

Uninsured Care in Public & Private Hospitals - Why Should We Care?

J. Eugene Grigsby, III
President & CEO
National Health Foundation

June 10, 2006

Background

- Los Angeles County hospital delivery system in 2000:
 - 104 private hospitals
 - 78 (75%) with emergency departments
 - 5 public hospitals
 - 4 (80%) with emergency departments
- California State law requires county governments (LACDHS) to be “providers of last resort”, e.g. primarily responsible for serving the uninsured

Background, cont.

- Private non-profit hospitals, particularly DSH designated, are also expected to serve the uninsured:
 - 17 in LA county representing 16% of private hospitals)
- Private for profit hospitals are more difficult for the uninsured to access
- There is no consensus on how many uninsured patients private hospitals should serve

The Fiscal Woe's of LACDHS

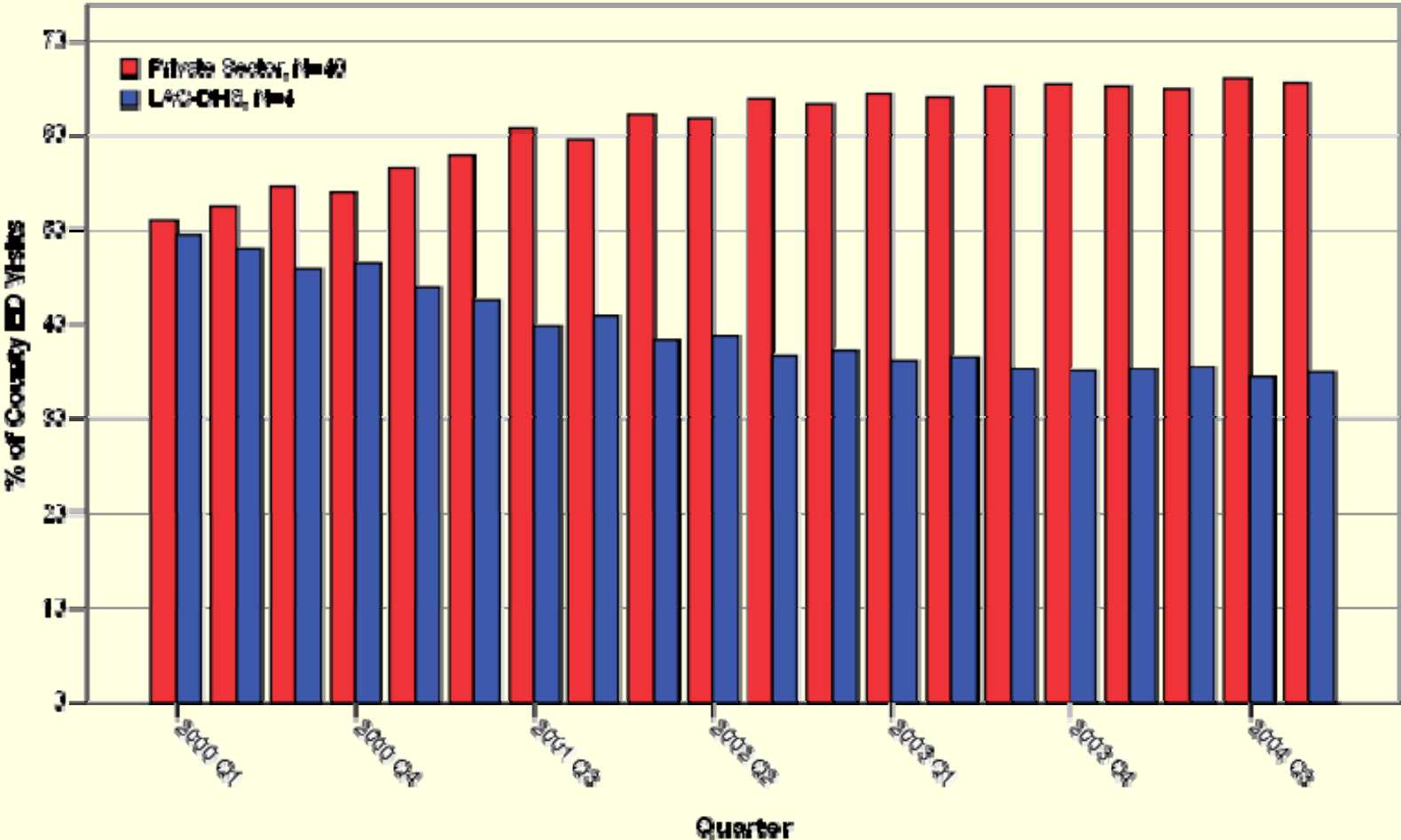
- Past and future budget short falls
- Response to Fiscal Crisis
 - 1995 Received Waiver from Federal Government
 - 2002 Initiated "Scenario III" restructuring
 - 2004 implemented limited transfer policy
 - 2005 Received Second Federal Waiver

