

West Virginia Hospitals

Covering Community Healthcare



Executive Summary

One of the ways hospitals serve their communities is through community benefits. Community benefits extend beyond the scope of traditional care, and they are provided by hospitals in lieu of tax payments. Often, the extent of community benefit services – and the costs associated with their provision – is neither recognized nor understood.

The WVHA Hospital Community Benefits Report highlights how West Virginia hospitals go above and beyond the delivery of essential healthcare services to improve the health of individuals and, indeed, the quality of life to entire communities and regions. The report represents the voluntary efforts of West Virginia's hospitals to create, implement and track the progress of a myriad of traditional and non-traditional health services, programs and education that benefit communities. These services are offered to communities for little or no cost. Community benefits cannot be found within financial statements, for finances do not fully illustrate the vital impact of community benefits on peoples' lives.

Using the most recently available figures, this report includes the provision of \$721 million in uncompensated care, \$97 million in provider tax, and \$701 million in government program shortfalls. Some of the issues include: hospitals' support of community health improvement services; community benefit operations; professional medical education; subsidized health services; research; cash to community groups; charity care; bad debt; Medicare shortfalls; the West Virginia provider tax; state payer losses; AccessWV High Risk Pool; the West Virginia Health Care Authority; and how hospitals stimulate West Virginia's economy by providing essential jobs throughout the state.

The WVHA Hospital Community Benefits Report uses information from the West Virginia Health Care Authority, the West Virginia Tax Department, the Kaiser Family Foundation, and Workforce West Virginia. The report illustrates the heart of hospitals and how they care for their communities; it also shows the tug and pull of hospitals operating as businesses while concurrently keeping compassion for people – whether rich or poor – as their priority.



Hospitals: Covering Community Needs

The healthcare needs of people in various communities are as diverse as the pieces of a patchwork quilt; and West Virginia hospitals have made a commitment to cover them all. From hosting community fairs to offering free immunizations to providing grief counseling, hospitals are always there for the communities they serve. Each activity comes together to form what is termed *community benefits*.

Community benefits provide services beyond the regular scope of care. They reach much further than traditional methods many think of when they consider what hospitals do. Behind each community benefit number is a person - someone in need of a lifesaving procedure, a listening ear, a compassionate touch, an understanding nod.

West Virginia hospitals' efforts in community benefits advance emotional well-being, mental stability, spiritual hope and physical health using unique solutions based on individual needs. Through community benefits programs, suffering is prevented or alleviated, health is restored, and spirits are renewed.

This report is a snapshot of the community benefits offered by some of West Virginia's hospitals. Simple lack of space precludes us from showcasing all of the wonderful ways in which West Virginia hospitals contribute to their communities.

There are so many worthwhile community programs offered by our hospitals, an entire book would not be large enough to list them all. Suffice it to say that each of our hospitals go above and beyond the call of duty to serve each and every individual to the best of their abilities. Within this report are several examples of specific projects that represent some of the services hospitals offer to their communities.



Quilting is one of the oldest traditions in West Virginia communities. Women would gather together to share spare patches of materials to sew into coverlets needed for cold winter nights.

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Message to our Community

Hospitals are the cornerstones of our healthcare system. West Virginia's hospitals provide compassionate care for all, regardless of an individual's ability to pay. They serve as the safety net for the underinsured and the uninsured. It is their mission to help save lives and improve the quality of living.

West Virginia hospitals are proud to serve each and every resident, from panhandle to panhandle, from the southern coalfields to the Blue Ridge Mountains. With each health service, each screening, each education program and each dollar invested to help those in need, hospitals day in and day out work to advance the health of the communities they serve.

From providing uncompensated care in 2009 totalling more than \$721 million dollars to offering support groups to helping indigent patients obtain medications, West Virginia's hospitals continue to promote health in the face of state payer and Medicare shortfalls and declining reimbursement. They meet healthcare needs and improve the experience of every day living. The bottom line for West Virginia's hospitals is not found in a figure, but rather in compassionate patient care.

This report helps us share the collective story of how hospitals in West Virginia contribute to the overall health system of our state by offering benefits to their communities. Financial results can never adequately explain how people's lives are touched, changed and saved by these services hospitals offer at free or significantly lower costs. We hope this report, which highlights some of the many ways hospitals invest in their communities, will contribute further to the development of sustainable and effective community benefits programs.

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What are Community Benefits?

Traditional and Non-Traditional



Community benefits are those programs and services that go beyond expected and direct, mission-driven patient care activities. Hospitals provide two types of community benefits: traditional and non-traditional.

Traditional community benefits refer to a hospital's commitment to provide needed healthcare service to all, regardless of their ability to pay. These traditional benefits reflect the services and financial assistance - or charity care - provided to patients who are unable to pay for their care. Part of these benefits are subsidized by the West Virginia Bureau of Medical Services.

Non-traditional community benefits are offered by West Virginia hospitals with little or no compensation - both on the hospital campus and beyond the hospital walls - to improve health status, increase access to care, and enhance the quality of their communities.

