



National
Association
of Public
Hospitals
and Health
Systems

1301 Pennsylvania Avenue, NW
Suite 950
Washington, DC 20004
202 585 0100 tel / 202 585 0101 fax
www.naph.org

PRESS RELEASE

FOR IMMEDIATE RELEASE
February 24, 2010

Media Contact: Brigette Settles Scott
Assistant Vice President for Communications
Telephone: 202.585.0102
E-mail: bscott@naph.org

NUMBERS OF UNINSURED ON RISE IN NATION'S PUBLIC HOSPITALS

Uncompensated Care Costs Soar; Medicaid Rolls Swell; State Budget Cuts Compound Matters

WASHINGTON – Since the beginning of the economic recession, safety net health systems have treated more patients overall, including 23 percent more uninsured patients. These health systems have also provided 10 percent more uncompensated care to low-income populations. The increase in uncompensated care costs average more than \$2.3 million per hospital with some hospitals incurring more than \$16 million in additional costs, according to survey results released today by the National Association of Public Hospitals and Health Systems (NAPH).

More than 46 million Americans lack any insurance coverage and many more are underinsured. Americans have lost millions of jobs since the beginning of the recession and the national unemployment rate has skyrocketed to 10 percent. For most Americans, the loss of a job also means the loss of employer-sponsored health insurance coverage. Public hospitals provide care to all patients regardless of ability to pay.

“Safety net public hospitals are treating record numbers of uninsured patients in the current economic crisis while also facing severe budget cuts in many states,” says Larry S. Gage, NAPH President. “Our research shows that there is a substantially increased demand by the uninsured and enrollment in Medicaid, the health insurance program for low income Americans has also surged—in some states by more than 10 percent—while states continue to cut payments to providers for Medicaid services.”

Medicaid constitutes a vital source of support to public hospitals, enabling them to fulfill their critical mission. As the recession continues to batter state budgets, programs and services like Medicaid find themselves as targets for massive funding reductions when millions of Americans are signing up for this safety net program.

“America’s public hospitals are in a precarious situation and Medicaid cuts at the state level will hinder their ability to continue serving as our nation’s health care safety net,” says Gage. “The impact will weaken the fragile viability of the nation’s safety net and force public hospitals to close their doors due to inadequate financing.”

NAPH calls on Congress to pass comprehensive health care reform to ensure access to care to all Americans. NAPH also calls on Congress to extend provisions for fiscal relief to states and safety net hospitals in the economic recovery bill passed last year as soon as possible this year.

The Facts

- More than 46 million Americans lack health insurance.
- Safety net health systems provide care to the most vulnerable patients. Nearly half of the services provided are for low-income patients, 27 percent for Medicaid patients and 19 percent for the uninsured.
- Public hospitals represent just 2 percent of hospitals in the country but provide 19 percent of all hospital-based uncompensated care.
- Safety net health systems report a 23 percent increase in the number of uninsured patients receiving care at their health system. More than 80 percent of the increase in patients receiving care is due to additional uninsured or Medicaid patients.
- When compared to the beginning of the recession, public hospitals have reported a 10 percent increase in uncompensated care costs; averaging \$2.3 million per hospital with some hospitals incurring more than \$16 million in additional costs.
- As the largest single source of revenue for public hospitals, Medicaid is the financial underpinning that enables public hospitals to fill the health care gaps in their communities.
- Medicaid, which is at risk of cuts in state budgets nationwide, support a significant portion of the unreimbursed care provided by public hospitals.
- Safety net health systems are not just hospitals. Public hospitals provide about 37 million non-emergency outpatient visits each year, serve as family doctor to their patients – 45 percent of these outpatient visits are for primary care, and are often the only source of specialty outpatient care when people are diagnosed with complicated health problems and referred by primary care doctors, clinics and community health centers – 55 percent of outpatient visits are for specialty care.

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About the National Association of Public Hospitals and Health Systems (NAPH)

The National Association of Public Hospitals and Health Systems (NAPH) represents America's most important safety net hospitals and health systems. These facilities provide high-quality health services for all patients, including the uninsured and underinsured, regardless of ability to pay. In addition to functioning as the country's default national health insurance system, public hospitals provide many essential community-wide services, such as primary care, trauma care, and neonatal intensive care. Public hospitals also train many of America's doctors, nurses, and other health care providers.