Some have argued that policy decisions by LACDHS have adversely impacted private hospitals

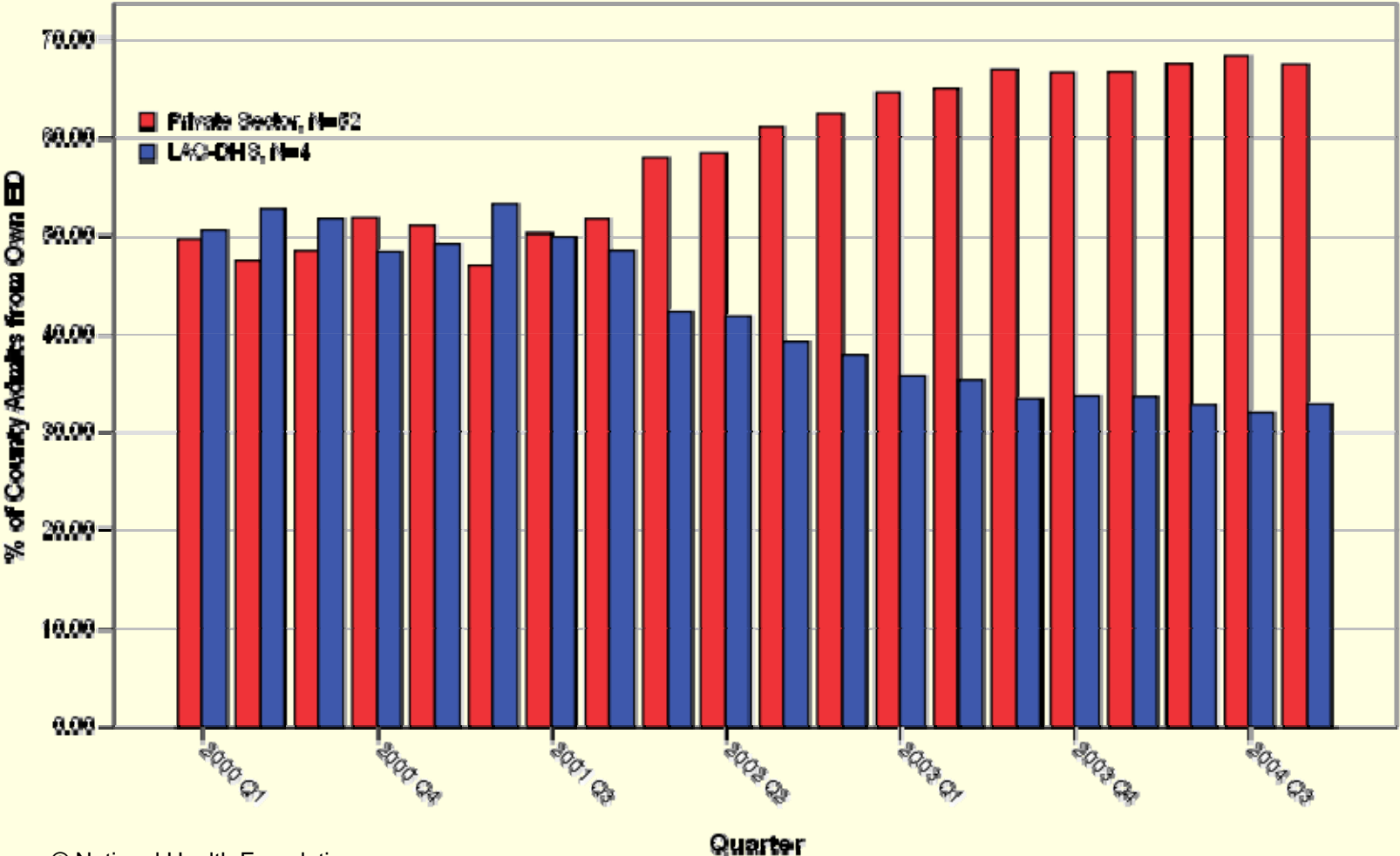
The Impact on Private Hospitals

- First we look at distribution of uninsured ED visits between 2000 and 2004
- Next we examine the admissions of uninsured patients from hospitals' own ED
- Then we look at these trends before and after implementation of LADHS policies

