

To: Committee on Health and Human Services

From: Kansas Hospital Association
John Peterson, Governmental Affairs Consultant
Chad Austin, Senior Director of Health Policy and Data

Re: House Bill 2760

Date: February 24, 2004

The Kansas Hospital Association appreciates the opportunity to provide comments in support of House Bill 2760. This bill amends the current law concerning the requirements for critical access hospital designation and brings it up to date with the recently passed Medicare Prescription Drug, Improvement and Modernization Act of 2003.

A correction needs to be made in House Bill 2760 on page 1, line 42. The number of beds that are available for acute care purposes should state no more than "25" acute care beds rather than "15". The federal law permits critical access hospitals to operate up to a total of 25 acute care beds or swing beds by removing the requirement that only 15 of 25 beds be used for acute care at any one time. In addition, critical access hospitals are now eligible to operate a psychiatric or rehabilitation unit.

It is essential to update the Kansas law to match the federal law so that critical access hospitals can maximize their value to their communities. The critical access hospital program is designed to assist rural hospitals so that they may continue providing services that are appropriate to patient care without losing money. Further, the program encourages collaboration with other community health entities and the CAH's supporting hospital to achieve economies of scale. By adopting the federal changes on the state level, we will assure those facilities that are eligible to take advantage of the program have the ability to do so. These changes will allow additional hospitals to pursue critical access hospital designation and will allow them to continue providing quality, accessible care to Kansans and their communities.

Thank you for your consideration of our comments.