

Explaining Barton's health care costs

By Dick Derby

Where do your health care dollars go? Understanding the costs behind health care begins with knowledge of the components driving those costs. The price a patient sees on a hospital bill reflects the cost of the people who care for them and who are available around the clock, not just the services provided. Statistics show the lion's share of the higher costs in hospitals are directly linked to the high cost of medical education, the treatment of under and uninsured patients and the admission of patients through the emergency room. What hospitals charge and what hospitals get paid are two very different things. Medicare and Medicaid pay less than the real cost of providing services to the patient.

Hospital employees must be compensated to care for patients 24 hours a day, seven days a week including physicians, nurses and caregivers at the bedside, pharmacists, lab staff, food service and housekeeping personnel and many other specially trained staff. In addition, nonprofit community hospitals, such as Barton provide necessary medical services and benefits for the entire population they serve, regardless of a patient's ability to pay.



Dick Derby

So what does all of this mean for patients of Barton Health?

As a nonprofit health care organization, Barton will continue to perform its historical and critical role of delivering health care services to everyone regardless of their ability to pay. Barton Health is ethically and legally bound to contribute to the health of our community. Barton's earnings are returned to the organization. This comes in the form of everything from offering health care to everyone who walks through our door, investing in the latest technology, offering innovative programs and best meeting the health care needs of our community.

A portion of the earnings are used to improve quality, service and efficiency for which we consistently strive to offer our patients. Additional investments are made in "community benefit" programs, services and products to improve the overall health of our residents.

Community benefits include education, prevention initiatives, medical screenings, support groups and special health education events. Examples of some of the investments that Barton has made are:

- Offering discounted services such as at-cost seasonal flu shots, free H1N1 flu vaccinations and Barton's discounted Wellness Lab Draws and EKGs.
- Providing no fee or a discounted fee for health care services such as primary care, specialty care and preventive services such as those offered at our Community Clinic which treated nearly 18,000 under or uninsured patients in 2009 – up nearly 11 percent from the prior year.
- Participating in local health planning efforts to identify and rank health needs. In 2009, Barton Health and the Barton Foundation provided more than \$105,000 in free medical screenings and programs for our community. In 2010, Barton continues its screenings by holding events such as Latino Family Health Day and providing free screening booths at other

large community events.

- Participating in disaster planning, preparation and collaboration with community agencies and partners for the safety of our residents and visitors.
- Providing medical education or research such as Barton's Orthopedic & Sports Medicine Fellowship program which trains other orthopedic surgeons from around the nation.
- Conducting education programs like Barton's health lectures offered at the Lake Tahoe Community College, the Lake Tahoe Senior Center, Barton University and other locations.
- Recruiting physicians to practice in our area, sometimes offering them financial support from Barton, to better serve our community by diversifying the medical services offered.
- Making donations and sponsoring health and fitness related programs for youth in the South Lake Tahoe, Carson City and Carson Valley areas.

The largest portion of Barton Health's community contribution comes in the form of Charity Care – health care provided for free or at reduced prices to low income patients. Although the tax law does not indicate how much charity care a nonprofit hospital is required to provide, Barton Health wrote off nearly \$4.7 million for charity care in 2009. The need for charity care is on the rise based on recent statistics provided by the California Health Care Foundation showing that charity care rose by 23 percent between 2001 and 2007 and shows no signs of slowing with high unemployment and uninsured rates.

As government services and programs continue to be cut, Barton Health strives to provide the necessary health programs to our service area, regardless of the patient's ability to pay. We continue to look at containing our costs to provide all of the above services and more to our community, while keeping our

rates competitive with other hospitals in our region. We thank our residents and visitors for your continued support.

Dick Derby is vice president of finance at Barton Health.