Adapt to Change
The Challenges of Health Care at DCH

On the Business End of Obamacare

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DCH is facing some of the biggest challenges health care has faced since the 1960s, according to Bryan Kindred, president/CEO of the DCH Health System.

“Hospitals, particularly hospitals in Alabama where reimbursements are already low, are looking at several very difficult years of government cutbacks and take-backs, not to mention the transition to the Affordable Care Act, also known as Obamacare,” Kindred said. “The political and financial reality is that the federal and state governments will continue to balance their budgets at the expense of hospitals for the foreseeable future.”
Why do hospitals find themselves in this situation? The federal government, which pays for about half of the nation’s health care bill, is intent on cutting the amount of money it spends for health care. And Kindred said they’re taking most of that money from hospitals. On average Medicare already pays hospitals less than what it costs to care for the patient, but now they are cutting reimbursement because of sequestration, which is a Washington term for across-the-board cuts that came about because Congress can’t agree on a budget.

“We expect these cuts to cost us about $4 million a year, and there’s no telling how long the cuts will last,” Kindred said.

Meanwhile, the government is taking back money hospitals earned caring for Medicare patients. Kindred said auditors are going through charts looking for reasons to make hospitals repay the government for a patient’s treatment. The auditors get to keep a percentage of what they reject, which is perhaps why they end up taking back payment for more than 80 percent of the files they review. Hospitals have been told that the auditors can review even more charts every month, which Kindred said could reduce DCH’s bottom line by about $8 million annually.

Hospitals are also dealing with changes related to Obamacare.

“Most of the regulations aren’t even written yet, so we don’t know all that we’re facing, but we don’t expect Obamacare to benefit hospitals,” Kindred said.

One change is a reduction in reimbursement to Disproportionate Share Hospitals, hospitals like DCH that treat a higher percentage of indigent patients. Kindred said the government says that the Disproportionate Share money won’t be needed because more poor people will be covered by insurance under Obamacare.

“Many experts doubt that argument and warn that hospitals will continue to see many uncovered patients while dealing with another major funding cut,” Kindred said. “For DCH, the expected reduction in Disproportionate Share funds will be about $2.5 million in 2014, and it will get worse each year.”
Meanwhile, the Alabama Legislature has completely revamped the state Medicaid system. Hospitals still don’t know much about it, but officials at DCH and other hospitals expect there will be less reimbursement for hospitals under the new plan.

So, what does this mean for DCH and the communities it serves? Kindred said that the reductions will not affect the quality of the day-to-day care DCH hospitals provide to their patients. The reductions in revenue are coming off their reserve and their capital expenses.

“Our projected reserve for the current fiscal year is 2.4 percent,” Kindred said. “We would normally hope for a reserve of at least 5 percent to ensure we have the funds we need for future operations.”

Kindred said DCH is putting off as many major purchases and renovation projects as they can until the health care marketplace and Washington settle down. “But just as with your business, your church or your home, we can’t be the organization we need to be if we must continue to survive on reduced reserves and postponed projects,” Kindred said.

Hospital officials said while times will be tough for larger hospitals, many of this nation’s rural hospitals will be in real trouble. Rural hospitals tend to treat more Medicare and Medicaid patients, so these reductions in Medicare and Medicaid reimbursement will have a greater effect on them. And because most rural hospitals don’t have the reserve of larger hospitals, many of them will have a hard time coping with these cutbacks.

So how can you help? Kindred said you can help your medical community and your community as a whole by using your local hospital and your local physicians for your health care needs.

“DCH Regional Medical Center and Northport Medical Center have proven themselves worthy of your confidence, and your support will help ensure that the range of services and physicians will continue to be available in this community,” Kindred said.

“Our Congressional delegation has been very supportive,” Kindred said. “Thank them for their efforts, and encourage them to continue to remind the government bureaucracies that the decisions they make have a real effect on institutions and on the people who work in those institutions and on the people who depend on those institutions for their health care.”

And Kindred said that during this difficult and uncertain era, philanthropy has never been more important for the DCH Health System.

“Your financial support would be greatly appreciated, and we promise any gift will be put to good use,” he said.

“The DCH Health System has continually provided high-quality, compassionate community-based health services to the communities we serve,” Kindred said. “We ask for your support as we work to ensure that continues until the next century.”

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Philanthropy has always been vital to the DCH Health System, according to Molly B. Ingram, vice president of development for The DCH Foundation.

“Every significant advance at DCH has happened thanks to the philanthropic power of this community,” she said. “The very first DCH was built with $100,000 in community donations, and another $25,000 was added within a week for additional equipment. In 1923, that was an enormous amount of money.”