Distribution of Uninsured ED Visits at Public and Private Hospitals in Los Angeles County



Distribution of Uninsured Admissions from Public and Private Hospitals' Own EDs in Los Angeles County



© National Health Foundation

Source: OSHF Patient Discharge Data 2000-2003, NHF Self Pay Survey 2006

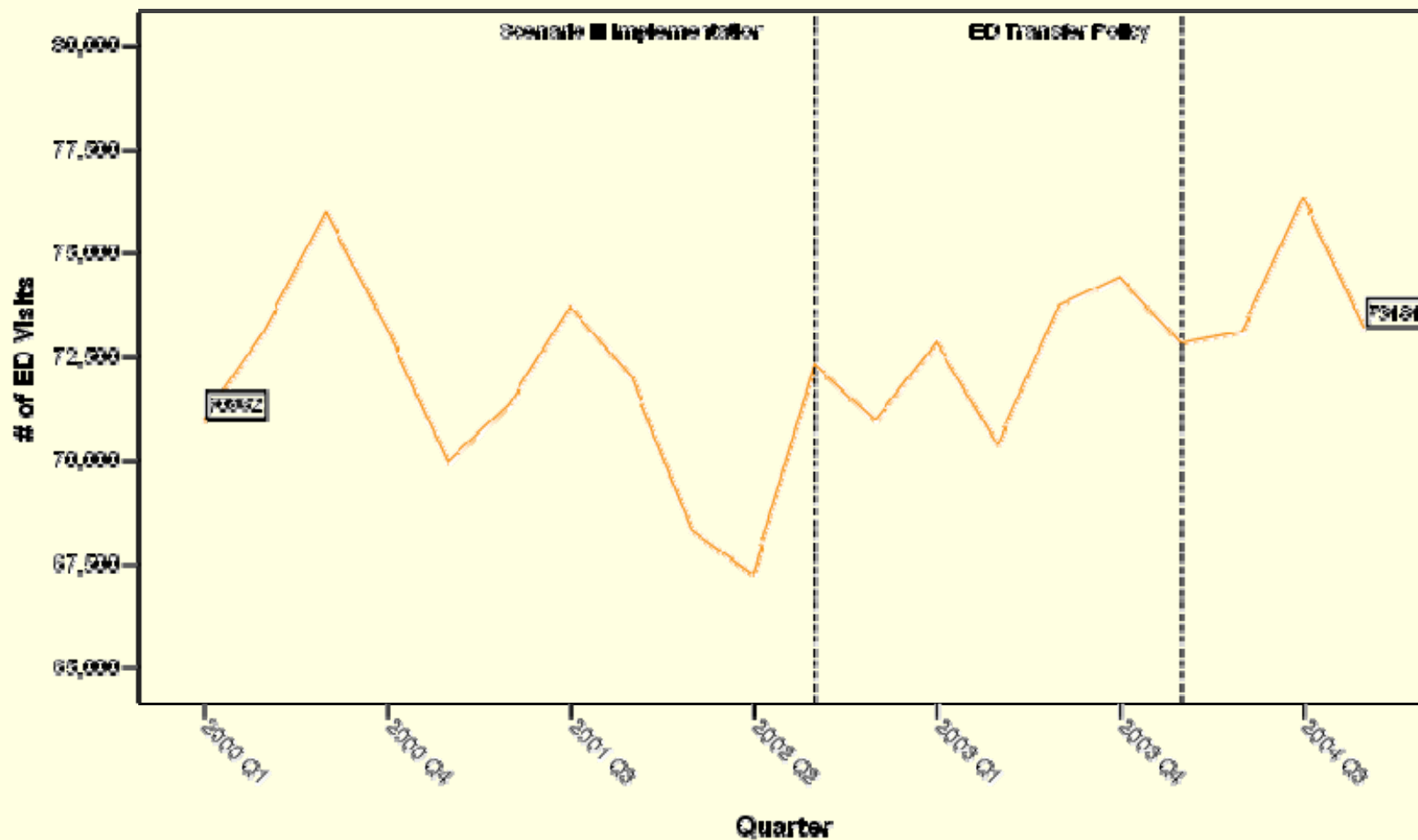
Trend Results

- Since 2000 number of uninsured patients visiting public EDs has declined while the number visiting Private hospital EDs has increased
- Between 2000 and 2002 there was even distribution between Public and Private hospitals in terms of uninsured inpatient admits; after 2002 there was a decline in public uninsured admits and an increase in private hospital uninsured admits

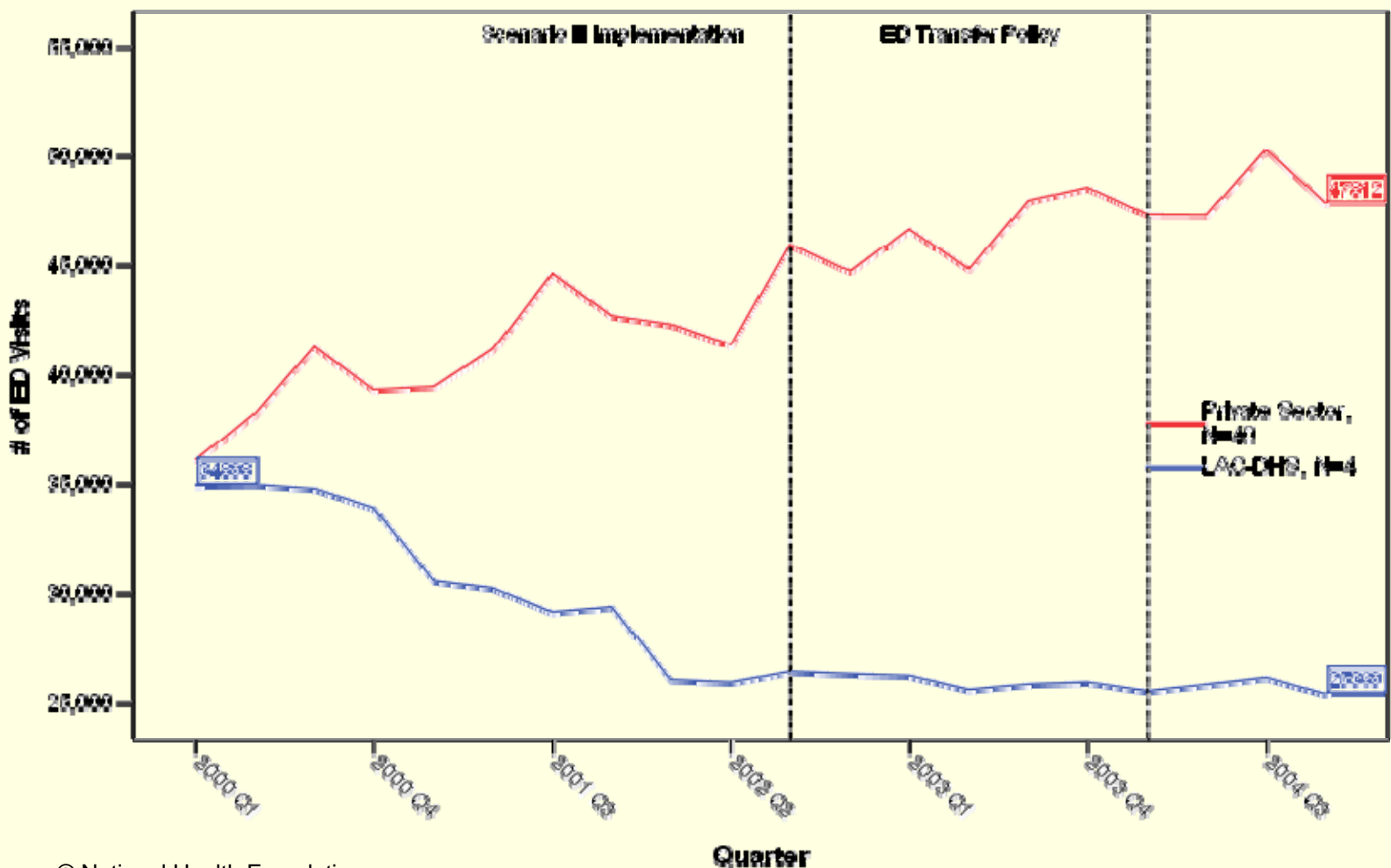
Impact Analysis

- What happens to these trends after LADHS implements its restructuring and limited transfer policy?
 - Countywide
 - Private vs. public hospitals
 - DSH vs. Non-DSH

