



**Kansas Hospital
ASSOCIATION**

TO: Senate Public Health and Welfare

FROM: Tara Mays, Vice President, State Legislative Relations
Jennifer Findley, Vice President, Education and Special Projects

DATE: February 16, 2021

RE: Senate Bill 175

The Kansas Hospital Association appreciates the opportunity to provide comments in support of SB 175. This legislation establishes the Rural Emergency Hospital as a provider type. This will allow Kansas hospitals to take advantage of action taken in December at the federal level establishing the Rural Emergency Hospital.

The Rural Emergency Hospital model provides ambulatory, initial assessment and interventional services. The REH is open to the community every day of the year to provide the consistent service array most needed by the community. It would focus its efforts on the primary care needs of the community, chronic disease management, and emergency services most needed but would allow the flexibility to add other services as determined by the facility and the community that the hospital serves.

Starting in 2012, KHA and its members have been examining these struggles and working on an alternative rural health model for Kansas communities. The result of this initiative was the Primary Health Center model which is almost identical to the Rural Emergency Hospital. Preliminary analysis suggests that more than 75 percent of current outpatients could be fully served in the new model. While still being finalized, the Medicare payment methodology for Rural Emergency Hospitals looks to help stabilize the financial situation of rural communities.

The Rural Emergency Hospital federal requirements state that in order for a facility to convert to a Rural Emergency Hospital, the hospital must be in a state that provides for licensing of a Rural Emergency Hospital. Kansas needs to update our licensure categories to include this new facility type.

To be eligible to participate in the REH model, a hospital must currently be a Critical Access Hospital or a Prospective Payment System Hospital with less than 50 beds in a rural designated area. This legislation doesn't force any hospitals towards the newly established model and doesn't prevent them from changing to other designations in the future.

While the REH may not be right fit for all communities, it is important that options are available for those hospitals that are in a financially vulnerable situation. We want to ensure that our Kansas statutes align with federal regulations to allow Kansas hospitals all the options available to them to provide the right care at the right time for their patients.

The health care delivery system in rural communities are a tremendous asset to Kansas, the communities they support, and the individual patients they serve. KHA and our member hospitals are committed to working on efforts that provide flexibility to rural hospitals as well as opportunities to implement alternative rural health models that sustain health care services in rural communities.

We appreciate the opportunity to share with the committee our thoughts on this important legislations and urge your support of SB 175.