



2011 Update:

Achieving Reasonable Public Disclosure of Available Free and Reduced Cost Health Care in Galveston County, Texas

December 2011

For more information, see Gulf Coast Interfaith's website: www.gulfcoastinterfaith.org/ or contact the Free Care Monitoring Project Coordinator, Dr. Merle Lenihan: merlelenihan@hotmail.com

Background

In late 2007, members of the Galveston County Cancer Coalition formed a Subcommittee to address problems residents and social service providers were having in getting health care for people living in our county. The Subcommittee decided to get more information by doing a project that other cities had already completed, called a Free Care Monitoring Project. Local community members asked questions and visited our hospitals and clinics. Most hospitals and clinics did not provide a charity care or financial assistance policy when asked, even though Texas law requires this. The findings were given to hospitals and clinics and a report was made available to the public: "Clearing the Fog: Achieving Reasonable Public Disclosure of Available Free and Reduced Cost Health Care in Galveston County, Texas." This update focuses on policy decisions at UTMB. Why? UTMB is a public hospital; historically this hospital provided care to large numbers of low-income uninsured people. In addition, this hospital is the only one in the county that provides a full range of complex services or "tertiary" care.

Since 2007 and 2008 a lot has happened in Galveston, to say the least. Hurricane Ike dramatically affected the people, community organizations, social service providers and health care providers in our community.

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How many Galveston County residents who are unsponsored* are referred to UTMB and how many are accepted for care?

Accepted Referrals Galveston		Denied Referrals Galveston	
2005	6,112	2005	1,782
2006	4,041	2006	2,325
2007	4,219	2007	1,532
2008	3,182	2008	2,160
2009	35	2009	234
2010	82	2010	188

Accepted Referrals Texas		Denied Referrals Texas	
2005	17,333	2005	9,146
2006	9,433	2006	9,357
2007	12,173	2007	7,364
2008	8,215	2008	8,709
2009	62	2009	566
2010	156	2010	456

Where does this information come from? UTMB provided this information in January and June 2011, in response to public information requests.

*The definition of "unsponsored" may have changed over time. Generally it means people who do not have any source of third-party health care coverage.

Is the process of deciding who gets care at UTMB open and fair?

Not everyone who is referred for care at UTMB is accepted. Who is eligible for care through the hospital's charity care policy or financial assistance policy?

“Another reason that the policy cannot be applied to a specific person is that all unsponsored referrals are accepted or denied by Medical Directors prior to financial counseling or screening.”

Community members began asking for a charity care and financial assistance policy in 2007. In 2010, through a public information request, the policy was provided. The name of the policy now is : “Healthcare Transparency Financial Counseling Policy.” As written, the policy cannot be applied to any specific person because it is too vague. For example, the policy states: “Some patients may apply and qualify for financial assistance/discounted services at UTMB by following a very strict set of guidelines.”

Another reason that the policy cannot be applied to a specific person is that all unsponsored referrals are accepted or denied by Medical Directors *prior to* financial counseling or screening. How are the decisions by Medical Directors made? What are the criteria used to either accept or deny a particular patient?

The following boxes show the information requested about these decisions and the responses provided by UTMB:

What is a public information request?

The Texas Public Information Act gives the public the right to request access to government information. According to the Texas Attorney General: “Government transparency and openness are fundamental to American democracy. In Texas, the Public Information Act, the (“Act”) is one of the primary mechanisms by which members of the public hold their government accountable.”

Public Information Request, November 2010 (received January 2011)

Information Requested: The current criteria by which Medical Directors designate unsponsored referrals as “Accepted” or “Denied,” including all emails, memos, and other electronic or paper documents that refer to these criteria.

Response Provided: **No responsive documents.**

Public Information Request, November 2010 (received January 2011)

Information Requested: The criteria by which Medical Directors designated unsponsored referrals as “Accepted or “Denied,” or the criteria used to assign “Priority” status, during fiscal years 2005 through 2009, including all emails, memos, and other electronic or paper documents that refer to these criteria.

