SUPPORT KANSAS HOSPITALS

Stagnant reimbursement and increases in labor costs and inflation are creating financial stress.

H — NATIONAL STUDIES SHOW **60 KANSAS HOSPITALS** ARE AT RISK OF CLOSING.

IN THE LAST THREE YEARS, HOSPITAL EXPENSES HAVE INCREASED BY MORE THAN **35** PERCENT.

Inadequate Cash Flow

Margins allow hospitals to invest in services to meet growing demand, keep pace with the rapid changes in health care and subsidize access to community services.

National average of cash on hand is **218 days.**

Kansas average of cash on hand is **62 days.**

67 percent of hospitals in Kansas had a **negative operating margin** going into 2024.

AVERAGE OPERATING MARGINS

-7.0%

TODAY, KANSAS HOSPITALS MUST RELY ON **$78** MILLION OF ADDITIONAL COUNTY AND CITY TAXES TO REMAIN OPEN.

REIMBURSEMENT RATES BY ENTITY

Medicaid payments to hospitals **only cover about 65 percent of costs.**

Medicare payments to hospitals **only cover about 69 percent of costs.**

Private insurance payments to hospitals barely cover the costs with a margin of less than one percent.

UNCOMPENSATED CARE OVERWHELMS HOSPITALS

Kansas hospitals shoulder **$1.1 billion of uncompensated care** leaving hospitals vulnerable to service lines and facility closures.

AVOIDABLE DAYS MUST BE PREVENTED

Avoidable days refer to hospital stays for patients, who would benefit from alternate care facilities such as mental health hospitals or long-term nursing care facilities. Due to the lack of these facilities and available beds, hospitals are increasingly the default location for these patients. In addition to the hospital stays being uncompensated, this jeopardizes the daily availability of beds for patients in medical crisis.

TOTAL DAYS
138,000
Aggregate total

TOTAL COST
$110 MILLION
Aggregate total

Sources:
- KHA Survey Data Completed March 2023
- 2023 Cost Report Data, Centers for Medicare & Medicaid Services
- KaufmanHall March 2023, National Hospital Flash Report
- CHQPR Rural Hospitals at Risk Report, 2024

How Can I Use this Data to Have Important Conversations about Financial Challenges and Make Positive Changes?

Local

- **Engage** local businesses about the importance of choosing their insurance payer.

- **Use** your Economic Impact Report to encourage support for your local hospital.

- **Educate** the community on the impact of Medicare Advantage plans on hospitals.

- **Partner** with local health care organizations to educate them on financial challenges.

- **Understand** how local, city and county financial support impacts your hospital.

- **Know** your local percentage of population that is 65 and older.

- **Forecast** how many in your community will be eligible for Medicare by 2030.

- **Highlight** your specific labor, supply and drug costs, as well as solutions you are putting in place related to workforce, purchasing or other strategies.

- **Be** transparent and share your financial statistics.

- **Pull** data from other sources such as Kansas Health Matters or the QHi Benchmarking tool to expand on your challenges.

- **Speak** with your local radio/newspaper to share what these numbers mean and the impact to your hospital.

State

- **Communicate** to insurance payers about challenges and opportunities.

- **Champion** Medicaid (KanCare) Expansion.

- **Encourage** your leadership team, board members and staff to participate in KHA advocacy efforts.

- **Schedule** your state representatives to visit your hospital to discuss challenges and solutions.

- **Leverage** contacts with the Kansas Insurance Department and the Kansas Department of Health and Environment.

- **Share** patient stories that impact the financial condition of your hospital.

Federal

- **Invite** your U.S. Congressmen to your hospital to discuss challenges and solutions.

- **Advocate** for legislative action to:
  - protect the DSH program;
  - safeguard 340B;
  - increase Medicare reimbursement;
  - provide additional oversight for Medicare Advantage plans; and
  - protect access to care.

Benchmarking Tools for Rural Hospitals and Clinics

QHi

Community Health-Related Statistical Data

KansasHealthMatters

Scan here:

Find Legislators and Advocacy Information

votervoice PART OF FiscalNote

Scan here: