

# West Virginia Hospitals

*The Heart of a Healthier West Virginia*



# Message to our Communities

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. Current available data shows that West Virginia hospitals provide a significant level of services and economic benefits to their communities, exceeding \$1.3 billion. There's more behind that impressive and important figure that we'd like to share with you in the following pages, especially in light of unprecedented changes taking place in healthcare today.

Statistics are beginning to filter in, and in the first year of healthcare coverage expansion under new marketplace options and Medicaid expansion, the landscape for hospitals has certainly transformed. 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 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.

We invite you to ask the fine healthcare professionals working in our hospitals to share the many 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. 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.

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. Any perceived "savings" resulting from new coverage options is not tied to the amount of uncompensated care we provide, but rather it's the promise we make 24/7/365 to keep people healthy in our communities, improve the direct care experience, and reduce the overall cost of providing care for all.



Joseph M. Letnaunchyn  
WVHA President and CEO



David Darden, CEO,  
Raleigh General Hospital  
Chair, WVHA Board of Trustees

# West Virginia Hospitals

## *Investing in our Communities*



Each day, West Virginia hospitals voluntarily provide programs and services beyond simply caring for the sick and injured. These community benefits are made available at low or no cost to members of the community with the goal of saving and improving lives.

# Community Benefits

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.

Community benefits do one or more of the following:

- Improve access to healthcare;
- Enhance the health of the community;
- Advance medical or healthcare knowledge;
- Relieve or reduce the burden of government; and
- Help West Virginians who need it most.

By providing preventative health services and programs, West Virginia hospitals are helping to improve health and reduce the need for costly emergency treatment and acute care.



# *Lives are Impacted*

West Virginians are served every year through voluntary community benefits that improve the overall quality of life in a community.

These programs help manage the specific health needs that are unique to each community.



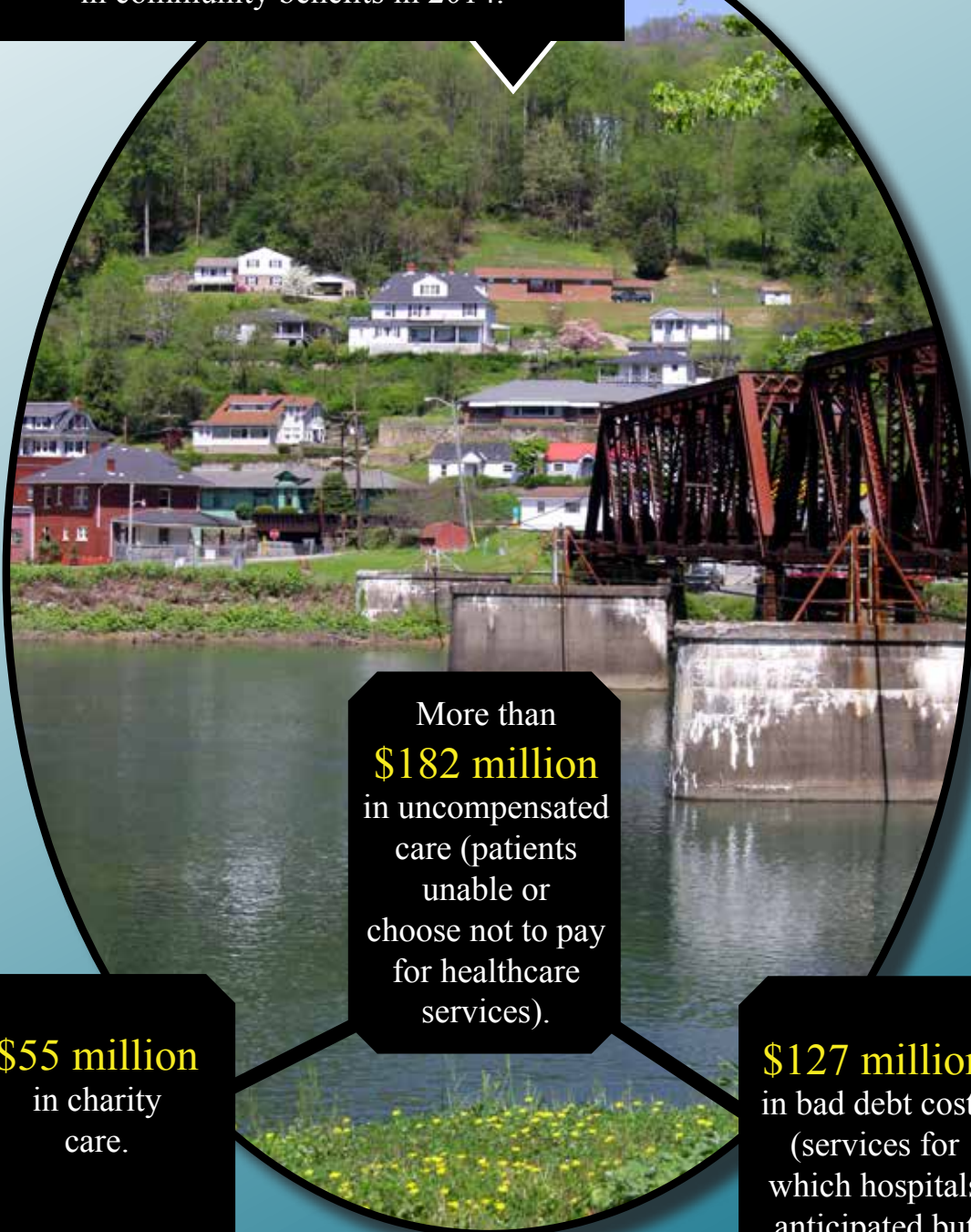
- Free or low cost immunizations
- Charitable contributions
- Family support services
- Health education
- Community building activities
- And more...

