

Covering Community Healthcare

Hospital Community Benefits Report 2012



Like a quilt comprised of many pieces combined to form a protective coverlet, West Virginia hospitals work together to blanket their communities with health benefits. From providing uncompensated care totaling \$742 million dollars in 2010 to offering support in helping indigent patients obtain medications, West Virginia's hospitals continue to promote health in the face of state payer and Medicaid and Medicare shortfalls and declining reimbursement. Mountain State hospitals meet vital community healthcare needs and improve the experience of everyday living – all at little or no cost to those they serve. This is because the bottom line for West Virginia hospitals is not found in financial figures, but rather in compassionate patient care.

In 2010, the West Virginia Hospital Association (WVHA) produced “West Virginia Hospitals: Covering Community Healthcare,” a detailed report that focused on the important benefits hospitals provide. The report put a human face to hospitals and helped share the collective story of the state by highlighting the many ways hospitals invest in communities. The goal of the report was to contribute to the further development of sustainable and effective community benefits programs.

The “2012 Community Benefits Update” highlights how the figures shown in the 2010 report have changed over the past two years. It's intended to be used in conjunction with the previous report, which illustrates in-depth how individuals have been helped by hospital programs, medical education, support groups, counseling, wellness and self-help programs, immunizations and so much more.



Joseph M. Letnaunchyn
President & CEO
West Virginia Hospital Association



David L. Ramsey
WVHA Chairman of the Board
President & CEO
CAMC Health System
Charleston, WV

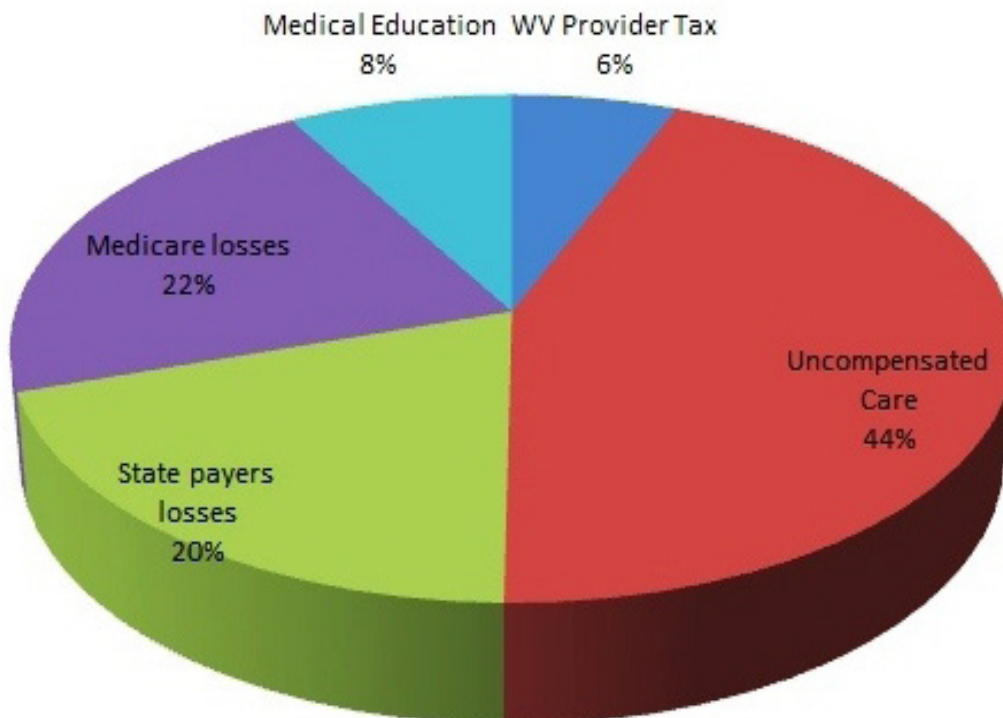


Total Community Benefits for West Virginia Hospitals

In 2010, the value of community benefits programs provided by West Virginia hospitals exceeded \$1,685 billion. This community benefits total includes medical education, the West Virginia Provider Tax, uncompensated care, state payer losses and Medicare losses. Following are the numerical and percentage changes for these items:

	<u>2009</u>	<u>2010</u>	<u>% Change</u>
Medical Education	\$ 133 Million	\$ 141 Million	6 %
West Virginia Provider Tax	\$ 97 Million	\$ 103 Million	6 %
Uncompensated Care	\$ 721 Million	\$ 742 Million	2.9%
State Payer Losses	\$ 324 Million	\$ 333 Million	2.8%
<u>Medicare Losses</u>	<u>\$ 377 Million</u>	<u>\$ 365 Million</u>	<u>3.1%</u>
Total Community Benefits	\$1,652 Billion	\$1,685 Billion	1.9%

Community Benefits



Charity Care, Bad Debt, WV Health Care Authority and Health Information Network

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. All patients presenting at hospitals are treated, regardless of whether they have insurance or can afford to pay.

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).

The West Virginia Health Care Authority conducts state health planning, financial disclosure and hospital rate review. The Authority function of Certificate of Need is self-supporting. Its duties have recently expanded to include supporting the West Virginia Health Information Network (WVHIN).

WVHIN is a joint partnership with the mission to create a statewide health information network. Hospitals have helped establish WVHIN, and hospital assessment funds have been paid to the Health Care Authority to provide additional funds for this project.

Following are further financial differences for community benefits that have occurred over the past two years. These are in the categories of charity care, bad debt, the West Virginia Health Care Authority and WVHIN, to name a few.

<u>2009</u>	<u>2010</u>
\$291.5 Million in Charity Care	\$279 Million in Charity Care
\$429 Million in Bad Debt	\$463 Million in Bad Debt
\$8.6 Million in the WV Health Care Authority	\$7.4 Million in the WV Health Care Authority
\$1.5 Million in WVHIN	\$1.5 Million in WVHIN



The Economic Factor

Economic stimulation is an important factor in the healthcare sector as an economic mainstay for communities across the country, providing stability and even growth in times of recession.

*Healthcare in the U.S. has added an average of 24,000 jobs per month over the past year. As a vital component of the healthcare sector, hospitals:

- Employ over 5.4 million people;
- Are the second largest source of private sector jobs; and
- Spend about \$342 billion on goods and services from other businesses.

The goods and services hospitals purchase from other businesses create additional economic value for communities. With these *ripple effects* included, each hospital job supports about two more jobs and every dollar spent by a hospital supports roughly \$2.30 of additional business momentum. Overall, hospitals support one of nine jobs in the U.S. and over \$2.2 trillion in economic activity. As with community benefits, the economic contributions of West Virginia hospitals and health systems are often overlooked. As one of West Virginia's largest employers, hospitals currently employ more than 39,000 people statewide. **In 2009:

- The number of jobs created by West Virginia hospitals totaled 42,833.
- Percent of total (non-farm) employment supported by hospital employment
- totaled 10.67 percent.
- Hospital payroll and benefits totaled \$2,280 billion.
- Hospital expenditures amounted to \$4,716 billion.
- The effect of expenditures on total output in the state economy totaled \$8,250 billion.

Concurrent to providing community benefits and acting as economic engines, hospitals are doing even more to improve services to residents. They are striving to expand and grow, even in a still-struggling economy, providing patients with the best care possible. Renovated spacious rooms, green technology and freshly-prepared foods, for example, offer more comfort, faster healing and overall well-being. Research and discoveries about disease control dominate teaching hospital laboratories. New implements, such as the da Vinci Surgical instrument - a minimally-invasive tool that uses tiny robotic arms controlled by surgeons - are being employed. Quality control and patient safety standards are being improved daily through such techniques as electronic health records.

*American Hospital Association Annual Survey Data 2009.

**Beyond Health Care: The Economic Contribution of Hospitals, American Hospital Association, Research and Trends.



Community Health Improvement Services

Community benefits provided by hospitals include an entire range of services offered for free or at reduced cost. Some of these include:

- Education and outreach programs to address health education needs, promotion of healthy lifestyles and free screenings to detect the early onset of illness and disease;
- Support groups for patients and families dealing with grief;
- Programs for pregnant women, such as childbirth and breast-feeding classes;
- Community clinics offering primary services;
- Immunizations; and
- Programs for children and the elderly.

Hospitals also serve their communities through diabetic consultation, helping tackle a chronic disease inflicting more and more West Virginians. A recent informal survey by the WVHA shows member hospitals to be highly engaged in the battle against diabetes.

