

December 11, 2009

Mr. Robert Murray, Executive Director Health Systems Cost Review Commission 4160 Patterson Avenue Baltimore, MD 21215

Re: Community Benefit Report

Dear Mr. Murray:

Attached is the community benefit report for Southern Maryland Hospital Center ("SMHC"). While the hospital is the only taxable hospital in the state and therefore exempt from this reporting requirement, we choose to file this report in order to show the community benefits we provide in addition to the various Federal, State, and local taxes paid.

SMHC is committed to the health and wellness of our community. As such, we dedicate ourselves to providing quality health care that is accessible to all constituencies, and moreover remain focused on the core mission of the hospital with the investment in time, talent and resources necessary to achieve goals and sustain programs and services through systematic change in strategic planning. To enhance the wellness of our community (as highlighted later in this report) we commit ourselves, and our resources to a diverse array of education, health screenings, and community outreach programs.

Southern Maryland Hospital is currently licensed for 255 beds under the Maryland regulatory system and the total physical capacity is 350 beds. For the Fiscal Year ending June 30, 2009 there have been 19,089 admissions to the facility and well over 100,000 outpatient visits such as emergency room visits, outpatient surgeries, and other types of scheduled services.

Southern Maryland Hospital Center is located in Clinton, Maryland within the epicenter of southern Prince George's County and nearby Charles County, Maryland. The region has pressing community development and community health care needs that are complicated by a set of unique geographic and socioeconomic factors. A detailed set of maps and charts in Appendix A graphically depict characteristics of the population served by the Hospital accompanied by projected growth estimates by the year 2011 within the Hospital's primary service area based on zip code assessment, and summarized as follows:

□ Based on 2006 resource data, the estimated population within the Hospital's service area is 351,638 and is expected to increase 6% by 2011. As reported by the Prince George's

Southern Maryland's 358 Bed Full Service Hospital "Bringing Health Care Back to the Bedside" County government, in the estimated overall census for 2005, there were 846,123 people, 286,610 households, and 198,047 families residing in the county.

- □ Among the highest growing segments within this population, it is estimated females aged 35+ will represent 11% growth, adults age 65+ will grow 32%, and those in the age category 45 65 (a.k.a. the so called "baby boomer" generation) will grow 14%.
- □ With respect to the demographic make-up of the Hospital's service area, 97% is non-Hispanic and 3% Hispanic. Segments within the non-Hispanic population are African-American 73%, Caucasian 21%, Asian 3%, and other 3%.
- Prince George's County statistics reveal the median income for a household in the county was \$55,256, and the median income for a family was \$62,467. Males had a median income of \$38,904 versus \$35,718 for females. The per capita income for the county was \$23,360. About 5.3% of families and 7.7% of the population were below the poverty line including 9.2% of those under age 18 and 6.9% of those ages 65 or over. Southern Maryland Hospital Center has rendered services to slightly less than 9% of patients with no insurance and just over 14% with Medicaid.

In response to the HSCRC request for a written description of gaps in availability of specialist providers to serve the uninsured in the community, the following perspective is provided:

Over a period of several years, various medical specialty practitioners as well as primary care physicians on the active medical staff within our service areas gradually began to notify the hospital that they would no longer be able to participate in emergency room call coverage for their specialty or continue to directly admit patients to the hospital. Researching the dynamics of this experience with other hospitals in our region, we found our situation was clearly not unique with respect to gaps in coverage from the available pool of providers that could potentially be drawn upon to serve the uninsured and underinsured in the community.

It also became apparent that the solution other facilities gravitated to out of necessity, was to essentially "underwrite" the cost for these provider services, that would in effect subsidize the medical specialist for attending to "no pay," or "limited pay," patients. The medical specialists we are reporting are also those in which, by virtue of their area of specialization, there tends to be a higher incidence of "no pay," or "limited pay" patient encounters.

For the specialties of Obstetrics and Gynecology, Pediatrics and Neonatology, Gastroenterology, Otolaryngology, Orthopedics, Neurosurgery, and Primary Care, the hospital found that these independent medical groups encountered the most consistent trend in which their patient encounters had the potential of leading to no reimbursement or minimal reimbursement for services provided. The hospital quickly came to the realization that these specialty services were critical to the continued operation of this facility as an acute care hospital offering immediate access to the full range of acute care services responsive to the needs of all segments of the patient population we serve.

