KANSAS FEDERAL BUDGET REQUESTS

SAFEGUARD FEDERAL FUNDING FOR MEDICAID

Ensure Medicaid is fully funded to allow hospitals to continue serving the Medicaid, uninsured, and at-risk populations in their communities, including through support of the current FMAP rates, the Medicaid Disproportionate Share Hospital program, Upper Payment Limits and Directed Payments, and the financing sources that sustain them. The Kansas Congressional delegation should consider the impact of any transformation of Medicaid into a block grant program, especially regarding Kansas' KanCare and complex Medicaid provider tax programs. Any new federal proposal should preserve the integrity of Kansas' delivery systems.

CONTINUE THE ENHANCED MARKETPLACE PREMIUM TAX CREDITS

The enhanced premium tax credits are vital to making health insurance more affordable for nearly 160,000 Kansans and to reduce uncompensated care borne by hospitals. If Congress does not extend these enhanced tax credits, individuals, families and small businesses who buy their own health coverage could see a significant cost increase and risk losing coverage.

AVOID SITE-NEUTRAL PAYMENT SCHEMES AS AN OFFSET

Site-neutral payment schemes in Medicare equate hospitals with clinics. Hospital outpatient departments are not clinics, they are integral parts of organizations that must legally support emergency medicine under laws and regulations like EMTALA. If hospitals are treated like clinics for the sake of payment, clinics should, like hospitals, be required to operate 24-hour emergency room services.

WAIVE THE PAYGO REQUIREMENTS PERMANENTLY OR YEAR-TO-YEAR

When COVID-19 hit, Congress provided hospitals a two-year holiday from its two percent Medicare sequestration requirement.

However, Congress did not waive PAYGO requirements as part of this arrangement, so now in order to avoid the four percent cut going into place automatically, Congress must either waive it year to year or permanently. A cut of this magnitude would be catastrophic to hospitals. We support Congress including such a waiver in ongoing fiscal year budgets.

Federal Budget Requests Continued ...

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MAINTAIN 340B ELIGIBILITY FOR HOSPITALS IN NON-EXPANSION STATES

The DSH Exclusion Rule, implemented in 2023, prohibits hospitals in 1115 waiver states from counting uninsured patients whose care is funded by state uncompensated care cost pools in their Medicaid DSH population. In non-expansion states like Kansas, hospitals' 340B eligibility is at risk because the rule lowers the hospital's DSH percentage, which is necessary to qualify for 340B. The exclusion rule unfairly penalizes hospitals in non-expansion states. Congress should pass legislation allowing uninsured uncompensated care days to count towards Medicaid DSH for the purpose of 340B eligibility in non-expansion states.

HELP HOSPITALS MAKE PERMANENT OR REAUTHORIZE MDH/LVH RURAL HOSPITALS PAYMENT ADJUSTMENTS

The Medicare-Dependent Hospital program and the Low-Volume Hospital program's targeted payment adjustments are crucial to keep Kansas' health care provider network strong. The Kansas Hospital Association believes these policies should be made permanent since the MDH program and the LVH program adjustments have become critical to the financial health of hospitals providing care in rural Kansas, but short of that, they should be reauthorized for fiscal year 2026.

DELAY DSH CUTS

Medicaid Disproportionate Share Hospital payments are scheduled to be cut on Oct. 1, 2025, due to provisions of the ACA. For non-expansion states like Kansas, these cuts will harm hospitals that serve high numbers of uninsured and underinsured individuals.

EXTEND MEDICARE TELEHEALTH FLEXIBILITIES AND THE HOSPITAL AT HOME PROGRAM

The hospital at home program is a safe and innovative approach that allows patients to receive quality care in their homes, and this should not only be extended, but made permanent. Additionally, Congress should make permanent coverage of certain telehealth services made possible during the pandemic, including lifting geographic and originating site restrictions, expanding practitioners who can provide telehealth, and allowing hospital outpatient billing for virtual services.

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