# Communities are Strengthened

West Virginia hospitals provided more than

**\$1.3 billion**

in community benefits in 2014.



More than  
**\$182 million**  
in uncompensated  
care (patients  
unable or  
choose not to pay  
for healthcare  
services).

**\$55 million**  
in charity  
care.

**\$127 million**  
in bad debt costs  
(services for  
which hospitals  
anticipated but  
did not receive  
payment).

# West Virginia Provider Tax

To help fund the state Medicaid program, West Virginia hospitals, nursing facilities and others currently pay \$198 million per year in provider tax.

Together with the federal match on these payments, approximately one-fourth of West Virginia's \$3.9 billion Medicaid budget is financed by the provider tax. Hospitals pay approximately \$126 million annually in provider taxes, which finances about 13.7 percent of the \$875 million in state share of Medicaid.

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

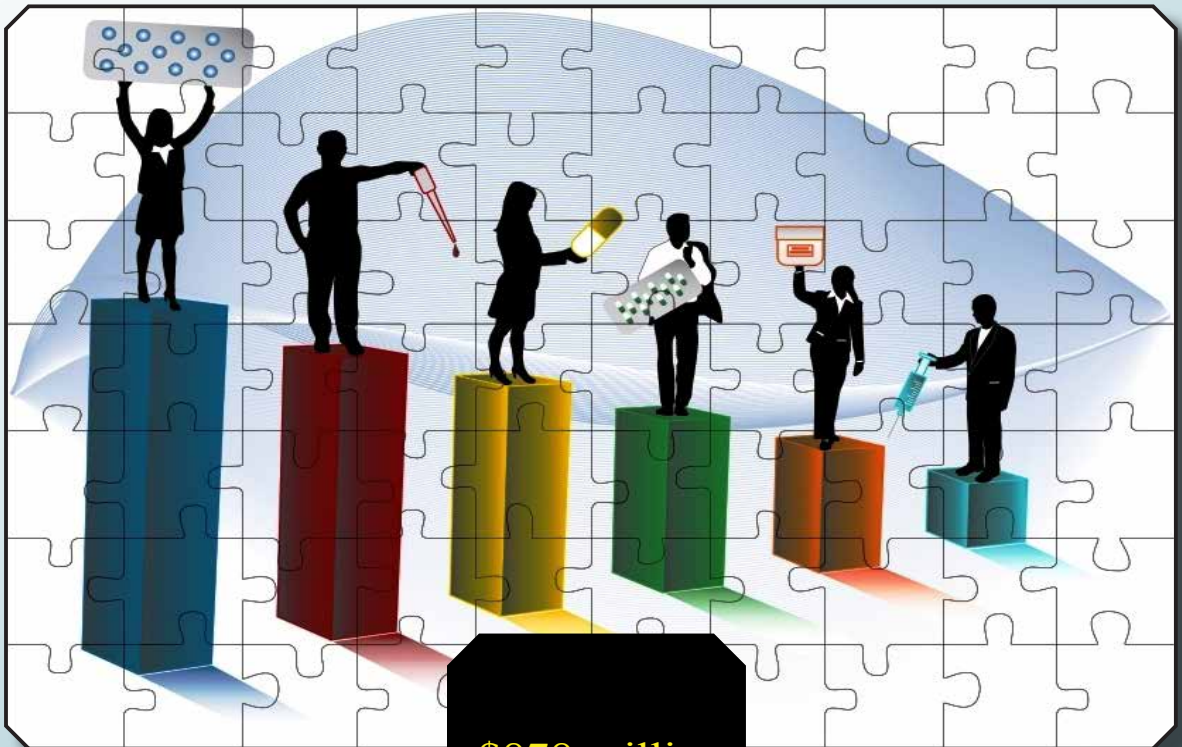


**\$126 million**  
in provider taxes to  
help fund the  
Medicaid program.

# Healthcare Spending

In addition to providing important community services and outreach programs, hospitals shoulder a large financial burden because of limited reimbursement from government programs which result in payments below the cost of services.

**Medicare and Medicaid underpayments account for approximately \$878 million of Community Benefits.**



**\$878 million**  
in government  
program  
shortfalls.

**\$523 million**  
in Medicare  
shortfalls.

**\$355 million**  
in state  
payer losses.



# *Jobs are Provided*



More than **46,000 people**  
are employed by West Virginia hospitals.



Doctors, nurses, support staff, contractors and countless others  
are critical to the success of hospitals and their programs.

# *Economic Impact of West Virginia Hospitals*

West Virginia hospitals contribute approximately \$9.3 billion to the West Virginia economy every year (including calculations for compensation, facilities, spin-off jobs, hospital and employee purchasing, and other parameters). This figure represents 9.3 percent of the State's entire economic output.