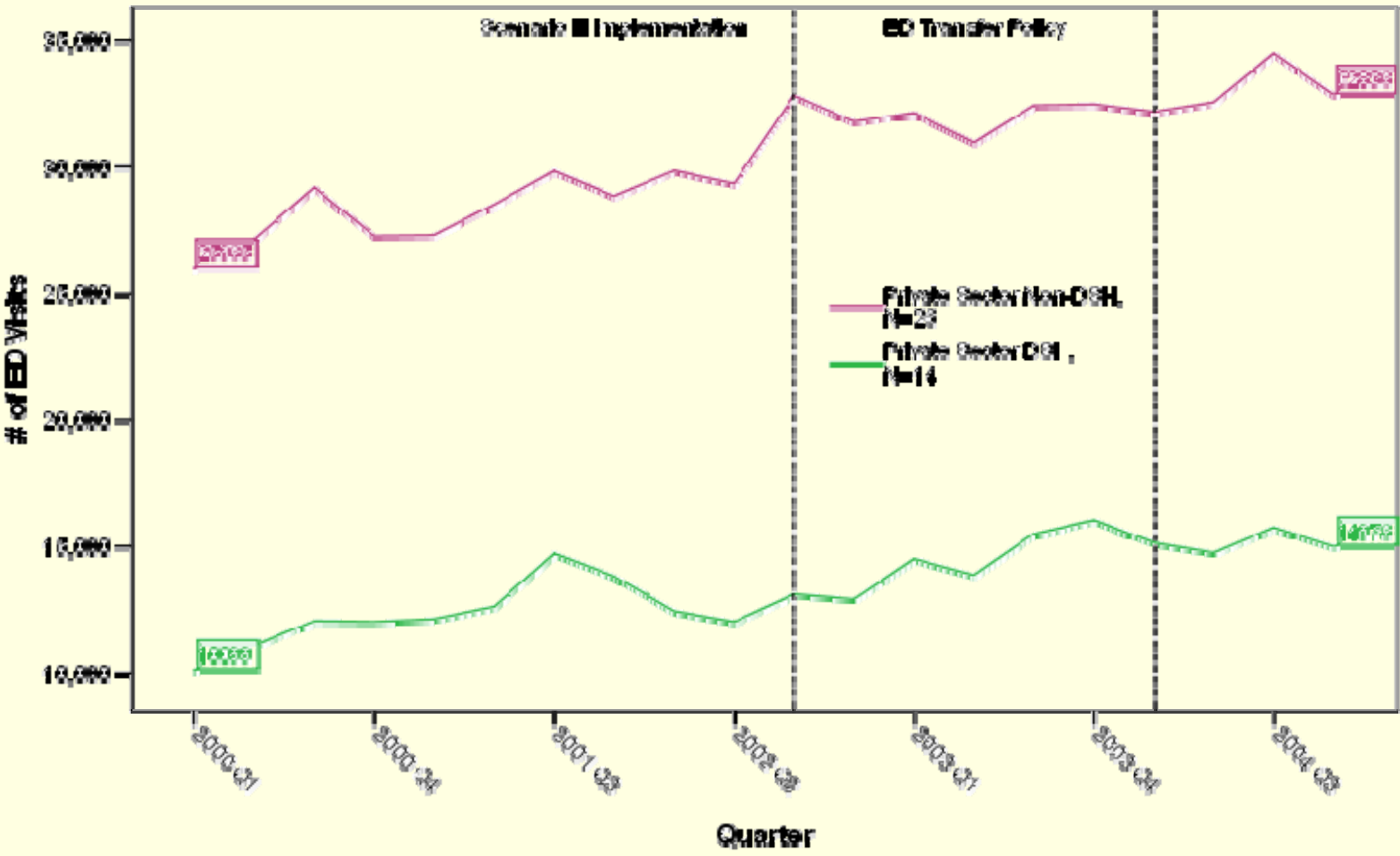
Uninsured ED Visits: All LA County Hospitals