Some non-traditional community services offered by hospitals include:

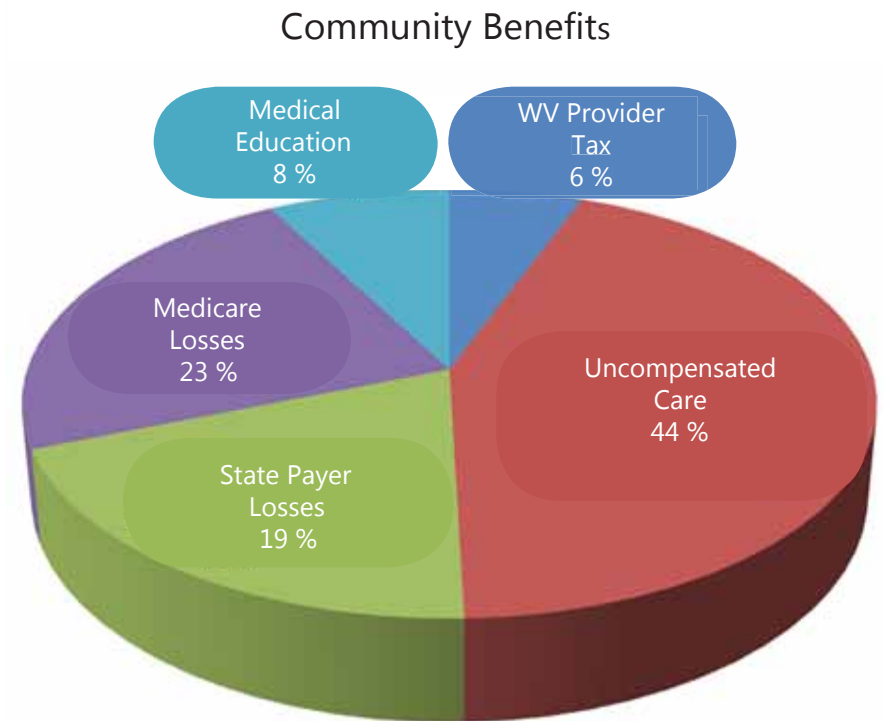
- Education and outreach programs to address health education needs and promote healthy lifestyles and free screenings to detect the early onset of illnesses and disease;
- Support groups for patients and families dealing with illness or disease;
- Counseling services to help community members identify and obtain the services and interventions they need;
- Wellness and self-help programs providing guidance and training for achieving healthy lifestyles;
- Programs for pregnant women, such as childbirth and breast feeding classes;
- Community clinics offering primary care services at little or no cost;
- Immunizations;
- Classes, speakers and work site visits;
- Programs for the elderly; and
- Other initiatives that meet community needs.

Value of West Virginia Hospitals' Community Benefits

The most recent figures available show the value of the community benefits programs and services provided by West Virginia hospitals exceeded \$1.6 billion.

The community benefit total includes losses hospitals incur providing charity care to patients unable to cover the cost of their care, community benefit programs and services for which they receive little or no reimbursement, and losses from Medicare, state payers and bad debt.

Total Community Benefits for West Virginia Hospitals		
Medical Education -	\$ 133	Million
West Virginia Provider Tax -	97	Million
Uncompensated Care -	721	Million
State Payer Losses -	324	Million
Medicare Losses -	<u>377</u>	<u>Million</u>
Total Community Benefits	\$1.652	Billion



Commitment to Communities

To the thousands of West Virginians whose lives were improved by community benefits last year, these programs are about more than numbers. They are a testimonial to how West Virginia's hospitals positively impact their communities. Every resident who benefits from a program or service improves his or her quality of life and, in turn, the quality of the community improves as a whole. Hospitals work tirelessly on this commitment.

With 69 hospitals and health systems in the WVHA's membership, nearly every community in West Virginia has a hospital. A good neighbor to have, hospitals provide, among other benefits:

- Protection during times of sickness and injury;
- Prevention efforts to improve overall community health;
- Treatments and cures through research;
- Quality jobs and economic stability; and
- A ripple effect of economic activity.

A hospital is much more than just a place to go when healthcare services are needed; it is part of the fabric of the social community. The more than 39,000 people who work in West Virginia hospitals support local schools and businesses, care for those without insurance or the means to pay for needed care, and partner with other organizations to achieve the goal of a healthier community.

Having neighbors you can count on is important during hard times. Yet, like many West Virginians and state businesses, hospitals also face financial challenges.

Despite growing demands for charity care and rising bad debts, West Virginia hospitals have maintained access to a broad array of quality inpatient, outpatient and community-based healthcare services.

The highlights in this report are just a small sample of those contributions to cities and towns across the state. Every West Virginian is connected, in some way, to the programs and services provided by West Virginia hospitals.



A hospital is much more than a place to go when healthcare services are needed; it is a vital part of the social community fabric.

Community Benefit Categories

The majority of hospital community benefits represent the cost of providing care for the uninsured, indigent and patients covered by Medicare or state payer losses, for which hospitals receive less than the cost of providing care. In addition to this non-reimbursed care, community benefits include efforts made beyond the hospital walls - identifying non-met community or public health needs and seeking to address them. Community benefits require behaving in a manner that intentionally benefit the entire community - not just the hospital. That behavior can be seen in a wide variety of actions and decisions. All West Virginia hospitals offer much-needed community benefits. Following are some community benefit categories:

- A. Charity Care
- B. Bad Debt
- C. Government Shortfalls
 - * Medicare
 - * State Payer Losses
- D. West Virginia Provider Tax
 - * Broad Based Provider Tax
- E. Community Benefit Services
 - * Community Health Improvement Services
 - * Community Health Education (support groups and self-help programs)
 - * Community-Based Clinical Services (screenings, one-time or occasionally held clinics for underinsured and uninsured persons)
 - * Healthcare Support Services
- F. Health Professions Education
 - * Physicians/Medical/Nursing Students
 - * Other Health Professional Education
- G.
 - * Subsidized Health Services
 - * Emergency and Trauma Services
 - * Neonatal Intensive Care
 - * Hospital Outpatient Services
- * Burn Units
- * Women and Children's Services
- * Renal Dialysis Services
- * Subsidized Continuing Care
- * Behavioral Health Services
- * Hospice/Palliative Care
- H. Research
 - * Clinical Research
 - * Community Health Research
- I. Contributions
 - * Cash Donations
 - * Cost of Fund Raising for Community Programs
- J. Community Building Activities
 - * Physical Improvement and Housing
 - * Economic Development
 - * Community Support
 - * Environmental Improvements
 - * Leadership Development and Leadership Training for Community Managers
 - * Coalition Building
 - * Community Health Improvement Advocacy
 - * Workforce Development
- K. Economic Stimulation
 - * West Virginia - One of the State's Largest Employers
 - * West Virginia Hospital Payroll
- L. Other Considerations
 - * West Virginia Health Care Authority
 - * AccessWV High Risk Pool
 - * Health Information Network



