

Edward W. McCready Memorial Hospital Community Benefits Narrative Fiscal Year 2009

Edward W. McCready Memorial Hospital is located in Crisfield, Maryland in Somerset County. During fiscal year 2009, the facility was licensed for 8 medical/surgical acute beds and had 668 inpatient admissions. The majority of the patients seen at McCready live in Somerset County, but we also serve Worcester and Wicomico counties in Maryland and the Eastern Shore of Virginia. Due to the low number of medical services available in the area, Somerset County is designated by the U.S. Department of Health and Human Services, Health Resources and Services Administration, as a medically underserved area. We are the closest and most convenient medical facility available to those living in the remote crabbing/fishing communities of Smith and Tangier Islands in the Chesapeake Bay and we are the only facility having boat access for these residents. Economically, Somerset County is a very depressed county. In 2004, the U.S. Census Bureau indicated that 19.7% of Somerset County's population fell below poverty level; higher than any other county in the state of Maryland and higher than the state average of 9.2%. According to the Maryland Department of Business and Economic Development, the median Somerset County income in 2007 was \$33,700 with the per capita income in 2006 equaling \$22,656. The unemployment rate in Somerset County was 5.4% in 2007, much higher than the statewide rate of 3.6%, according to the Maryland Department of Labor, Licensing and Regulation.

Community needs are assessed in a variety of ways. Hospital staff meets with local schools and health departments regularly to discuss health care needs in the local community. In 2005, McCready was involved with a consortium of health care providers in the area which included all three hospitals, all local health departments, as well as area schools and other agencies. The team developed a tri-county survey that was sent to Lower Shore residents. The results of this survey were used to identify health care needs in the tri-county area (Wicomico, Worcester and Somerset Counties) and programs were developed in response to that survey. Major health care needs in the area identified the following medical conditions to be the most prevalent in the community: diabetes, heart disease, lung disease, cancer, obesity and metabolic syndrome. Currently, a new survey process is underway with the same stakeholders participating to address any potentially new areas for concern in the community.

As a result of the survey, hospital staff and the local health department worked on developing programs to identify the top areas for concern with residents in Somerset County. In cooperation with the Tri-County Diabetes Alliance and the local health department, McCready developed a free diabetes education program for area residents. The program is monitored by a registered nurse and offers nutrition counseling, testing supplies, as well as help with monitoring and tracking blood sugar. Until recently, the program was completely free to those at risk or burdened with diabetes. In addition, McCready developed a discounted community exercise program for residents in need of monitoring during physical activity. The program is monitored by a licensed ER tech and is geared towards those residents with risk factors or diseases identified as major community needs (heart disease, obesity and metabolic syndrome). Another program was developed, in conjunction with the local health department, to identify medically indigent women in the community and provide them with free preventative women's health

services. The program provides free mammograms, screening visits with a physician or mid-level provider and cancer removal surgery, if necessary. The program is partially funded through a grant received by the health department. In March 2010, a committee will meet to discuss the effectiveness of the current community benefit programs, identify areas for improvement and develop new ideas based upon community needs.

Because there are no private physician practices in Crisfield, Marion, Westover, Rumbly, Fairmount and other small towns along Route 413 (the highway from Route 13 to Crisfield on Tangier Sound), McCready Hospital operates an outpatient center which employs two family medicine/internal medicine primary care physicians, a general surgeon and a family medicine physician assistant. McCready also employs its own anesthesiologist, radiologist and, most recently, pulmonologist. With these physicians and specialty visiting physicians, the hospital is able to provide care for only the basic healthcare needs of local residents. The nearest private general and specialty practices are about 25 miles away by car so McCready “lends” office space to “visiting” physicians who come one to four times a month to see patients here in Crisfield. They include a podiatrist and three cardiologists. McCready’s emergency room is staffed with emergency physicians via a contract with the Emergency Service Associates group. However, major trauma cases and cases requiring more specialized surgery, diagnostic and medical care must be transported elsewhere. McCready’s patient population has a tragically high incidence of heart disease, lung disease, diabetes, cancer, obesity and metabolic syndrome – all chronic conditions that would benefit from specialist physician practices. However, the nearest are in Salisbury – 45 minutes away. The service area’s high unemployment rate, a large elderly population and one of the highest poverty levels in the state contribute to the incidence of these potentially serious and often fatal conditions.

Edward W. McCready Memorial Hospital
Appendix 1

McCready Memorial Hospital posts its financial assistance/charity care policy along with necessary contact information in all patient care/registration areas. Upon admission, each patient also receives the same information about the program. Patients whom are uninsured or underinsured receive assistance with determining eligibility for governmental programs or the hospital's financial assistance program through one-on-one financial counseling, including assistance in filling out all necessary paperwork. In addition, self-pay patients whose balances remain unpaid after three consecutive billing cycles receive a financial assistance application with instructions and contact information in their final statement before being sent to collections. Every effort is made to try to identify and assist patients in getting the financial assistance they need.

