

**Shore Health System
(Memorial Hospital at Easton and Dorchester General Hospital)**

Narrative

Community Benefits Report For Fiscal Year 2009

1. Licensed bed designation and number of inpatient admissions for this fiscal year:

Shore Health System, an affiliate of the University of Maryland Medical System, is currently licensed to operate 192 beds combined. Inpatient admissions for fiscal year 2009 was 15,044.

2. Description of the community Shore Health System serves:

The Memorial Hospital at Easton and Dorchester General Hospital in Cambridge are private, not for profit hospitals offering a complete range of inpatient and outpatient services to over 150,000 people throughout the Mid-Shore of Maryland. Situated on Maryland's Eastern Shore, Shore Health System services a four county area, covering Caroline, Dorchester, Queen Anne, and Talbot counties.

Talbot County Statistics from Talbot County Health Plan

Population 36,062

Racial mixture 84% white, 13% black, 2.3% Hispanic (MD Vital Statistics, Annual Report 2006)

Median Houshold Income, 2005 \$51,637 2008 estimate **\$54,550***

Persons Below Poverty, 2006 8.5%

High School Graduate, 2006 85%

Proportion without health insurance 11%

Mortality Rate 2004 -2006 Ranking (adjusted per 100,000 population) **711.3****

Caroline County Statistics from Caroline County Health Needs Assessment

Population 32,617, population density 93persons per square mile

Racial mixture 84% white, 14% black (MD Vital Statistics, Annual Report 2006)

Median Household Income, 2004 \$41,432 2008 estimate **\$47,920***

Persons Below Poverty, 2004 10.5%

High School Graduate, 2000 75%

Bachelor's Degree or higher, 2000 12.1%

Proportion without health insurance 16%

(less than 65)

Mortality Rate 2004 -2006 Ranking (adjusted per 100,000 population) **889.2****

Leading Causes

1. Heart Disease 200.8

- 2. Cancer 222.4
- 3. Stroke 52.4

Dorchester County Statistics from Dorchester County Health Department

Population 31,631

Racial mixture 69.4% white, 28.4% black, 2.2% Other (MD Vital Statistics, Annual Report 2006)

Median Household Income, 2005 \$38,347 2008 estimate **\$47,920***

Persons Below Poverty, 2005 14.4%

High School Graduate, 2006 75%

Proportion without health insurance 15.1%

Mortality Rate 2004 -2006 Ranking (adjusted per 100,000 population) **870.3****

Queen Anne’s County

Population 46,241

Racial mixture 91% white, 8% black, 1%, Other (MD Vital Statistics, Annual Report 2006)

Median Household Income, 2005 \$65,980 2008 estimate **\$70,816***

Persons Below Poverty, 2005 6.3%

High School Graduate, 2006 84%

Proportion without health insurance 14%

Mortality Rate 2004 -2006 Ranking (adjusted per 100,000 population) **757.2****

* Source: U.S. Census Bureau, 1989&1999, and the Maryland Department of Planning, Planning Data Services, June 2008

** Source: Maryland Vital Statistics, Annual Report 2006 Table 50.

3. Identification of Community Needs:

Shore Health identifies community needs through analysis of the current needs assessments and health plans developed by the local health departments. The needs assessments include data compiled by county, state, and federal government.

An additional source reviewed to identify community needs, is the *Healthy People 2010* guidelines established by the Maryland DHHS. The comprehensive set of health objectives set in *Healthy People 2010* serves as the framework to develop community health initiatives and activities that address major public health concerns.

4. Major Needs Identified:

The top ten areas/needs that have the greatest impact on overall health in our communities are:

- Access to quality health services
- Cancer
- Heart Disease and Stroke
- Physical Activity and Fitness
- Educational & Community-based Programs

- Diabetes
- Maternal, Infant and Child Health
- Nutrition and Obesity
- Mental Health and Mental Disorders
- Environmental Health

5. Description of the decision making process for community benefits activities:

Shore Health System's annual management plan results in activities aligned with the needs of the community it serves. Hospital operations, nursing leadership, finance, and volunteers are involved in developing and participating in activities that reach out to the community.

6. Description of how initiatives address the needs listed in #4:

Access to quality health services

- SHS physicians and clinicians participate in health fairs and lecture series providing information and services to the community.
- SHS aids in obtaining necessary medications or equipment needed for discharge for patients unable to pay.
- Ongoing recruitment efforts over the last year include orthopedic, endocrinology, pediatrics, neurology, pulmonary, ob/gyn, anesthesia and family practice physicians.
- Stipend to Tidewater Anesthesia and Maryland Emergency Medicine paid to provide evening, weekend, and holiday call at Dorchester General Hospital in order to provide emergency Surgical Services 24/7

Cancer

The SHS Breast Center participates in Community Outreach to meet the needs of screening, etc for the underserved population. Oncology Support Social Services offered special education on cancer and resources available for cancer patients.

