

Provider Assessment Update

April 2026

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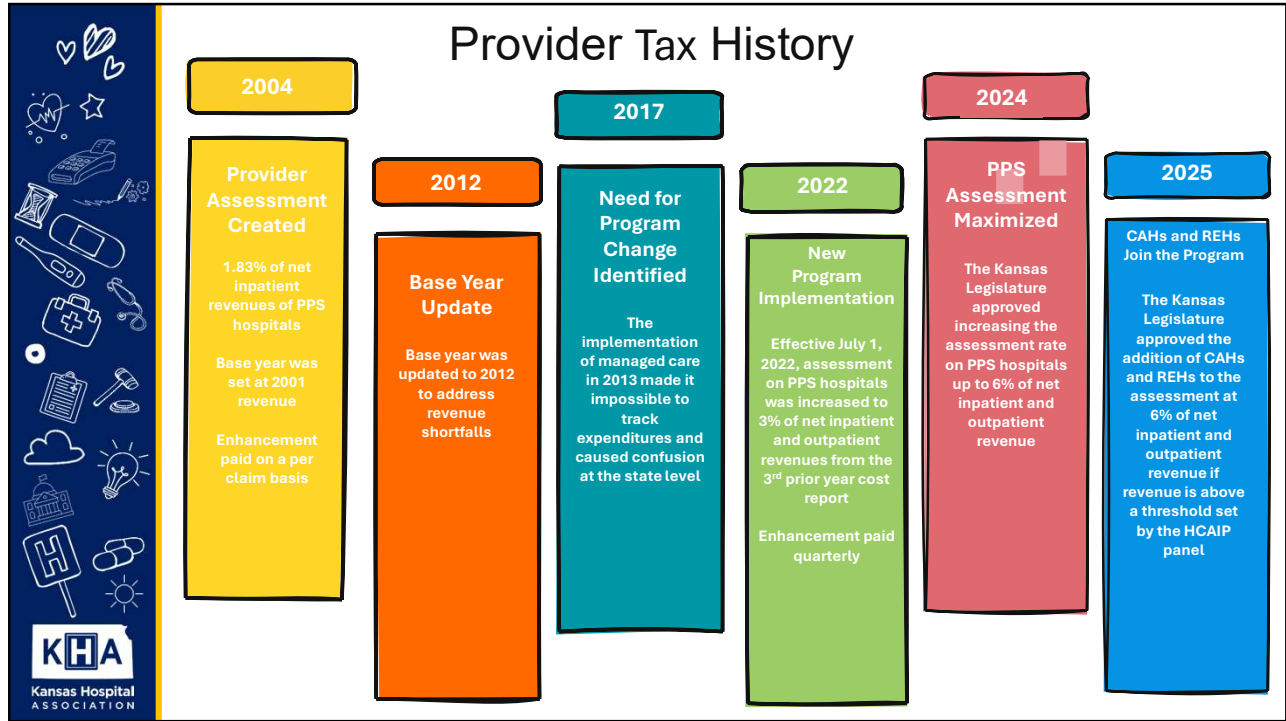
HCAIP?

Provider Tax?

Provider Assessment

Bed Tax?

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Current Program Details

- PPS hospitals (general hospitals and specialty hospitals) assessed a tax of 6% of inpatient and outpatient net revenues
- Children’s hospitals (Children’s Mercy) assessed a tax of 5.85% of outpatient revenues
- CAHs and REHs also pay the tax

