparing current board composition to the skills and perspectives the board believes will be most important to ensure future success. Some gaps can be addressed through board education, while others must be filled through future board succession planning. Areas boards may consider when conducting a gap analysis include experience or expertise in the following areas:

- Quality and patient safety
- Clinical expertise
- Technology (medical, information and artificial intelligence)
- Community building and community connections
- Collaboration with stakeholders and organizations committed to building a healthier community
- Health equity and social determinants of health and its implications for building healthier communities
- Population health
- Diversity, equity and inclusion
- Advocacy
- Strategic planning
- Governance or leadership experience
- Innovative thinking
- Finance
- Legal
- Philanthropy
- Passion for health care and serving the community

Special thanks to The Walker Company and governWell™ for the use of *Navigating the Future:* The Imperative of Effective Trustee Succession Planning. Additional trustee resources are available in <u>Kansas governWell</u> and the <u>Trustee section</u> of the KHA website.

#### How to Be a Good Health Care Career Advocate

Ensuring a quality workforce remains a top priority for all health care leaders. This issue is critically important within the walls of a hospital, but it is also important for the communities we serve. Kansas communities must rally to support local cultures where the next generation can explore their passions and pursue careers in health care. Additionally, we need to help communities promote opportunities in health care for those seeking that second career.

Board members can significantly impact the trajectory of health care careers within their institutions. They can take steps to become health care career advocates, spreading the message of the abundant opportunities to those interested in pursuing a health care career and sharing the news with those who are unaware of the wide variety of health care opportunities.

To be an effective health care career advocate, you should first understand key facts about the workforce, understand the realities of your local hospital and be informed of activities that your hospital, and the Kansas Hospital Association, are doing to provide new opportunities for all who are considering a career in health care.

Understand the key facts. The annual KHA Health Care Workforce Report indicates statewide hospital vacancy and turnover rates remain higher than pre-pandemic levels. What does this mean for health care? Having 13 percent of all health care jobs across the state vacant means hospitals provide the same or more patient care with fewer resources. This may lead to some hospitals limiting services because of a lack of staff or even closing various services. The higher-than-normal statewide turnover rate of 19 percent means about one in five health care workers leave their jobs yearly. There are substantial financial costs in turnover and impacts on the morale and culture of hospitals. This is not just a workforce issue; it also financially impacts hospitals. Kansas also faces demographic challenges, with fewer students enrolling in post-secondary education, limiting our opportunity to solve the vacancy issues with new graduates.

Understand the realities of your hospital. While the statewide numbers provide a perspective of the macro level health care workforce, it is important for leaders to have a pulse on the micro level of their organization. Some hospitals will have much lower vacancy and turnover rates, which allows leaders to share that story with their communities to inspire the next generation of health care team members to enter their careers and potentially take their talents to your organization. For other organizations with higher vacancy or turnover rates than the statewide average, there are ample opportunities to utilize new strategies to promote staff retention and recruit new team members. It is important to understand the root causes of the challenges your hospital is facing and identify initiatives to address those challenges, including attracting new talent. This could be an ideal opportunity to collaborate with educational institutions, community organizations and local leaders to promote health careers and cultivate a pipeline of future health care professionals.

Share opportunities your hospital and KHA have to offer. Many traditional students and second-year careerists may have preconceived notions of health care that may or may not be true. Perhaps your hospital offers flexible staffing models or has certain departments with hours that accommodate schedules better than someone may assume. Or, your organization may offer employees rewarding opportunities for mentorship, career development, a positive culture, tuition reimbursement, etc. KHA has implemented tactics to increase career awareness and enhance the pipeline of new health care workforce team members. We developed career awareness tools promoted through the new <a href="HappyInHealthcare.org website">HappyInHealthcare.org website</a>. This tool is being promoted to schools, parents and the community. It is a one-stop shop for anyone to learn more about health careers, as well as Kansas schools offering health care programs, scholarships and financial aid to help students get a health care credential with little to no out-of-pocket expenses. We also have enhanced preceptor training and developed a health care apprenticeship program, which should help retain employees.

