



HB 2134

February 13, 2019

To: House Taxation Committee
Representative Steven Johnson, Chair

From: Karren Weichert, CEO
Midland Care Connection, Inc.

Chairperson Johnson and Members of the Committee,

Thank you for the opportunity to provide testimony on behalf of Midland Care Connection and to ask for your support for the request included in HB 2134 for sales tax exemption for our organization related to the purchase of tangible personal property and services.

Midland Care Connection has served northeast Kansas for more than 40 years. As a unique, nonprofit integrated community care organization providing multiple programs, we focus on care to the aging and indigent population. The service area extends across 21 counties in eastern Kansas serving both an urban and rural population.

Our services include hospice, inpatient care, adult day care, home health and home support services, home delivered meals to low income seniors, limited housing, and clinic and rehabilitative services as a PACE (program of all- inclusive care for the elderly). As a PACE provider, we are at full financial risk for all of our PACE participants including all medical and social support services as well as all medical specialties, acute inpatient care and long-term care placement should it become necessary. Under two of the programs we provide not only all the medical and supportive care needed but also are responsible by regulation to provide, coordinate and pay for all medical equipment, supplies, transportation and meal supplements. The majority of the patients we serve are at or below poverty level so we provide a significant amount of care through our fundraising efforts. Through memorials, special events, grants and bequests we raise approximately \$600,000 a year, and annually provide over a million dollars of charity or unreimbursed care.

There are other organizations that do bits and pieces of what we do, but Midland Care Connection is unique in the comprehensive nature of our programming, as well as, the significant geographic area we serve in Kansas.

There are hundreds of Kansas not-for-profits who are sales tax exempt. Many are already exempt because of their parent organization, religious affiliation or because they are operating as a department of a not for profit hospital. Our program deserves to be exempt as well. We serve the same populations often times even serving a higher need lower income population because of our commitment to the disenfranchised.

The impact to the state would be less than \$275,000 but the impact to our patients and families would be significant. It would mean 1,617 more days of hospice care; fifty five months of care for PACE participants; or 55,000 more home delivered meals.

An exemption from sales tax for Midland Care Connection, Inc., should not be considered a reduction in revenue to the state but rather an investment in care for some of our most vulnerable Kansas who otherwise may not receive the care they need.

Thank you again for the opportunity to present today. I'll be happy to stand for any questions.