



January 23, 2020

To: Senate Public Health & Welfare Committee:

Thank you for accepting my testimony in support of SB 252 today. My name is Dennis Franks and I am the CEO of Neosho Memorial Regional Medical Center in Chanute and past chair of the Kansas Hospital Association Board of Directors. I am testifying about what Medicaid expansion can do for critical access hospitals. We are a 25 bed hospital with 399 employees and \$5,600,000 in uncompensated care last year. Expansion would give an estimated 400 more Neosho county residents coverage and provide an estimated \$2.7 million in health care revenue for Neosho Memorial annually.

We know that Medicaid expansion on its own will help all hospitals, but the impact on rural hospitals is more profound. New revenues due to Medicaid expansion would equal about 18 percent of uncompensated care costs for urban hospitals. That number is 26 percent for rural hospitals and 44 percent for frontier hospitals – hospitals that serve communities with the lowest population density in the state. Often, these are the hospitals that struggle just to maintain health care in their small communities. Not only will Medicaid expansion provide financial resources to help maintain these facilities, the Rural Hospital Transformation component of SB 252 will provide resources for hospitals and communities as they work with KHA toward a sustainable future.

I've talked to you about the hospital, but let's talk about the people, because that is what its really about. We have had 656 patients apply for our charity care policy, which provides a discount for those with income below 150% - 300% of the federal poverty level.

Without this help these individuals will become worse off because they will stop seeking care and later end up paying more in our emergency department.

People say that healthcare is expensive and complicated. It is, but it is not a problem Kansas hospitals created it is a trifecta created by the Accountable Care Act, Sequestration, and not being able to pass Expanded Medicaid.

In my opinion, there is nothing better than the Senate Public Health and Welfare Committee could do for the hard working people of Kansas then send to the Senate floor a clear SB 252.

Respectfully,

A handwritten signature in black ink, appearing to read "Dennis Franks", is written over a horizontal line.

Dennis Franks, CEO