Trustees fully fund indigent care

By Vickie LaMarche

The Citrus County Hospital Board of Trustees is committed to absolutely ensuring medically necessary health care services are provided to all indigent residents of Citrus County in a fair and equitable manner.

Recently the Hospital Board of Trustees enacted a policy that parallels the Florida Health Care Responsibility Act and the Florida Indigency Eligibility Certification Standards. The law is uniform to all counties and has well-researched and defined definitions of what thresholds should be applied to determine appropriate government indigency reimbursement plans. The corporate foundation (Citrus Memorial Hospital) is being provided more than adequate monies to provide charity care services from the Trustees and the state and federal governments.

The Trustees reviewed the corporate foundation’s “sponsorship” policy (never approved by the Trustees) and noted the most recent policy, adopted October 2009, transferred to the Citrus taxpayers the service cost of all patients “sponsored” by the corporate foundation. Due to corporate sponsorship policy changes, the cost of care transferred to the taxpayer more than doubled from $1.8 million in 2008 to $4.6 million in 2009.

Transcripts of the corporate foundation often refer to “transferring bad debt to charity” (also known as the taxpayer). Interestingly, while the percentage of “sponsorship” patients has doubled, the bad debt percentage has been reduced by half. In fact, the corporate foundation only accounts approximately 1.41 percent as bad debt, yet the Agency for Health Care Administration not-for-profit average is 4.3 percent — unusual, in my opinion, at best. It is inappropriate and wrong to cause the Citrus taxpayer to pay for bad debt masked as charity care.

Inappropriately, the corporate foundation “sponsorship” policy currently transfers to the Citrus taxpayer medical costs for patients with unlimited personal assets, provided their annual earned income or portfolio income does not exceed 200 to 400 percent of the federal poverty level (FPL).

In addition, the corporate foundation transfers to the Citrus taxpayer medical costs of non-Citrus County residents and transfers to the Citrus taxpayer substantial charge reductions for all uninsured patients, even those with income levels exceeding 300 percent of the FPL. The cost of providing care for persons with unlimited assets, non-residents of Citrus County, or 50 percent charge reductions for all patients at any income level should not be transferred to the Citrus taxpayer. Charity care is for the indigent, not for everyone, those who have the ability to pay should in fact pay for their services. Many of these costs should not burden the Citrus County taxpayer.

Moreover, the corporate foundation policy, apparently — in my opinion — an “honor policy,” does not require any verification or supporting documentation other than a personal statement, generally approximating income. Outpatients seeking sponsorship need not even complete an application. These policies are inequitable and, lacking independent verification, place an unjust burden on the Citrus taxpayer. With such an expansive “sponsorship” policy, based on an honor system, it is no wonder the cost transferred to the taxpayer increased 2.5 times in one year!

The Trustees, forced to submit public record requests to obtain the corporate foundation’s policies, upon learning of the corporate foundation’s attempt to transfer to the Citrus County taxpayer these unfair costs, have enacted a fair policy with statewide precedent and AHCA recognized thresholds, definitions and verification guidelines.

It is most important for the community to understand that in addition to local tax supported funding, the corporate foundation will also receive approximately $2 million from the state — specifically for the purpose of funding low-income, uninsured and underinsured patients. Additionally, the corporate foundation will receive $1.9 million in Medicaid enhancements based, in part, upon charity service. The
state funding is designed to help communities with cost of providing care to low-income patients. State funding coupled with significant corporate and local tax benefits — based primarily upon the provision of indigent care — should be utilized to fund all “sponsorship” patients beyond the scope of the taxpayer supported policy.

In fiscal year 2010 the corporate foundation expects its sponsorship policy to cost approximately $4.5 million. State low-income support and Medicaid enhancements — totaling $3.8 million — and previously transferred funding from the Hospital Trustees of $1.589 million exceeds estimated corporate costs by over $800,000. As all “sponsorship” services are fully funded, there should be no reduction in true indigent care services or even services characterized as “sponsorship” services.

The corporate foundation should rest assured the Citrus County Hospital Board of Trustees is absolutely committed to “helping people” and to suggest otherwise is outrageous and inflammatory. What the Trustees are opposed to is the irresponsible transference of routine corporate foundation costs to the taxpayer, especially when such costs are fully compensated by the state and corporate tax benefits.

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