A. Charity Care

Caring for the Sick and Injured - \$291.5 Million

West Virginia hospitals are the safety net for their communities. All patients presenting at hospitals are treated, regardless of whether they have insurance or can afford to pay. Charity care is free or discounted health services provided to persons who cannot afford to pay and meet the organization's criteria for financial assistance.

In 2009, the cost to West Virginia hospitals for treating uninsured persons whose incomes were below the federal poverty level topped \$291.5 million. This represents a staggering \$37 million increase in the amount of non-reimbursed care that hospitals provided to this population of patients. These indigent care costs do not include charity care provided by hospitals to uninsured people with higher incomes, the full costs of caring for Medicare, state payer losses, or uncollected bad debt.

Disproportionate Share Hospital (DSH) reimbursement is government funding provided to hospitals to help cover part of the cost of caring for uninsured persons who fall below the poverty level.

Hospitals received \$73.8 million in DSH funding for 2009, but this still resulted in West Virginia hospitals having to absorb \$180.8 million in non-reimbursed costs to care for this population.



In 2009, the cost to West Virginia hospitals for treating the uninsured whose incomes were below the poverty level topped \$291.5 million.

Charity Care (Continued)

Having a commitment to care means more to hospitals than financial figures. Every day, real people benefit from the healthcare services hospitals provide. Countless patients are helped every day. Indeed, lives can be saved because of community benefits offered by hospitals - such as in the case of Ella Sizemore.

Like many Americans, Ella "Ellie" Sizemore had been flirting with disaster by not having health insurance, for she was unable to afford it. For a while, Ellie kept up with her regular Pap tests and mammograms, even though she had to pay for them out of her own pocket. Soon things were beginning to get difficult for Ellie in terms of keeping up with her preventative care.

"I had heard Princeton Community Hospital (PCH) was offering a free women's health screening since 2006," she said. "In 2008, my sister-in-law called me and said, 'Let's go.' I probably wouldn't have gone if she hadn't said it that way. I was feeling fine."

Sizemore went through the PCH screening, and the mammogram showed a spot. A biopsy on the lump revealed a class two tumor. Ellie went through chemotherapy and radiation. "My cancer was already at two centimeters. If I would have waited five months, it would have been much more difficult."

Because Ellie's lump was discovered when she was enrolled in the West Virginia Breast and Cervical Cancer Screening Program, the cost of her treatment was covered. The program is available nationally to low-income, under served, underinsured and uninsured women through the National Breast and Cervical Cancer Early Detection Program created by the Centers for Disease Control.

"It was just meant for me to be here," said Sizemore at the 2010 PCH health screenings. "It was meant for my sister-in-law to call me. It's been two years since they found my lump and my mammograms have been clear. It's really been a godsend for me."



PCH offers each October 120 free breasts screenings, Pap smears, gynecological exams and breast exams. If a problem is found, a mammogram is given.

Debra Bush, Public Relations and Marketing Director at PCH, said this year three women were referred for mammograms and two for gynecological follow-ups. Bush said PCH helps raise money for the West Virginia Cancer Care Program.

B. Bad Debt

Bad Debt - \$429 Million

Bad debt is the cost hospitals incur as a result of services provided to patients from whom payment was expected, but not received, even after making attempts to collect the amount due.

This occurs for many reasons (e.g., when uninsured patients have incomes above the guidelines for charity care, but still cannot afford the cost of their care, or when insured patients cannot afford co-pays and deductibles).

Hospitals assist patients to help them connect with the appropriate financial assistance or establish payment plans, but in 2009 West Virginia hospitals still incurred \$429 million in bad debt expenses, based on the actual cost of unpaid care, not charges.

While not all bad debt is associated with low income patients, a large portion is attributable to low income persons and those who may qualify for charity care, yet fail to apply for this assistance.

Even the IRS has acknowledged that some portion of bad debt expense is more accurately considered charity care. In 2011, the IRS will begin to ask hospitals to report more detail on the nature of their bad debt accounts.

Included in this report are bad debt expenses. This is because the magnitude of losses - due to patient non-payment of medical costs which are absorbed by West Virginia hospitals - represent a significant part of overall community benefits.

West Virginia community hospitals incurred \$429 million in bad debt expenses, based on the actual cost of care.



In 2011, the IRS will begin to ask hospitals to report more detail on the nature of their bad debt outcomes.



C. Government Shortfalls

In addition to providing important community services and outreach programs, hospitals shoulder a large financial burden because of insufficient reimbursement from government programs.

Government underfunding includes the unpaid costs of public programs - the *shortfall* created when a facility receives payments that are less than the costs of caring for public program beneficiaries.

Unlike private insurance programs that negotiate payment rates with hospitals, government programs like Medicare and state payers unilaterally set the amounts they will pay for healthcare services.

State payer losses are the combination of Medicaid and the Public Employee's Insurance Agency (PEIA.) A gap often results between what Medicare and state payers pay for a service and what it actually costs the hospital to deliver that service.