Stroke Prevention and Awareness

Shore Health System hosted community outreach activities including screenings and education on stroke prevention and treatment. Attendees received a free blood pressure screening and information on a variety of health topics, such as diabetes, nutrition, exercise and fitness. The Power to End Stroke Campaign, an initiative to reduce the risk of stroke among African Americans is ongoing.

Diabetes

- SHS provides nutrition and diabetic information at health fairs and participates in support groups for adult and juvenile diabetes.
- SHS held a week-long diabetic summer camp for juvenile diabetics.

Maternal, Infant and Child Health

Shore Health System offers a variety of community education programs to meet the needs of the new mother and the family unit. Childbirth classes, infant CPR, Big Brother, Big Sister classes, breastfeeding classes are offered free of charge.

Shore Health System has partnered with the Talbot County Department of Social Services to operate an evidence-based Child Advocacy Center to treat abused children. Shore Health System offers services to sexually assaulted adults and children.

Educational and Community-based Programs

Shore Health System participated in a number of career and health fairs throughout the year. Attendees received educational information on topics including smoking cessation, signs and symptoms of stroke, diabetes, nutrition, medication listing,

7. Description of the efforts taken to evaluate the effectiveness of major Community Benefit program initiative:

Currently SHS uses statistical data gathered by local health departments to assess effectiveness of community benefit initiatives.

SHS is continuing to work towards the incorporation of a data collection process to improve tracking effectiveness of activities.

8. Description of gaps in the availability of specialist providers, including outpatient specialty care, to service the uninsured cared for by SHS:

- The SHS Medical Staff by-laws require that physicians provide ten days of Emergency Department call. In areas where there is only one or two sub-specialists for a particular specialty, there will be occasions when certain days are not covered. If a patient presents to the Emergency Department and there is no sub-specialty coverage for that day, the patient is stabilized and then transferred to an appropriate facility for treatment.
- Stipend to Tidewater Anesthesia and Maryland Emergency Medicine paid to provide evening, weekend, and holiday call at Dorchester General Hospital in order to provide emergency Surgical Services 24/7

Appendices:

Appendix 1: Describe your charity care policy

- A. Describe how the hospital informs patients and person who would otherwise be billed for services about their eligibility for assistance under federal, state or local government programs or under the hospitals charity care policy.

It is the policy of Shore Health System to work with our patients to identify available resources to pay for their care. All patients presenting as self pay and requesting charity relief from their bill will be screened at all points of entry, for possible coverage through state programs and a probable determination for coverage for either Medical Assistance or Financial Assistance (charity care) from the hospital is **immediately** given to the patient. The process is resource intensive and time consuming for patients and the hospital; however, if patients qualify for one of these programs, then they will have health benefits that they will carry with them beyond their current hospital bills, and allow them to access preventive care services as well. Shore Health System works with a business partner who will work with our patients to assist them with the state assistance programs, which is free to our patients.

If a patient does not qualify for Medicaid or another program, Shore Health System offers our financial assistance program. Shore Health System posts notices of our policy in conspicuous places throughout the hospitals, has information within our hospital billing brochure, educates all new employees thoroughly on the process during orientation, and does a yearly re-education to all existing staff. All staff have copies of the financial assistance application, both in English and Spanish, to supply to patients who we deem, after screening, to have a need for assistance. Shore Health System has a dedicated Financial Assistance Liaison to work with our patients to assist them with this process and expedite the decision process.

Appendix 2: Attach copy of SHS hospital's charity care policy.

- B. Shore Health System Policy LD-34, Patient Financial Services – Financial Assistance Program attached.

Appendix 3: Describe the hospital's mission, vision, and value statements.

Shore Health System has a strategic plan and mission statement, which are tied to community benefits. The 2009 strategic plan is developed involving physicians, board members, Senior Leadership staff, management staff and other SHS employees.

Appendix 4: Attach a copy of the hospital's mission, vision, and value statements.

Mission, Values, and Strategic Principle of Shore Health System

Mission: “To excel in quality care and patient satisfaction”

Values: “Every interaction with another is an opportunity to care”

Strategic Principle: “Exceptional Care, Everyday”

Vision: “Shore Health System is strategically located hospitals and ambulatory care services throughout the five-county mid-shoe area. We manage resources to support the health care needs of the of the region’s residents. We are innovative professionals collaborating to serve our communities and achieve national recognition for exceptional outcomes.”