Through the years, DCH gained an open heart surgery program, a new emergency room and the Lewis and Faye Manderson Cancer Center. And all of these advances were supported, if not initiated, by the generosity and engagement of our entire community, she said.

“And those were just the capital projects;” she said. “Every day, dedicated community volunteers and donors work with The DCH Foundation to help cancer patients through the Breast Cancer Fund and the Help and Hope Patient Assistance Fund, to support our newest families through the Finn and Quinley Children and Infants’ Fund and to tend to spiritual needs with the help of the Pettus Randall Pastoral Care Endowment.”

Thousands of people each year support these funds through DCH Foundation events, annual appeals and their own energy and work.

“Every gift matters, whether it’s sending $10 to submit votes for the “Bras for a Cause” campaign, buying a chance to win a jewelry surprise from Hudson-Poole at BBQ and Blue Jeans, confirming a reservation to the Foundation Ball or making a $5 million estate gift to name the Cancer Center,” Ingram said. “When everyone comes together to support DCH, the community’s health system will find a stronger and steadier path through the myriad challenges from Washington and Montgomery.”

As DCH faces these challenges, philanthropy will once again be needed for far more than “extras,” she said.

“Philanthropy will be essential to DCH’s continuous pursuit of excellent health care for West Alabama,” Ingram said. “Everyone will need DCH someday, so everyone should share in its wellbeing and support it. All financial support is greatly appreciated, and you can rest assured all gifts will be put to the highest and best use within the system.”
For 90 years your friends and neighbors at DCH have been providing the best in health care right here at home. Now DCH is literally as close as your desktop, laptop or mobile device. Join us on Facebook, Twitter and YouTube for health news, health tips, local health events and more.

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Recent RECOGNITIONS

DCH Regional Medical Center and Northport Medical Center have received recognition from some of the nation’s top health care organizations.

Top Performers on Key Quality Measures

DCH Regional Medical Center and Northport Medical Center have been named Top Performers on Key Quality Measures by The Joint Commission, the leading accrediting organization for health care organizations in America.

The Joint Commission recognized the Regional Medical Center and Northport Medical Center for what it called "exemplary performance" in using evidence-based clinical processes that are shown to improve care for heart attack, heart failure, pneumonia and surgical care.

Top Performer status is awarded to hospitals that attain excellence in accountability measure performance. Accountability measures are quality measures that meet criteria that produce the greatest positive impact on patient outcomes when hospitals demonstrate improvement on them. For example, an accountability measure for heart attack is getting the patient to the cardiac catheterization lab within 90 minutes of arrival, and the surgical care category includes several measures involving the best use of antibiotics to prevent infections.

Blue Distinction Center for Cardiac Care

DCH Regional Medical Center has again been designated as a Blue Distinction Center for Cardiac Care by Blue Cross and Blue Shield of Alabama. It was first designated a Blue Distinction Center in 2010.

To be designated as a Blue Distinction Center for Cardiac Care, the Regional Medical Center met selection criteria related to experience, quality and patient outcomes. A Blue Distinction Center must perform a certain number of heart cases and its cardiac team must have an appropriate level of experience.

A Blue Distinction Center must have intensive care, emergency and a full range of cardiac services. The Regional Medical Center offers comprehensive cardiac care services, including an emergency department, inpatient cardiac care, cardiac rehabilitation, cardiac catheterization and cardiac surgery, including coronary artery bypass graft surgery.

Manderson Cancer Center renews its affiliation with MD Anderson Cancer Network™

The Lewis and Faye Manderson Cancer Center at DCH Regional Medical Center has renewed its regional affiliation with MD Anderson Cancer Network™, a program of The University of Texas MD Anderson Cancer Center in Houston. MD Anderson Cancer Center is one of the world’s most respected leaders in cancer care and ranked No. 1 in the nation by U.S. News & World Report’s “Best Cancer Hospitals” survey for nine of the past 11 years, including 2012.

The renewal of this collaboration will provide certified physicians at DCH Regional Medical Center with access to evidence-based guidelines, treatment plans and concordance studies developed by MD Anderson experts.

HomeCare Elite

DCH Home Health Care Agency has been named in the top 5 percent of the home health agencies in the United States by a national health care information company.

The HomeCare Elite identifies the top 25 percent of agencies and further highlights the top 100 and top 500 agencies overall. Winners are ranked by an analysis of publicly available performance measures in quality outcomes, process measure implementation, patient experience (Home Health CAHPS), quality improvement and financial performance.

The report ranked DCH Home Health Care Agency in the Top 500 of the nation’s more than 10,000 Medicare-certified home health agencies, placing it in the top 5 percent, according to the study.