Last year, West Virginia hospitals welcomed more than 21,000 babies into the world. Approximately 50 percent were covered by state payers.

Medicare - \$377 Million

Medicare provides healthcare coverage for those 65 years of age and older, regardless of income; the program also covers disabled individuals.

Approximately 400,000 West Virginians are covered by Medicare, which totals about 21 percent of the state's population. On average, 50 percent of all patients treated by West Virginia hospitals are covered by Medicare.

The government reimbursement West Virginia hospitals receive for treating Medicare patients is less than the cost hospitals incur to treat them.

In 2009 alone, West Virginia hospital payments from Medicare were \$1.7 billion, while hospital Medicare patient care costs were \$2.1 billion; this resulted in a \$377 million shortfall.

On average, 50 percent of all patients treated by West Virginia hospitals are covered by Medicare.





State Payer Losses - \$324 Million

Recent figures show West Virginia state payers covered more than 450,000 West Virginians, or approximately 25 percent of the state's population. Most recipients fall into three categories: the elderly, women and children, and blind or disabled individuals.

The reimbursement hospitals receive for providing care to state payer patients is less than the cost of that care. State payers cover, on average, only 78 percent of costs.

In 2009, West Virginia hospitals incurred an estimated \$1.1 billion in costs to deliver inpatient service to state payer patients. Because of the payment shortfall, hospitals were left with \$324 million in unpaid costs.

When the economy is slow, more and more West Virginians rely on these programs as they lose their jobs and employment-sponsored insurance coverage.

Regardless of state payer losses, however, hospitals continue to serve as the safety net for low income patients; yet, they face growing losses each year.

Most state payer recipients fall into three categories: the elderly, women and children and blind or disabled individuals.

D. West Virginia Provider Tax

West Virginia Broad Based Provider Tax - \$97.5 Million

To help fund the state Medicaid program, West Virginia hospitals, nursing facilities and others currently pay \$160 million per year in provider taxes.

Together with the federal match on these payments, approximately one-fourth of West Virginia's \$2.6 billion Medicaid budget is financed by the provider tax. Hospitals pay approximately \$97.5 million annually in provider taxes, which finances about 80 percent of the \$483 million in Medicaid payments made to hospitals.

Based on 2009 data, West Virginia hospitals pay 60 percent of the provider taxes collected, yet only receive approximately 20 percent of the program expenditures. In addition, while 25 percent of the total program expenditures are funded by the provider tax and state appropriations, 75 percent of payments made to hospitals are funded by taxes paid by hospitals.

The Broad Based Provider Tax is imposed on the gross receipts of healthcare providers in support of West Virginia's Medicaid Program.



E. Community Benefit Services

Community Health Improvement Services

Community Health Improvement services, which are subsidized by hospitals, are activities or programs carried out for the express purpose of improving community health. The services are offered either for free or at a significantly reduced cost. *Financial loss* is the cost of providing the service that is not offset by any revenue or funding source. Some of the services include:

- Education and Outreach Programs that address health education needs and promote healthy lifestyles and free screenings to detect the early onset of illness and disease;
- Support Groups for patients and families dealing with illness or grief;
- Counseling Services to help community members identify and obtain the services and interventions they need;
- Wellness and Self-Help Programs that provide guidance and training for achieving healthy lifestyles;
- Immunizations for children and vaccinations for adults;
- Community clinics that offer primary care services at little or no cost; and
- Other initiatives that meet community needs.

One example of a hospital Community Improvement Service is Charleston Area Medical Center's (CAMC) annual health fair. Here, as with other hospital health fairs, free health screenings; blood pressure testing; immunizations; nutrition, exercise and wellness counseling; CPR classes; mammograms; prostate screenings and more are offered to participants.



Community Health Services are activities or programs, which are subsidized by hospitals, and carried out for the express purpose of improving community health. The services are offered either for free or at a significantly reduced cost.

Community Health Improvement Services (Cont.)

Another example of Community Health Improvements involving a West Virginia hospital is the annual Camp Catch Your Breath (CCYB) for asthmatic children.

United Hospital Center in Clarksburg and the West Virginia Chapter of the American Lung Association - together with their sponsors and supporters - are proud participants in CCYB held for children ages 8-13 who suffer from asthma.

CCYB is a week-long, overnight, summer camp for boys and girls that provides a fun and educational experience for children who might not otherwise get to go to camp.

During the week, children learn by sharing their experiences, making decisions about their conditions, and expressing their feelings about having asthma. In addition to the educational components, children participate in games, sports, swimming and crafts.

Campers are supervised by hospital staff, and a physician is present at all times so that emergency medical support is readily available if necessary. The camp counselors are respiratory specialists, and staff from the Lung Association attend.

A stay at Camp Catch Your Breath offers children with asthma:

- An increased knowledge of asthma;
- Enhanced self-esteem;
- Asthma self-management skills;
- Improved mental, physical, and social well-being; and
- A fun camping experience in a safe and healthy environment.



Community Health Education

Preston Memorial Hospital (PMH) offers a comprehensive health and wellness program for employees and community members.

The "TLC" program meets weekly on Mondays at noon or 5:00 p.m. in the third floor conference room. The cost to join is five dollars per week. After three weeks of continued attendance, the fourth week is free!

Members enjoy discounts to the fitness centers and the aquatic therapy pool to manage weight and exercise needs. TLC recently received grant funding from The Bernard McDonough Foundation in Parkersburg, West Virginia, supporting the program for its innovation and design.

As are all West Virginia hospitals, Preston Memorial is sincerely concerned with the health and well-being of each and every person in its community.

The hospital became a smoke-free facility in 2009, and it encourages smoking cessation among its community. The hospital seeks to reduce and reverse the effects of unhealthy living and the toll that it takes on individuals and families.

