

**VCU Health System
Presentation to the
House Appropriations Committee
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VCU Medical Center

ABOUT THE VCU MEDICAL CENTER



HEALTH SCIENCE SCHOOLS

- Allied Health Professions
- Dentistry
- Medicine
- Nursing
- Pharmacy

VCU HEALTH SYSTEM

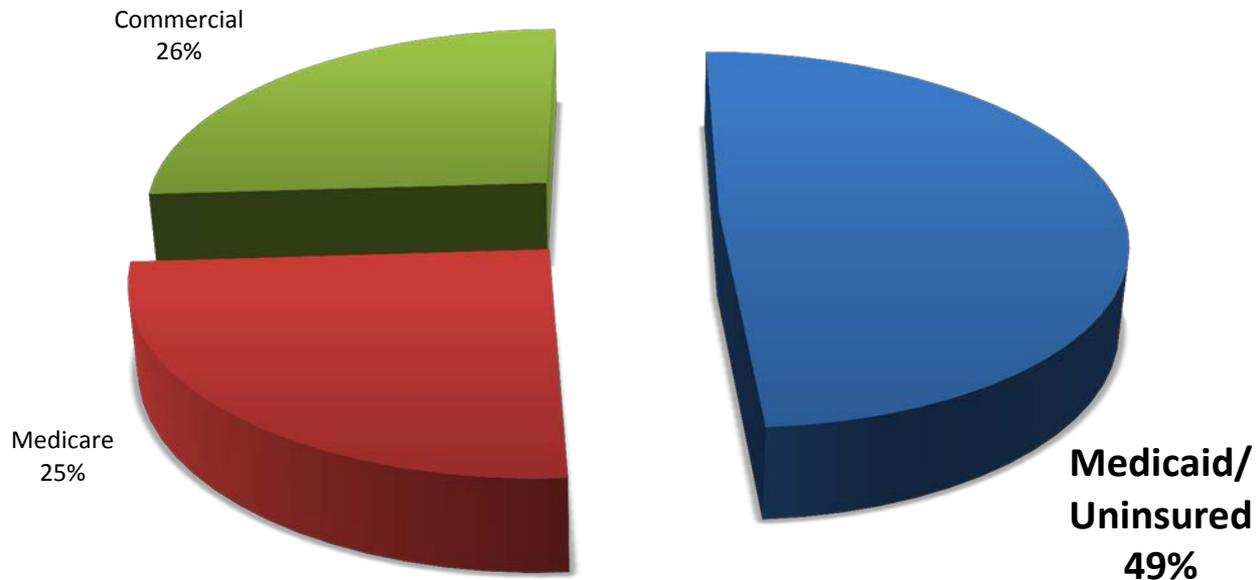
- MCV Hospitals
- Children's Hospital of Richmond
- MCV Physicians
- Virginia Premier Health Plan

More than 15 affiliated centers and institutes, including the VCU Massey Cancer Center, Virginia's first NCI-designated cancer center



VCUHS is the largest Safety Net Provider in the Commonwealth

Source of Patients by Payer
FY13



Indigent Care Guidelines

- To qualify for the VCUHS Indigent Care program, a patient must meet all of the following requirements:
 - Fall at or below 200% FPL
 - Is a U.S. Citizen
 - Reside in Virginia
 - Meet an Asset test, for example:
 - own stocks, bonds, trust funds, IRA's
 - ownership of one home, but lot exceeds 3.99 acres



Composition of Indigent Care Costs for Patients Served at VCUHS

Indigent Care Adjustments by Federal Poverty Level
FY2013

	% of Accounts
100% FPL	84.8%
110% FPL	4.3%
133% FPL	5.2%
167% FPL	3.3%
200% FPL	2.4%
Total	100.0%
133% FPL and under	94.3%

Over 94%



FY2013 VCU Health System Indigent Population Profile

- Approximately 129,000 Indigent patients were served over an 8-year period (FY06 – FY13)
- 56% female, 44% male
- Over 72% Minorities
- Majority of patients are between 19-64 years old



Revised Savings Estimates for Indigent Care Funding for the State Teaching Hospitals

- VCU Health System agrees with the revised savings estimates released by the Governor's administration (over \$1 billion)
- Source data utilized to generate the estimates was provided by VCUHS and UVA
- VCUHS staff reviewed the data from several perspectives and acknowledges that the estimates are appropriate



DMAS Assumptions Regarding Eligibility for Coverage Options

- VCUHS agrees with the assumptions regarding Indigent Care (IC) costs that will be eligible for new coverage options
- Systems and staff have been implemented to achieve a high rate of enrollment in the Indigent Care program
 - These practices will be maintained to support enrollment in future coverage programs
 - VCUHS Financial Counseling staff are Certified Application Counselors (CACs) who provide information regarding enrollment in health insurance exchange plans



Disproportionate Share Hospital (DSH) Reduction Estimates

- VCUHS agrees with the assumptions used to support the calculation of the DSH reduction estimates (\$386 million for VCUHS and UVA)
- Reductions are the result of the ACA + “DSH Cliff”
- Reductions create a critical shortfall in funding for the AMCs
- Not addressing the coverage gap for individuals who currently benefit from DSH funding will result in problems for all health systems



VCUHS Remains Committed to Caring for Uninsured & Underinsured Patients

- Maintain the partnership with the Commonwealth to ensure that VCUHS is able to continue to serve individuals who do not qualify for coverage programs in the future
- Committed to assisting the Commonwealth with the implementation of health reforms
 - Virginia Premier Health Plan's participation in the Commonwealth Coordinated Care (Dual Eligible) program
- Continue to implement innovative models that support the needs of vulnerable populations (i.e., VCC program)
 - Acknowledge that investments are needed to achieve projected cost savings