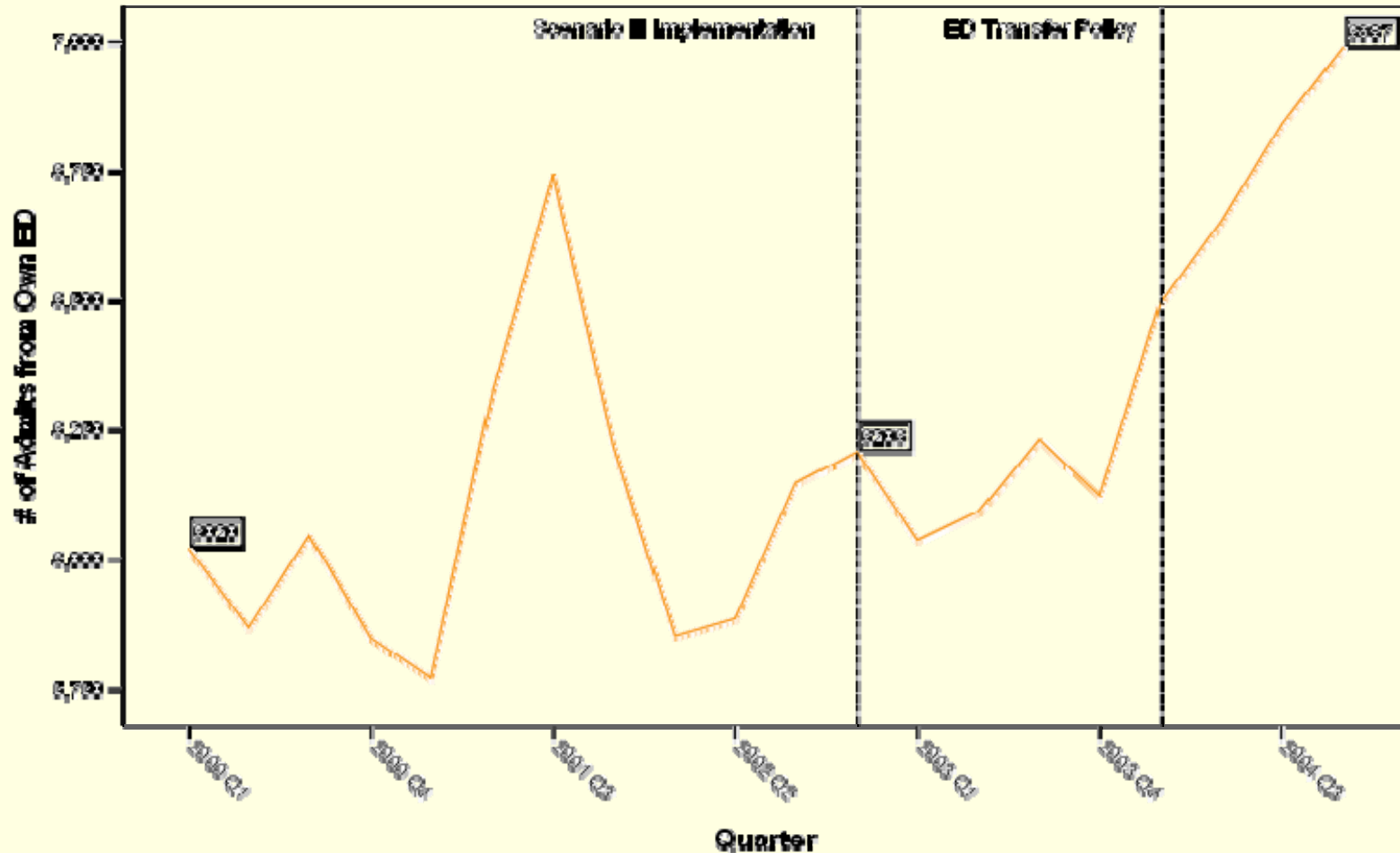
Uninsured ED Visits Public vs. Private Hospitals