Measured steps have been undertaken by the hospital to mitigate gaps in provider coverage:

- 1. Hospitalist physicians: the hospital was proactive years ago in responding to a recognized need for attending to unassigned Emergency Room admissions many of whom were among the uninsured within the community. Staff physicians employed by the hospital within this group are available 24 hours per day and 7 days per week basis (24/7) fulfilling a pivotal role in providing coverage for primary care.
- 2. Anesthesia: Likewise, an internal staffing model was created for anesthesia to assure optimal 24/7 obstetrical coverage.
- 3. Emergency Medicine: The hospital established an Emergency Medical Group three years ago where the physicians are employed and managed by the hospital.
- 4. Obstetrics, pediatrics and neonatology: The hospital employs and manages a group of house-based obstetrical practitioners, pediatricians and neonatologists.
- 5. The hospital underwrites specialty coverage for *Orthopedics, Neurosurgery, Gastroenterology, Urology,* and *Otolaryngology* from local providers on a 24/7 basis.

As a provider of services to those suffering from the effects of chronic illness, SMHC is acutely aware of the benefits that prevention and early detection of disease provide to the community. The hospital and its staff have consistently focused over the years on educating the community about various resources available to them. It is thus that SMHC offers a variety of free educational outreach programs and resources (delineated in Appendix E) designed to promote community wellness.

- "Ask the Doctor" Free Community Seminars SMHC physicians and professional staff give presentations on a variety of health topics in a relaxed, welcoming environment. After the presentation, an open discussion and question and answer session takes place. By way of example, seminars have focused on Parkinson's disease, arthritis, coronary artery disease, childhood & adolescent obesity, and chronic lung diseases.
- 2. Community Education Classes SMHC offers classes on a variety of subjects, including heart failure management, cardiac risk reduction, freedom from smoking, total joint replacement, CPR and a range of maternal child health classes covering topics such as childbirth, breastfeeding, and the first year of life. Knowledge, to us, is the key to helping individuals and families stay healthy, make positive lifestyle changes or manage a chronic condition. It is a vital resource to the community.
- Support Groups Sometimes it helps people in our community to know they're not alone with respect to health care concerns. As a professional courtesy to our community, SMHC hosts an array of support groups for a range of health issues such as Alzheimer's

disease, stroke, prostate cancer, breast cancer, mental health & emotional well-being and perinatal loss.

- 4. Health and Fitness programs for Body and Mind -- community members are encouraged to take a positive step toward a healthy future by partaking of programs structured with practical application and educational components such as adult weight reduction, swimming lessons, exercise for arthritic patients or help individuals understand and manage diabetes or heart disease. One important ongoing program is the daily, "Mall Walkers" group that engages in a popular indoor cardiovascular fitness regime.
- 5. Several staff members including a nurse are dispatched each week to participate in health fairs, county fairs, local churches and community centers, where basic health screening exams such as blood pressure, prostate screening, cholesterol, blood glucose level and other lab tests are offered. Influenza vaccinations are also facilitated at these events during the flu season.

Our Chaplaincy Department provides pastoral care and support for staff and patients, and also assists community spiritual leaders and clergy who visit the hospital in matters of health, grief counseling, end-of-life concerns, and advance directives.

In addition to normal duties, the Patient Relations staff provides resources to patients and their families. They conduct patient interviews and proactively visit patients throughout their hospital stay. In the primary role of a patient advocate, they document and track patient concerns and communicate issues or trends directly to senior management in nursing and hospital administration.

Also attached is a <u>description</u> of our Financial Assistance Policy (Appendix B), a copy of the Financial Assistance Policy (Appendix C), Southern Maryland Hospital Center's Mission and Vision statements (Appendix D) and Community Benefits Report Stats for the period 07/01/08 – 06/31/09 (Appendix E).

If you need any additional information, please contact me at 301-877-5527.

