



# Institute of Medicine Population Health Management Feb. 6, 2014

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# Memphis: City of Disparity



Egregious disparity: Income, Heart Disease, Diabetes, Cancer, Suicide/Homicide, Limb Amputation

# MLH 2010 Charity Care Write Off

Select Zip codes

IP and OP visits & variable cost  
by block group for zip codes:

38109

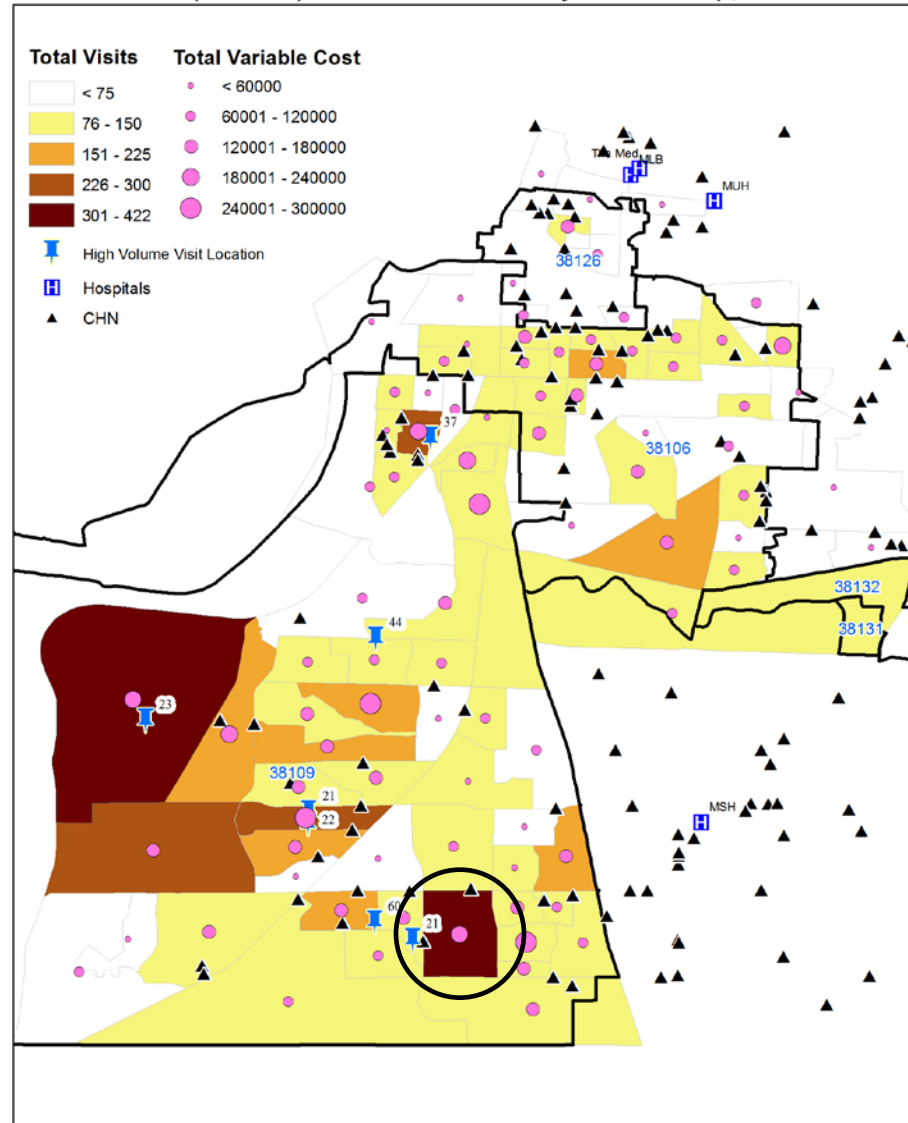
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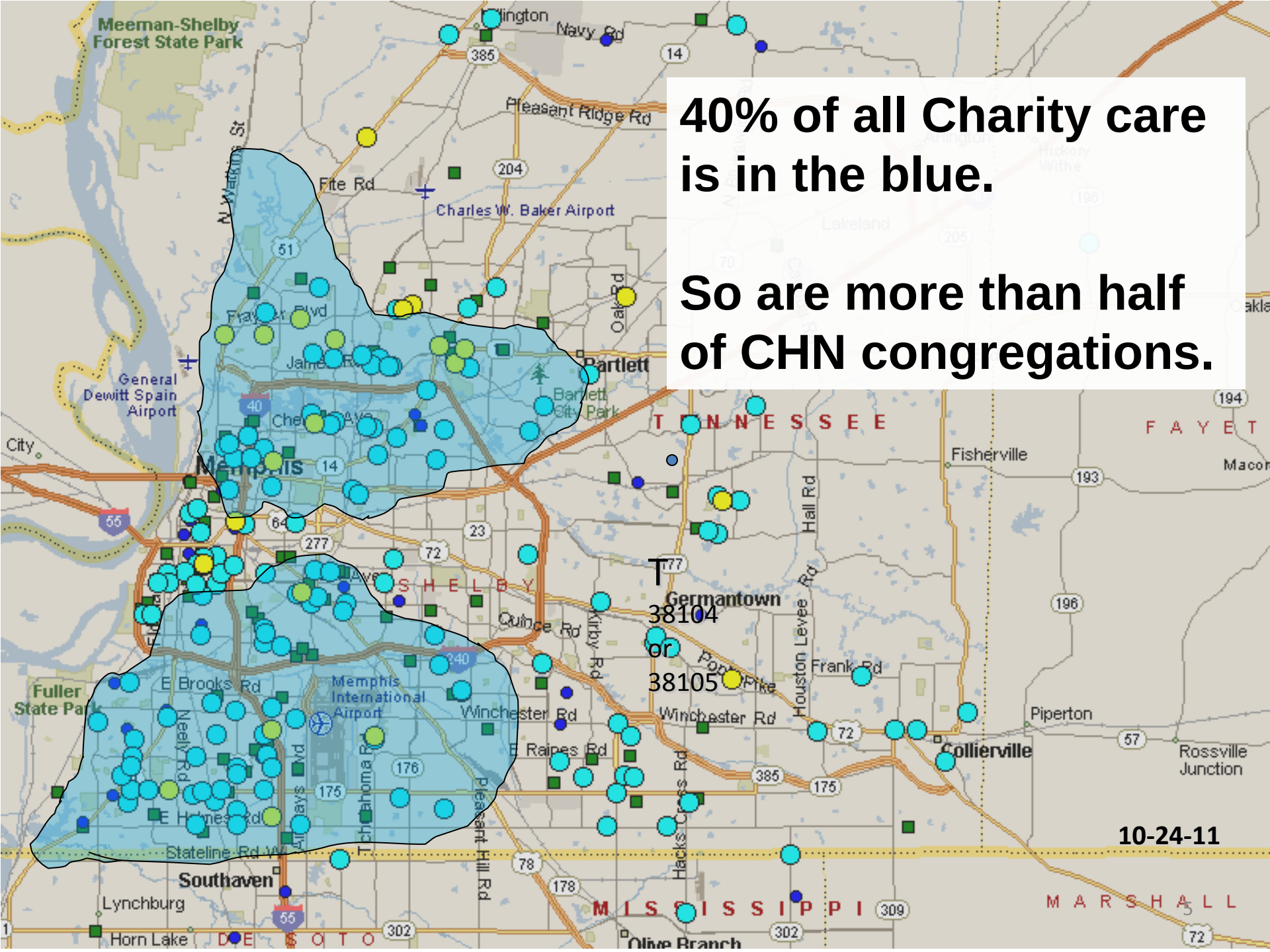
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Total Visits (IP & OP) and Variable Costs by Block Group, MHMH 2010