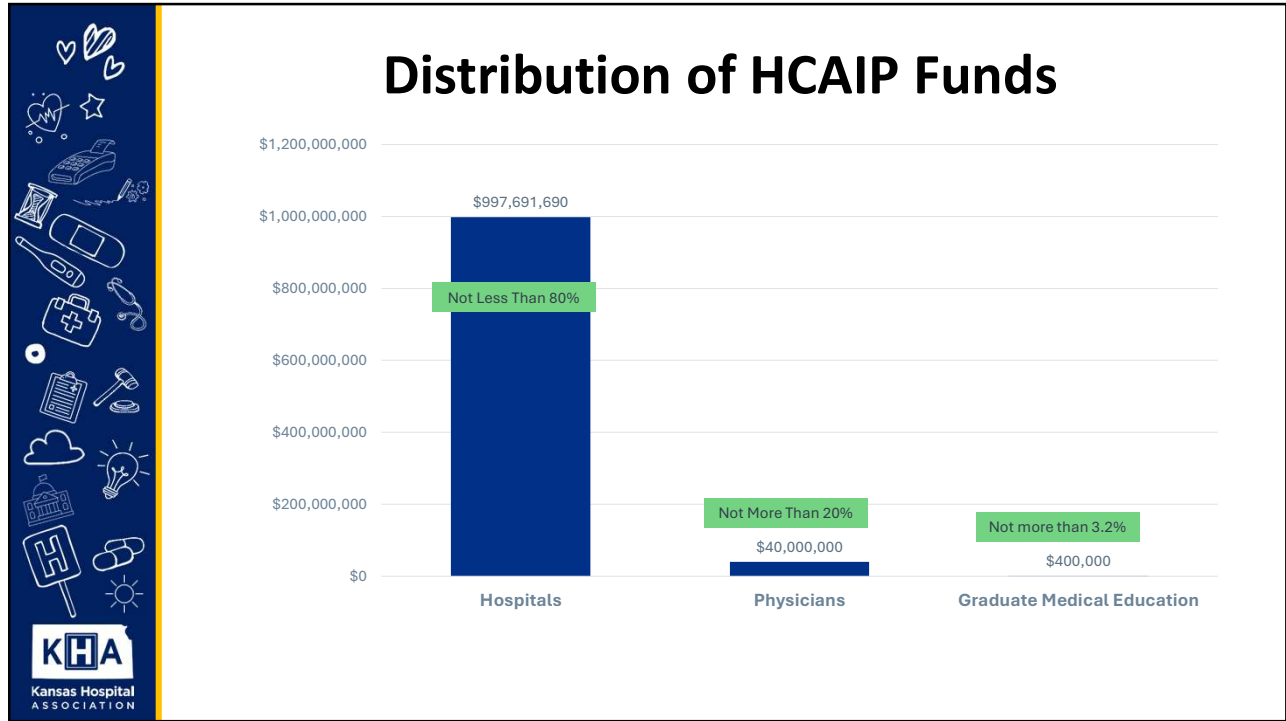
- The tax is calculated based on the third prior year net IP and OP revenues.

- Payments are made back to all hospitals in quarterly directed payments based on claims data from the 6 months prior quarter (reconciled annually)

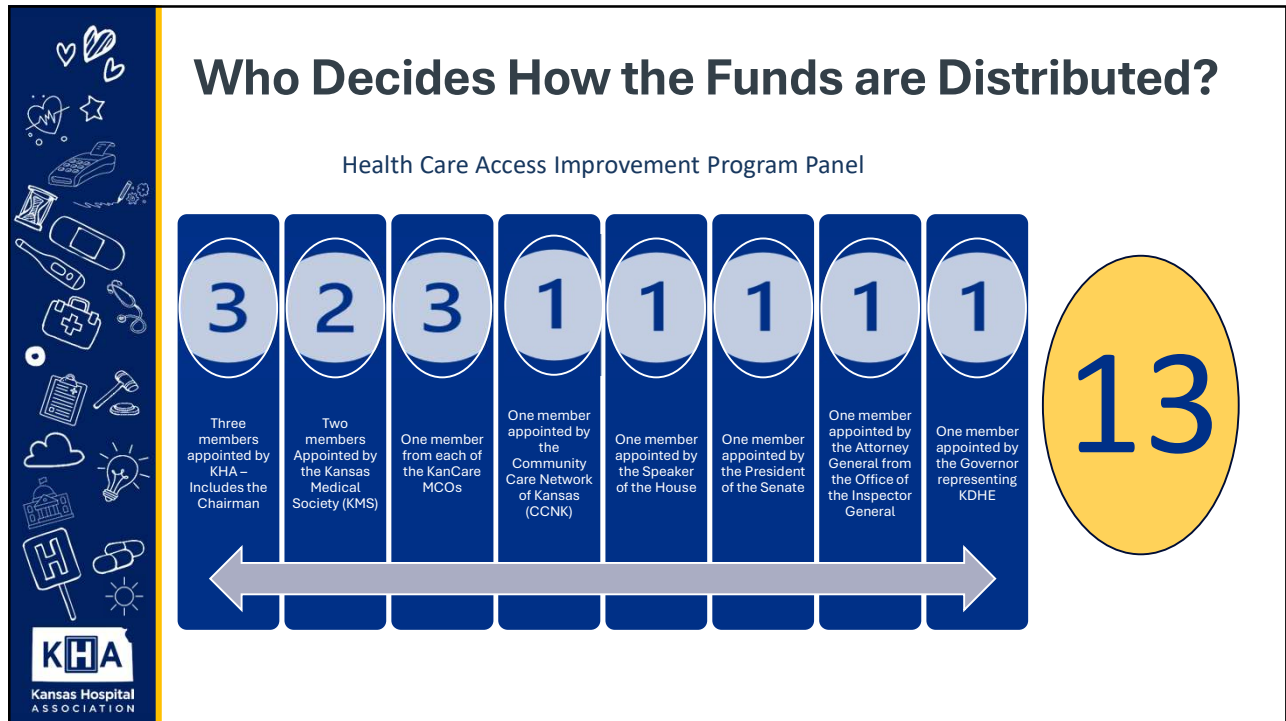
Dollars (tax+federal match) are paid back and split into 3 buckets