Sincerely,

hades R. Dem

Charles R. Stewart Vice President of Business, Finance, and Corporate Compliance

Attachments



Southern Maryland Hospital Center

Service Area Demographics—Population

Appendix A

DISTRICT OF 20019/ /20743 22211 20774 COLUMBIA Arington Suitland Fores 22200 Hillcrest Heights 422 22305 Marlow-Heights **Temple Hills** Upper Mariboro VIRGINIA Nal Boro PAR (408) Camp 4 Glassmanor Alexandria 20748 Springs Oxon Hill Anne A 10-22304 ON R.C. 301 20762 207 Rose Hill Huntington Farms 207/2-Allen 633 6 20744 Clinton oveton 22307 Southern Maryland Hospital 15 Fairfax 629 Fort 5 223 Washington 20735 Hybla Valley Friendly Geo 20744 3 22308 10 Farms 210 381 22309 235 Brandywine Potomac CantallaRd 382 Service Area 1 HAND 20607 MARYLAND 373 Accokeek 20613 Coopenille Bd 228 5 20616 Bryans Road (381) 20603 925 20601 210 229Poplar Hill Ro Hunti Waldorf-Pomonkey_ 20640 Ð Woodyille White Plains 20695 20608 St. Charles 224 227 20602 28675 Charles Pomfret yright (3) and (P) 1988-2006 Microsoft Corporation and/or its suppliers. All rights reserved, Portions (3) 1990-2006 Install Shield Software Corporation. All rights r ping and direction data (3) 2005 NAVTED. All rights reserved. NAVTED and NAVTED ON BOAR D are trademarks of NAVTED (3) 2005 Tele Atlas North America rved. Tele Atlas and Tele Atlas. North America are trademarks of Tele Atlas. Inc. 20037

Southern Maryland Hospital Center Prin

Primary Service Area by Zip Code

ZIPCODE	CITY	COUNTY	STATE
20601	Waldorf	Charles	MD
20602	Waldorf	Charles	MD
20603	Waldorf	Charles	MD
20613	Brandywine	Prince George's	MD
20735	Clinton	Prince George's	MD
20744	Fort Washington	Prince George's	MD
20745	Oxon Hill	Prince George's	MD
20746	Suitland	Prince George's	MD
20747	District Heights	Prince George's	MD
20748	Temple Hills	Prince George's	MD
20772	Upper Marlboro	Prince George's	MD

Population	2006	2011	% Growth
Total	351,638	374,943	6.63%
Age 65+	29,928	39,475	31.90%
Pediatrics Aged 0-17	94,848	95,558	0.75%
Female Aged 15-44	79,053	78,238	-1.03%
Female Pop 35+	98,768	109,607	10.97%
Male/Female Aged 45-64	92,604	105,379	13.80%

Southern Maryland Hospital Center Primary Service Area by Demographics

Southern Maryland Hospital Center Community Benefit Filing 12-31-09



Southern Maryland Hospital Center Demographics (Zip Code Detail)

ZIP			5-Yr %
CODE	2006	2011	Growth
20603	26,166	30,582	16.9%
20772	41,587	47,048	13.1%
20601	25,159	27,680	10.0%
20613	9,423	10,206	8.3%
20735	35,819	38,136	6.5%
20747	41,543	43,563	4.9%
20602	22,538	23,618	4.8%
20744	50,793	53,047	4.4%
20748	41,458	42,773	3.2%
20746	29,138	29,875	2.5%
20745	28,014	28,415	1.4%
Totals	351,638	374,943	6.6%

Appendix A

Southern Maryland Hospital Center Population by Zip Code – Chart A

	Total			Age 65+		Age 0-17			
Service Area	2006	2011	5-Yr. Growth	2006	2011	5-Yr. Growth	2006	2011	5-Yr. Growth
20601	25,159	27,680	10.02%	1,620	2,375	46.60%	6,863	6,921	0.85%
20602	22,538	23,618	4.79%	1,561	2,012	28.89%	6,415	6,264	-2.35%
20603	26,166	30,582	16.88%	1,215	1,893	55.80%	7,928	8,594	8.40%
20613	9,423	10,206	8.31%	1,152	1,438	24.83%	2,413	2,477	2.65%
20735	35,819	38,136	6.47%	3,616	4,788	32.41%	9,211	9,120	-0.99%
20744	50,793	53,047	4.44%	5,266	6,926	31.52%	12,126	11,810	-2.61%
20745	28,014	28,415	1.43%	2,276	2,877	26.41%	8,006	7,805	-2.51%
20746	29,138	29,875	2.53%	2,270	2,823	24.36%	8,556	8,443	-1.32%
20747	41,543	43,563	4.86%	3,119	4,094	31.26%	11,980	11,860	-1.00%
20748	41,458	42,773	3.17%	4,495	5,413	20.42%	10,538	10,442	-0.91%
20772	41,587	47,048	13.13%	3,338	4,836	44.88%	10,812	11,822	9.34%
Totals	351,638	374,943	6.63%	29,928	39,475	31.90%	94,848	95,558	0.75%

