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As printed in Michigan Health & Hospitals Magazine, May/June 1999

THE COMMUNITY BENEFITS COLUMN

Managing the Uncompensated Care Problem, Part III

BY ROBERT M. SIGMOND

In recent columns, I have been outlining a community program to reduce the major drain on funds available for community benefits initiatives: uncompensated care (see sidebar). The billions of dollars of avoided taxes that voluntary hospitals should earmarked for community benefits are mostly paying for this basic patient care responsibility.

Of course, care of these patients cannot be shortchanged by reallocating this money to community care. But I believe that a six-part collaborative community program to manage the uncompensated care problem has the potential to greatly reduce its net cost, thereby, freeing up large sums of money for true community benefits.

Previous columns have described initiatives to reduce the volume and cost of uncompensated care while also increasing revenue and quality. Initiatives include: hospitalization coverage for uncompensated care patients systematic management of such care humane collection effort focussed sharply on those who are able to pay

My experience as a health system executive and trustee suggests that these three initiatives alone have the potential to cut budget allocations for uncompensated care by at least 25 percent.

This column will touch on three additional initiatives making up a comprehensive community approach: advocacy, philanthropy and health status improvement.

ADVOCACY

Currently, no community organization looks out for the interests of patients whose care is uncompensated. A community organization that focused on these patients would be able to identify and find solutions to many problems that these patients and their families are not able to handle effectively by themselves.

Advocacy on their behalf will frequently resolve their financial problems and simultaneously provide funds for expanded community benefits. In some situations, all that is required is

willingness to listen empathetically, knowledge of the intricacies of health care finance, and the patience to follow through. An important example is advocating for individual patients caught in narrow and sometimes faulty interpretations of rules and regulations of Medicaid and insurance programs.

Here are some other examples of opportunities for advocating for categories of uncompensated care patients:

- advocating for hospital coverage for part-time workers of the hospital and other organizations
- advocating for expansion of explicit benefits for full-time workers and their families
- advocating for liberalization of specific legislative and regulatory restrictions interfering with humane administration of various entitlement and insurance programs

PHILANTROPHY

Communities are much more likely to respond when the issue is put in terms of real people and their problems as contrasted with institutional budgetary issues.

Prior to the development of Blue Cross, Medicaid, Medicare and other entitlement and insurance programs, philanthropy played a major role in financing uncompensated care. As these programs appeared to solve the problem, philanthropy was diverted for other purposes. But some hospitals have nurtured a continuing role for philanthropy among those who want to contribute their money to help individuals and families. A hospital that I used to be associated with provided staff to help organize extended family clubs to support individual patients requiring long-term care not completely covered by various entitlement programs. Others have focused on philanthropic support of patients with particular diseases and disabilities. Churches have been encouraged to raise money to provide hospitalization coverage for children at low monthly premiums. Some hospitals have found that solicitation of all patients whose coverage enabled them to go home with no hospital bill, other than for the TV, has been met with generous response. Involvement of members of the medical staff is particularly helpful in encouraging philanthropy from satisfied patients.

For those closely associated with the hospital and its mission, the opportunity to help individual patients and at the same time free up money for the hospital's community benefit program will have a special appeal. A coordinated, united hospital fund drive could add significantly to contributions.

HEALTH STATUS

Health maintenance organizations were conceived as a way to improve the effectiveness of the health system, at least in part, by focusing on improving the health status of enrollees. More recently, attention is shifting to broad scale community initiatives for improving health status by provider organizations committed to the American Hospital Association's (AHA) community care network vision. These initiatives involve not only enrollees and their caregivers, but also the entire population and the myriad of community organizations that can influence health status behavior.

A community organization charged with managing the uncompensated care problem has many opportunities to participate actively in healthy community initiatives on behalf of community care networks, hospitals and their patients, especially those patients with inadequate financial resources. These initiatives can assist medical staff and other caregivers in promoting healthier lifestyles and community collaboration.

In the long run, the AHA's broader vision of a society of healthy communities where all individuals reach their highest potential for health has the greatest potential for reducing the volume and costs of uncompensated care. Future columns will feature some of the opportunities revealed by this vision.

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07/06/2000