- hospitals receive no less than 80%
- physicians receive no more than 20%
- graduate medical education receives \$400,000 (tax funds only)

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What's Next?

2026

- April 30, KDHE Determines How to Address May 30 assessment payments
- May 2026 – 2026 Q1 Scheduled for Payment
- May 30, 2026 – Last half of 2026 provider assessment payments due from hospitals
- July 2026 – 2025 Quarterly Enhancement Payments will be Reconciled




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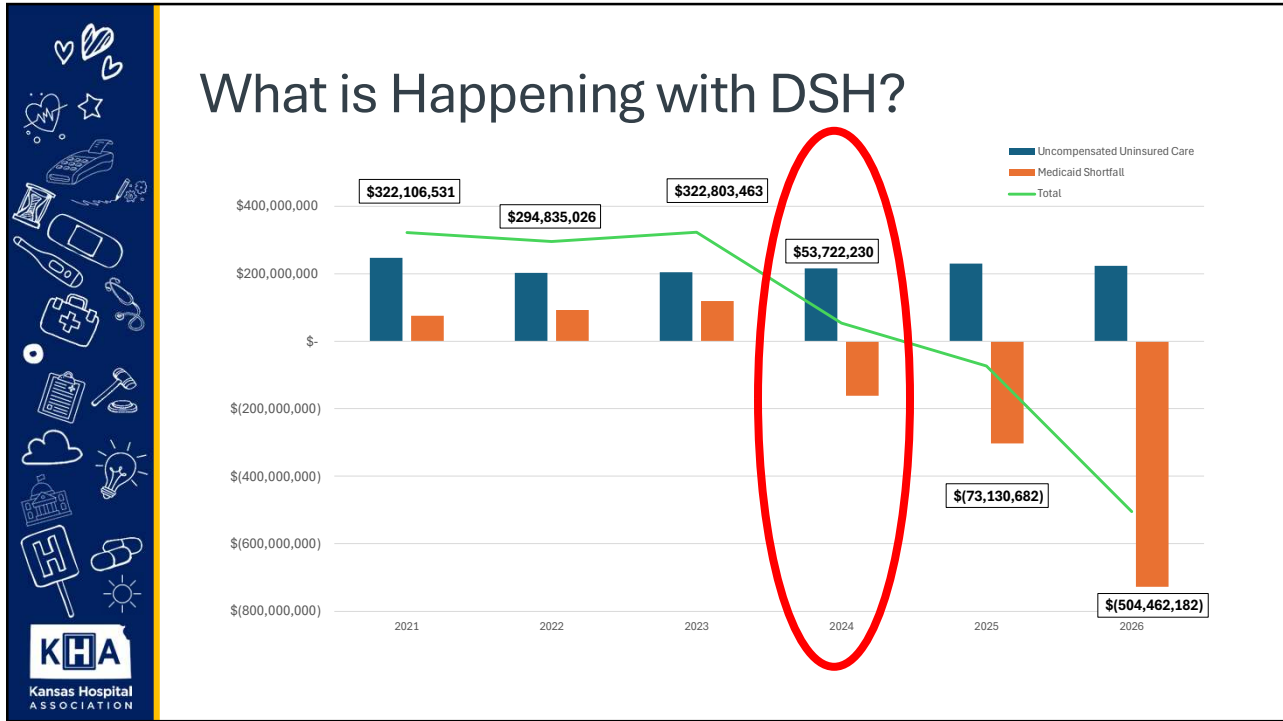
2027 and Beyond