In fact, most West Virginia hospitals provide some form of diabetic education either through a licensed dietician who works directly with patients or in partnerships with other community health organizations. They are consistently providing either in- or out-patient programs to improve community health. While many hospitals offer educational programs or support groups to their communities, several provide diabetes management with a physician referral. These services, as with other hospital community benefits, are offered for free or at significantly reduced costs.



Emergency Services - Hospitals as Community Refuges

On June 29, a massive derecho storm barreled through a balmy summer evening with little warning. Traveling 700 miles, it devastated 10 states and left more than 4.3 million people without electricity. West Virginia was hit hardest of all; more than 600,000 residents lost power in the midst of a major heat wave, with temperatures soaring at or above 100 degrees. The destructive storm force left West Virginia hospitals with major challenges, which were met with fierce determination to protect their patients, as well as the communities they serve.

A review of hospital emergency records in the aftermath of the storm indicated three deaths could be attributed to the storm, according to Dr. Marian Swinker, state commissioner for public health. "West Virginia hospitals did an outstanding job capturing and reporting this much-needed data to the state," Swinker said. "The data collected will help us develop prevention messages that can help save lives in the future."

Communication was a major problem for health facilities, according to Deborah Hill, CEO of Summersville Hospital. The 75-85 mile per hours winds knocked out land lines and damaged cell phone towers. "We could not get ahold of physicians or patients," Hill said. "No one could call in or out." Thus, Hill sent police to patients' houses to check on their health. Extra administrative staff filled in for employees who didn't have enough gasoline to drive to the hospital.

St. Joseph's Hospital of Buckhannon supported 12 patients and family members who didn't want to go home because they didn't have power, and assisted an adjoining nursing home lacking air conditioning. Power at Cabell Huntington Hospital was restored early Saturday morning; until then generators were used. "During the outage, our staff took precautions to protect our patients and provide the best possible care during a challenging time," said hospital spokesman Charles Shumaker.



Damage from the storm was devastating. WBOY TV

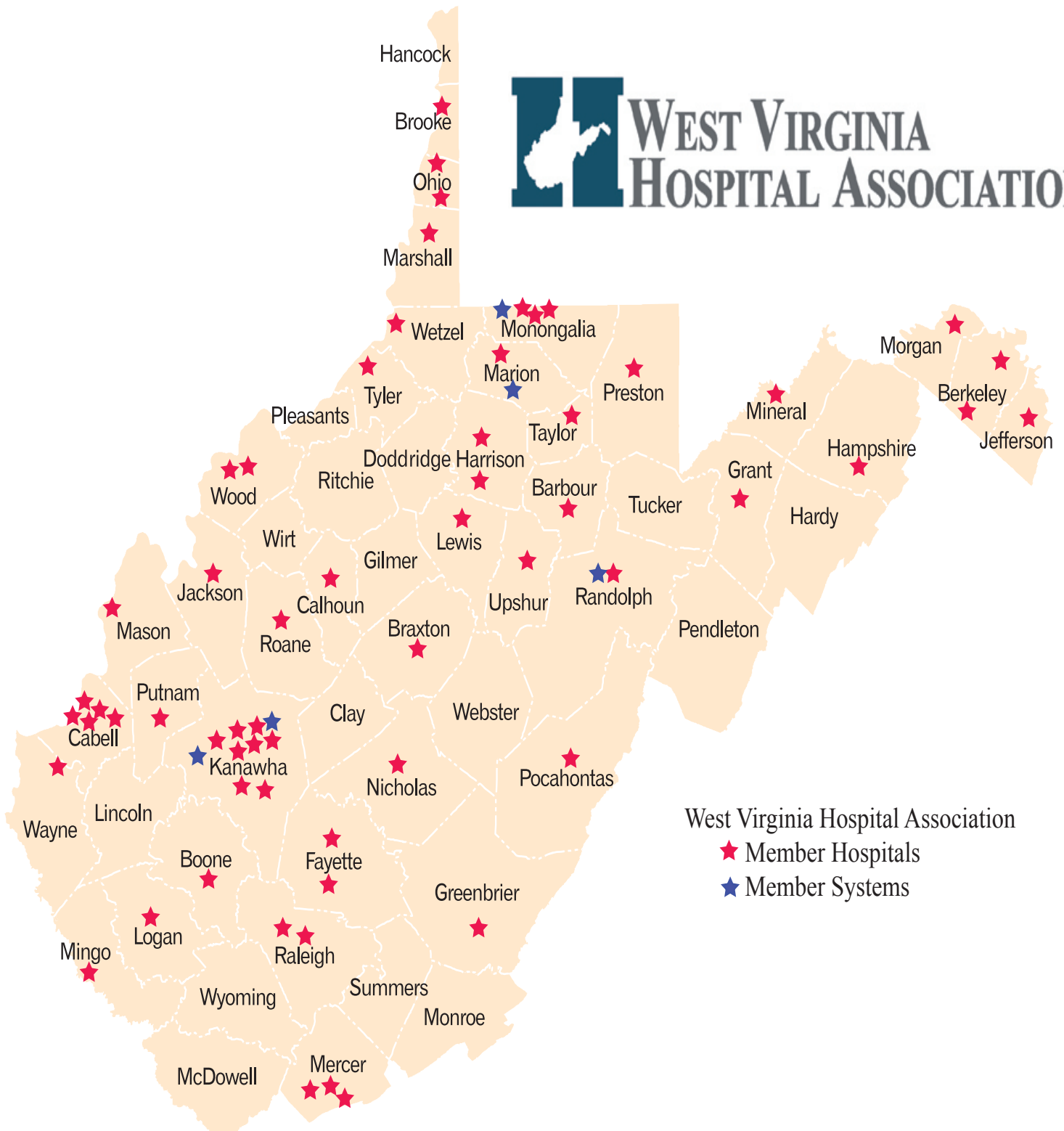
After the storm, Minnie Hamilton Hospital's maintenance team sprang into action to inspect affected areas and monitor infrastructure defects. Next morning, others gathered to clear debris behind Clinic C where a number of trees had fallen. The hospital also supplied courtesy beds to citizens with special needs, such as oxygen and power for medical equipment. Although the cooler and freezer failed simultaneously, the dietary department took measures to ensure patients and employees were supplied meals without interruption.

