

A Safety Net for Community Health



Salina Regional Health Center is a not-for-profit health system that serves the healthcare needs of a wide region in north central Kansas. The organization cares for people on a daily basis regardless of their ability to pay and provides many forms of highly specialized care.

In many cases the professional costs associated with providing specialized medical services are not fully recovered.

In fiscal year 2018, Salina Regional provided \$58.94 million in nonreimbursed benefits to the region.

More than half was met by subsidized health services, which provides clinical services at reduced or no cost. Services include forensic nursing to collect physical evidence in criminal cases; trauma, stroke, cardiac and other emergent care; infant-child development services for children born with disabilities and developmental delay; behavioral health; cancer treatment infusion services; and discounts given to patients who self-pay.

More than a third of the hospital's nonreimbursed benefit comes in the form of shortfalls generated by government-sponsored health insurance. About half of Salina Regional's patients are covered by Medicare and Medicaid.

More than 12% of the hospital's losses are attributed to charity care and bad debt. The hospital provides financial assistance to those who apply and qualify by meeting federal poverty level guidelines. Bad debt includes those with accounts that are uncollectable.

Despite its financial losses, Salina Regional Health Center as a whole remains profitable.

"We're seeing our operating margins shrink year after year but are fortunate to be among the few hospitals with a positive financial picture," says Joe Tallon, chief financial officer at Salina Regional. "This allows us to continue to invest in new technology, facility infrastructure and services to meet the health needs of people in the region."

A Significant Economic Impact

Salina Regional Health Center has 1,775 Salina employees at its main hospital and affiliated clinics in the community, contributing \$122 million

in salary and benefits to the local economy. The organization receives no local, state or federal tax support. It also pays \$760,000 in Saline County property taxes.

"As an economic sector in Saline County, healthcare ranks first in total employment and second in top earnings behind retirees because of Salina Regional's presence here," says Eric Brown, president and CEO of the Salina Area Chamber of Commerce.

"Excellent healthcare is vital to the quality of life and economy of Salina and surrounding communities," Brown says. "The data reflects that the effect that Salina Regional Health Center has on our economy is tremendous and will continue to grow." •

