

Beyond the Bedside: Hospital Community Benefits

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It is generally understood that hospitals impact and improve the quality of life for the citizens of West Virginia by providing acute and tertiary care services. Yet, contributions made by these hospitals through various community benefit and outreach programs are often overlooked, which leads to the question: what exactly constitutes hospital community benefits?

Generally, community benefits are those programs and services that go beyond expected and direct, mission-driven patient care activities. They are activities that provide treatment or promote health as a response to community needs and meet a number of community benefit objectives, including improving access to healthcare services, enhancing the health of the community and advancing medical or healthcare knowledge. They are frequently categorized as traditional and non-traditional; *traditional serving as a hospital's commitment to provide needed healthcare services and financial assistance (or charity care) to all people in a community regardless of ability to pay; and non-traditional – both on hospital campuses and beyond hospital walls – intended to improve health status, increase access to care and enhance the quality of services available to a community.*

Beginning this year, the Internal Revenue Service (IRS) will require not-for-profit hospitals to report their community benefit activities, and other information related to tax exemption on a new Form 990, Schedule H. While this represents a new federal reporting obligation, it also provides an opportunity to reinforce hospitals' commitment to community benefits and to tell our community benefits story.

There are many good stories to tell here in West Virginia, and what follows is a testament of just how intertwined community benefits are with the unique challenges we face in our state. That is, the health status of our residents, the fiscal health of our hospitals, and the uninsured.

The most recent statistics available show that in 2008, West Virginia hospitals: treated 4.7 million people in their outpatient departments; treated more than 1.1 million patients in their emergency

departments; performed over a quarter million surgeries; delivered 22,000 babies; and provided charity care to more than 300,000 patients with no insurance at all, or to those with limited coverage.

As impressive and important as these statistics are, the challenges for providers in West Virginia are daunting, particularly as they relate to the health status of our citizens.

West Virginia ranks extremely low in health status as compared with other states – 42nd of 50 – as shown in the 2009 *America's Health Rankings*. Conducted by the United Health Foundation, *Rankings* is the longest running annual assessment of our nation's health on a state-by-state basis. According to the *Rankings*, West Virginia's obesity rate has more than doubled since 1990, and 27 percent of the population smokes. The number one killer in the state – heart disease – is linked to obesity; abnormally high percentages of cigarette smoking; the use of smokeless tobacco and sedentary lifestyles. West Virginia hospitals provide life-saving preventative programs to combat these killers, serving as an education and resource hub for their local communities. Our hospitals are meeting these challenges head-on through a variety of educational outreach programs, with an emphasis on healthy lifestyles; smoking cessation; weight control programs; and health screenings that can identify medical problems, all at little or no cost to the patients or their community.

If our hospitals are not fiscally sound to offer these outreach programs, their communities will be negatively impacted on a variety of levels. Last year's economic downturn proved that hospitals are not immune to economic pressures. As in any industry, tough economic conditions have led to hospital budget cuts, resulting in some staff reductions. This has obviously impacted local economies where hospitals often rank among top employers in counties throughout West Virginia. In fact, West Virginia hospitals are economic drivers in their own right, employing more than 38,000 people, and contributing more than \$2.2 billion in payroll and benefits combined. And, while the success of a hospital is attributed to its employees, budget concerns resulting from a weak economy can lead to little or no capital improvement being invested into new and economically efficient medical systems and technologies, such as electronic records systems – which ultimately benefit patients and the communities in which they live.

Economic challenges on a broader level also means fewer jobs with employer-based healthcare coverage and consequently, greater numbers of uninsured individuals and families. In fact, one of the greatest challenges for the healthcare community is the state's uninsured population. According to the West Virginia Health Care Authority's newly-released *Annual Report*, West Virginia hospitals in 2008 provided uncompensated care valued at nearly \$675 million to the more than 300,000 uninsured and/or underinsured individuals in West Virginia. Statewide, hospital uncompensated care has grown by almost 67 percent in the last five years, serving as an alarm that a greater number of residents are in need of adequate health insurance coverage. This is also a reminder of the harsh reality that some individuals are delaying care until their health is at its crisis level, and some illnesses are treated in

the hospital emergency department, resulting in care being provided in one of the most inappropriate and costly settings in our health care system. These illnesses then lead to a sicker and less productive workforce with increased leaves of absence from work due to illness.

The problem of the uninsured and uncompensated care is exacerbated by ongoing hospital payment issues. In West Virginia, Medicare and Medicaid payments to hospitals, on average, are 82 cents and 73 cents, respectively, for every dollar spent on hospital care. Consequently, in 2008, hospitals experienced payment shortfalls in excess of \$640 million related to payments below cost from Medicare, Medicaid and the Public Employees Insurance Agency (PEIA), the health plan for state employees and retirees. The losses from these government payers is continuously being shifted to the private sector in the form of higher health insurance premiums for all – until coverage is priced out of the reach for many West Virginians. It is critically important that these public programs be adequately funded so that hospitals can significantly reduce, or avoid future cost-shift, and more importantly, continue to provide and sustain highly specialized services, such as trauma and burn centers, medical and health professional education and obstetrical neonatal services among other services that residents and communities have come to rely.

Hospitals all across our great State provide an impressively broad range of services in their urban and rural communities. Along with those already mentioned, these include, but are not limited to: programs and free screenings to detect the early onset of illness and disease; support groups; immunizations for children and adults; and community clinics that offer primary care services. In addition, hospitals provide support through community fairs and speaker bureaus, and offer classes in babysitting, CPR, and education about diabetes, cancer and heart disease. Outreach programs, such as screening for blood pressure, cholesterol and mammograms, as well as comprehensive physicals and worksite screenings, offer the measure of prevention required to keep healthy lifestyles at the forefront. The goal is simple: create and maintain a healthy population that results in a productive workforce in West Virginia.

There should be little doubt that West Virginia hospitals are striving to reach that goal by providing important community services, all the while stretching their already thin resources. Our hospitals are motivated by their ability to care for those in need – the hallmark of community benefit. Our hospital professionals are working to continue their mission of providing quality care to the patients they serve and to be a Hallmark in their respective communities. Their worth to the citizens of West Virginia is invaluable, and a significant component to a healthier West Virginia.