Uninsured ED Visits: Private Sector DSH vs. Non-DHS



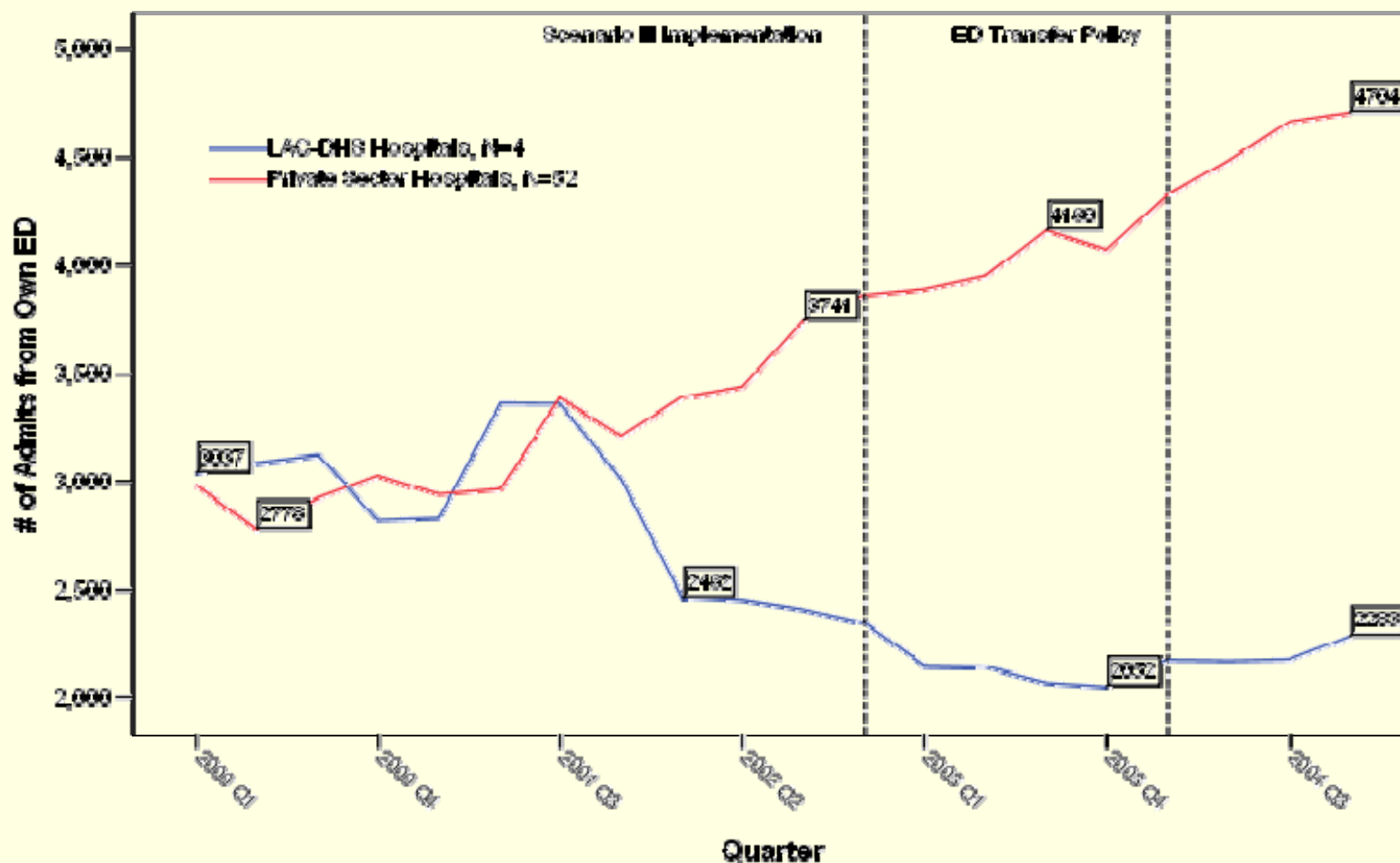
Uninsured Admissions from Own ED: All LA County Hospitals



