



Ascension

To: House Committee on Health and Human Services
Rep. Will Carpenter, Chair
Rep. Ron Bryce, Vice Chair

From: Kevin Strecker
Ministry Market CEO
Ascension Via Christi

Date: March 5, 2025

Re: Proponent Testimony on HB 2250

Dear Chairman Carpenter and Members of the Committee:

Ascension Via Christi (“Via Christi”) appreciates the opportunity to provide written testimony in support of HB 2250. Via Christi supports this proposal which would make permanent an increase of the provider assessment to six percent. Creating the on-going authorization, rather than renewing the assessment percentage for one-year periods, would provide the Legislature and Kansas hospitals more certainty and predictability about the stability of funding for safety net health care providers. Ensuring that safety net providers receive funding that is sustainable enables us to carry out our mission and better serve the residents of the communities we are proud to care for, with particular attention to the poor and vulnerable. Sustaining the assessment at this rate will help stabilize Medicaid rates to address known reimbursement shortfalls, while also providing meaningful investment to allow Via Christi and other hospitals to start planning to meet the future healthcare needs of Kansans.

Via Christi is one of the largest healthcare systems in Kansas. We operate six hospitals and 75 other sites of care, including physician clinics and outpatient ancillary and home-based services. We have more than 6,400 employees who receive over \$481 million in wages and salaries resulting in over \$20.3 million in state taxes withheld. In FY 2024, we provided more than \$62 million in community benefit, including \$12.9 million in unpaid cost of Medicaid services, \$19.8 million in financial assistance, more than \$2.6 million in programs/services for vulnerable populations, and more than \$26.9 million in

programs/services for the broader community. Additionally, Via Christi provided about \$87 million in Medicare shortfalls.

When Medicaid services are under-resourced it affects the access to services for everyone in the community. The provider assessment, which was established more than two decades ago, supports the sustainability of Kansas' safety net hospitals by increasing investment in Medicaid without increasing taxes on individuals, while simultaneously stabilizing the availability of the 24/7 lifesaving hospital care that everyone depends on. Since its enactment, funds raised through the provider assessment have enabled Via Christi to improve access to care for low-income patients, particularly those covered by Medicaid and provide the flexibility needed for investment in non-revenue generating service lines for the community, such as preventative and family medicine, obstetrics and gynecology, and behavioral health. Unfortunately, since 2022, hospitals across Kansas, including Via Christi, have grappled with higher costs of providing care while simultaneously upholding our commitment to provide a high quality of care for all patients, regardless of their ability to pay.

As a safety net provider in Kansas, Via Christi understands the cost pressures impacting state Medicaid budgets, our patients, and the larger health care delivery system. Persistent workforce shortages and resulting labor costs, increased costs of the supply chain for prescription drugs and supplies, and consistently higher annual inflation over the past three years have all driven costs for hospitals to care for our communities. Likely no indicator is more reflective of this than the Medicare Economic Index, or an inflationary measure of the cost to run a physician practice, which has increased more than 20 percent since 2022.¹ Recognizing that Medicaid reimbursement rates cannot keep pace with the continued increase in the cost of care, other solutions are needed to address this shortfall.

House Bill 2250 indefinitely extends the policy the legislature approved last year and eliminates the need to reauthorize it every year through the budget process. The assessment ensures that the Medicaid budget remains fiscally sound and viable so that hospitals can continue to provide care for Medicaid patients and still remain financially viable to invest in all Kansans' health and well being – whether they are Medicaid patients or not – by ensuring they have access to the quality care they need, where and when they need it. Over the long term, maintaining the provider assessment increase ensures hospitals have that slim margin in future years to invest in our healthcare delivery systems that meet the ever-evolving healthcare needs of all Kansans.

We thank you for the opportunity to share our thoughts on the value of HB 2250 and what it means for our patients and communities we serve. We hope that you will join us in supporting HB 2250.

I would welcome the opportunity to discuss any questions you may have or talk more broadly about the healthcare challenges we are facing in Kansas.

¹ Federal Register: Medicare Trustees Reports. (2024, December). Bureau of Labor Statistics, Congressional Budget Office. Retrieved from <https://www.cms.gov/oact/tr/2024>.