PMH wants to encourage and instruct members to take control of their health and to teach children to live healthy lifestyles that will stay with them throughout their lives.

PMH has exciting plans for the future. An expansion of their wellness campaign is planned by adding other classes, such as: yoga and other exercise programs; children's fitness and eating; smoking cessation; and diabetes education and healthy cooking. These programs will be offered to the community at either a nominal cost and or for free.



F. Health Professions Education

Physician/Medical/Nursing Students

Hospitals support medical education by providing an educational environment for residents and students. In addition, hospitals financially subsidize medical education. The most recently available information reports hospitals subsidized medical education in the amount of \$133 million.

Health Profession Education includes support of educational programs that result in a degree, certificate or training that is necessary to be licensed to practice as a health professional, as required by state law; or continuing education necessary to retain state licensure or certification by a board in the individual's health profession specialty.

It includes educational programs if the primary purpose is to educate health professionals in the community. It may include costs for interns, medical residents, nurses or other allied health professionals.

To ensure a competent supply of caregivers and to combat the state's medical gap and workforce shortages in healthcare, West Virginia hospitals train physicians, nurses, radiology technicians, physical therapists and a host of other healthcare professionals.

These commitments sustain medical residency



programs, help preserve the physician population, and are critical to maintain an adequate supply of caregivers. The citizens of West Virginia are the benefactors of hospitals' investment in the education of its healthcare professionals who are greatly needed throughout the state. St. Mary's Medical Center has several divisions within its Center for Education:

- **School of Respiratory Care.** Respiratory therapists are a vital part of a hospital's response team that handles many patient emergencies. An increasing number of skilled respiratory therapists are now working in hospitals and other healthcare facilities.
- **School of Nursing.** The career goal of the Nursing Program at St. Mary's School of Nursing is to become a registered nurse (RN). The Cooperative ASN Program at



Physician/Medical/Nursing Students (Cont.)

the school is provided through a partnership of St. Mary's School of Nursing and Marshall University.

- **St. Mary's Clinical Pastoral Education (CPE) Center.** St. Mary's CPE Center is a satellite of WVU Hospitals and dually accredited by the Association for Clinical Pastoral Education and the U.S. Conference of Catholic Bishops Commission on Certification and Accreditation. The Center provides Level I and II training in CPE.
- **School of Medical Imaging.** St. Mary's School of Medical Imaging (SOMI) is a hospital-based program in radiography, in partnership with Marshall University, to offer a B.S. in Medical Imaging. The program curriculum is designed to prepare students to practice radiography and introduce students to related specialized imaging modalities.

The St. Mary's Medical Center for Education, a state-of-the-art facility, is providing quality education to the finest healthcare professionals and students in the fields of nursing, medical imaging and respiratory care.

The 58,000 square foot, \$10 million facility includes all the teaching and practicum needs of today's healthcare. The benefits expected from this project are considerable for the many communities in West Virginia.

The curriculum at St. Mary's is structured so that the entering freshman will complete all degree requirements within four years.

In addition, an option is available for the credentialed radiographer to enter the professional portion of the program (fourth year) and obtain the degree. SOMI is fully accredited by the Joint Commission of Education in Radiologic Technology.

Other large teaching hospitals include: West Virginia University Hospitals, Charleston Area Medical Center and Cabell Huntington Hospital.

G. Subsidized Health Services

Hospice

St. Joseph's Hospital of Buckhannon Hospice is a program of care designed to provide end-of-life support to patients and families. The program focuses on the person and not the disease. It is designed to help patients live the fullest, active lifestyle possible.

Referral to hospice is appropriate when the person has a terminal illness and can no longer benefit from curative treatment. The typical hospice patient has a life expectancy of six months or less. Hospice costs are covered by Medicare, Medicaid and many private insurers. Private pay on a sliding scale is available and services will not be discontinued if the patient is unable to pay for medical services.

St. Joseph's Hospice Team

Hospice Care is provided by an interdisciplinary team of physicians, nurses, medical social workers, therapists, aides and volunteers who provide medical, nursing care and support services, not only to the patient, but also to the family. Services include: routine home care; respite care; continuous care; inpatient management; and bereavement care.

Advantages of Hospice Care

Hospice, under the direction of the physician, seeks to enable the patients to live each day as fully as possible by controlling pain and managing other symptoms. Hospice care addresses the medical, emotional, psychosocial and spiritual needs of the patient, as well as the importance of the patient's and family's involvement in the decision making. Hospice addresses the emotional, psychosocial and spiritual needs of the family during the terminal illness and provides bereavement counseling after the death of their loved one.

Hospice Goals

- To enhance the quality of life for the terminally ill patient and family;
- To provide care which will allow the terminally ill person to die with dignity at home surrounded by family and friends;
- To provide cost-effective alternatives to more traditional care during the final stages of illness, dying, and bereavement;
- To provide pain control and symptom management;
- To relieve fear, loneliness, guilt and anxiety of the patient and family members;
- To educate the caregiver in providing care for their loved one;
- To provide on-call services 24 hours a day, seven days a week; and
- To educate the community about the hospice concept.



H. Research

Clinical Research

Research refers to any study or investigation undertaken with a goal of producing generalizable knowledge that is made available to the public. It includes clinical and community health research, as well as studies on healthcare delivery. The financial loss of this community benefit is measured after accounting for any external subsidies, such as grants and government funding. Hospitals and universities often collaborate on research to discover new ways to treat diseases, and to understand how these diseases work upon the human body.