Response Provided: **No responsive documents.**

Public Information Request, July 2011 (received October 2011)

Information Requested: The reason(s) or criteria for accepting 156 unsponsored referrals for fiscal year 2010.

Response Provided: **No responsive documents.**

Public Information Request, July 2011 (received October 2011)

Information Requested: The reason(s) or criteria for denying 456 unsponsored referrals for fiscal year 2010.

Response Provided: **No responsive documents.**

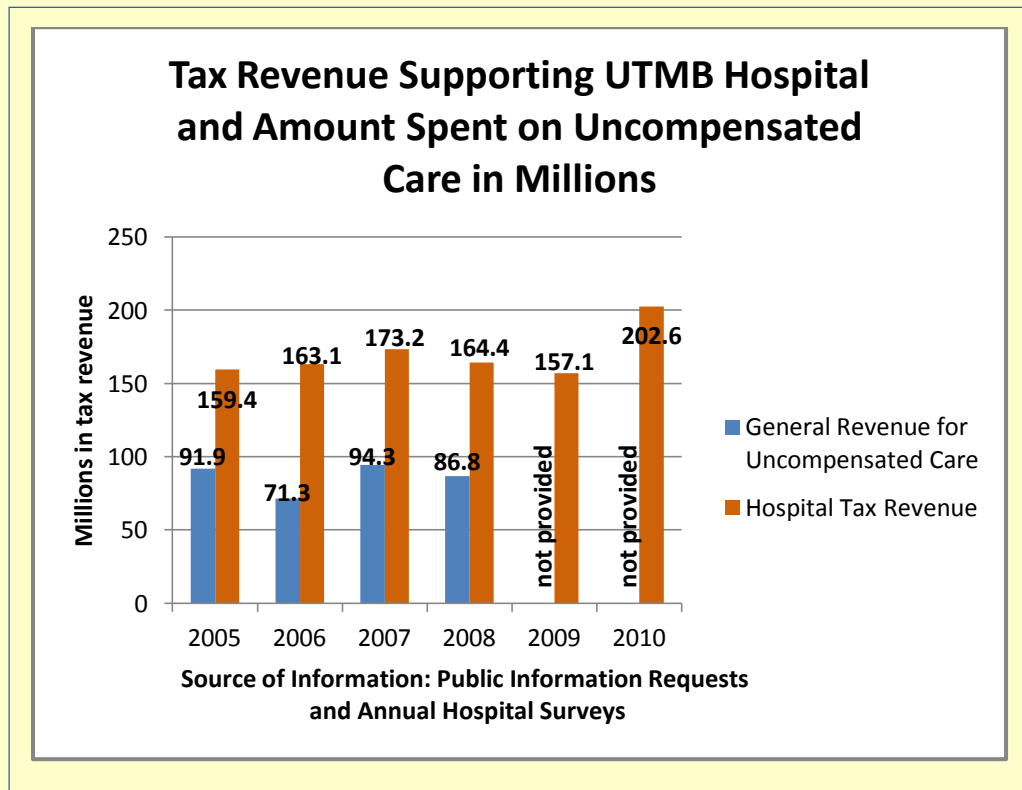
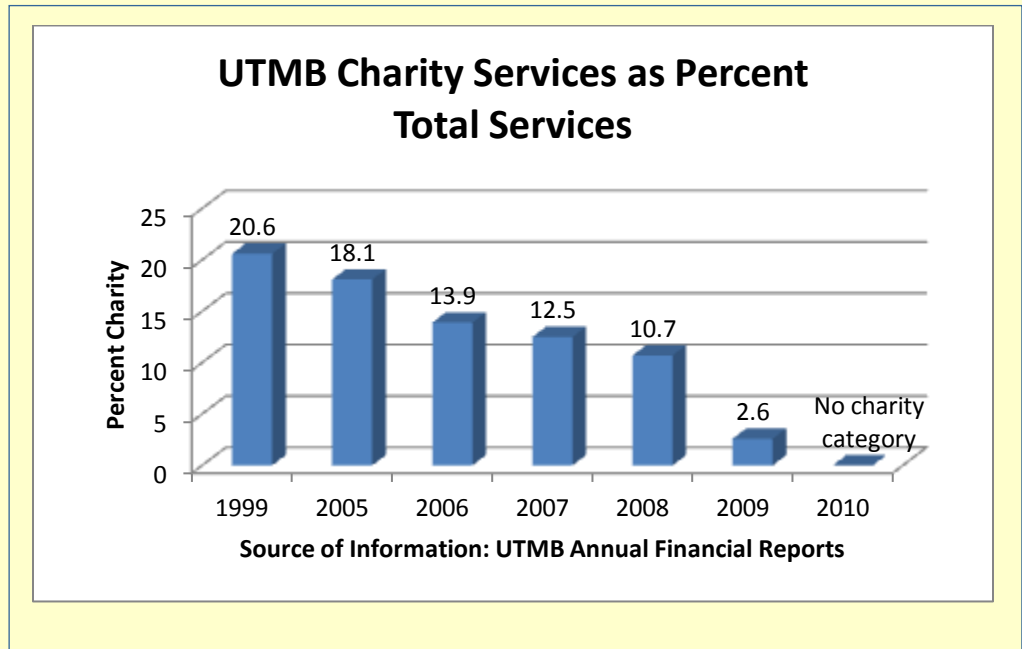
What has happened with funding for charity care at UTMB?