Southern Maryland Hospital Center Population by Zip Code – Chart B

	Age 15-44 Female Child Bearing Years		Age 35+ Female		Age 45-64 Baby Boomers"				
Service Area	2006	2011	5-Yr. Growth	2006	2011	5-Yr. Growth	2006	2011	5-Yr. Growth
20601	6,034	6,174	2.32%	6,418	7,505	16.94%	6,258	7,661	22.42%
20602	5,458	5,338	-2.20%	5,674	6,304	11.10%	5,144	6,055	17.71%
20603	6,446	6,958	7.94%	6,441	8,005	24.28%	6,015	8,283	37.71%
20613	1,730	1,735	0.29%	2,791	3,030	8.56%	2,777	3,181	14.55%
20735	7,442	7,311	-1.76%	10,894	11,778	8.11%	10,487	11,699	11.56%
20744	10,205	9,975	-2.25%	15,485	16,544	6.84%	16,161	17,050	5.50%
20745	6,503	6,166	-5.18%	7,551	8,083	7.05%	6,885	7,300	6.03%
20746	7,043	6,719	-4.60%	7,910	8,646	9.30%	6,669	7,345	10.14%
20747	10,064	9,721	-3.41%	11,520	12,677	10.04%	10,012	11,433	14.19%
20748	9,035	8,717	-3.52%	12,478	13,421	7.56%	11,020	11,818	7.24%
20772	9,093	9,424	3.64%	11,606	13,614	17.30%	11,176	13,554	21.28%
Totals	79,053	78,238	-1.03%	98,768	109,607	10.97%	92,604	105,379	13.80%



Southern Maryland Hospital Center Service Area Median Household Income

Southern Maryland Hospital Center Description of Financial Assistance Policy Community Benefit Filing 12-31-09

The Financial Assistance Policy for Southern Maryland Hospital Center is attached as Appendix C. This policy is posted in all the admission areas of the hospital as well as in of the emergency room. While a copy the policy is not routinely provided to the patient at registration, at any point in the patient process, from registration to final payment of the bill, a patient may indicate a need for financial assistance. At that point in the process the patient or guarantor is given a copy of our financial assistance policy and the application for financial assistance. Upon completion of the application and submission of the requested information, a determination of the amount of assistance is made according to the attached policy. During the registration process, depending on the type of services to be provided, a hospital representative may speak with the patient or guarantor about other state or federal programs to assist with payment.

Community Benefit	Filing 12-31-09					
Southern Maryland Hospital, Inc.		Subject: Financial Assistance				
Policy and Procedure Manual		Number: 12				
Department of Collections						
Original Date:	Review Date(s):	Revision Date(s):	Page: 1 of 4			
5/93	12/98	6/02, 12/04, 3/08				
Departments Involved: Collections, Out-Patient Services, Emergency Room and						
Admitting						

<u>Purpose</u>: To help facilitate medical care to persons regardless of their age, sex, race, color, national origin, creed, religion, sexual orientation, physical handicap or financial ability to pay for services.

Procedure: If a patient/guarantor expresses the inability to pay for services based on lack of income or resources, the patient/guarantor may be offered consideration for a financial adjustment.

An application for financial assistance must be completed and the appropriate documentation (as defined on the application) attached to be considered for a financial adjustment. The director of Collections must approve any exception to this requirement.

