



**Kansas Hospital
ASSOCIATION**

TO: House Rural Revitalization Committee

FROM: Chad Austin
Executive Vice President

DATE: February 17, 2020

RE: House Bill 2677

The Kansas Hospital Association appreciates the opportunity to provide comments in support of House Bill 2677. This legislation establishes the primary health center as a rural health care provider type. The Primary Health Center Pilot Program Act is contingent upon the state being accepted into a demonstration program under the Centers for Medicare and Medicaid Innovation.

Starting in 2012, the Kansas Hospital Association and its members have been developing an alternative rural health model for Kansas communities. The result of this initiative is the primary health center model. This model offers a sustainable option for rural communities to provide preventive and primary care, chronic disease management and emergency medical services. The primary health center would serve as the access point and would coordinate care for the individual when higher levels of services are needed. Preliminary analysis suggests that more than 75% of current outpatients could be fully served in the new model.

The primary health center model provides ambulatory and interventional services. The primary health center is open to the community every day of the year to provide the consistent service array most needed and sustainable by the community. It would focus its efforts on the primary care needs of the community. It would further be supported by a robust emergency medical services plan and a formal relationship with a larger partner organization to assist with operational and clinical aspects of delivering services to their community.

The payment method envisioned for this model would incentivize an integrated health system at the local level. KHA has discussed the importance of developing a financing method that recognizes both the need to promote health and value over volume, and appropriately funds the local health needs.

Critical to the transformation of the local health system is the ability to coordinate the care of residents throughout the continuum of care provided locally and in the region. This will require dedicated staff and resources currently not adequately recognized in the payment system.

Representatives from KHA, the Kansas congressional delegation, the administration, and the Kansas Department of Health and Environment have discussed this model with the Centers for Medicare and Medicaid Innovation. KHA envisions a collaborative approach engaging federal, state and local governments, governmental and commercial payers, along with industry leaders, to pilot a new model

for rural communities. The Centers for Medicare and Medicaid Innovation has indicated that they will be releasing an opportunity soon to invite states to participate in a rural model demonstration program that would allow for the testing of ideas like the primary health center. In addition, KHA is working with members of the Kansas Congressional Delegation to introduce legislation that permits alternative rural health care delivery models. This bill will make sure that Kansas is ready to take advantage of any demonstration opportunities that are presented.

The health care delivery system in rural communities are a tremendous asset to Kansas, the communities they support, the individual patients they serve. KHA is committed to working on efforts that provide flexibility and alternative rural health models that sustain health care services in rural communities.

Thank you for your consideration of our comments. We urge you to support HB 2677.