For example, the U.S. Department of Defense (DOD) Breast Cancer Research Program has awarded Dr. Elaine Hardman, associate professor in the Department of Biochemistry and Microbiology at the Joan C. Edwards School of Medicine, and Dr. Philip Georgel, associate professor in the Department of Biological Services, competitive grants of \$460,249 and \$320,750, respectively. Hardman and Georgel received two of only 18 grants awarded nationwide through the program.

Over the next few years, Hardman and Georgel will use the funds to confirm earlier observations that consumption of Canola oil, as a source of Omega-3 fatty acid, in the maternal diet of mice, could reduce the risk for breast cancer in their offspring, and to identify the genetic changes associated with a maternal diet that contains Omega-3 fatty acids. They hope to find out how Canola oil is altering the expression of genes, with the goal of developing a panel of bio-markers to assess risk for breast cancer development in humans. A third grant of \$266,000 to Hardman from the National Institutes of Health will fund the final year of a related four-year study.

According to Hardman, the studies highlight the importance of diet in altering either reducing or increasing cancer risk and the importance



Two researchers at Marshall University have been awarded federal funds totaling nearly \$1 million to assess the effects of Omega-3 fatty acids on breast cancer development.

of maternal diet in cancer risk of the offspring. "Clinically, this is exciting! We know that maternal diet is important for the immediate health of the baby, but are just beginning to learn of the important for long-term health," Hardman said. "If a woman can be very careful of her diet for the time of gestation and lactation, the baby may have a reduced risk not only for cancer, but also heart disease and diabetes."

Hardman said collaboration is the key to success in today's research environment. She also said the grants will serve as a good foundation for the new Marshall University Nutrition and Cancer Center, which will support multiple researchers.

1. Contributions

Cash Contributions

With the previous year's monetary support set to expire on November 30, 2010, Cabell Huntington Hospital (CHH) renewed their \$50,000 donation to help continue operations at Huntington's Kitchen, located at 9111 3rd Avenue, across from Pullman Square.

The kitchen, which provides free and low-cost healthy cooking classes to the community, was created last fall by British celebrity chef Jamie Oliver.

At the conclusion of taping, *Jamie Oliver's Food Revolution*, the kitchen was turned over to Ebenezer Medical Outreach, Inc., a non-profit group that began operating the cooking class in February with an initial donation from CHH.

The second \$50,000 gift, for a total of \$100,000 in the year 2010, is vital to keeping the kitchen functioning, according to Yvonne Jones, Executive Director of Ebenezer Medical Outreach. "Without this support," Jones said, "the kitchen could not go on."

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CHH CEO Brent Marstellar said the kitchen's



impact on the community is apparent, but there is more work to be done. "Huntington's Kitchen has proved there is a real need and interest in our community to learn about simple, healthy food preparation," he said. "We firmly believe that many of the health problems associated with the unhealthy can be reduced by learning and adopting the lessons and techniques at Huntington's Kitchen."

CCH has also donated in 2010 \$100,000 to Cabell County lunch menus to improve the health of the county's children.

J. Community Building Activities

Community Support

Each year, West Virginia University (WVU) Hospitals host the WVU Hospitals Sprint, Splash 'n Spin Triathlon to benefit the Monongalia (Mon) County Habitat for Humanity.

The event's goal is to raise money for the Mon County Habitat for Humanity and to create a fun community event that highlights Morgantown's superb recreational facilities and encourage people to exercise. Events include biking, running and swimming.

The Sprint, Splash 'n Spin Triathlon has become a WVU Hospitals tradition.

Habitat for Humanity International is a nonprofit, ecumenical Christian housing ministry that seeks to eliminate poverty housing and the homeless from the world and to make decent shelter a matter of conscience and action.

Through volunteer labor, management expertise, and donations of money, materials and land, Habitat builds homes with the help of the homeowners. The homes are then sold to the partner families at no profit on an interest-free mortgage.

Habitat for Humanity International was founded in 1976. Mon County Habitat for Humanity, the local affiliate that concentrates its efforts on Monongalia County, West Virginia, was founded in 1990.



K. Economic Stimulation: Providing Quality Jobs

West Virginia Hospitals: One of the State's Largest Employers

In 2009, West Virginia hospitals admitted over 250,000 patients, delivered 21,500 babies, and had over one million emergency room visits. Every year, hospitals provide vital healthcare services like these to thousands of people in West Virginia communities. However, the importance of hospitals to their communities extends far beyond healthcare.

Hospital care is the largest component of the healthcare sector, which itself is a growing segment of West Virginia's economy. In West Virginia:

- Hospitals employ over 39,000 people;
- Spend \$2.3 billion in payroll and benefits; and
- Purchase goods and services exceeding \$4.7 billion.

The goods and services West Virginia hospitals purchase from other businesses create additional economic value for the state. With these *ripple effects* included, hospitals generated \$8.4 billion in economic activity in 2009.

In Workforce West Virginia's 2010 List of Largest Private Employers, five of the top 20 are hospitals.

Nationwide there's a strong trend toward more health-related jobs, and that's especially true in West Virginia, said Michelle Thomas, Human Resource Director for West Virginia University Hospitals-East, in an interview with The State Journal.



The Medicaid program is a major stimulus to West Virginia's economy. The costs of the program are jointly funded by states and the federal government, whereby West Virginia receives a matching rate of 73 percent. In other words, for every dollar West Virginia spends on Medicaid, the federal government contributes three.

When West Virginia receives Medicaid payments, new rounds of spending are promoted, generating new spending and tax revenue for the state. Therefore, cutting Medicaid during an economic downturn, for example, would actually worsen the state economy, as well as reduce access to needed healthcare services for the state's most vulnerable population.