The percentage of health care services reported as charity has declined over time at UTMB, according to its Annual Financial Reports. In 1999 over 20% of total services were charity services and, by 2009, this had declined to about 3%. In 2010, the Annual Financial Report does not include a category for charity services.

Charity care is part of what hospitals report as *uncompensated care*. Bad debt is the other part of uncompensated care. From the hospital's point of view, charity care and bad debt are services that are not directly paid on behalf of a particular patient. Charity care is care provided to patients who do not have the ability to pay and are not expected to pay. Bad debt occurs when a patient does have the resources to pay but does not. At UTMB, bad debt has increased at the same time that charity services have declined. When the charity care policy is vague, people who do not have the ability to pay may end up with medical debt that can have severe consequences.

In the past, most of the funds spent on uncompensated care by UTMB came from general revenue tax appropriations to the hospital.

The Texas Legislature changed the way in which hospitals report uncompensated care in 2009. UTMB no longer reports the amount of general tax revenue spent on uncompensated care.



What steps can be taken to ensure Galveston County residents have the information they need about free and reduced cost services at UTMB?

“A fair process is one that is applied in an evenhanded manner. It is reasonable to expect a policy that is applied to the public to be fair.”

The first step is for UTMB to put into effect a charity care policy and financial assistance policy with clear eligibility criteria. In fact, UTMB pledged to do this in 2005. The policy should be written so that any member of the community can know whether charity care or financial assistance is available to them. One way to make the policy available is to publish it in the Galveston County Daily News each year.

The second step is for UTMB to apply charity care and financial assistance policies consistently. This means that the public should know the basis for being accepted or denied for health care services at UTMB. It also means that patients who apply under these policies should be given a written notice of approval or reason for denial of charity care. A fair process is one that is applied in an evenhanded manner. It is reasonable to expect a policy that is applied to the public to be fair.

Third, since tax dollars support health care services at UTMB, every member of the community has an interest in how these funds are spent and in whether the process is fair. Tax revenue support for each part of uncompensated care should be reported to the public by UTMB. Recent changes in reporting uncompensated care in Texas allow hospitals to include unreimbursed costs from programs such as Medicare and Medicaid. The only way for the public to know if tax revenue supports charity care is if each part of uncompensated care is reported separately.