According to Tom Schauer, CEO of Pleasant Valley Hospital, in an emergency "you do whatever it takes" and that's exactly what this hospital did. Inundated with calls from patients concerned about their oxygen supply, staff spent many hours ensuring those patients were safe. They also proudly assisted in the early birth of a baby that evening. The facility functioned as a "cooling center" for residents desperate to escape the heat, as well as a place for people to come in to charge their cell phones. In short, it served as a place of refuge for residents. "The community expects the best from us," Schauer said, "and that's what they received."

These are just a few examples of West Virginia hospitals responding to a community crisis of epic proportions. They and their staff went above and beyond the average call of duty to protect patients, their families, and the community in general. Whether West Virginia's hospitals navigate new and exciting strides in technology and research, offer life-improving educational awareness, or care for their communities in times of crisis, always at the forefront is their premier promise: to provide life-saving care, 24-hours-a-day, seven-days-a-week, to all patients regardless of ability to pay. Serving as community safety nets, hospitals are places where patients can always count on compassionate, quality care.



***Communities West Virginia Hospital Association Members Serve**



West Virginia Hospital Association
 ★ Member Hospitals
 ★ Member Systems

**As of August 2012.*



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
Charleston Surgical Hospital
Cornerstone Hospital of Huntington
Davis Health System
 Broaddus Hospital
 Davis Memorial Hospital
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
Logan Regional Medical Center
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 Medical Center
Plateau Medical Center
Pleasant Valley Hospital
Pocahontas Memorial Hospital
Potomac Valley Hospital
Preston Memorial Hospital



Princeton Community Hospital
Raleigh General Hospital
Reynolds Memorial Hospital
River Park Hospital
Roane General Hospital
St. Joseph's Hospital
St. Mary's Medical Center
Select Specialty Hospital
Sistersville General Hospital
Stonewall Jackson Memorial Hospital
Summersville Regional Medical Center
Thomas Health System
 Saint Francis Hospital
 Thomas Memorial Hospital
War Memorial Hospital
Weirton Medical Center
West Virginia United Health System
 Camden Clark Medical Center
 United Hospital Center
 West Virginia University Hospitals
 WVUH-East/City Hospital
 WVUH-East/Jefferson Memorial Hospital
Wetzel County Hospital
Wheeling Hospital
Williamson Memorial Hospital

