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WV hospitals doing their part to improve community health

By Joe Letnaunchyn, President and CEO West Virginia Hospital Association

CHARLESTON, WV -Much has been written about the benefits of healthcare coverage expansion to West Virginia hospitals through the Affordable Care Act (ACA). With more West Virginians having access to coverage than ever before, the goal of a healthier population is within reach. West Virginia hospitals are doing their part to improve the health of their communities.

Some have indicated that with more individuals being insured, West Virginia hospitals are experiencing a “windfall of savings.” It has been suggested that these “savings” present hospitals with an opportunity to make meaningful changes in the health outcomes of state residents and “that if hospitals would direct a fraction of this windfall to fund community efforts, West Virginia could make major strides in reducing obesity, smoking and drug abuse.”

On behalf of the 66 member hospitals and health systems in West Virginia – many of which are the largest employers and economic drivers in West Virginia, I’d like to share with you the other side of the story – a story that includes providing healthcare to 1.8 million citizens; employing more than 46,000 healthcare professionals across the state; purchasing millions of dollars in supplies and services, and investing millions of dollars in capital projects right here in West Virginia.

Statistics are beginning to filter in, and it’s true that in the first year of healthcare coverage expansion under new marketplace options and Medicaid expansion, the landscape for hospitals has certainly changed. Hospitals have seen about a 47 percent reduction in uncompensated care, according to figures reported by West Virginia hospitals to the *West Virginia Health Care Authority*. However, these statistics only tell half the story.

Beginning in 2010, upon passage of the ACA, hospitals began the advance funding of Medicaid expansion through significant payment cuts for treating Medicare patients. These cuts were built into the ACA as a way to cover the cost of Medicaid expansion. In West Virginia, more than 70

percent of patients that hospitals treat are covered by either Medicaid, Medicare, or some other government funded program. However, the payment rates to hospitals for caring for these patients, is below the cost of providing care to these patients. The initial 10 year impact of the ACA cuts in WV hospital Medicare payments was an estimated \$1.3 billion. Since then, that estimate has increased annually as additional hospital payment cuts were approved by Congress. Currently, Medicare reimburses below cost so any additional benefit of Medicaid expansion has been offset by losses experienced on the Medicare side. In fact, Medicare on average reimburses only 88 cents of every dollar in costs of treating Medicare patients. Being one year removed from Medicaid expansion and new marketplace options, along with other payment changes, not to mention economic, demographic, and regulatory challenges throughout the healthcare industry, the landscape *still remains undefined*.

It has been further suggested that as a result of these “savings” West Virginia hospitals could fund a variety of community efforts to promote wellness. According to some, hospitals “should be using this new source of funding to make real improvements in the health of communities throughout the state.”

I invite you to ask the fine healthcare professionals working in our hospitals to share the many *real* programs they’re initiating to help reduce the state’s tobacco use, battle obesity, and combat the state’s most pressing problem of substance abuse, among many other demographic challenges. The problems are varied, and at the *heart* of the solution are hospitals. It often starts with hospitals taking the lead in identifying and prioritizing community health needs. As the largest segment of healthcare in the state, West Virginia hospitals and health systems for years have conducted both formal and informal assessments of their communities’ health needs. These assessments take into account input from persons who represent the broad interests of the community served and often include an implementation strategy to meet identified health needs. The results lead to numerous and diverse projects, outreach programs and services offered by hospitals not only within their facilities, but beyond their walls – at no cost to the community.

Offering resources, promoting wellness, and securing access to care to improve community health remains a significant and high priority for our hospitals and health systems. Our “windfall of savings” is not tied to the amount of uncompensated care we provide, but rather it’s the promise we make 24 hours a day, 7 days and week, 365 days a year to keep people healthy in our communities, improve the direct care experience for those who are sick, and reduce the overall cost of providing care for all.

The WVHA is a not-for-profit association representing 66 acute and specialty hospitals and health systems across the continuum of care. The WVHA supports its members in achieving a strong, healthy West Virginia by providing leadership in healthcare advocacy, education, information and technical assistance, and by being a catalyst for effective change through collaboration, consensus building, and a focus on desired outcomes.

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