



**Testimony of Dennis George on behalf of Associated Purchasing Services
In Support of Sub for SB 69
Before the House Committee on
Energy, Utilities and Telecommunications
March 19, 2019**

Thank you for the opportunity to present testimony in support on Senate Bill 69 on behalf Associated Purchasing Services, Inc. ("APS").

APS is a healthcare solutions organization owned by the Kansas Hospital Association and the Missouri Hospital Association. APS membership encompasses facilities in Kansas, Missouri, and the Midwest region. APS members include community hospitals, physician clinics, long-term care and behavior health organizations.

APS increases contracting efficiency and reduces overhead costs for its members by coordinating the research and development of product and service contracts. One of APS's core functions is to assist members with utility purchasing and service options with a goal of moderating these substantial costs.

APS members operate within very strict budgetary limitations and must monitor every expense closely. One rising cost for hospitals is that of electric service, which is a very significant component of overall facility costs. Our organization does everything it can to advise member hospitals and minimize utility costs. However, despite our best efforts, the cost of electricity service has increased dramatically for Kansas hospitals over the past 10-15 years. No amount of "best practices" or investments in energy efficiency can keep up when our incumbent utility providers' prices increase 60%-75% over such a short period of time. These utility costs are straining hospitals' already-tight budgets, and legislative action is needed.

Senate Bill 69 is a reasonable – and necessary – path forward. This bill looks at the reasons for our high-cost electricity service. But, more importantly, it will study potential solutions to the problem through an independent study. Kansas hospitals and other healthcare businesses cannot afford to just wait and hope for utility costs come down. We need our policymakers to proactively seek solutions. For the good of the Kansas economy – and to preserve the great quality of life in our State – I ask that you address this issue by passing Substitute for Senate Bill 69.

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