L. Other Considerations

West Virginia hospitals help fund the operations of a number of governmental support programs that function for consumers of healthcare. A few examples follow:

WV Health Care Authority Assessment - \$8.6 Million

West Virginia hospitals paid more than \$8.6 million in assessments to support the West Virginia Health Care Authority, the exclusive source of funding for this state agency. Via the hospital assessment financial support, the Authority conducts state health planning, financial disclosure and hospital rate review. The Authority function of Certificate of Need is self-supporting. The Authority's duties have recently expanded to include supporting the West Virginia Health Information Network, a joint partnership with the mission to create a statewide Health Information Exchange. Hospital assessment funds have been re-allocated to pay for this new project.

AccessWV - \$1 Million

West Virginia hospitals paid more than \$1 million in assessments to support AccessWV. AccessWV is an insurance program operated by the West Virginia Insurance Commissioner to provide health insurance to high-risk individuals unable to obtain health insurance in the commercial market. West Virginia hospitals have subsidized the costs for these individuals to obtain health insurance coverage. Nearly 1,000 policyholders now benefit from this subsidy from West Virginia hospitals.

Health Information Network - \$1.5 Million

West Virginia hospitals have paid more than \$1.5 million in the establishment of the State Health Information Network.



Glossary of Terms

ACCOUNTS PAYABLE: Amounts owed to others for goods, services, and supplies purchased and received, but not yet paid for as of the balance sheet date.

BAD DEBT: Amount not recoverable from a patient following exhaustion of all collection efforts.

CASH: Money in the bank available for immediate expenditure. This may include cash equivalents which are financial instruments that may readily and quickly converted into cash.

CHARITY CARE: Uncompensated care given by a healthcare facility to indigent and medically-indigent people as part of a written mission or charity care policy. It does not include accounts written off as *bad debts* or third-party adjustments, including those for Medicare and Medicaid. This represents healthcare services accounted for on the accrual basis which were provided, but were never expected to result in cash inflows.

CONTRACTUAL ALLOWANCE: Accounting adjustment to reflect non-collectable differences between established charges for services under contracts with third-party payers. The amount of the discount from total charges negotiated by the healthcare provider with an insurer for the provision of healthcare services. Or, the difference between total charges and the reimbursement allowed by a governmental payer.

CRITICAL ACCESS HOSPITAL (CAH): Rural acute hospital with no more than 25 licensed beds consisting of acute care beds and/or swing beds. The average length of stay must not exceed 96 hours. The CAH has emergency services available 24 hours and agreements, contracts or affiliations for transfers and services.

INCOME (LOSS) FROM PATIENT SERVICES: Equals net patient revenue less operating expenses. Net patient revenue only includes payments for patient services rendered; it does not include other operating or non-operating revenues.

NON-OPERATING REVENUE: Amounts the facility receives from items that are neither directly nor indirectly the result of treating patients or other operating activity. Examples of revenue in the care are investment income and donations.

OTHER ASSETS: Items not expected to be expended in the current period, but with limited use due to restrictions. These consist of items such as funds held for bond indenture requirements, investments for self-insured malpractice and hospitalization programs.

OTHER CURRENT ASSETS: Items expected to be expended during the current period. These consist of items such as short-term investments and current portion of assets.

OTHER CURRENT LIABILITIES: Accrued expenses for wages and salaries, benefits and interest.

Glossary of Terms (Continued)

OTHER LIABILITIES: Consists of items such as liabilities for self-insured malpractice, employee benefit programs (pension and healthcare), and inter-company payables for affiliated facilities.

OTHER OPERATING REVENUE: Amount the facility receives from sales of items not directly resulting from treating patients. It includes items such as cafeteria sales and the sales of medical records copies.

OTHER RECEIVABLES: from revenue sources other than patients. The receivables may consist of settlement amounts due from Medicare, Medicaid or other parties.

PAYER: The person, government body, or public or private organization that is responsible for payment of healthcare expenses. Payers include insurance companies and self-insured employers.

PRE-TAX INCOME: Revenues minus expenses before income tax; and may also exclude extraordinary items.

PREPAID EXPENSES: Amounts already paid for the cost of items that will be expended in the current period. The prepaid expenses may consist of items such as prepaid insurance

PROPERTY, PLANT AND EQUIPMENT: Historical cost of land, buildings and equipment owned by the facility. It may also include capital leases, which are leases for the approximate life of the asset.

TOTAL ASSETS: Total of all assets listed in the balance sheet.

TOTAL LIABILITIES: Total of all liabilities listed on the balance sheet.

TOTAL LIABILITIES AND FUND BALANCES AND/OR EQUITY: Summation of the total liabilities and fund balance or equity shown on the balance sheet.

TOTAL OPERATING EXPENSES: Amount recorded by the facility for items purchased or accrued as normal operating expenses. It includes, but is not limited to, items such as salaries, employee benefits, medical supplies, utilities, depreciation, interest on debt, income and provider taxes (if applicable), and all other necessary supplies.

