KAMU strength unity advocacy
THE PRIMARY CARE ASSOCIATION OF KANSAS

Testimony in Support of HB 2180
House Appropriations Committee
February 15, 2017

Chairman Waymaster and Members of the Appropriations Committee, my name is Denise Cyzman. I am the Executive Director of the Kansas Association for the Medically Underserved (KAMU). Thank you for the opportunity to present testimony in support of HB 2180.

As the federally-designated Primary Care Association of Kansas, KAMU has the honor to serve 44 primary care safety net clinics. KAMU and its members believe Kansas should be a state where all individuals have access to comprehensive, affordable, and quality health care. In 2016, KAMU member clinics served more than 261,000 patients through approximately 786,000 visits.[1]

While the size, funding, and infrastructure of our member clinics vary, they all have a common mission to provide health care services without regard for the patients' ability to pay. This system is truly a safety net, as the majority of clinic patients are uninsured or have Medicaid/CHIP as their health insurance. Over time, the Kansas primary care safety net system is becoming the provider of choice for the Medicaid/CHIP population. In 2015, 29% - or 76,367 patients– received health insurance through Medicaid and CHIP. Contrast that to 22% or 12,133 Medicaid/CHIP patients in 2006. In the past ten years, we have experienced a growth in the number of Medicaid/CHIP patients served per year that has exceeded 500%.

The state's commitment to the Kansas primary care safety net system has been and continues to be important. The clinics support their services through many different funding mechanisms, including state primary care clinic grants and reimbursement from Medicaid/CHIP. Yet, even with this, the system provided $41 million in uncompensated care in 2015 – care that must be covered by the safety net clinic working extremely efficiently and with a low financial margin.

The preservation of the safety net was put at risk when the 4% provider cut was enacted in July. While the federally qualified health center and rural health clinic encounter rates were exempted, the services they provide that are fee for service were not spared the cut. And, KanCare payments to our non-FQHC clinics were effected in exactly the same way that other providers experienced the cut. Our concern regarding the cut is two-fold. As previously stated, the safety net clinics operate at a minimal margin, while they must provide services to all patients regardless of ability to pay. Reducing payment for services threatens their ability to remain financially viable. Add this to recent and potential future cuts to the primary care clinic grants, it will become increasingly difficult for the clinics to provide services in the same way. They may also have diminished capacity to serve the uninsured. One wonders if this could even mean that some of our clinics would need to close their doors.

[1] KAMU Quality Reporting System, State Grantee Preliminary Data, 2016. Accessed on 1.29.17.

Secondly, the 4% provider cut is likely to reduce overall access to care. As other primary care, dental, and specialty providers reconsider their willingness to serve KanCare patients, access to care will be diminished. The burden on the safety net system will increase even more. Fewer providers in a community mean that more individuals and families will turn to the safety net clinics for their primary care and dental services. While this is not necessarily a bad thing – as we provide high quality and affordable care – the safety net clinics may not have the current capacity to serve patients who were otherwise served in their communities. This could mean that safety net clinic patients will have to wait longer for services or may not have access to services at all. This means that the already stretched safety net clinic system will be asked to do more with less. This cannot be good for our clinics, the patients and communities they serve, or for Kansas.

Increasing the health maintenance organization privilege fee and extending the medical assistance fee fund would create around $83.3 million in additional funds to offset the 4% Medicaid provider cut. This investment back into the health care system strengthens the entire structure of health care provided to not only Medicaid patients but all Kansans.

We support HB 2180 in order to restore the 4% provider cut as soon as possible.