

Cuts in Medicaid Reimbursement.

THE IMPACT ON HUP

Governor Rendell's proposed budget for FY06 includes major cuts to the state's Medicaid program. If approved, the proposed changes will reduce HUP's Medicaid reimbursement by more than \$21 million in FY06 alone. System-wide, the estimated loss could reach \$32 million.

"This loss of funds will have a major impact on our ability to reinvest in our future," said HUP Executive Director **Garry Scheib**. "Similar to the federal Balanced Budget Act of 1997, the state government is trying to balance its budget deficit on the shoulders of providers."

Limiting Patient Access to Care

The governor's proposed changes do not change the scope of Medicaid services or eligibility, but they will significantly reduce payments to hospitals and also change the benefits that Medicaid users now receive.

One change would limit hospital admissions for Medicaid patients to no more than two per year, and outpatient visits to 18. While this proposal may not affect the majority of Medicaid recipients, it would severely penalize those with chronic illnesses, especially senior citizens.

"The state is rationing care — which will have a devastating impact on Medical Assistance recipients with serious illnesses," Scheib said, "and it's shifting the financial burden of care to providers." Based on Medicaid admissions to HUP in FY2004, this change alone translates into nearly \$9 million of additional uncompensated care costs, or nearly half of the potential \$21 million hit facing HUP.

This proposal would also have an adverse impact on a hospital's

If the state approves Governor Rendell's proposed budget of FY06, HUP would lose over \$21million, and the Health System could lose nearly \$32 million, in state funding.

ability to continue to serve low-income patients. "Once these patients have reached their 'allowed' visits, they'll end up in ERs which are already overwhelmed."

Supplemental Payments at Risk

As one of the state's 'safety-net' hospitals, HUP provides care for a large percentage — or disproportionate share — of the city's Medicaid patients. Indeed, HUP has the second largest number of Medicaid patients of all Pennsylvania hospitals — about 17 percent of Philadelphia Medicaid patients needing inpatient care are treated at HUP. Medical Assistance recipients comprise more than 25 percent of all UPHS hospital discharges.

To help offset the additional costs in caring for these patients (Medicaid only pays approximately 70 percent of the total hospital costs), the state subsidizes these hospitals with supplemental payments or 'pass-throughs.' Last year, HUP received \$7.5 million in this additional funding.

As part of Rendell's proposed budget, he would impose a 'means test' on eligibility for these payments. According to that test, only those hospitals with an operating margin of less than one percent would continue to receive payments. Had this 'means test' been in place in FY04, HUP's operating margin that year of 2 percent would have prevented us from receiving this additional funding.

In addition to losing these supplemental payments, the proposed means test would also eliminate the \$6 million that HUP and Pennsylvania Hospital receive from the Tobacco Settlement Fund.

"We assumed we'd lose part of the supplemental payments — and have included that loss in our '06 budget calculations — but the governor's other proposals go well beyond what we expected," Scheib said. "Basically, we are being penalized for achieving financial stability. The state legislators think we don't need these supplemental payments because we're doing better."

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System-wide, Medicaid patients account for more than:

25 percent of all hospital discharges.

50 percent of deliveries.

12 percent of outpatient visits.

30 percent of ER visits.



Naomi Barksdale

Gospelrama 2005

ONCE AGAIN, Gospelrama rounded out Black History Month activities at HUP with a bang! Medical Alumni Hall came alive with music, poetry, dance and song — a fitting way to end a month-long celebration that also included ‘Soul Food’ Wednesdays, the always popular Marketplace, book signings, and the Cuisine Cook-Off (*Winners in March 18 issue*)

This year’s Gospelrama marked the event’s tenth anniversary. **Sr. Ramona Cecille** of Pastoral Care, who co-founded the program with Terri Salond, reminisced about the first show in the inter-faith chapel. “The turnout was so great we had people spilling out into the hallway!” Since that first show, Gospelrama has continued to grow — in performers and in attendance. This year Medical Alumni Hall was almost filled to capacity.