Trustees and other hospital leaders are pivotal in stimulating interest and awareness of health care careers in our communities. Think about how you encourage more Kansans to pursue a rewarding, exciting and dynamic career in the health care community, leading to better patient care and a more robust health care system. Education and career paths are often significantly impacted by a student's interaction. We hope you can be an influencer for the health care workforce in Kansas.

## Hospital Finance Basics Series – An Excellent Resource for Trustees

The Kansas Hospital Association wants to help explain complex issues ... including hospital finance. It is a fact that reductions or leveling in reimbursements, coupled with increasing numbers of uninsured and underinsured, have created a difficult environment to meet the need for adequate yet affordable health care. This new series is designed to help board members, health care staff and the public understand the nuances of hospital finance.

The <u>first publication</u> in the series, designed to give an overview of different financial elements within the health care industry, focuses on revenue. Hospitals must generate revenue to provide their community with crucial health care services. The complex system of hospital financing includes a variety of revenue sources. A large portion of hospital revenue comes from government programs. The payment rates for these programs are set by law and typically do not cover the full cost of care. This brief provides an overview of government and other hospital revenue sources and explains the challenges of public payer underpayment.

The <u>second publication</u> examines hospital costs – the resources necessary to provide high-quality health care services. Hospital care is a labor-intensive and slim-margin business. Hospitals rely on their highly skilled and dedicated workforce to provide advanced levels of health care services. Employee salaries, wages and benefits make up about half of Kansas hospitals' total costs. Supplies accounted for another 20 percent of costs.

The <u>third publication</u> focuses on EMTALA. The Emergency Medical Treatment and Labor Act requires hospitals with emergency departments to provide three responsibilities regardless of a patient's ability to pay:

- Medical screening examination
- Stabilization of patient
- Transfer or acceptance of patients

The <u>fourth publication</u> is focused on understanding a hospital bill. Hospitals deal with more than 1,300 insurance plans, each with many different plan options. For instance, in the Federally Facilitated Marketplace program, there are approximately 120 unique insurance plans offering more than 75,000 health plan options. This leads to multiple coverage, authorization and billing requirements for hospital bills. This publication explains hospital charges versus payments and how to read a hospital bill.

Additional publications are planned in this Hospital Finance Basics Series. Please contact Shannan Flach, KHA, at (785) 233-7436 with additional hospital finance questions.

#### Safety Speaks Podcast – Unifying Hospital Boards on Quality and Safety

Hospitals and health systems never stop working to advance patient safety while collaborating and innovating for the best quality outcomes. The American Hospital Association has launched an Advancing Health series where hospital and health system leaders share successes from their organizations' patient safety efforts. In this new "Safety Speaks" conversation, Harry S. Smith, board chair of Valley Health System and member of the AHA Committee on Governance, discusses how their organization rearranged its governance system to ensure quality and patient safety standards were met.

To learn more and sign up for the Patient Safety Initiative, please visit <a href="https://www.aha.org/aha-patient-safety-initiative">https://www.aha.org/aha-patient-safety-initiative</a>.



#### **340B Drug Discount Program Supports Kansans**

Kansas hospitals play an essential role in the Kansas health care delivery system. For instance, there were more than 264,000 discharges in the 122 Kansas community hospitals in 2023. Kansas hospitals are committed to providing compassionate health care to all Kansans. While firm on that commitment, many challenges are starting to test every hospital's ability to maintain that promise.

It is well documented that Kansas hospitals, especially those in rural areas, are financially struggling. A recent study by the Center for Healthcare Quality and Payment Reform suggests that nearly 700 rural hospitals across the country are at risk of closure. Unfortunately, Kansas ranks second in the country with the number of at-risk hospitals (57), only trailing Texas (77). The causes of the financial struggles are multi-faceted and include soaring labor and supply costs, growing uninsured rates, stagnant reimbursement and reductions in important programs such as the 340B Drug Discount Program.