SHORE HEALTH SYSTEM

Administrative Policy and Procedure

TITLE OF POLICY: PATIENT FINANCIAL SERVICES - FINANCIAL ASSISTANCE PROGRAM

PURPOSE

To establish a standardized policy, in compliance with and to determine the method by which individuals and families will be approved for financial assistance for their medical bills.

1.0 POLICY

- 1.1 Shore Health System will provide uncompensated care to those individuals and families who exhibit the need for uncompensated care, provide adequate evidence on such need and providing that there are no other means of compensation (including the ability to receive care at another facility at which there would be compensation available).
- 1.2 Uncompensated care will be considered for patients that are residents of Caroline, Dorchester, Kent, Queen Anne's and Talbot Counties. Financial Assistance will be offered at 100% for individuals at or below 200% of the Federal Poverty Guidelines. A sliding scale of up to 300% for a reduction in costs will also be offered to residents of these counties.
- 1.3 Individuals who are non-residents of the five counties should seek uncompensated care at the facility that services their locale. Financial Assistance will not be considered until the patient provides Shore Health System with a Medicaid Denial letter and a denial letter from their locale healthcare facility. Financial assistance will only be offered at 100% for those individuals at or below 150% of the Federal Poverty Guidelines. Financial assistance will only be offered on a "one time account" basis for non-residents.
- 1.4 Financial Assistance will not be offered for non-residents of Maryland unless approved by Senior Management. Individuals who are non residents, but are residing with residents of the five counties for an extended period of time, may supply a notarized statement from the individual they are residing with, that details their circumstances. Financial Assistance will only be offered on a "one time account" basis for non-residents.
- 1.5 Uncompensated care will be available regardless of race, disability, religion, age, sex, national origin or creed.
- 1.6 Shore Health System will provide patients seeking services at Dorchester General Hospital coverage under the Hill/Burton Program, as long as patients are not covered by another federal program as their primary insurance (i.e., Medicare.)
- 1.7 Shore Health System will provide patients seeking services at all other locations coverage under the Financial Assistance Program. This program will offer full

discounts and sliding fee scale discounts for all uninsured and underinsured patients within the residential areas defined above.

- 1.8 Shore Health System may require patients to apply for State funded programs, such as Medical Assistance, prior to being considered for Financial Assistance should we believe patient may qualify. Financial Assistance will not be considered unless a Medical Assistance denial is received.
- 1.9 Financial Assistance coverage may be discontinued if the patient is asked to complete a Medical Assistance application by Shore Health System, and the patient refuses to cooperate.
- 1.10 Patients are **NOT ELIGIBLE** for charity care if they do not comply with their insurance coverage requirements and restrictions. This includes services that should have been performed at another provider location, but the patient chooses to have services rendered at Shore Health System. **Patient will be fully liable for services that are not covered due to non-compliance with insurance requirements.**
- 1.11 Services covered under the Veterans Administration but not authorized by them, will not be covered by Financial Assistance. Patients must seek services or authorization of services from the Veterans Administration. Senior Management approval is required to waive this requirement based on specific patient needs.
- 1.12 Financial Assistance will not cover elective or non-emergent services, such as cosmetic surgery, dental procedures, and other services as deemed non-covered by Shore Health System.
- 1.13 Financial Assistance will not cover any accounts that have been referred for legal action.

2.0 PROCEDURE

2.1 Application

- 2.1.1 All patients presenting as self pay and requesting charity relief from their bill will be screened for Medical Assistance coverage prior to being considered for Financial Assistance. If patients do not meet the initial screening for Medical Assistance, but may potentially meet the criteria for Financial Assistance based on a review of the guidelines, patients will be provided an application for Financial Assistance, including a cover letter explaining what the patient must do to be considered for uncompensated care.
- 2.1.2 Application for Financial Assistance (Attachment 1).
- 2.1.3 Cover Letter (Attachment 2).
- 2.1.4 Patients will be instructed to provide the following information with the returned application.