Estimated Future Expenditures for Quarterly Enhancement Payments

Year	Estimated Future Expenditures
2027	\$1,179,111,145
2028	\$1,121,691,843
2029	\$1,064,272,540
2030	\$1,006,853,238
2031	\$949,433,936



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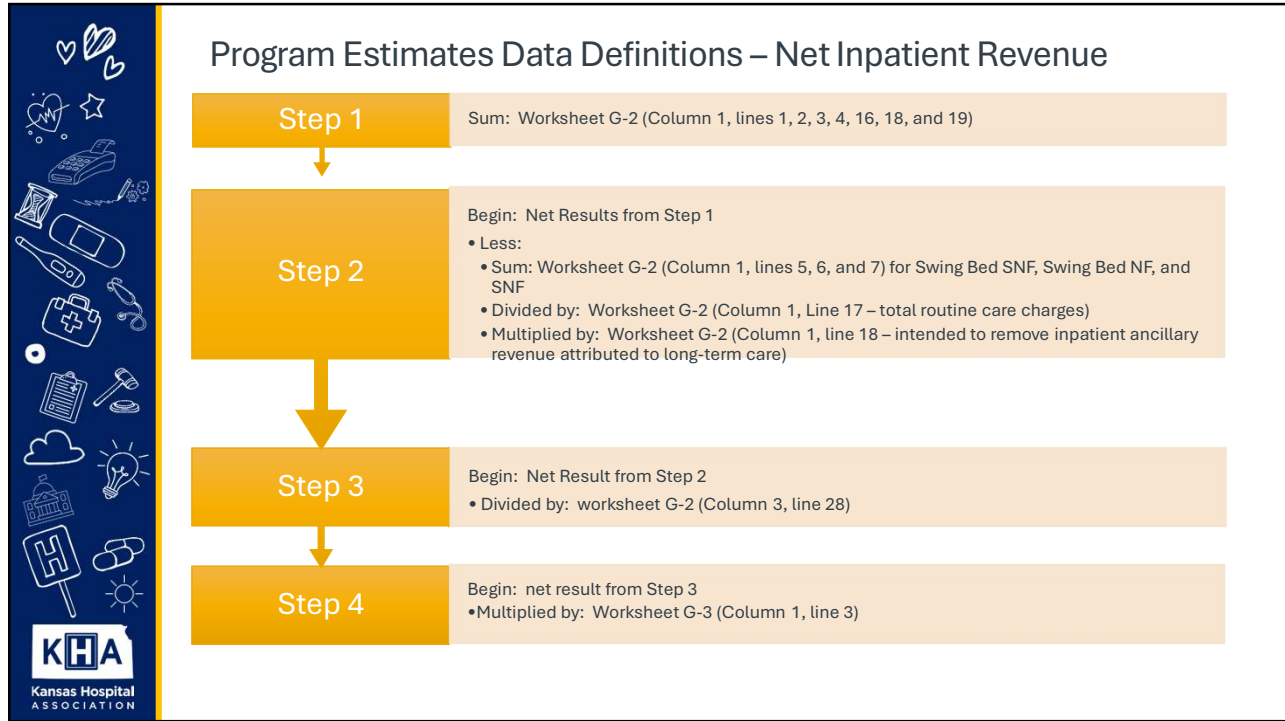