**40% of all Charity care  
is in the blue.**

**So are more than half  
of CHN congregations.**



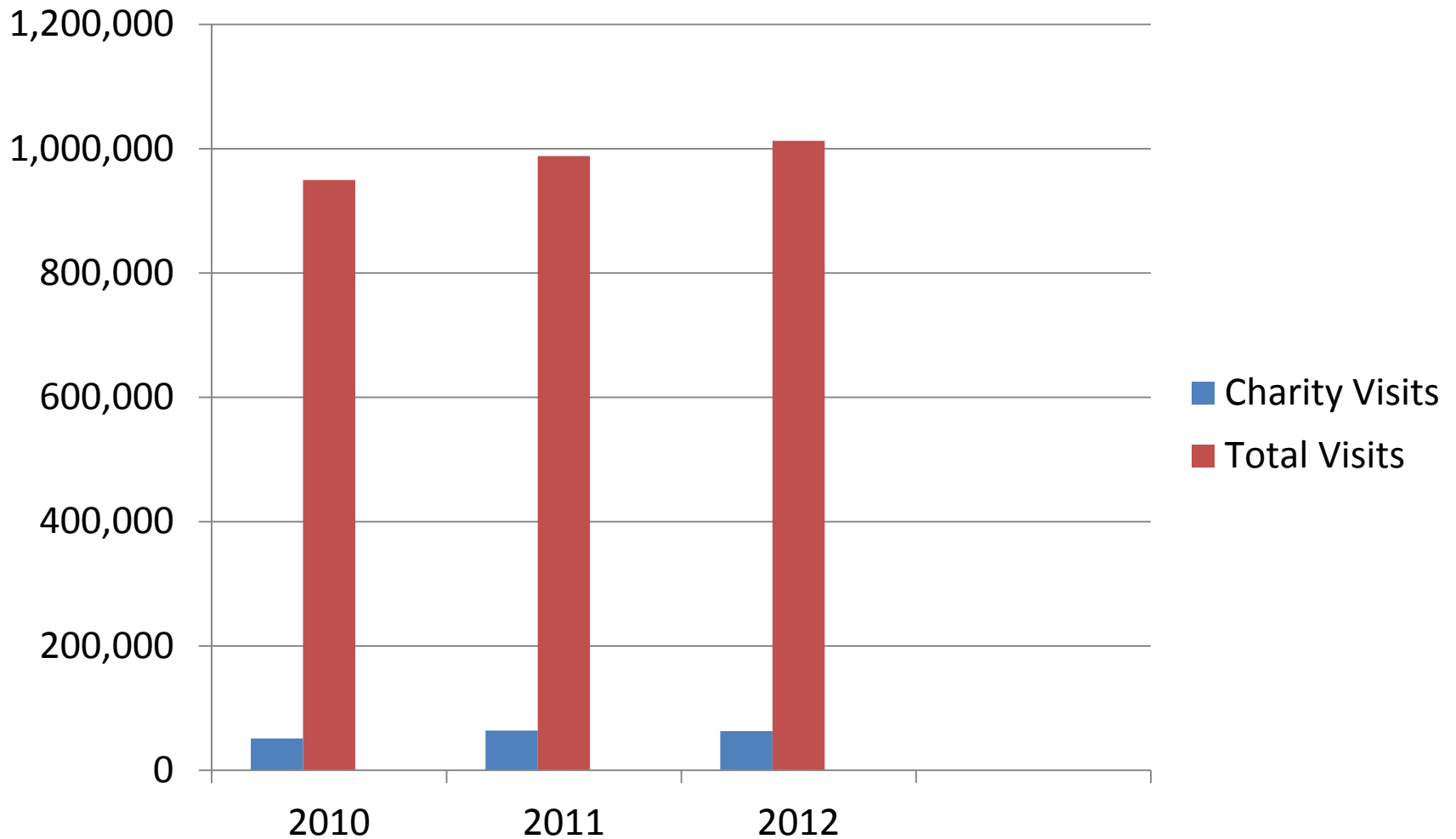
# Overview Of MLH Top 10 ED Patients

## In ZIP 38109 (2010) – Highest Charity Care Expenses Zip

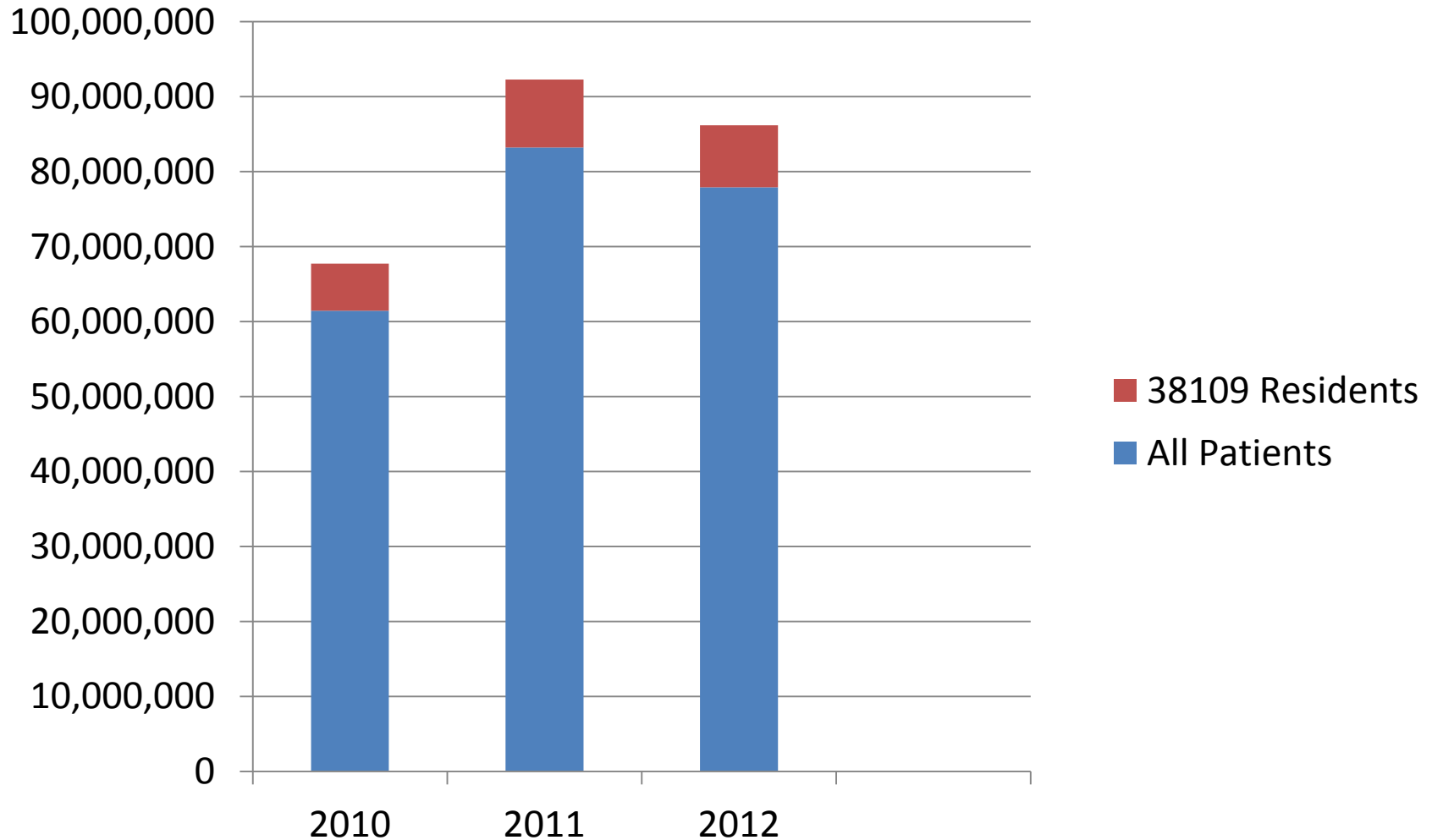
| Patients    | 2010 Visits (MHS and MUH combined) | Christ Community in Area | Health Loop in Area | CHN Church in Area | Age | Visits* |      |                 | Hospital |
|-------------|------------------------------------|--------------------------|---------------------|--------------------|-----|---------|------|-----------------|----------|
|             |                                    |                          |                     |                    |     | 2009    | 2010 | 2011 Annualized |          |
| Patient #1  | 60                                 |                          |                     |                    | 60  | 94      | 60   | 52              | MHS      |
| Patient #2  | 25                                 | y                        | y                   | Bloomfield Baptist | 50  | 21      | 20   | 5               | MHS      |
| Patient #3  | 23                                 | Y                        | Y                   | Mt. Pisgah M.B.C   | 46  | 17      | 23   | 15              | MHS      |
| Patient #4  | 22                                 | y                        | y                   | Maranatha Faith    | 59  | 18      | 18   | 8               | MHS      |
| Patient #5  | 21                                 | y                        | y                   | Mt. Vernon Baptist | 48  | 17      | 19   | 7               | MUH      |
| Patient #6  | 16                                 | y                        | y                   | Mt. Vernon Baptist | 50  | 10      | 12   | 3               | MHS      |
| Patient #7  | 12                                 | y                        | y                   | Bloomfield Baptist | 52  | 1       | 12   | 11              | MUH      |
| Patient #8  | 11                                 |                          |                     |                    | 52  | 11      | 11   | 20              | MUH      |
| Patient #9  | 10                                 | y                        | y                   | Rising Sun         | 53  | 0       | 6    | 1               | MHS      |
| Patient #10 | 9                                  | y                        | y                   | Mt. Vernon Baptist | 41  | 1       | 12   | 4               | MHS      |