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- 2.1.4.1 Proof of income may be:
 - 2.1.4.1.1 Most recent two consecutive pay stubs.
 - 2.1.4.1.2 Most recent pay stub (must show year-to-date totals).
 - 2.1.4.1.3 Social Security or Disability award letters.
 - 2.1.4.2 Denial letter from Medical Assistance, which may be required to be completed before Patient Aid can be considered.
 - 2.1.4.3 Previous year's Tax Return statement (not required for Hill Burton), along with copies of W-2.
 - 2.1.4.4 If change in dependency from last filed tax return, or patient not required to file tax return, a list of legal dependents with proof of dependency for the individual.
 - 2.1.4.5 Most recent checking and savings statements.
 - 2.1.4.6 Proof of residency in the defined covered counties.
 - 2.1.4.7 Additional documentation may be requested from individuals who are normally outside the income and residency guidelines, but are requesting consideration based on their individual circumstances at this time.
 - 2.1.5 Incomplete applications or applications missing supporting documentation will be returned to the patient with an explanation of what is needed to complete the application process.
 - 2.1.6 Accounts will remain self pay until a completed application is received and approved.
- 2.2 Eligibility
- 2.2.1 Patient applications will be screened to determine if they meet the income criteria for Financial Assistance. In general, Shore Health System will follow the current guidelines for Hill-Burton uncompensated care program.
 - 2.2.1.1 The maximum allowable income (based on family size) will be twice the Federal Poverty Guidelines pursuant to 42 U.S.C. 9902(2) and as updated and published in the Federal Register. (See Attachment 3 for legal residents of Kent, Queen Anne's, Talbot, Dorchester and Caroline Counties only.)
 - 2.2.1.2 Non-residents of the five counties may be considered for Financial Assistance at 150% of the Federal Poverty Guidelines, along with a denial of eligibility from Medical Assistance.

2.2.1.3 Changes to the income guidelines will become effective 60 days after they have been posted in the Federal Register.

2.2.2 Income Determination

2.2.2.1 Family income will be used to determine eligibility for Patient Aid.

2.2.2.2 Income for all members of the family will be considered. The definition of income will be:

2.2.2.2.1 Money, wages and salaries before any deductions.

2.2.2.2.2 Net receipts from non-farm self employment (receipts from a person's own incorporated business, professional enterprise, or partnership, after deductions for business expenses).

2.2.2.2.3 Net receipts from farm self-employment (receipts from a farm that one operates as an owner, renter, or sharecropper, after deductions for farm operating expenses).

2.2.2.2.4 Regular payments from social security, railroad retirement, unemployment compensation, strike benefits from union funds, workers' compensation, veteran's payments, public assistance (including Aid to Families with Dependent Children or Temporary Assistance for Needy Families, Supplemental Security Income, and non-Federally funded General Assistance or General Relief money payments), and training stipends.

2.2.2.2.5 Alimony, child support, and military family allotments or other regular support from an absent family member or someone not living in the household.

2.2.2.2.6 Private pensions, government employee pensions (including military retirement pay), and regular insurance or annuity payments.

2.2.2.2.7 College or university scholarships, grants, fellowships, and assistantships.

2.2.2.2.8 Dividend, interest, rental income, net royalties, periodic receipts from estates or trusts.

2.2.2.2.9 Net gambling and lottery winnings.

2.2.2.3 Income does not include the following types of money received: **

2.2.2.3.1 Capital gains.

2.2.2.3.2 Any asset drawn down as withdrawals from a bank, the sale of property, a house or a car.

2.2.2.3.3 Tax refunds, gifts, loans, lump-sum inheritances, one-time insurance payments or compensation for injury.

2.2.2.3.4 Non-cash benefits such as employer-paid or union-paid portion of health insurance or other employee fringe benefits, food or housing received in lieu of wages, the value of food or fuel produced on farms, the imputed value of rent from owner occupied non-farm or farm housing and such Federal non-cash benefit programs such as Medicare, Medicaid, food stamps, school lunches and housing assistance.

** Please Note: These monies may be considered in reviewing the application for the payment of outstanding medical bills although they are not reported as income.

2.2.2.4 Annual income will be determined by taking the income for the three months prior to the application date and multiplying by four; or by taking the income for the twelve months preceding the date of application.

2.2.3 Family size will be the number of **legally dependent** (by birth or marriage) individuals permanently residing in the household at the time of application. This is more clearly defined as the number of "dependents" documented on the Federal Tax return.

2.3 Denials

2.3.1 Accounts for which applications are completed, with documentation, and are determined to not meet the criteria for uncompensated care will be made self pay.

2.3.2 The patient will be notified in writing of the determination using an *Uncompensated Care Determination Notice* (Attachment 4).