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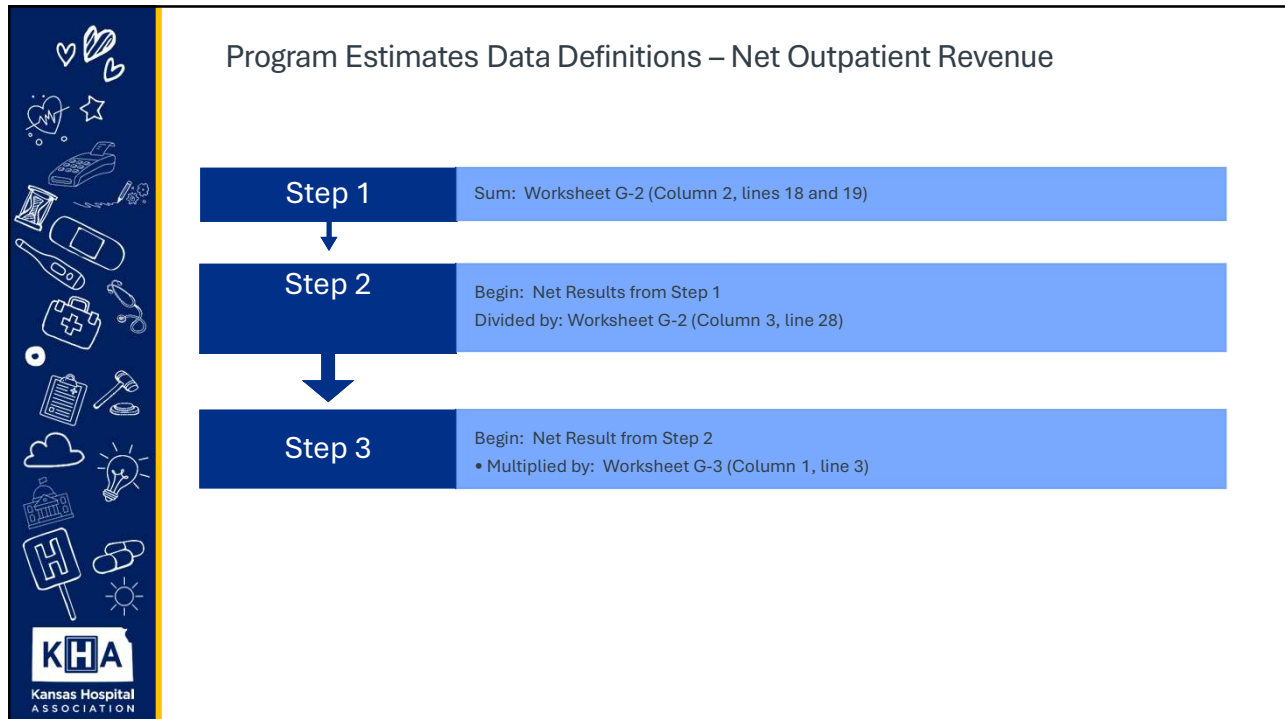
Tax Calculation

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Questions?

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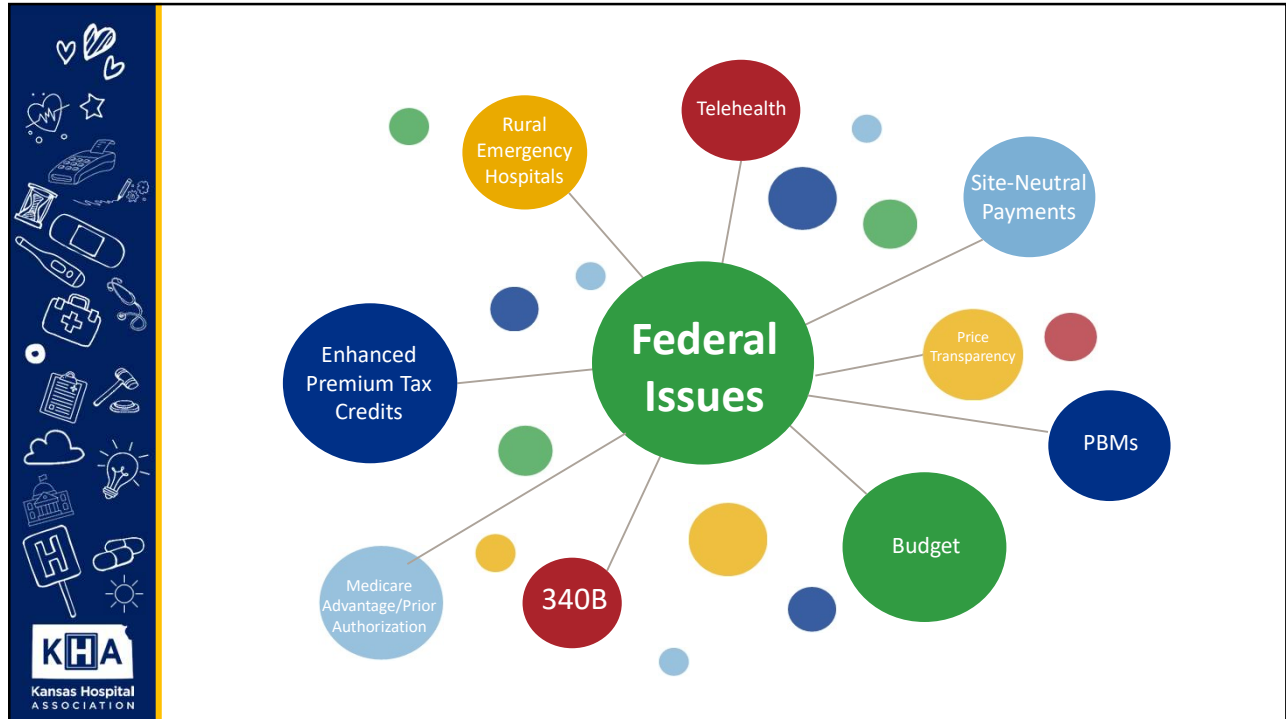
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Federal ADVOCACY Updates