The 340B Drug Discount Program, started in 1992, requires drug manufacturers participating in the Medicaid program to offer discounted drugs to certain hospitals and federally qualified health centers. In Kansas, 94 hospitals participate in the 340B Drug Discount Program, of which 84 are small, rural hospitals. Congress created the program in 1992 to extend to safety-net providers the same kind of relief from high drug costs that Congress provided to the Medicaid program with the Medicaid rebate law, allowing these providers to "stretch scarce federal resources as far as possible, reaching more eligible patients and providing more comprehensive services."

Unfortunately, drug manufacturers have recently started decimating the 340B Drug Discount Program by limiting the number of pharmacies a hospital may contract with. These actions are jeopardizing Kansans' ability to access needed prescriptions and other vital health services.

Fortunately, Kansas lawmakers recognized the drug manufacturers' harmful actions and have appropriately responded to ensure the further reduction of the 340B Drug Discount Program is paused. During the recent 2024 Kansas legislative session, the Kansas Legislature approved a budget proviso requiring drug manufacturers to honor 340B pricing at contract pharmacies under the Consumer Protection Act of Kansas. Kansas hospitals appreciate Governor Laura Kelly's and the legislature's actions in supporting their local hospitals, federally qualified health centers and independent pharmacies from the profit-padding drug manufacturers. Keeping programs like the 340B Drug Discount Program intact will benefit our Kansas health care system and Kansans.

On July 1, 2024, pharmaceutical companies Abbvie and AstraZeneca filed separate lawsuits against Kansas Attorney General Kris Kobach over the 340B protections passed during the 2024 Kansas legislative session. The lawsuits seek to prohibit Attorney General Kobach from enforcing violations of the Kansas Consumer Protection Act by drug manufacturers enrolled in the 340B federal drug discount program.

The Kansas Hospital Association is in close communication with the AG's office and works closely with the American Hospital Association, legal counsel and partners such as the Community Care Network of Kansas, Kansas Council of Health System Pharmacists and Kansas Pharmacists Association to defend 340B protections in Kansas.

Thank you for your ongoing support as we fight to protect 340B in Kansas.

#### Trustees of the Year to be Recognized at the KHA Convention

It is with pleasure that the Kansas Hospital Association recognizes hospital trustees who provide outstanding contributions through their leadership and governance. Hospitals across the state nominated individuals for the Trustee of the Year Award because they routinely go above and beyond the call of duty. Seven trustees from hospitals and health systems across Kansas were nominated as Trustees of the Year:

- Terry David, Hospital District #1 of Rice County, Lyons
- Jared Estes, Via Christi Rehabilitation Hospital, Wichita
- Matt Floersch, MD, Ascension Via Christi Hospital Manhattan, Inc., Manhattan
- Debbie Palacioz, NMC Health, Newton
- Dan Palmgren, Satanta District Hospital, Clinics & LTCU, Satanta
- Kenton Weltmer, Smith County Memorial Hospital, Smith Center
- Sister Pam Young, Ascension Via Christi Health, Inc., Wichita

These trustees will be recognized during the KHA Awards Ceremony on Sept. 5, 2024, in Overland Park. One trustee will receive additional recognition and a donation in his/her honor to the foundation of their choice. To learn more about this award and see photos of the nominees, go to our website. Here is a little more about these exceptional leaders:

Terry David has served on the board at Hospital District #1 of Rice County for 21 years. He has served as Chairman, Vice-Chairman, Secretary and Treasurer. Terry fosters collaboration between the board, administration and medical staff and has been pivotal in strengthening the relationships with other local health care partners. In addition, Terry has been recognized as an advocate for communities by serving as a county commissioner. Through his leadership on the commission, Terry has brought structure and level-headed governance that has allowed for business growth opportunities and collaboration between the county and local city governments. Terry's leadership style can be characterized as "leading by example." He doesn't give direction or guidance from the sidelines but fully immerses himself in the task or project.