One of the following conditions must be met or exist to be eligible to apply for financial assistance:

- Patient/Guarantor whose income level is at or below the current Federal Poverty Guidelines as published in the Federal Register;
- Patient/Guarantor whose income level is above the current Federal Poverty Guidelines as published in the Federal Register, but whose financial profile indicates that expense related to the necessities of life (food, housing, utilities and medications) consume most or all of their income;
- No ownerships of real estate, other than primary residence; no ownership of stocks, bonds, and other assets that affects the net worth of patient/guarantor;
- Fixed income such as Social Security, retirement, or disability with no other sources of income;
- ➤ Medical expenses which exceed 50% of monthly income;
- Patient is homeless, whereby a Medical Assistance application cannot be completed;
- > Patient is deceased with no estate on file.

Community Benefit	Filing 12-31-09				
Southern Maryland Hospital, Inc.		Subject: Financial Assistance			
Policy and Procedure Manual		Number: 12			
Department of Collections					
Original Date:	Review Date(s):	Revision Date(s):	Page: 2 of 4		
5/93	12/98	6/02, 12/04, 3/08	_		
Departments Involved: Collections, Out-Patient Services, Emergency Room and					
Admitting					

A. Patient Registering In Admitting Office

- 1. Admitting Office representatives will refer any self-pay patient or responsible party, who demonstrates need, or has requested financial assistance, to the Medicaid facilitator. The Medicaid facilitator will then complete a medical assistance profile application and determine if the patient or responsible party may qualify for Medicaid.
- Should the patient or responsible party be determined ineligible for Medicaid, the Medicaid facilitator will notify the Admitting Office and Collection Department.
- 3. Should the patient or responsible party demonstrate financial inability, a Financial Assistance Application can be completed and returned along with supporting documentation to apply for Financial Assistance through Southern Maryland Hospital Center.

B. **Patients Registering In Out-Patient Services**

 Out-Patient Services representatives will refer any self-pay patients or responsible parties, who demonstrate need or have requested financial assistance to the Collections Department. The Collections Department representative will perform financial counseling to include providing a Financial Assistance Application. The patients will be informed that the application must be returned within thirty (30) days along with all required documents.

Southern Maryland Hospital, Inc.		Subject: Financial Assistance	
Policy and Procedure Manual		Number: 12	
Department of Collections			
Original Date:	Review Date(s):	Revision Date(s):	Page: 3 of 4
5/93	12/98	6/02, 12/04, 3/08	

Departments Involved: Collections, Out-Patient Services, Emergency Room and Admitting

C. Patients Registering In the Emergency Room

1. Emergency Room representatives must ensure that the patient or responsible party receives a copy of the Financial Assistance brochure and/or read the displayed signs. If the patient or responsible party does not have: Medicare, Medical Assistance benefits, commercial insurance, Workman's Comp, or any other insurance information at the time of registration, the Emergency Room representative will provide a Financial Assistance Application. If patient/responsible party requests it.

- 1. All Financial Assistance Applications and supporting documentation are then forwarded to the Collections Department Administrative Assistant or Supervisor to determine eligibility, after which they are directed to the Department Head for signature of approval or denial.
- 2. The applicant is advised via letter or telephone call of approval or denial within two business days of review and any patient responsible portion of the bill.

 The following formula is to be used to calculate the patient's responsibility:

 Less Monthly HHS Poverty Guidelines (most current)
 <_____>

 Gross Monthly Income Available

 Multiply by 0.92935

 Less Patient Monthly Expenses
 <______>

 **Patient Responsibility per Month

Southern Maryland Hospital, Inc. Policy and Procedure Manual		Subject: Financial Assistance Number: 12		
Department of Collections				
Original Date:	Review Date(s):	Revision Date(s):	Page: 4 of 4	
5/93	12/98	6/02, 12/04, 3/08		
5/93 12/98 6/02, 12/04, 3/08 Departments Involved: Collections Out Patient Services Emergency Room and				

Departments Involved: Collections, Out-Patient Services, Emergency Room and Admitting

Total Amount of Patient's Bill

Divide by a maximum of 18 monthly payments, if needed

**If the patient responsibility is equal to or less than zero, then 100% of the balance is adjusted. If the patient's responsibility is less than the medical bill, the patient is only responsible for "Patient Responsibility" amount. The remaining balance of the bill should be adjusted. **

The Department of Health and Human Services poverty guidelines represents the minimal income for the number of person's dependant on the income per Exhibit A, attached.