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Fiscal Year 2026 and Government Funding


Extended the authorization of key health care programs, including:

- Medicaid Disproportionate Share Hospital (DSH) payment cuts (**delayed through Sept. 2028**)
- The enhanced low-volume adjustment (LVA) and the Medicare-dependent hospital (MDH) programs (**extended through 2026**)
- Medicare telehealth waivers and hospital-at-home program extensions (**extended through 2027 and Sept. 2030 respectively**)
- Medicare rural ambulance add-on payments (**extended through 2027**)

HHS budget for 2026 signed into law:

- PBM Reforms
- Off-Campus PBDs required NPIs and attestation requirements beginning in 2028

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New Off-Campus HOPD Requirements

Effective Jan. 1, 2028

1. Each off-campus HOPD must obtain and bill under a distinct National Provider Identifier (NPI), separate from the hospital’s main NPI and all other outpatient departments.
2. Hospitals must submit a provider-based attestation for each off-campus HOPD.
 - a) Current interpretation suggests the requirement applies at the department level. A single building with multiple departments could require multiple attestations.

Compliance and Financial Risk:

- May result in denial of Medicare payment, recoupment of claims, loss of provider-based status, increased False Claims Act exposure, and potential 340B child-site risk.



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Site-Neutral Payment Policies

STOP site-neutral payment policies. PROTECT Medicare


Hospitals ≠ Physician’s Office

Hospitals are required to equip and staff departments to diagnose and treat whoever may come through the door regardless of their condition and ability to pay.

This makes running a hospital expensive – more expensive than running a clinic or primary care physician’s practice that has far less overhead and is not open 24/7.

- Medicare reimbursement already provides challenging reimbursement
 - Statewide, the Medicare margin has varied from a low of **-6.1%** to a high of **-4.8%**
- Site-Neutral proposals fail to acknowledge the profound difference in scale, scope, and quality of services between a hospital and other provider types
- If site-neutral policies were adopted federally, they would have a **\$1 billion+ impact** on Kansas
 - An estimated **15% cut of projected Medicare payments** for Hospital Outpatient Services
- Site-Neutral does not reduce health care costs. Costs remain, but forces hospitals to shoulder them all.

**Site Neutral
Messaging Points:**



(login required)



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Patients Deserve Price Tags Act

DOC MARSHALL
SENATOR FOR KANSAS

JULY 17, 2025

Senators Marshall & Hickenlooper Introduce Legislation Requiring Price Transparency in Healthcare

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ABOUT NEWSROOM FOR KANSAS CONTACT

Key Provisions:


- Requires machine-readable files of all negotiated rates and cash prices between plans and providers, **not estimates.**
 - Post actual prices for ALL shoppable services
 - Eliminates the use of price estimator tools.
- Requires hospitals to update price information monthly, as opposed to annually
- Increases monetary penalties and requires annual review of all hospitals
- Requires the disclosure of contractual provisions between plans and providers, including the actual algorithm, percentage, formula, or criteria set forth in the contract
 - Places undue burdens and penalties on hospitals to provide information that is best acquired from the health plans
- Requires facilities to provide a patient with an itemized bill of the cost of each reasonably expected item or service that was provided to the individual within 30 days after the facility received a final payment on the service from a third party.
 - The provider cannot take any collections actions against an individual unless the provider adequately provided the itemized bill OR if the service on the bill exceeds the amount disclosed in price transparency regulations or provided through a good faith estimate

The Message:

- Hospitals strongly support efforts to ensure patients have access to accurate, actionable price information to make informed decisions when possible.
- We are not anti-price transparency. We just want to get it right.
- This bill presents significant operational challenges for hospitals and providers.
- Compliance would drive substantial new costs (increased vendor expenses, unreimbursed staff time, additional personnel) for Kansas hospitals.
- This does not address the underlying drivers of health care spending.
- Price transparency needs to be made meaningful for patients. Flexibility for tools like price estimators is critical to delivering real value. Otherwise, it is a massive cost increase for hospitals to implement without any patient value.