Jared Estes has served on the board at Via Christi Rehabilitation Hospital for nine years. Jared brought a unique patient perspective to board governance and board discussions. As a young man, Jared was involved in a tragic car accident that killed his wife and left him with burns on more than half of his body. This terrible event turned him into an advocate for burn patients and rehab services. He now tours the country, speaking on behalf of this vulnerable patient population wherever he can raise his voice. His message has been spread through schools, hospitals and other organizations. His purpose as a motivational speaker shedding light on these patients is fueled by a goal to decrease their suicide and alcohol-related deaths.

Matt Floersch, MD, has served on the board of Ascension Via Christi Hospital Manhattan, Inc. for eight years. He has served as chairman, vice-chairman, secretary and treasurer. Dr. Floersch has led partnership discussions, assisted with evaluating acquisitions and program changes and is a consistent voice of calm and reason as the hospital navigates operational challenges. He advocates for the community and strongly encourages collaboration with entities like Konza Prairie (FQHC), Pawnee Mental Health Services and other providers. Dr. Floersch is well respected by his peers. He is seen as collaborative, fair and focused on the greater good. Additionally, he is the medical director for Meadowlark, a local senior community and has distinguished himself for his care of the elderly and willingness to focus on geriatric care.

Debbie Palacioz has served on the board at NMC Health for 12 years. She has a proven track record of leadership and service in the community. During board meetings, Debbie is fully present and engaged. Her unwavering personal values speak volumes when the board considers current and future actions. While defending the mission, vision and values of the hospital, she is inquisitive and sensitive to how the hospital's work and relationships serve hospital constituents. She asks the hard questions. She is part of a board that ensures a generous financial assistance program. She supports the hospital's relationships with community partners in a way that protects the interests of all concerned. Integrity is her watchword, and she is highly respected as a result.

Dan Palmgren has served on the Satanta District Hospital, Clinics & LTCU Board for 24 years. Dan is a small business owner and has been a pillar of the Satanta community since 1983. His leadership extends to the Satanta District Hospital Board, where he has been the board chair since January 2018. Dan's business knowledge and unwavering commitment to his community have provided exceptional leadership to the SDH Board. You will not find a stronger advocate for local health care than Dan. Health care is not always glamorous. Sometimes, you must make difficult decisions that the public may or may not understand. Dan and the SDH Board work hard to ensure every decision is not only in the best interest of the hospital but also the community in which they serve.

Kenton Weltmer has served on the Smith County Memorial Hospital Board for 12 years. Kenton demonstrates exceptional leadership in hospital governance. As chair, he is instrumental in guiding the hospital through challenges and ensuring its ongoing success. His strategic vision and commitment to rural health care were crucial in constructing Smith County Memorial Hospital's leading-edge facility that opened in 2018. His expertise and guidance were invaluable in navigating the complexities of this ambitious project, resulting in a state-of-the-art health care institution. Additionally, his dedication to the hospital's financial stability has been remarkable. In an increasingly challenging economic environment for Critical Access Hospitals, his astute decision-making and fiscal prudence have been crucial in maintaining the hospital's strong financial health.

Sister Pam Young has served on the board at Ascension Via Christi Health, Inc. Wichita, for 28 years. Sister Pam has served Via Christi for nearly three decades, most recently completing six years on the health care system's board of directors. This includes a seat on the executive committee, chairing the mission committee and sitting on the governance, quality and patient safety committees. During her years at AVCH, including the COVID-19 pandemic, Sister's stoicism remained as she confidently introduced new perspectives and insights to a challenging time. As a part of the board's quality and patient safety committee, Sister Pam contributed guidance and counsel to leadership with holistic, high-quality care in mind. That guidance was the prelude to four hospitals earning the coveted Leapfrog "A" grade for patient safety in 2024.

Please join me in congratulating all our 2024 Trustee of the Year nominees. Thank you for making a difference. We hope you will be able to join us to celebrate their commitment and leadership during the <u>KHA Awards Ceremony</u> on Sept. 5 in Overland Park.

