



...because your life matters

TO: Members of the Senate Ways and Means Committee

FROM: Sam Antonios MD
Chief Medical Officer
Via Christi Hospitals Wichita, Inc.

SUBJECT: Testimony in support of Senate Bill 94

DATE: February 6, 2017

Good morning to you all. My name is Dr. Sam Antonios 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 Senate Bill 94 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 balance the state budget on the shoulders of healthcare providers 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.

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. Physicians that I talk to were already hesitant to take on additional KanCare patients and many now just wish to discontinue accepting KanCare patients. If we are forced to reduce access to primary care or eliminate vital services, it will



affect all Kansans, not just KanCare beneficiaries. This is why this program needs to be improved administratively and funded appropriately, and done so very soon. *because your life matters*

Thank you for inviting us to share this testimony with your committee today. We also want to emphasize our desire to collaborate with the both the administration and legislature to maintain a healthcare system in Kansas that is patient centered and delivers leading edge, high quality care to our citizens while improving the overall health of our population.