

## Opinion Editorial

# **KanCare Expansion Would Bring Cash to Rural Hospitals**

By Terry Deschaine

After 21 years as the chief executive officer of a hospital in Southeast Kansas, I moved back to my hometown in August 2012. I was appointed to the board of Sumner Regional Medical Center in August 2013, and I quickly learned exactly how desperate the hospital's situation was. The board seriously considered closing the hospital, but with financial support from the city and county, strong medical staff backing for needed operational changes, dedicated employees and amazing patient/community loyalty, we have taken steps to reverse the situation. But the hospital still is struggling with cash flow to maintain operations and pay debts.

As a former hospital administrator and current hospital board member, I implore our state leaders and lawmakers to expand KanCare, the Medicaid program that provides insurance coverage for low-income working residents. KanCare expansion would make a significant difference to Sumner Regional Medical Center's financial outlook, providing anywhere from \$600,000 to \$750,000 per year to pay for care that currently is being provided to the uninsured population eligible under Medicaid expansion. These low-wage earners and their families currently get needed medical services in the emergency room, the most expensive place to deliver care. Having access to preventive and primary care and a medical home would reduce costs and improve health.

KanCare expansion makes good economic sense and helps all of us. Kansans pay federal taxes, a portion of which was intended to support Medicaid expansion in the states. Many states have taken advantage of the federal funds, while Kansas has left nearly \$1 billion dollars on the table in the past three years. Ongoing federal cuts in Medicare and Medicaid in the Affordable Care Act were intended to be partially offset by Medicaid expansion. Kansas hospitals still are being cut, but there is no offset since the state has refused to expand Medicaid.

While not a "silver bullet," expanding KanCare is an important part of preserving access to hospital care across Kansas – and particularly in rural communities like Wellington.

A rural hospital is the lifeblood of its community. Without a hospital, a community usually cannot attract doctors, and an urgent care center can't replace a full-service hospital. Having to travel to another community for medical care when a young person is injured during a sporting event or an expectant mother goes into labor jeopardizes lives.

Rural hospitals are usually one of the top employers in a community. Their payroll -- \$6 million annually for Sumner Regional Medical Center – stimulates economic activity in the community, creating new jobs and generating sales tax revenue. The Kansas Hospital Association estimates that Sumner Regional's payroll generates more than \$1.7 million in economic activity annually in Wellington.

Sumner Regional is one of a few small, rural hospitals that is not classified as Critical Access, so it does not get 100 percent reimbursement from Medicare. Federal cuts in Medicare/Medicaid, the loss of a long-time beloved surgeon almost four years ago, and subsequent changes in our community's out-

patient physician clinic have had a negative effect on the hospital. Cash flow suffered when the hospital out-sourced billing and collections to a firm that was purchased by a larger company unresponsive to a small account. As a result, the hospital's accounts payable went up and bills could not be paid. Employees have not had raises in six years, and in fact took a 3 percent pay cut to help keep the doors open.

Following an operational audit this spring by Community Health Corp in Plano, Texas, and implementation of their recommendations, the hospital is improving its financial position, although it is still tenuous. Cash flow remains a problem.

Expanding KanCare would inject some much-needed cash into rural hospitals like Wellington's. I choose to live in rural Kansas, and I believe all Kansans – including those in rural areas – should have access to high quality health care close to home. Let's tell our politicians to expand KanCare and to help keep all Kansas hospitals financially stable.

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Terry Deschaine is a native of Wellington and a member of the board of trustees at Sumner Regional Medical Center. He was chief executive officer of a hospital in Southeast Kansas prior to his retirement.