This translates to 83,304 jobs at hospitals and other businesses (due to hospital and employee spending).

West Virginia hospitals directly employ more than 46,000 workers, representing more than \$2.5 billion in payroll and benefit expenses. In fact, West Virginia hospitals account for 17 of the top 100 employers.



# Preparing for a Healthier Future

West Virginia hospitals provide high-quality training and education for medical professionals.

## These programs:



Provide hospital patients with access to physician care.



Help attract federal and private research funding.



Invest **\$148** million in Medical Education.



Help maintain a steady supply of physicians, nurses and other health professionals who live and work in West Virginia.

# Annual Patient Care at West Virginia Hospitals



Approximately  
**275,000**  
patients receive inpatient  
care at acute care hospitals.



More than  
**23,000**  
babies delivered in  
West Virginia hospitals.



**1.2 million**  
patients receive care in  
hospital emergency  
departments.



WV Hospitals  
provide care for  
**4.8 million**  
outpatients.



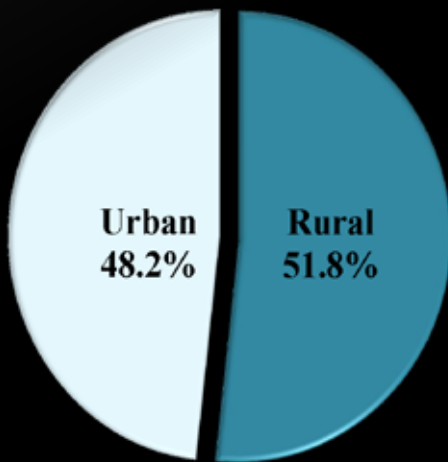
WV Hospitals perform  
**240,000**  
outpatient surgeries.

# West Virginia Hospitals at a Glance

**West Virginia has 70 hospitals located in 42 counties.**

- 32 General acute care hospitals
- 20 Critical Access Hospitals (CAH) - rural, 25 or fewer beds, length of stay less than 96 hours
- 18 Specialty facilities including: psych, rehab, long term acute and Veterans Affairs facilities
- 30 counties have one hospital; 12 counties have two or more hospitals; 13 counties with no hospital

## Rural and Urban Hospitals

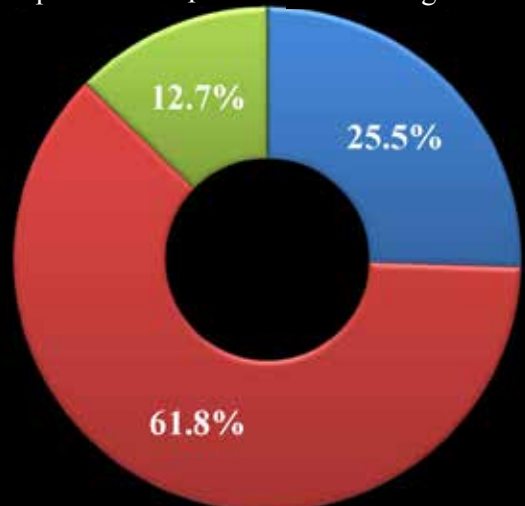


More than half of all West Virginia hospitals are in rural areas, with the remaining facilities located in urban parts of the state.