2.3.3 Patient will be informed of the hospital's payment arrangement guidelines.

2.4 Pending

- 2.4.1 If the application is incomplete, the patient will be notified and instructed what information is needed to complete the application using an *Uncompensated Care Determination Notice* (Attachment 4).
 - 2.4.1.1 Highlight the missing information on a copy of the application (always keep the original application).
 - 2.4.1.2 Indicate the missing information on the *Uncompensated Care Determination Notice* (Attachment 4).
- 2.4.2 If supporting documentation is missing, notify the patient using an *Uncompensated Care Determination Notice* (Attachment 4).
- 2.4.3 The account will remain as “Patient Aid Pending” for 30 days. If the patient does not reply within 30 days, the account is made self pay.
- 2.5 Approvals
 - 2.5.1 Accounts for which applications are completed, with documentation, and are deemed to meet the criteria for uncompensated care will be adjusted accordingly.
 - 2.5.2 All accounts for the applicant and their immediate family that are for dates of service on or before the date of application will be written off.
 - 2.5.2.1 Accounts at Memorial Hospital of Easton will be adjusted using the following transaction code: 0317.
 - 2.5.2.2 Account at Dorchester General Hospital will be adjusted as follows:
 - 2.5.2.2.1 Accounts that represent the balance after Medicare and/or Medicaid will be adjusted using the following transaction code: 0317.
 - 2.5.2.2.2 Accounts that are not balances after Medicare and/or Medicaid are eligible to be considered under our Hill-Burton obligation and will be adjusted using the following transaction code: 0318.
 - 2.5.3 Any accounts for dates of service within the six months following the date of application will be written off.
 - 2.5.3.1 Accounts at Memorial Hospital of Easton will be adjusted using the following transaction code: 0317.
 - 2.5.3.2 Accounts at Dorchester General Hospital will be adjusted as follows:
 - 2.5.3.2.1 Accounts that represent the balance after Medicare and/or Medicaid will be adjusted using the following transaction code: 0317.

- 2.5.3.2.2 Accounts that are not balances after Medicare and/or Medicaid are eligible to be considered under our Hill-Burton obligation and will adjusted using the following transaction code: 0318.
- 2.5.4 The patient will be notified, in writing, of the uncompensated care given using a system generated letter based on the write-off being performed.
- 2.5.5 The patient's and all immediate family member's accounts will be updated to show "Patient Aid" as their final insurance plan.
 - 2.5.5.1 The plan code will be changed to "004005" for Patient Aid and to "004006" for Hill Burton.
 - 2.5.5.1.1 It is imperative that the POLICY NUMBER field be completed to show the termination date of the approval - enter: "TERM MM/DD/YY".
 - 2.5.5.2 If a patient has other insurance, Patient Aid should be listed as the last COB.
 - 2.5.5.3 The effective date of Patient Aid should be the application date.
 - 2.5.5.4 The termination date of Patient Aid should be the date six months after the effective date, unless patient is only being Patient Aid for one service date.
- 2.5.6 Future visits that occur within the six months succeeding an approved application date will be automatically adjusted in accordance with section a) above. However, patients who require inpatient admissions, surgical services, recurring services, and/or high dollar services as determined by the hospital, may be required to apply for Medical Assistance, and failure to comply with this request will result in the application for charity care becoming null and void.
- 2.5.7 Financial Assistance will be good for **6 months unless only one account is approved for coverage**. Patients will be sent a termination notice 30 days prior to the termination date of their coverage, along with a new application. Any visit occurring after the six months succeeding an approved application date will be self pay until such time that a new application for Patient Aid is received and approved.
- 2.5.8 Patients who require inpatient services, or require high dollar, or recurring services, (i.e., radiation oncology) will be asked to comply with a Medical Assistance application. Patients that are deemed potentially eligible, or those that fail to comply with the application process, will have their Financial Assistance application terminated immediately. Notice will be sent to the patient that they are being terminated from Financial Assistance. Patient will have 30 days to reply to the letter and cooperate

with the MA application. Patients that do not reply within the 30 days will immediately be referred to Bad Debt Agency.

2.6 Appeal Process

2.6.1 Patients or physicians who would like to appeal a denial of Hill Burton or Financial Assistance should contact the Director of Patient Financial Services to discuss why Financial Assistance should be extended to an individual or service that is deemed ineligible for the program. All decisions for an overturn will be discussed directly with the CFO.

2.6.2 Second appeal should be referred directly to the Sr. Vice President/CFO directly.

2.6.3 Third and final appeals would be referred directly to the President/CEO.

2.7 File retention

2.7.1 Files of all applications, documentation and correspondence will be maintained in accordance with the *Provider's Guide to the Hill-Burton Uncompensated Services Regulations*.

2.7.2 Separate files will be maintained for each Hospital.


Gerard M. Walsh, Chief Operating Officer

Effective: 10/05

Approved by: *Shore Health System Board of Directors 6/22/05*

Submitted by: *Christine Fontaine, Director, Patient Financial Services*