75% Hospitals Responded 10 of 28 Questions
© National Health Foundation

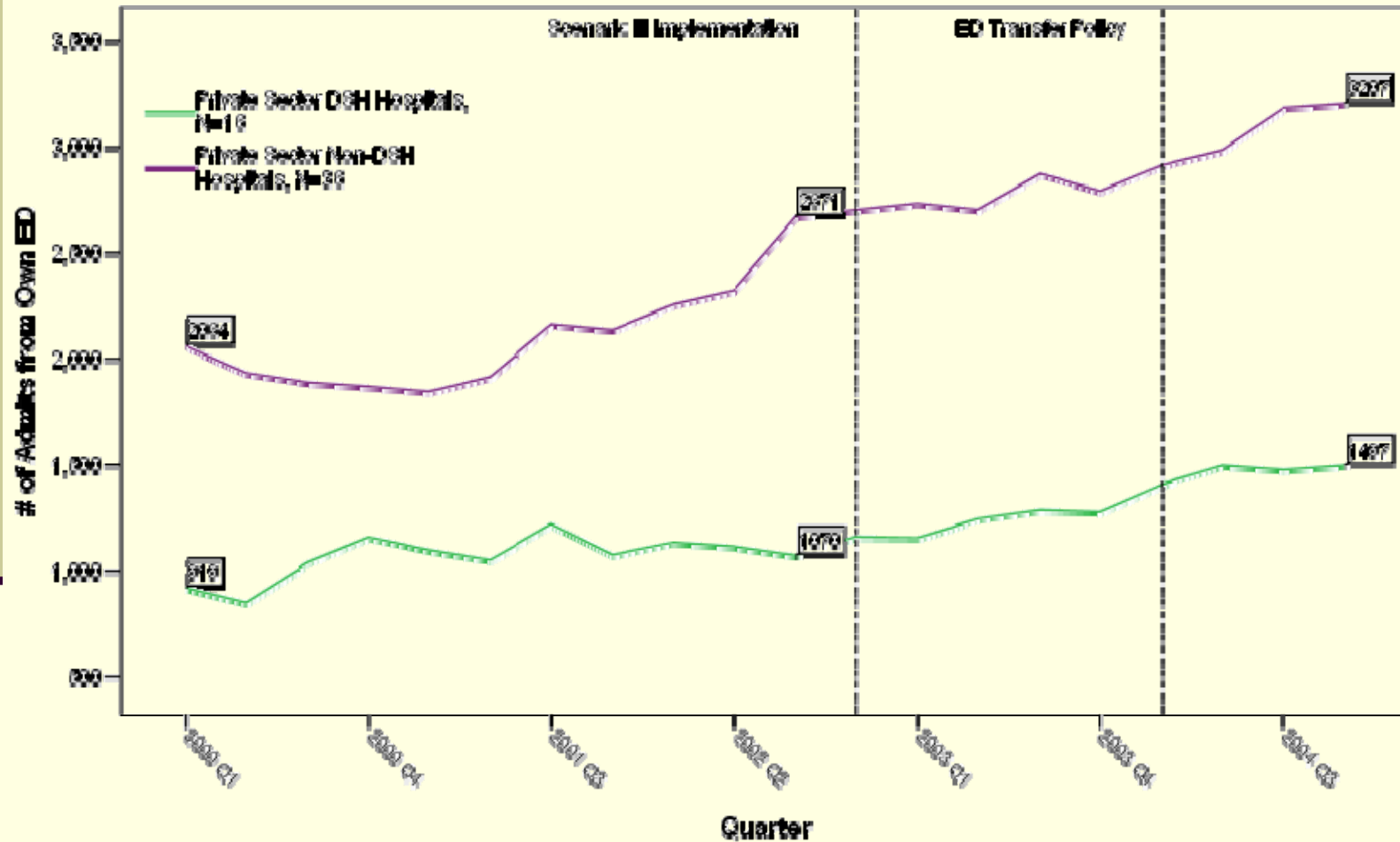
Source: OAHF Patient Discharge Data 2000-2003 and the HMF Self-Pay Survey

Uninsured Admissions from Own ED: Public vs. Private Hospitals



Source: OSHHC Patient Discharge Data 2000-2003 and the HNF Self Pay Survey

Uninsured Admissions from Own ED: Private Sector DSH vs. Non-DSH



Source: OSHF Patient Discharge Data 2000-2003 and the HF Self Pay Survey

Findings

- Results suggests that policy changes by LACDHS have adversely affected private hospitals by tipping the balance of care for the uninsured from the public to the private sector :
 - In 2002 nearly an equal distribution between the public and private sectors for uninsured care
 - By 2004 the private sector provided care to 2 out of every 3 patients receiving emergency care and for 2 out of every 3 uninsured patients admitted from emergency departments.

Findings, cont.

- Private sector DSH hospitals showed the largest increase in uninsured ED and inpatient care
- Non-DSH private hospitals, however, also saw an increase in the number of uninsured patients they cared for
- No additional compensation has been provided to private hospitals for the additional care for uninsured patients.

Response from the Private Sector

- The response from the private sector has been:
 - Closure of emergency departments (9 between 2000 and 2004)
 - Threat of additional hospital closure (7 have closed 4, of these with EDs)

Why Should We Care?

- Shrinking capacity will make it more difficult for all county residents to receive care
- When seeking care at your local hospital's ED, expect long waits
- Patients will have to wait longer for elective surgeries

Are There Any Solutions?

- No “magic bullets”
- Universal health care will not solve the capacity problem
- Limiting access for undocumented individuals will not significantly reduce the demand for care
- Assuring that the private hospitals are reimbursed for uncompensated care won't address the capacity or demand problems

Recommendations

- It will take a combination of actions to make a difference:
 - Reduce inappropriate use of the ED by creating hospital/clinic partnerships
 - Reduce the number of uninsured
 - Compensate private hospitals for caring for the uninsured
 - Provide better coordination between public and private delivery systems, e.g. create independent health authority
- The public needs to be better informed about the real crisis in health care



Thank You For Coming Today

For more information:
National Health Foundation
Visit: www.NHFCA.ORG
Email: jgrigsby@nhfca.org