Hospital ownership type varies in West Virginia.

## Hospital Ownership

■ Non-profit ■ For profit ■ State/local government



# Glossary of Terms

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

**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.

**INSURED WEST VIRGINIANS:** A majority of the non-elderly receive their health insurance as a job benefit, but not all workers receive benefits. If benefits are not available through employers, residents may purchase insurance policies or simply private pay for medical services. **40 percent - or 710,000 West Virginians are insured** through their employer or private pay.

**MEDICAID:** A federal-state partnership where the federal and state governments jointly fund the cost of the program. Medicaid covers low-income children, pregnant women, the elderly, persons with disabilities and parents or caregivers of children meeting specific low-income thresholds and low income adults and families. After the expansion of Medicaid **31 percent - or 565,000 West Virginians are now covered by Medicaid.**

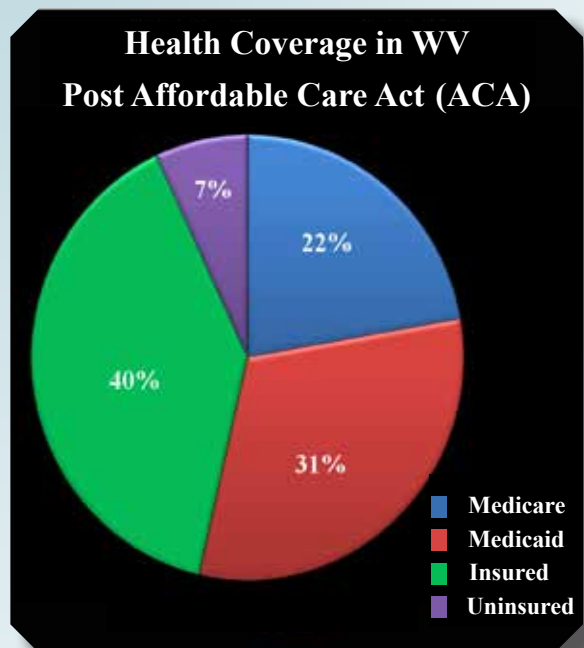
**MEDICARE:** A federally administered and financed health insurance program for the disabled and elderly (65 and older). **Medicare covers 22 percent - 400,000 West Virginians.**

**NON-TRADITIONAL COMMUNITY BENEFITS:** Benefits offered for free or minimal cost - both on the hospital campus and beyond the hospital walls.

**TRADITIONAL COMMUNITY BENEFITS:** Benefits that refer to a hospital's commitment to provide needed healthcare services to all, regardless of their ability to pay.

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

**UNINSURED WEST VIRGINIANS:** Even though West Virginia expanded Medicaid there are still uninsured citizens in West Virginia. **7 percent - or 125,000 West Virginians are uninsured.**



Source: Kaiser Family Foundation

# *West Virginia Hospital Association Member Hospitals and Health Systems*

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 Medical Center

Fairmont Regional Medical Center

Grafton City Hospital

Grant Memorial Hospital

Greenbrier Valley Medical Center

Hampshire Memorial Hospital

HealthSouth Huntington Rehab Hospital

HealthSouth MountainView Rehab Hospital

HealthSouth Southern Hills Rehab Hospital

HealthSouth Western Hills Rehab Hospital

Highland Hospital Association

Highland-Clarksburg Hospital, Inc.

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

Preston Memorial Hospital

Montgomery General Hospital

Ohio Valley Medical Center

Plateau Medical Center

Pleasant Valley Hospital

Pocahontas Memorial Hospital

Princeton Community Hospital

Raleigh General Hospital

Reynolds Memorial Hospital

River Park Hospital

Roane General Hospital

Select Specialty Hospital

Sistersville General Hospital

St. Mary's Medical Center

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-**

### **WVU Medicine**

WVU Medicine Berkeley Medical Center

WVU Medicine Camden Clark Medical Center

WVU Medicine Jefferson Medical Center

WVU Medicine Potomac Valley Hospital

WVU Medicine Ruby Memorial Hospital

WVU Medicine St. Joseph's Hospital

WVU Medicine United Hospital Center

Wetzel County Hospital

Wheeling Hospital

Williamson Memorial Hospital

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



WEST VIRGINIA  
HOSPITAL ASSOCIATION

100 Association Drive  
Charleston, WV 25311  
(304) 344-9744  
[www.wvha.org](http://www.wvha.org)