| Patients    | Main reason for ED visits | Co-morbidities | Mental/Psych       | Story                                                              | Essential Service Needed |
|-------------|---------------------------|----------------|--------------------|--------------------------------------------------------------------|--------------------------|
| Patient #1  | Pain                      | Yes            | Depression         | Homeless                                                           | The Healing Center       |
| Patient #2  | Pain                      | Yes            | Depression         |                                                                    | The Healing Center       |
| Patient #3  | Alcohol intox             | No             | Mental illness     |                                                                    | The Healing Center       |
| Patient #4  | COPD related              | Yes            | No                 | Self pay until 2011, Medicare since                                | CCHS on Third            |
| Patient #5  | Suicidal ideations        | No             | Depression/Bipolar | Homeless?/Polysubstance abuse                                      | The Healing Center       |
| Patient #6  | Back pain                 | Yes            | Depression/Bipolar |                                                                    | The Healing Center       |
| Patient #7  | CHF/Chest pain            | Yes            | No                 |                                                                    | CCHS on Third            |
| Patient #8  | Chronic Pain              | Yes            | Mental illness     | Painkiller request                                                 | The Healing Center; CCHS |
| Patient #9  | Sore throat               | Yes            | No                 |                                                                    | CCHS on Third            |
| Patient #10 | Dizziness                 | Yes            | No                 | Stopped taking medication. 2009 BCBS, 2010 self pay, 2011 TennCare | CCHS on Third            |