(S. 2355 / H.R. 5582)

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FY 2027 Appropriations Requests

1. Protect FLEX/SHIP Funding
2. Reauthorize the Rural Community Hospital Demonstration Program
3. Instruct CMS to increase the CRNA pass-through cap and require a regular review;
 - a) Attach the reasonable cost-based reimbursement cap to the Medicare Economic Index; and
 - b) Instruct that MedPAC and the Government Accountability Office review the inclusion of on-call CRNA costs on the cost report and how that can be fixed sustainably.
4. Include bill text of the [Professional Student Degree Act](#) that would define a “professional degree” and lists the graduate programs which meet the criteria, including many health care programs.
5. Include bill text of the [Resident Physician Shortage Reduction Act HR 3890](#) that would increase the number of Medicare-funded physician residency slots and fund 14,000 new slots for the next seven years.
6. Request a report to Congress on how a revised formula or other payment mechanism can enable Sole Community Hospitals and Medicare Dependent Hospitals to receive full Graduate Medical Education payments to grow the physician workforce.

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ACTION ITEM: Submit Comments on 340B Rebate Request for Information

- HRSA needs to hear from individual hospitals, specifically on:
 - **Detailed information about the costs and administrative burdens a rebate model program would impose.**
- Comments are due by April 20 and may be submitted at [Regulations.Gov](https://www.regulations.gov).
- AHA's model comment letter for your use: (login required)



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STATE ADVOCACY UPDATES

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2026 Session is Over!

Nuisances

- Running for Offices – Statewide and House of Representatives
- New Faces
- Faster Pace

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- Financial Viability: PBM and 340B
- Workforce: Scope, Licensure and Compacts
- Access to Right Care at the Right Time: Behavioral Health and Prior Authorization

Legislature

- Budget and Taxes
- Social Issues
- Campaign Trail and Election Reform

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Where Things Stand

- PBM: Transparency on PBMs +
- 340B: Contract Pharmacy Protections & Transparency/Reporting for 340B Hospitals ✗
- APRN's in HCSF +
- Rural Health Transformation Grant Fund Oversight +
- Hospital Charity Care Requirements ✗
- Hospital Price Transparency ✗
- Prior Authorization Reform ✗
- Eliminating Cost Share in Diagnostic Screenings ✗
- Reporting and Medicaid Eligibility Redeterminations ✗

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Workforce

- Licensure Compacts:
 - Athletic Trainers +
 - Estheticians +
 - Occupational Therapists/OTAs +
 - Respiratory Therapists +
- Nurse Educator Requirements +
- Board of Nursing Reforms +
- Licensing Anesthesiologists Assistants ✗
- Prohibits Medical Non-Competes ✗

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Governor Candidates


















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Insurance Commissioner

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Other Races on the Ballot

US Senate:

- Roger Marshall (R)
- Five Democratic Candidates
- Potential Independent – Adam Hamilton

Kansas Attorney General

Kansas State Treasurer


U.S. House Members

Kansas House Members

Special Questions:

- The Election of Judges: August Primary
- Citizenship Voting Requirement: November General Election


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We CARE We VOTE


2026 Resources Coming Soon Advocacy Contacts

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- JUNE 1** 12:00 p.m. deadline to file as a candidate.
Deadline for Kansans to change party affiliation.
- JUNE 20** Deadline to transmit UOCAVA ballots.
- JULY 14** Deadline to register to vote or update your voter registration to change address or name only to participate in the 2026 primary election.
- JULY 15** First day of advance voting. Advance ballots by mail are transmitted. In-person advance voting may begin. Check with your county election office for specific times and locations.
- JULY 28** Advance in-person voting must begin for all counties.
- AUG 4** **PRIMARY ELECTION**
(All mail ballots must be received on Election Day. NEW IN 2026)
- SEPT 1** Last day for State Board of Canvassers to certify official results.

VOTEKANSAS.GOV



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Questions & Contacts



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