

# City of Alexandria, Virginia

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## Memorandum

DATE: APRIL 15, 2011

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER

SUBJECT: BUDGET MEMO # 64 : ADDITIONAL CITY FUNDING FOR INDIGENT CARE AT INOVA ALEXANDRIA HOSPITAL (VICE MAYOR DONLEY)

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This memorandum is provided in response to the request from Vice Mayor Donley for a budget memo in response to INOVA Alexandria Hospital's request for additional funding in FY 2012 (Attachment 1). Vice Mayor Donley has asked that \$100,000 be included on the add/delete list to assist in funding hospital services provided to medically indigent Alexandria residents at INOVA Alexandria Hospital.

Since 1991, the City has contributed \$700,000 annually to INOVA Alexandria Hospital to help offset the cost of patient care for Alexandria residents who are medically indigent. In addition, the City contributes, through the Health Department, \$270,000 to fund special consultation and diagnostic testing for Casey Clinic patients (for preauthorized patient services). Although most Casey Clinic primary care patients are being transitioned to care by ANHSI (Arlandria Neighborhood Health Services, Inc.), the hospital will continue to provide the special consultation and diagnostic testing for the Casey Clinic patients.

The \$700,000 City contribution has not been increased in 20 years. During that time the hospital has become increasingly involved in providing medical care at the hospital for Alexandria's low income residents. Attachment 2 provides the hospital's estimates of its charity care, a large portion of which is for such services.

As part of our strategic goal to be a Caring Community, the City government has a strong and long-standing partnership with INOVA Alexandria Hospital, and our City Council/Hospital Task Force and City staff continue to be involved in discussions with our hospital representatives. We expect to work closely with INOVA Alexandria Hospital, the Alexandria Health Department and ANHSI to address the new challenges of the federal health care legislation and to ensure that our most vulnerable residents receive the health care they need.

# Alexandria Residents Indigent/Charity Care & Bad Debt – At Cost

Charity Increased 100% during period 2005 to 2010

<b>Year</b>	<b>Charity \$</b>	<b>Bad Debt \$</b>
❖ 2010	\$9.8 million	\$2.3 million
❖ 2009	\$8.6 million	\$2.4 million
❖ 2008	\$6.9 million	\$2.2 million
• 2007	\$5.9 million	\$2.0 million
• 2006	\$5.0 million	\$1.9 million
• 2005	\$4.9 million	\$2.0 million

# Financial Support

## City of Alexandria

- ◆ Inpatient and ED Indigent Care (1991) - \$700,000
- ◆ Preauthorized OP services - \$270,000