

Indigent Care Funding for the University of Virginia Medical Center

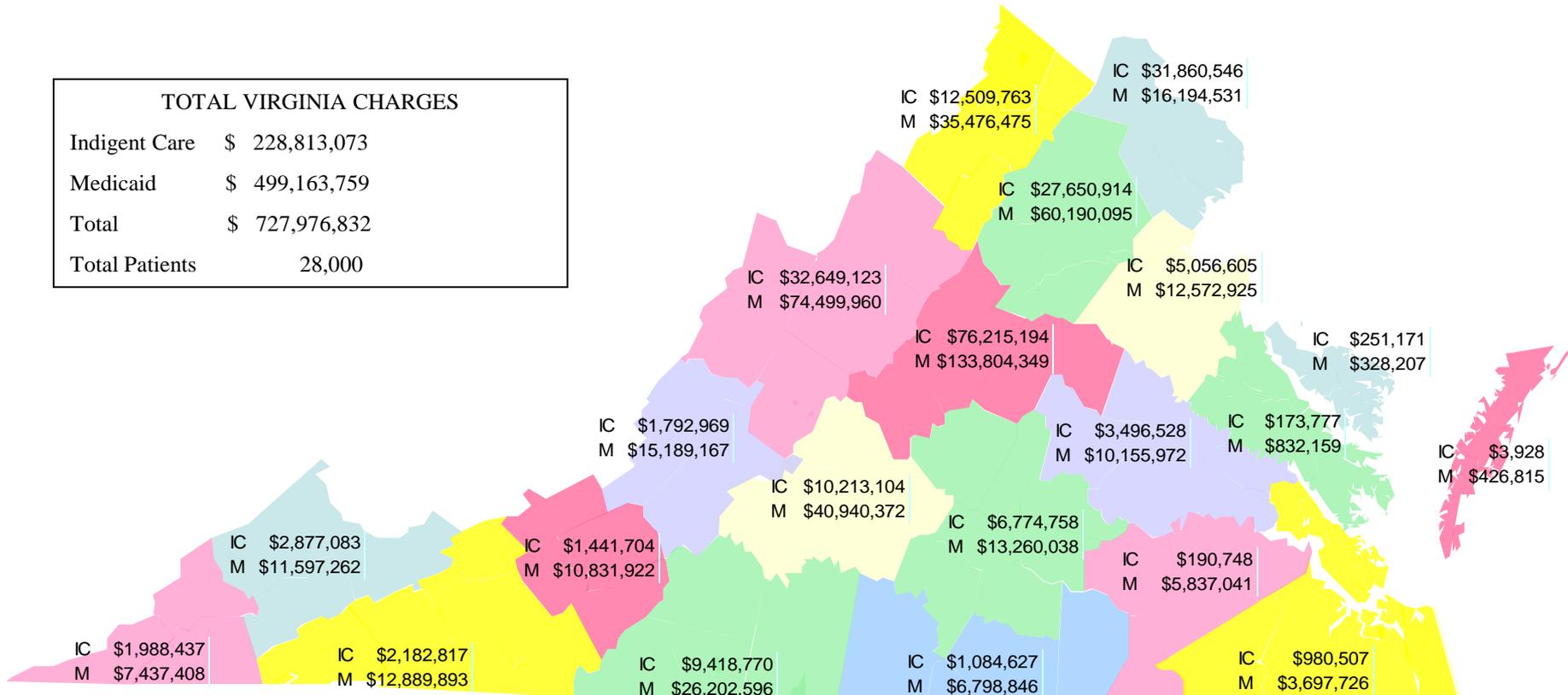
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UVA Medical Center and Affiliates by Virginia Health Planning Districts, FY2013 *Indigent Care (IC) and Medicaid Charges (M)*

TOTAL VIRGINIA CHARGES	
Indigent Care	\$ 228,813,073
Medicaid	\$ 499,163,759
Total	\$ 727,976,832
Total Patients	28,000