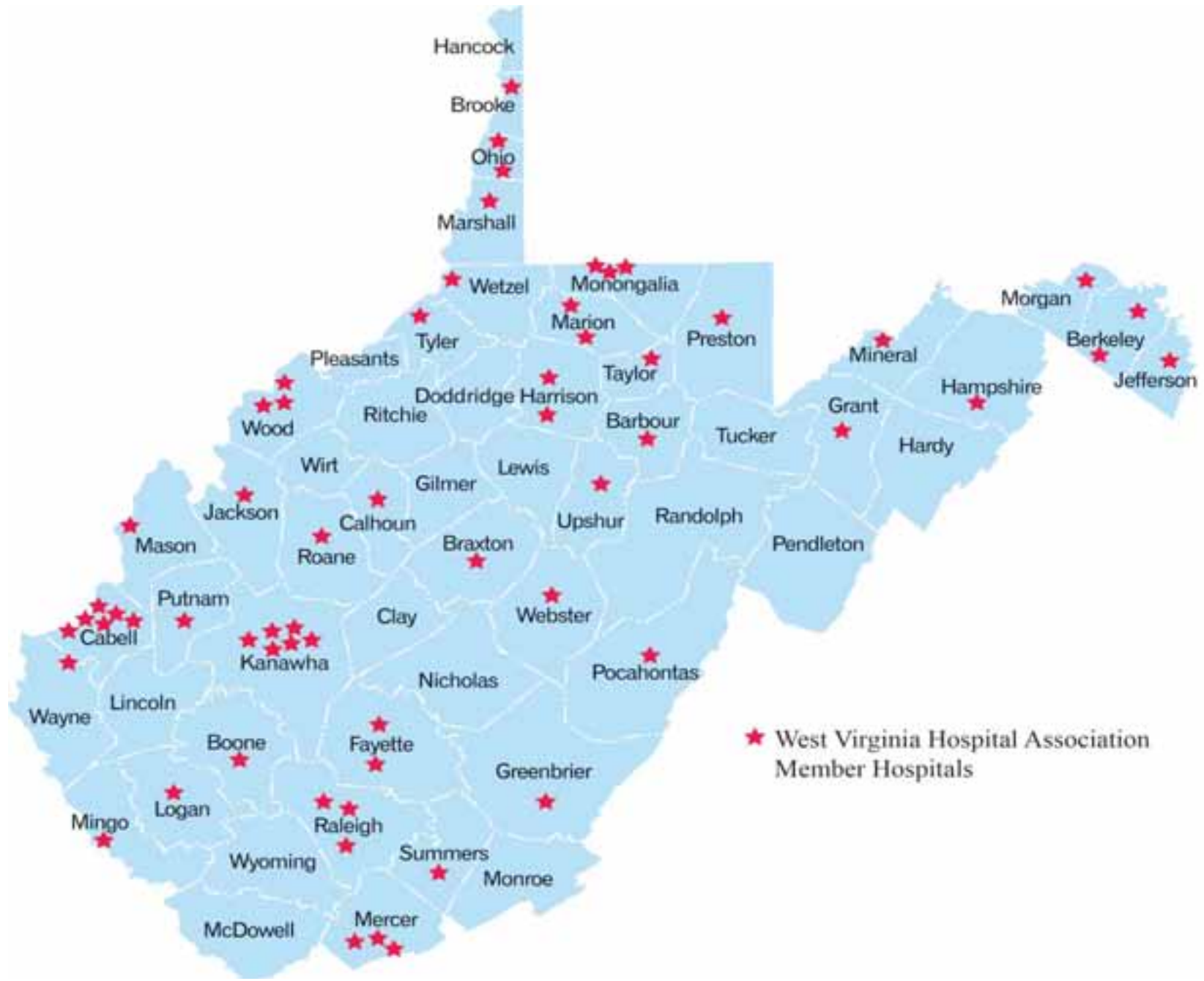
UNCOMPENSATED CARE: Amount of patient care provided without compensation or reimbursement, consisting of charity care and bad debt. Contractual allowances are not included.

WVHA Member Hospitals

Beckley VA Medical Center
Bluefield Regional Medical Center
Boone Memorial Hospital
Braxton County Memorial Hospital
Cabell Huntington Hospital
CAMC Health System
 CAMC General Hospital
 CAMC Memorial Hospital
 CAMC Teays Valley Hospital
 CAMC Women and Children's Hospital
Camden-Clark Memorial Hospital
Cornerstone Hospital of Huntington
Davis Health System
 Broadus Hospital
 Davis Memorial Hospital
Eye and Ear Clinic of Charleston, The
Fairmont General Hospital
Grafton City Hospital
Grant Memorial Hospital
Greenbrier Valley Medical Center
Hampshire Memorial Hospital
HealthSouth Huntington Rehab Hospital
HealthSouth Mountain View Rehab Hospital
HealthSouth Southern Hills Rehab Hospital
HealthSouth Western Hills Rehab Hospital
Highland Hospital
Huntington VA Medical Center
Jackson General Hospital
LifePoint Hospitals
 Logan Regional Medical Center
 Raleigh General Hospital
Louis A. Johnson VA Medical Center
Martinsburg VA Medical Center
Minnie Hamilton Health System
Monongalia Health System
 Monongalia General Hospital
Montgomery General Hospital
Ohio Valley Health Services & Ed. Corp.
 Ohio Valley Medical Center
Pallottine Health Services
 St. Joseph's Hospital of Buckhannon
 St. Mary's Medical Center
Plateau Medical Center
Pleasant Valley Hospital
Potomac Valley Hospital
Pocahontas Memorial Hospital
Preston Memorial Hospital
Princeton Community Hospital
Reynolds Memorial Hospital
River Park Hospital
Roane General Hospital
Select Specialty Hospital
Sistersville General Hospital
St. Joseph's Hospital/Parkersburg
Summersville Regional Medical Center



Thomas Health System
 Saint Francis Hospital
 Thomas Memorial Hospital
War Memorial Hospital
Webster County Memorial Hospital
Weirton Medical Center
West Virginia United Health System
 United Hospital Center
 West Virginia University Hospitals
 WVUH-East/City Hospital
 WVUH-East/Jefferson Memorial Hospital
Wetzel County Hospital
Wheeling Hospital
Williamson Memorial Hospital



**Healthy Hospitals. Healthy Communities.
A Better West Virginia.**



West Virginia Hospital Association