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West Virginia's Hospitals: Protecting Today, Planning for Tomorrow

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West Virginians depend on hospitals to be there when they need them – to respond swiftly to emergencies, to welcome new life into the world, to help patients cope with acute and chronic illness, and to care for those who have no place left to turn – 24 hours a day, 365 days a year. At the same time, our hospitals must continuously confront problems and challenges as they look toward building a better system of care for the future.

In West Virginia, the population is older, sicker, less educated, poorer, and more rural than the national average. Every day, West Virginia hospitals face the challenge of growing demand. Fundamentally, the demand for hospital care is rising and the costs to provide that care are increasing. This demand increase is due to a greater number of aging patients, an increased use of hospital services, and an expanding range of treatment options. This increase also includes costs for the people, goods and services needed to provide that care to the older and sicker population, such as higher drug prices, new and better technology that patients demand and deserve, and rising salaries and benefits for workers in order to compete with major metropolitan areas offering higher salaries and more benefits.

Another challenge is the increasing number of underinsured and uninsured West Virginians. There are currently 270,000 West Virginians lacking health insurance. Many use the hospital emergency room as their primary care provider – oftentimes when their health is at its poorest. Still yet, in the absence of healthcare coverage, hospitals are providing more and more uncompensated care to patients because they see firsthand how the absence of coverage can prevent people from getting the right care, at the right time, in the right place. In 2003, West Virginia hospitals provided more than \$400 million in care to the uninsured. Clearly, it is extremely important that hospitals work to ensure access to healthcare for all West Virginians.

Addressing the challenges of the uninsured or even the rising demand for hospital healthcare is made difficult by inadequate payments to hospitals by governmental programs such as Medicaid. Without properly functioning Medicaid, the negative impact begins with hospitals, is felt in our most vulnerable populations,

contributes to the financial crisis in hospitals, and profoundly affects our state's economy, including the private sector.

Inadequate payment by governmental programs such as Medicaid is a critical issue for West Virginia hospitals. Thus it is critical that these programs are adequately funded. In 2003, hospitals across the state lost over \$76 million caring for Medicaid patients. Inadequately funded programs like Medicaid also negatively affect our state's economy and our population's health because leftover costs are shifted to the private sector primarily in the form of higher health insurance premiums. As a result of this cost shift, private health insurance becomes more expensive, thus creating more underinsured and uninsured state residents.

The need to create a coordinated, effective and visionary healthcare system has never been greater than it is today. In response, the West Virginia Hospital Association is guiding an effort by the hospital industry to develop a common vision for a rational healthcare delivery system in the state while preserving appropriate, efficient access to healthcare services. This aptly named *Project Vision* will help guide the Association in its advocacy for healthcare funding, as well as healthcare planning under the West Virginia Healthcare Authority.

As in the past, West Virginia hospitals will continually look to new means and methods to better serve their patients and communities while facing new challenges head on. With adaptation, flexibility and foresight, our hospitals will continue to provide enhanced, quality healthcare while remaining financially viable, thriving institutions.