Terri Salond



The Penn Inspirations Band

Gloria Moore



Carmena Pryform



Louise Bishop



Photos by Tiffany Savickas and Chris Simonsen



Pleasant Grove Baptist Church Assemble

For the second year in a row, the Hon. Rev. Louise Bishop, state representative, served as Mistress of Ceremonies. Her animated dialog between acts kept the show moving and the crowd energized.

Congratulations — and many thanks — to everyone who worked so hard to

pull all this together. And a special thanks to all those who contributed to the wonderful refreshments, including Aramark and Atlas Pizza.

It was a job very well done!



PROPERTY REMOVAL *Policy*

HUP Security has many safeguards in place to help prevent thefts — from both the hospital and Penn Tower — but it needs the cooperation of employees as well. HUP's Property Removal Policy (#1-12-72), which recently expanded its scope to include Penn Tower, states that property belonging to any UPHS entity may not be removed — or moved from one UPHS site to another — without written authorization. "Employees need either a letter of approval from a supervisor written on the department's letterhead or a signed policy pass from Security," said **Joseph Forte**, director of HUP's Security. "Fax the letter or pass to Security [662-3507] when it's given to the employee. That way, we'll know where the item went and when. It's a way to safeguard our equipment."

"Even if the item is no longer being used or is being thrown out, you still need a letter or pass for authorization," he continued. "A precise description of what equipment goes out could help from an investigative standpoint."

Forte added that employees removing personal property, such as laptops, also require a property pass or letter stating that the property in question does, in fact, belong to that employee.

For a more detailed description of the policy, go online to the UPHS home page and click on the 'Policies' in the navigational bar to the left. Then click on 'University of Pennsylvania Medical Center — HUP.' You'll find information on all hospital policies by clicking on 'HUP Policy Manual.' If you have any questions about the Property Removal Policy, contact Forte at 349-5593.

ALL EMPLOYEE MEETINGS

Come to an 'All Employee Meeting' and learn more about what's going on at HUP, in the Health System, and in the local health-care scene. It's also an excellent opportunity to ask questions in an informal setting.

All meetings are held in Medical Alumni Hall on 1 Maloney. The next three meetings will be held on:

Thursday, March 17, from 5:00 to 6:00 pm

Wednesday, April 20, from 8:30 to 9:30 am

Wednesday, May 18, from 12:00 to 1:00 pm

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"We can't survive on 1 percent a year. It doesn't generate enough capital to finance what we need to do," he continued. "We need to reinvest in our organization — in our employees, in our infrastructure, and in our clinical programs. This is what keeps HUP at the cutting edge of medical care."

Budget hearings for these proposals began this month. University and Health System leadership will be meeting with and educating the policy makers and elected officials on the effects of the proposed cuts — on Medicaid beneficiaries and on the Health System's ability to continue caring for this at-risk population.

"We'll be asking for the support of faculty, staff, and patients in raising the awareness of elected officials to the devastating impact these changes would bring."



March 18 & 19

Art & Science of Anti-Aging Therapies

Learn about current anti-aging therapies in 'The Art & Science of Anti-Aging Therapies: Convergence of Theory and Practice,' a conference sponsored by Penn's Institute on Aging and Center for Human Appearance. Topics range from the role of genetics and psychology in the maturing adult to antioxidants and laser treatment for the aging face. The conference will be held on Friday, March 18 and Saturday, March 19, in the BRBII auditorium. For more information or to register for this free conference, call 1-800-635-7780.

PennKids Summer Camp



For the third year, the University will sponsor the PennKids Summer Camp, a day camp program for children grades 1 to 7 that features weekly themes, daily swimming, arts and crafts, sports and games, and a weekly field trip or special event. The camp runs Monday through Friday, from 8:30 am to 4:30 pm. Each week-long session costs \$200. For information about the camp, e-mail pennkids@pobox.upenn.edu, go online to www.upenn.edu/recreation/pennkids, or call the Department of Recreation at 898-6100.

"JAZZ AND JAVA" is Back

Jazz and Java, the coffee kiosk that was closed during construction of the patient care unit on Rhoads 1, is now back in business. It's located on Rhoads 2 and open Monday to Friday, 8 am to 4 pm.

HUPdate

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HUPdate is published biweekly for
HUP employees. Access HUPdate
online at [www.uphs.upenn.edu/prnews/
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