



Growing Numbers of Patients Seek Care at California's Public Hospitals as Economy Declines

Hundreds of thousands of Californians have lost their jobs and their health insurance as a result of the current economic crisis. As of December 2008, the California unemployment rate had risen to 9.3% – the highest in 15 years. And according to a report prepared for the Kaiser Commission on Medicaid and the Uninsured, for every 1 percent rise in unemployment nationally, there is a corresponding increase of 1 million newly uninsured and an additional 1 million who will qualify for Medicaid or SCHIP.¹

Many of these newly uninsured are now relying on their local public hospital system for care – for uninterrupted treatment of pre-existing conditions or to get help for new health problems that require immediate medical attention. These individuals join the nearly 2.5 million Californians who already receive care at public hospitals and the clinics they operate. The continuing rise in unemployment portends an even greater rise in the number of patients seeking care at their public hospital.

Newly unemployed and uninsured Californians are turning to public hospitals for their care

The increase in patients has been confirmed by findings from a recent CAPH member hospital survey that compares patient data between October 2008, when the State unemployment rate was 8.2%, and the same month in 2007.²

Overall Increase in Patients and the Uninsured

- Public hospital systems reported a 4% increase in the number of patients receiving care in their hospital and clinics compared to the prior year. This increase represents 100,000 additional patients over the course of a year.
- At San Joaquin General Hospital the increase in the number of patients was 15% in October 2008 compared to the prior year.
- Public hospital systems saw a 10% increase in the number of uninsured in their facilities.
- Increases in uncompensated care costs have

been reported by 94% of public hospital systems statewide. For example, at Arrowhead Regional Medical Center (San Bernardino County) uncompensated care costs have risen by 25%.

Increased Demand for Emergency Services

As more people lose access to their private health care provider, many have turned to their public hospitals' emergency rooms for urgent medical attention.

- Public hospitals saw a 6% increase in the number of patients coming to their emergency rooms.
- Adding to the challenge, the

number of uninsured in public hospital emergency rooms increased by 19%.

- Santa Clara Valley Health System reported a one-third increase in the number of new patients in its emergency room.
- Contra Costa Regional Medical Center saw a 12% increase in the number of patients in its ER and Los Angeles County also saw a 12% increase for its four hospitals' ERs.

"In one week alone, we saw four new cancer patients arrive at our hospital in need of continued chemotherapy treatment. All four had lost their jobs and their insurance along with it."

Evan Slater, M.D.
Chief of Oncology,
Ventura County Medical Center

Increased Demand for Outpatient Services

Public hospital systems across California have also reported a sharp increase in demand for outpatient services, including for prescription refills and follow-up care for an ongoing condition, specialty services, or primary care.

- 73% of public hospital systems reported an increase in patients seen in outpatient settings.
- Riverside County Health Services saw an 11% increase in patients receiving outpatient care.
- In the 12-month period ending September 2008, Ventura County Medical Center had seen a nearly 12% increase in the number of outpatient clinic visits compared to the prior 12-month period.

Demand for public hospital services grows as resources are reduced

Public hospital systems have absorbed this increased need at a time when their local economies and the State are experiencing their own budget crises. Even before the deepening economic downturn, two-thirds of public hospitals were facing budget shortfalls as their counties experience declining revenues from property taxes and State health realignment funding. Additionally, Governor Schwarzenegger's current budget proposal would cut public hospital funding for care to the uninsured by \$54.2 million. The Legislature has rejected previous proposals to cut these funds and CAPH is hopeful that it will do so once again.

Patients receive a wide array of critical health services through California's public hospital systems

Public hospital systems represent the core of the health care safety net in California. Though just six percent of all hospitals statewide, these 19 public hospitals:

- Are located in counties where 81% of Californians live
- Provide nearly half of the hospital care to the state's 6.6 million uninsured
- Operate 54% of all top-level trauma centers
- Operate 43% of all burn units
- Deliver 10 million outpatient visits a year
- Operate more than 100 outpatient clinics
- Train nearly half of all new doctors in California

Given the continued decline in the economy, the number of new patients likely has grown in just the few short months since October 2008 and will continue to do so.

Increase thus far may be dwarfed by future demand

Given the continued decline in the economy, and based on anecdotal information provided by our public hospitals, the number of new patients likely has grown in just the few short months since the survey time period of October 2008 and will continue to do so. In this economic crisis, the services provided by California's public hospital systems must be protected so that all Californians can receive health care when and where they need it. Rather than sustaining funding cuts, public hospitals need greater resources in order to meet the rise in demand by those who rely on the health care safety net when they are at their most vulnerable.

¹Medicaid, SCHIP and Economic Downturn: Policy Challenges and Policy Responses, prepared for the Kaiser Commission on Medicaid and the Uninsured, April 2008.

²CAPH survey data based on reports from member hospitals on activity occurring in October 2008 compared to the same period the year before.