- 3. All Financial Assistance write-offs under this policy shall be adjusted using the adjustment code "991-1001".
- 4. Any patient responsibility will be due to Southern Maryland Hospital Center and paid no later than 18 months from the date of Financial Assistance approval. All eligible Financial Assistance applicants must have a signed contract on file with Southern Maryland Hospital Center for any balance due.

NOTE: Non-U.S. citizens who travel to the U.S. primarily for the purpose of receiving medical services are not eligible for Financial Assistance.

Appendix C

Southern Maryland Hospital Center Financial Assistance Policy Community Benefit Filing 12-31-09

Southern Maryland Hospital Center

Mission

Southern Maryland Hospital Center is a full-service, regional health care facility founded in 1977 to provide a complete range of inpatient, outpatient and community services for the residents of Southern Maryland. At SMHC, highly skilled health professionals efficiently deliver respectful and compassionate care using the most advanced medical technology.

Southern Maryland Hospital Center is a resource center seeking to prevent illness and promote health through education and screening. Our goal is to assist the residents of Southern Maryland in achieving the highest possible level of physical and mental health, and thereby improve the quality of life in our community.

Southern Maryland Hospital Center continuously evaluates all services and seeks to improve the delivery of care. Each SMHC employee, medical staff member and volunteer is motivated by an uncompromising commitment to quality as measured by the satisfaction of our patients and their families.

Values

The employees, medical staff and volunteers of Southern Maryland Hospital Center hold in common these values with respect to our patients and our professional relationships.

Quality - We perform each task to the best of our abilities and never cease to try to do better.

Respect - We acknowledge the dignity of every individual and appreciate the differences and uniqueness of each.

Integrity - We are forthright with our patients and each other and fulfill our tasks promptly, accurately, and completely.

Safety - We are committed to improving patient safety and reducing risks in the care environment for patients and others, including health care providers.

Flexibility - We continually adjust our methods to better serve our patients and we readily embrace change and new technology.

Efficiency - We manage our work so as to conserve resources and hold down the costs of health care without compromising patient care.

Confidentiality - We protect the rights of our patients and their families and safeguard their privacy.

Accountability - We accept responsibility for the results of our work and set aside personal interests for the good of our patients.

Community Benefit Summary Report 07/01/08 – 06/31/09

Health Express Van (encounters) Flu Shots – (347) Lab Draws – (484) Blood Pressure Checks (exclusive to HEV) – (2,052) Other services – (772)

- Mall Walkers (encounters) Blood Pressure Checks – (14,260) Other services – (5,513)
- **Special Events** (encounters) Diabetes Expo – (217) Cardiac and Wellness Expo – (975)
- Ask the Doctor Programs (encounters) Five Programs multiple times per year – (67 average per event) Program details attached
- Support Groups/Classes: (encounters) Seven Programs multiple times per year – (639)

Ask The	Date	Location	Responsible	# of Attendees
Doctor Topic			Department	
HPV &	10/08	Colony South	Marketing	55
Cervical Cancer				
Hip & Knee	11/08	Colony South	Marketing	75
Replacement				
Hip & Knee	02/09	Regency	Marketing	45
Replacement		Furniture		
		Stadium		
Parkinson's	04/09	Colony South	Marketing	60
Disease				
Chronic Back	06/09	Colony South	Marketing	100
Pain				

Support Group	Responsible	Meets/Held	Location	Average # of
	Department			<u>participants</u>
Alzheimer's Support	Marketing	12/yr.	SMHC	4-7
Group			Library	
Mental Health	4 West	12/yr.	Colony	6-8
Support Group			South Hotel	
Stroke Support Group	Stroke Center	11/yr.	SMHC	10
		*Does not	Library	
		met in		
		December		
Prostate Cancer	Marketing	12/yr.	Colony	15
Support Group			South Hotel	
Weight Management	Dietary	24/yr.	SMHC 4 TH	2-5
Support Group			Floor	
			Lobby	
C.A.R.E./A.W.A.K.E.	Cardiopulmonary	4/yr.	Cardiac	5-6
Support Group			Rehab	
Breast Cancer	Marketing	12/yr.	SMHC	
Support Group			Library	