#### We Look Forward to Seeing You at the KHA-PAC Events!

(July 2024) – Did you know that state and federal governments pay for more than half of Kansas hospital care and regulate 100 percent of Kansas Hospital Association activities? That's why your participation in the KHA Political Action Committee is so important. Elected individuals with a passion and understanding of hospitals' unique role in their communities are critical. Your individual contributions to the KHA-PAC are used to support those who champion our issues. We appreciate all of our PAC donors – we couldn't do it without you!

KHA is excited to announce many ways for you to meet your KHA-PAC goals this year. Below are the ways we hope you will participate and contribute to the KHA-PAC.

KHA-PAC Golf Scramble – 8 a.m. shotgun start – Aug. 23 at the Salina Country Club



- Sponsor a Hole: \$750 Hole Sponsorship (Includes up to four players)
- Register as an Individual Golfer: \$150 to register as an individual player
- <u>Cheering Section</u>: Join us for lunch and drinks and cheer on the golfers when they return \$40
- Unable to attend but wish to donate a raffle item. Email tmays@kha-net.org

Thank you to our luncheon and our refreshments sponsors:





Thank you, Event Chair George Stover, Hospital District #1 of Rice County.

KHA-PAC at KHA's Annual Convention and Trade Show – Sept. 4 - Sept. 6, Sheraton Overland Park and Overland Park Convention Center – <u>Sign-Up Here</u>

- Wine/Bourbon Pull: KHA PAC will again be hosting a wine and bourbon pull for guests.
  - Buy a Bottle
  - Donate a Bottle
- Silent Auction: KHA PAC will again be holding a silent auction during the convention
  - Donate Auction Items
  - Bid on Auction Items

KHA-PAC Night at the Museum – 4:30 p.m. to 7:30 p.m. – Sept. 24 – Johnson County Museum Enjoy happy hour and a tour of the Johnson County Museum. <u>Buy your tickets</u>: \$50 per person. Thank you, Event Chairs Molly Haase of AdventHealth and Connor Stangler of Children's Mercy Kansas City.

### Become a Contributor Anytime

Visit the <u>KHA-PAC website</u> for additional information, including suggested contribution levels. If you have questions about the KHA-PAC or how to get involved, please contact <u>Tara Mays</u> at (785) 969-9270.

#### Has Your CEO Been Introduced to All KHA Can Offer?

Each January and July, the Kansas Hospital Association has the privilege to host a new CEO orientation. This is a semi-annual gathering of CEOs who have recently taken on their position in a Kansas hospital. This event is a great opportunity to meet other CEOs around the state, to learn more about Kansas, and the KHA resources available to members. In addition to information on advocacy, health care finance and reimbursement, workforce, regulatory issues, quality, data, education and communication, CEOs met with Representative Kenny Titus (R-Manhattan) to learn more about the Kansas Legislature and to tour the Kansas Capitol.

KHA staff thoroughly enjoyed getting to know the new CEOs and are grateful they took time out of their busy schedule to join us in Topeka. Thank you to:

- Jared Abel, Amberwell Health, Atchison and Amberwell Health, Hiawatha
- Camille Davidson, Stanton County Hospital, Johnson
- Kara Fiske, CKF Addition Treatment, Salina
- Marley Koons, Kearny County Hospital, Lakin
- Billie Leonard, Saint John Hospital, Leavenworth
- Jeff Van Dyke, Rooks County Health Center, Plainville
- Tanner Wealand, McPherson Hospital, Inc., McPherson

We also greatly appreciated the participation of KHA Board Chair Bobby Olm-Shipman, Saint Luke's South Hospital, Overland Park, and KHA Board Chair-Elect George Stover, Hospital District #1 of Rice County, Lyons, for attending the meeting to share their perspectives of the Kansas health care system and value of KHA.

If you want your CEO to join us in January, contact <u>Cindy Samuelson</u> or <u>Susan Pattie</u> at (785) 233-7436.

### We CARE We VOTE

Advocacy is at the heart of every service KHA provides for members. Whether educating, advocating or relationship-building, we look for ways to assist federal, state and local policymakers in understanding the issues essential to hospitals. Part of KHA's advocacy efforts is encouraging members to vote and be involved in the process. We invite you to use our readymade 2024 We CARE We VOTE campaign to mobilize your hospital's employees in this important election year.