UVA Medical Center UVA Portion Indigent Care Projections FY 2015 through 2022

Fiscal Year	Indigent Care Costs	Net Increase in Savings From Medicaid Expansion
FY 15	\$ 107,460,459	\$ 74,114,297
FY 16	\$ 112,783,587	\$ 80,126,396
FY 17	\$ 120,678,438	\$ 85,735,243
FY 18	\$ 129,125,929	\$ 91,736,710
FY 19	\$ 138,164,744	\$ 98,158,280
FY 20	\$ 147,836,276	\$ 105,029,360
FY 21	\$ 158,184,816	\$ 112,381,415
FY 22	\$ 169,257,753	\$ 120,244,614
Total	\$ 1,083,492,003	\$ 767,526,316

Source: DMAS

EXPANDED MEDICAID

- The Indigent Care program for UVA and VCU provides coverage for 19 – 64 year old patients whose income is less than 200% of the federal poverty guidelines. A vast majority of these patients have incomes below 138% of poverty.
- Expanded Medicaid will provide payment for the care to these same 19 – 64 year old patients whose income is below 138% of poverty.
- A significant percentage of the cost will be shifted from the state funded indigent care to the expanded federally funded Medicaid program. For FY15 – FY22 state general funds will be provided to UVA of approximately \$525M for cost to care for the 19 – 64 year old patients. The federal government will provide approximately \$242M in partial replacement of state general fund dollars to care for this population.

Medicaid Disproportionate Share (DSH)

- The federal government established the Medicaid Disproportionate Share Program by OBRA 1981, to provide funds for those safety net hospitals such as UVA and VCU to offset the loss incurred from their disproportionate mix of indigent patients.
- Virginia has allocated its DSH funds to hospitals with large numbers of indigent patients with the majority of the allotment going to UVA and VCU.
- The DSH allotment was reduced by the ACA. DMAS has estimated that the shortfall to federal DSH dollars for FY15-FY22 are applicable to UVA and VCU total \$423M. (January 21, 2014 House Appropriation Committee Subcommittee on Health and Human Resources).
- Federal dollars from expanded Medicaid will compensate for the \$423M shortfall.

Other Healthcare Challenges

- ACA Medicare cuts \$156M over ten years
- Sequestration \$9M/year
- Cost of emerging technology
- Major shift from employer sponsored insurance to insurance being purchased on Insurance Exchange with much higher deductibles and coinsurance
- Other

UVA Will Partner to Improve Virginia Medicaid

- The annual 3.5% increase in costs per recipient is unsustainable
- There are several levers of improvement:
 - eliminate hospital acquired conditions
 - eliminate overtreatment
 - eliminate defects in care delivery
 - eliminate defect in care transitions
 - eliminate excess administrative costs

Eliminating Infections Saves Lives and Money

	Number of Cases	Percent of All Cases with HAI	Mortality Percent	Average Length of Stay (in Days)	Percent of Patients Readmitted for Any Reason	Average Charge*	Estimated Average Medicare Payment
Total Cases	1,939,111	NA	1.9%	5.1	16.5%	\$40,869	\$6,839
Cases with Infections	23,287	1.20%	9.4%	21.6	40.7%	\$306,943	\$20,471
Urinary Tract	5,175	0.27%	5.5%	19.6	27.8%	\$177,963	\$15,055
Pneumonia	2,238	0.12%	24.3%	23.8	30.9%	\$312,055	\$27,664
Bloodstream	2,365	0.12%	18.0%	31.1	38.2%	\$370,738	\$24,908
Surgical Site [†]	5,772	0.60%	1.3%	10.0	60.1%	\$124,599	\$15,331
Gastrointestinal	4,144	0.21%	8.9%	18.6	37.8%	\$175,153	\$14,932
Other Infections [‡]	1,799	0.09%	7.2%	26.5	29.7%	\$271,768	\$26,817
Multiple Infections	1,794	0.09%	20.4%	52.2	39.8%	\$1,514,894	\$47,837
Cases without Infections	1,915,824	NA	1.8%	4.9	16.3%	\$37,635	\$6,615

Pennsylvania Healthcare Cost Containment Council 2011

Questions?