Edward W. McCready Memorial Hospital
Appendix 2

McCready Foundation, Inc.
Administrative Policy and Procedure

SUBJECT: Financial Assistance

FILE: Index Tab
Organizational Ethics

APPROVED BY: _____
Charles F. Pinkerman, CEO

Page:

Effective Date: 9/2005
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I. Policy

McCready Foundation is committed to providing charity care to persons who have healthcare needs and are uninsured, underinsured, ineligible for a government program, or otherwise unable to pay, for medically necessary care based on their individual financial situation. Consistent with its mission to deliver compassionate, high quality, affordable healthcare services and to advocate for those who are poor and disenfranchised, McCready Foundation strives to ensure that the financial capacity of people who need health care services does not prevent them from seeking or receiving care.

Charity is not considered to be a substitute for personal responsibility. Patients are expected to cooperate with McCready Foundation's procedures for obtaining charity or other forms of payment or financial assistance, and to contribute to the cost of their care based on their individual ability to pay. Individuals with the financial capacity to purchase health insurance shall be encouraged to do so, as a means of assuring access to health care services, for their overall personal health, and for the protection of their individual assets.

In order to manage its resources responsibly and to allow McCready Foundation to provide the appropriate level of assistance to the greatest number of persons in need, the Board of Directors establishes the following guidelines for the provision of patient charity.

II. Definitions

For the purpose of this policy, the terms below are defined as follows:

Charity Care: Healthcare services that have or will be provided but are never expected to result in cash inflows. Charity care results from a provider's policy to provide healthcare services free or at a discount to individuals who meet the established criteria.

Family: Using the Census Bureau definition, a group of two or more people who reside together and who are related by birth, marriage, or adoption. According to Internal Revenue Service rules, if the patient claims someone as a dependent on their income tax return, they may be considered a dependent for purposes of the provision of financial assistance.

Family Income: Family Income is determined using the Census Bureau definition, which uses the following income when computing federal poverty guidelines:

- a. Includes earnings, unemployment compensation, workers' compensation, Social Security, Supplemental Security Income, public assistance, veterans' payments, survivor benefits, pension or retirement

- income, interest, dividends, rents, royalties, income from estates, trusts, educational assistance, alimony, child support, assistance from outside the household, and other miscellaneous sources;
- b. Non-cash benefits (such as food stamps and housing subsidies) do not count;
- c. Determined on a before-tax basis;
- d. Excludes capital gains or losses; and
- e. If a person lives with a family, includes the income of all family members (Non-relatives, such as housemates, do not count).

Uninsured: The patient has no level of insurance or third party assistance to assist with meeting his/her payment obligations.

Underinsured: The patient has some level of insurance or third-party assistance but still has out-of-pocket expenses that exceed his/her financial abilities.

III. Procedures

A. Services Eligible Under this Policy.

For purposes of this policy, "charity" refers to healthcare services provided without charge or at a discount to qualifying patients. The following healthcare services are eligible for charity:

1. Emergency medical services provided in an emergency room setting;
2. Services for a condition which, if not promptly treated, would lead to an adverse change in the health status of an individual;
3. Non-elective services provided in response to life-threatening circumstances in a non-emergency room setting; and
4. Medically necessary services, evaluated on a case-by-case basis at McCready Foundation's discretion.

B. Eligibility for Charity.

Eligibility for charity will be considered for those individuals who are uninsured, underinsured, ineligible for any government health care benefit program, and who are unable to pay for their care, based upon a determination of financial need in accordance with this Policy. The granting of charity shall be based on an individualized determination of financial need, and shall not take into account age, gender, race, social or immigrant status, sexual orientation or religious affiliation. McCready Foundation shall determine whether or not patients are eligible to receive charity for deductibles, co-insurance, or co-payment responsibilities.

C. Determination of Financial Need.

1. Financial need will be determined in accordance with procedures that involve an individual assessment of financial need; and may
 - a. Include an application process, in which the patient or the patient's guarantor are required to cooperate and supply personal, financial and other information and documentation relevant to making a determination of financial need;
 - b. Include the use of external publicly available data sources that provide information on a patient's or a patient's guarantor's ability to pay (such as credit scoring);
 - c. Include reasonable efforts by McCready Foundation to explore appropriate alternative sources of payment and coverage from public and private payment programs, and to assist patients to apply for such programs;
 - d. Take into account the patient's available assets, and all other financial resources available to the patient; and
 - e. Include a review of the patient's outstanding accounts receivable for prior services rendered and the patient's payment history.
2. It is preferred but not required that a request for charity and a determination of financial need occur prior to rendering of services. However, the determination may be done at any point in the collection cycle.

The need for payment assistance shall be re-evaluated at each subsequent time of services if the last financial evaluation was completed more than a year prior, or at any time additional information relevant to the eligibility of the patient for charity becomes known.

3. McCready Foundation's values of human dignity and stewardship shall be reflected in the application process, financial need determination and granting of charity. Requests for charity shall be processed promptly and McCready Foundation shall notify the patient or applicant in writing within 30 days of receipt of a completed application.

