



...because your life matters

TO: Members of the House Appropriations Committee

FROM: Bruce Witt
Kansas Chief Advocacy Officer
Via Christi Health

SUBJECT: Testimony in support of House Bill 2180

DATE: February 15, 2017

Good morning Chairman Waymaster and members of the committee. My name is Bruce Witt with Via Christi Health in Wichita, Kansas. Via Christi is the largest healthcare system in our state and serves Kansas through our 10 owned or co-owned hospitals, physician clinics, and outpatient ancillary and retail (home based services).

We are testifying in support of House Bill 2180 and appreciate the opportunity to provide an overview of the financial challenges we are currently experiencing as a result of the reimbursement cuts under KanCare that went into effect on July 1, 2016. These reimbursement cuts have had a crippling effect on our organization and have resulted in a negative financial impact to Via Christi of approximately \$6.6 million annually. The Administration's decision to reduce healthcare provider reimbursement under KanCare to balance the state budget was implemented with very little notice, thus was something we were not able to fully anticipate and immediately put us in a negative margin. As a result, this action threatens access to care for all Kansans and is creating an intense financial strain on hospitals and health systems. These KanCare reimbursement cut are on top of the \$43 million in annual Medicare cuts we have been absorbing since 2013. This very challenging healthcare reimbursement environment has put Via Christi in the unfortunate position where we have has to reduce our workforce by 650 positions over the last four years.

Notwithstanding these reimbursement challenges, Via Christi provided \$ 91.8 million in charity care in the 1st and 2nd quarter of FY 17 alone, which is significantly more than we budgeted. In addition, the unpaid costs for healthcare services we provided were \$28.4 million, also significantly over budget for the first 2 quarters.

These reimbursement cuts combined with the staggering increase in charity care and unpaid costs of KanCare services which we subsidize are placing Via Christi in the unfortunate position of considering whether we will be able to continue the same services we provide to KanCare beneficiaries in the communities we serve. If these cuts result in a reduction in access to

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primary care physicians or the elimination of vital services, it will affect all Kansans, not just *because your life matters* KanCare beneficiaries. This is why this program needs to be improved administratively and funded appropriately, and done so very soon.

Thank you for inviting us to share this testimony with your committee today and would appreciate your favorable consideration of House Bill 2180.