# MLH Charity Care Visits , 2010-2012



# MLH Decreases Charity Care Costs from 2011-2012



# MLH Charity Care-All Patients

|              | Year          | Visits                                   | Full costs   | Variable costs | Average Per Capita Charity Costs | Net (Percent) Charity Care Change from Prior Year |
|--------------|---------------|------------------------------------------|--------------|----------------|----------------------------------|---------------------------------------------------|
| All Patients | 2010          | 51,194-charity<br>(949,561 total pop.)   | \$61,456,345 | \$47,749,420   | \$1200.46                        | NA                                                |
|              | 2011          | 63,761-charity<br>(988,281 total pop.)   | \$83,237,206 | \$63,786,372   | \$1305.46                        | \$21,780,861 increase<br>(↑35 %)                  |
|              | 2012          | 62,824-charity<br>(1,012,797 total pop.) | \$77,924,919 | \$62,181,981   | \$1240.37                        | \$-5,742,938 decrease<br>(↓ 6.9 %)                |
|              | 2013-1st qtr. | 15,955                                   | \$18,666,959 | \$15,045,599   | 1stQTR only-\$1169.98            | --                                                |
|              |               |                                          |              |                |                                  |                                                   |

# MLH Charity Care- Residents of 38109

## Target Zip Code

|       | Year          | Visits | Full Costs  | Variable Costs | Average per Capita Charity Costs | Net (Percent) Charity Care Change from Prior Year |
|-------|---------------|--------|-------------|----------------|----------------------------------|---------------------------------------------------|
| 38109 | 2010          | 5,566  | \$6,269,769 | \$4,737,311    | \$1126.44                        | NA                                                |
|       | 2011          | 6,772  | \$9,055,808 | \$6,732,605    | \$1337.24                        | \$2,786,039 increase<br>(↑30.8 %)                 |
|       | 2012          | 6,568  | \$8,249,922 | \$6,404,569    | \$1256.08                        | \$-805,866 decrease<br>(↓8.9 %)                   |
|       | 2013-1st qtr. | 1,688  | \$1,784,987 | \$1,407,697    | 1stQTR only \$1057.46            | ---                                               |

# Cost to Charge Ratio

- We are tracking why you write off N not DISCHARGE date - which is 3Y.

| Charity Care 38109 - NEW METHODOLOGY |                 |        |
|--------------------------------------|-----------------|--------|
| Year                                 | Write-Off Cost* | Volume |
| 2010                                 | \$6,505,332.19  | 6,905  |
| 2011                                 | \$6,826,729.90  | 7,104  |
| 2012                                 | \$6,676,539.42  | 7,595  |
| July YTD 2013                        | \$3,012,650.18  | 4,930  |