D. Presumptive Financial Assistance Eligibility.

There are instances when a patient may appear eligible for charity care discounts, but there is no financial assistance form on file due to a lack of supporting documentation. Often there is adequate information provided by the patient or through other sources, which could provide sufficient evidence to provide the patient with charity care assistance. In the event there is no evidence to support a patient's eligibility for charity care, McCready Foundation could use outside agencies in determining estimate income amounts for the basis of determining charity care eligibility and potential discount amounts. Once determined, due to the inherent nature of the presumptive circumstances, the only discount that can be granted is a 100% write off of the account balance. Presumptive eligibility may be determined on the basis of individual life circumstances that may include:

1. State-funded prescription programs;
2. Homeless or received care from a homeless clinic;
3. Participation in Women, Infants and Children programs (WIC);
4. Food stamp eligibility;
5. Subsidized school lunch program eligibility;
6. Eligibility for other state or local assistance programs that are unfunded (e.g., Medicaid spend-down);
7. Low income/subsidized housing is provided as a valid address; and
8. Patient is deceased with no known estate.

E. Patient Charity Guidelines.

Services eligible under this Policy will be made available to the patient on a sliding fee scale, in accordance with financial need, as determined in reference to Federal Poverty Levels (FPL) in effect at the time of the determination, as follows:

1. Patients whose family income is at or below 150% of the FPL are eligible to receive free care;
2. Patients whose family income is above 150% but not more than 262.50% of the FPL are eligible to receive services at a sliding fee schedule according to the following guidelines:

Family Size	100%	75%	50%	25%	Full Pay
1	16,245	20,306	24,368	28,429	28,430
2	21,855	27,319	32,783	38,246	38,247
3	27,465	34,331	41,198	48,064	48,065
4	33,075	41,344	49,613	57,881	57,882
5	38,685	48,356	58,028	67,699	67,700
6	44,295	55,369	66,443	77,516	77,517
7	49,905	62,381	74,858	87,334	87,335
8	55,515	69,394	83,273	97,151	97,152

3. Patients whose family income exceeds 262.50% of the FPL may be eligible to receive discounted rates on a case-by-case basis based on their specific circumstances, such as catastrophic illness or medical indigence, at the discretion of McCready Foundation.

F. Communication of the Charity Program to Patients and the Public.

Notification about charity available from McCready Foundation, which shall include a contact number, shall be disseminated by McCready Foundation by various means, which may include, but are not limited to, the publication of notices in patient bills and by posting notices in emergency rooms, urgent care centers, admitting and registration departments, hospital business offices, and patient financial services offices that are located on facility campuses, and at other public places as McCready Foundation may elect. Information shall also be included on facility websites and in the Conditions of Admission form. Such information shall be provided in the primary languages spoken by the population serviced by McCready Foundation. Referral of patients for charity may be made by any member of the McCready Foundation staff or medical staff, including physicians, nurses, financial counselors, social workers, case managers, chaplains, and religious sponsors. A request for charity may be made by the patient or a family member, close friend, or associate of the patient, subject to applicable privacy laws.

G. Relationship to Collection Policies.

McCready Foundation management shall develop policies and procedures for internal and external collection practices that take into account the extent to which the patient qualifies for charity, a patient's good faith effort to apply for a governmental program or for charity from McCready Foundation, and a patient's good faith effort to comply with his or her payment agreements with McCready Foundation. For patients who qualify for charity and who are cooperating in good faith to resolve their hospital bills, McCready Foundation may offer extended payment plans to eligible patients, will not impose wage garnishments or liens on primary residences, will not send unpaid bills to outside collection agencies, and will cease all collection efforts.

H. Regulatory Requirements.

In implementing this Policy, McCready Foundation management and facilities shall comply with all other federal, state, and local laws, rules, and regulations that may apply to activities conducted pursuant to this Policy.

Edward W. McCready Memorial Hospital Appendix 3

McCready embodies the description “community” hospital in every sense of the word. We are located in the heart of a rural, somewhat isolated area where high-paying jobs are scarce and per-capita income is modest at best.

Nevertheless, each day our health-care team strives to provide appropriate care to those in need of hospital services, regardless of a person’s ability to pay. The McCready staff also strives to identify and address community needs on an ongoing basis.

Everything we do – providing acute, emergency, health-maintenance and elder care – is specifically geared with our hard-working neighbors always in mind. They and their families have counted on us for eight decades.

We concentrate on the delivery of basic health care, and most of our resources are dedicated to that cause. It has enabled us to be comfortable embracing our mission statement: “building a healthy community, one person at a time.” It is a true reflection of our vision and values.

**Edward W. McCready Memorial Hospital
Appendix 4**

Our Mission:

"We are working to build a healthy community, one person at a time."

Our Vision:

McCready Foundation is a community organization providing high-quality, coordinated health care services; focusing on prevention, diagnosis, treatment, rehabilitation and long-term care.

Our Values:

We maintain the highest standards in providing effective, efficient and compassionate services either directly or through coordinated efforts with other local and regional healthcare providers.