

News and Views from the Safety-Net Association of Pennsylvania**June 2003****SNAP Testifies Before House Appropriations Committee**

Three SNAP representatives traveled to Nanticoke, PA on May 9 to tell the House Appropriations Committee that the Medical Assistance (MA) hospital spending cuts in the state budget that takes effect on July 1 will have a major impact on safety-net hospitals and the communities they serve.

First to testify was SNAP President Charles DeBrunner, who outlined the extent of the Medical Assistance spending cuts to hospitals – \$90 million in state funds and over \$168 million including federal matching funds – and explained that 82% of those cuts would be absorbed by the state's 48 safety-net hospitals, which already serve three times as many MA recipients and provide two-thirds more uncompensated care than other hospitals.

Next to testify was Susan Bernini, COO of the Albert Einstein Medical Center in Philadelphia. Bernini explained that Einstein serves a community in which 30% of residents live at or near the poverty level. Last year, the hospital, which provided \$50 million in uncompensated care and is one of the state's largest providers of Medicaid services, suffered an operating loss of \$30 million and was forced to lay off 480 employees and make cuts to services to remain financially viable.

If the Medical Assistance funds are not restored, Bernini said, Einstein will lose another \$12.5 million in revenue. To compensate for this loss, the hospital will close one of its two emergency rooms; lay off 250 employees; close outpatient sites; and reduce or eliminate its pediatric care and behavioral health response program. It also will re-evaluate the feasibility of continuing to provide obstetric, neonatal intensive care, and HIV clinic services.

The final SNAP representative to testify was Anthony DeFail, president and CEO of the Meadville Medical Center. His hospital, DeFail said, is the largest employer in rural Crawford County and is a sole-community provider because there are no other hospitals within 25 miles. 15% of the hospital's inpatient days are made up of Medical Assistance patients. Last year, the hospital lost \$3 million.

Pennsylvania's new state budget will cost Meadville Medical Center \$2 million, DeFail noted, which will necessitate laying off 50 employees, ending the hospital's wound care recovery program, and closing the county's only hospice program.

A recurring theme in the testimony of the hospital representatives appearing before the committee was that there is no fat left to trim, so essential services and positions are at risk if these funds are not restored. Additionally, Mr. DeBrunner explained that the testimony of the two SNAP hospital executives was representative of the decisions facing safety-net hospitals throughout the state. ■

SNAP Goes to Washington

SNAP members will travel to Washington on Thursday, June 26 for a luncheon with members of the Pennsylvania congressional delegation. The purpose of this luncheon is to introduce SNAP to delegation members, explain the unique nature of safety-net hospitals in Pennsylvania in the absence of a public hospital system, and discuss federal legislative issues that are important to Pennsylvania's safety-net hospitals.

In addition, SNAP members will seek the delegation's help in obtaining legislation needed to increase the federal upper limit for Medicaid DSH payments to safety-net hospitals from the current level of 100% of unreimbursed Medicaid and uncompensated care costs to 175% of those costs. This would enable the state to direct more Medicaid reimbursement to safety-net hospitals – an important part of SNAP's Medical Assistance reform agenda.

If you would like to participate in this important day for all safety-net hospitals, please call Mike Chirieleison at (717) 234-6970. ■

What is SNAP?

The Safety-Net Association of Pennsylvania represents the interests of private, acute-care hospitals that play the leading role in caring for the poor, the disadvantaged, and the uninsured residents of the commonwealth. Safety-net hospitals are the twenty-five percent of hospitals in Pennsylvania that care for the highest combined proportion of uninsured patients, Medical Assistance recipients, and Medicare SSI recipients and that therefore constitute the state's health care safety net. As a result of the patients they serve, safety-net hospitals face a significant, continuing, disproportionate challenge to their financial health. Today, there are forty-eight safety-net hospitals in Pennsylvania out of 192 acute-care hospitals in the state overall.

For further information about the Safety-Net Association of Pennsylvania or any of the information or views offered in SNAPshots, please contact Charles DeBrunner, president, at 717-234-6970.