<u>We CARE We VOTE</u> is a statewide initiative to empower and educate health care workers about how they can get out and vote during the 2024 elections. The campaign encourages hospital employees to participate in the 2024 elections to show elected officials and candidates we care – for our patients, our communities and our local and state economies.

As you know, the 2024 elections will be critical because the leaders we elect will make important decisions concerning the future of health care – and, ultimately, the future of Kansas hospitals. Leading up to the Kansas Primary Election on Aug. 6, and the General Election on Nov. 5, we encourage you to call on hospital employees, physicians, trustees, vendors and volunteers to join together to make the voice of the industry heard through the We CARE We VOTE campaign.

Together, Kansas hospital employees are more than 100,000 people strong. Your team is in a powerful position to make a difference with their votes and their voices as advocates for better health. The Kansas Hospital Association is here to support those efforts, and we encourage you to use the 2024 We CARE We VOTE advocacy toolkit to promote the importance of electing leaders who prioritize healthy Kansas populations and healthy Kansas economies.

A customizable multimedia toolkit is available for download in a <u>new box folder</u>. PDFs are at <u>kha-net.org</u>; click on <u>Advocacy</u>, <u>We CARE We VOTE</u>. As always, if you have questions or need additional assistance, please contact KHA at (785) 233-7436.

## **Federal Advocacy Update**

While presidential politics dominate the airwaves, now is a good time to take stock of where things stand, mid-year, on the Hill. House Speaker Mike Johnson (R-LA) intends to pass all 12 annual appropriations bills to fund the federal government for the fiscal year 2025. Typically, these 12 bills get bundled together for final passage into "minibus" legislative packages or a gigantic, full-budget "omnibus" bill. By taking each bill individually, however, Speaker Johnson is allowing members of the House to take on issues with each and possibly vote them down. So far, all 12 bills have been marked up by the House Appropriations Committee, but only three have passed the full House. So far, two of these bills have failed on final passage votes.

Earlier this month, the House Appropriations Committee reported its fiscal year 2025 Labor-Health and Human Services-Education Appropriations bill to the full House on a party-line 31-25 vote. It contains mixed results for the hospital community. It represents an overall spending cut of 11 percent year over year from FY 2024, and most of these cuts are directed at the Centers for Disease Control and Prevention and Health Resources and Services Administration. Conversely, rural health initiatives received a \$36 million increase (to \$401 million), and the bill prohibits any funds from being used to implement the Biden Administration's final rule regarding long-term care minimum staffing requirements. While it is possible the House may take up this bill in August, it is unlikely to become law before the end of the federal fiscal year on Sept. 30, 2024. More information on the contents of the so-called "Labor-H" bill is online.

The current political dynamic in Congress is such that Republicans feel comfortable passing partisan appropriations bills they believe will set the table for accomplishing their priorities in 2025. Democrats are less likely to bring their appropriations bills to the floor in the Senate. Because of this dynamic, Congress is likely hurtling toward an FY 2025 continuing resolution to fund federal agencies through the beginning of 2025 at FY 2024 levels.

As the presidential election kicks into high gear, Congress has little time left in 2024 to pass substantive legislation. However, some things must happen by the end of FY 2024, including Congress waiving the additional 4 percent PAYGO cut to sequestration levels in Medicare reimbursements that would otherwise start in FY 2025. Other priorities that hospitals oppose—such as site-neutral payment schemes—are likely to fall by the wayside.

With the primary elections right around the corner, we hope you will share the importance of voting with your employees and communities. The <u>We CARE We VOTE toolkit</u> has several customizable resources to do just that. And, if you like podcasts and want to learn more about what is happening in Washington, listen to our recent federal podcast produced by Audrey Dunkel and Landon Fuller. Learn more about our <u>federal advocacy initiatives</u>, and keep us posted if you have questions or need assistance.