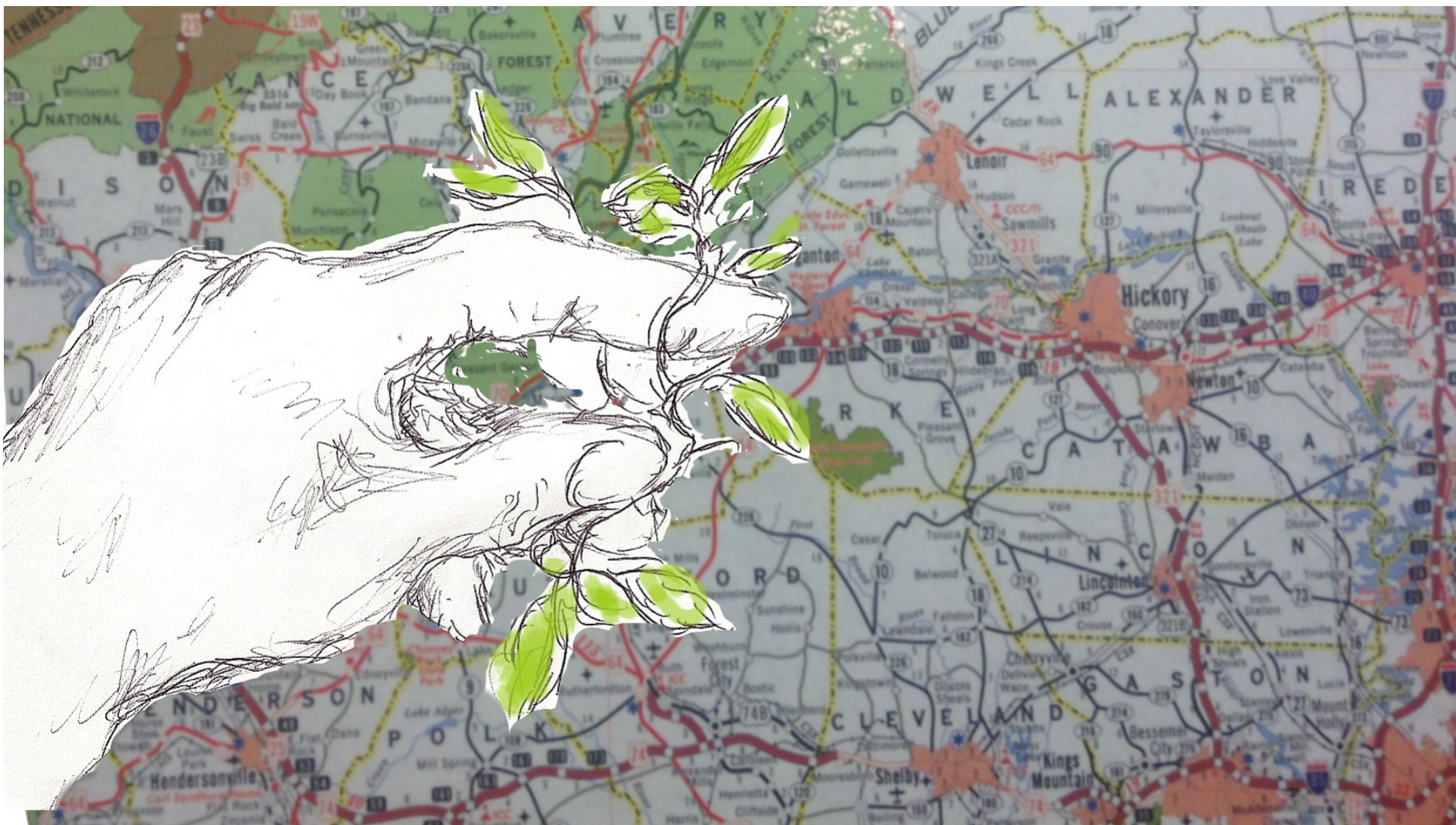
**\*Cost of Write-off = cost to charge ratio applied to transaction amount**

**cost to charge ratio 2010 = 25%**

**cost to charge ratio 2011 =23.5%**

**cost to charge ratio 2012 =23.15%**

**Cost to charge ratio 2013 = 23.15%**



|                           |             |             |             |             |             |            |
|---------------------------|-------------|-------------|-------------|-------------|-------------|------------|
| TOTAL                     | 315,900,249 | 323,618,989 | 341,549,608 | 359,242,082 | 353,119,128 | 10,318,122 |
| Finance                   | 47,389,202  | 73,961,722  | 65,914,250  | 69,954,696  | 69,046,032  | 50,648,995 |
| IC, Utilities, Consulting | 50,432,750  | 66,621,809  | 60,628,002  | 49,719,404  | 50,529,694  | 00         |
| Facilities                | 11,252,190  | 14,172,182  | 13,174,182  | 13,089,782  | 1,934,262   |            |
| Service                   | 237,316,681 | 231,728,979 | 229,279,821 | 222,944,241 | 222,508,668 | 12,591,663 |
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Faithhealthnc.org

Stakeholderhealth.org

<http://www.methodisthealth.org/about-us/faith-and-health/research/>

Leadingcausesoflife.org

IRHAP.org

<http://www.arhap.uct.ac.za/>

garygunderson.net

