

What is SNAP?

Safety-Net Hospital Challenges

Transitioning Medicaid

Innovative Solutions

Health care is and will remain one of the core functions of Pennsylvania’s state government. As the state works to improve a Medical Assistance program that already serves 2.2 million Pennsylvanians and expand it to reach many of its one million uninsured residents, an important tool in these efforts will be an effective health care safety net. A vital part of that safety net is hospitals, and among them, none are more important than safety-net hospitals.

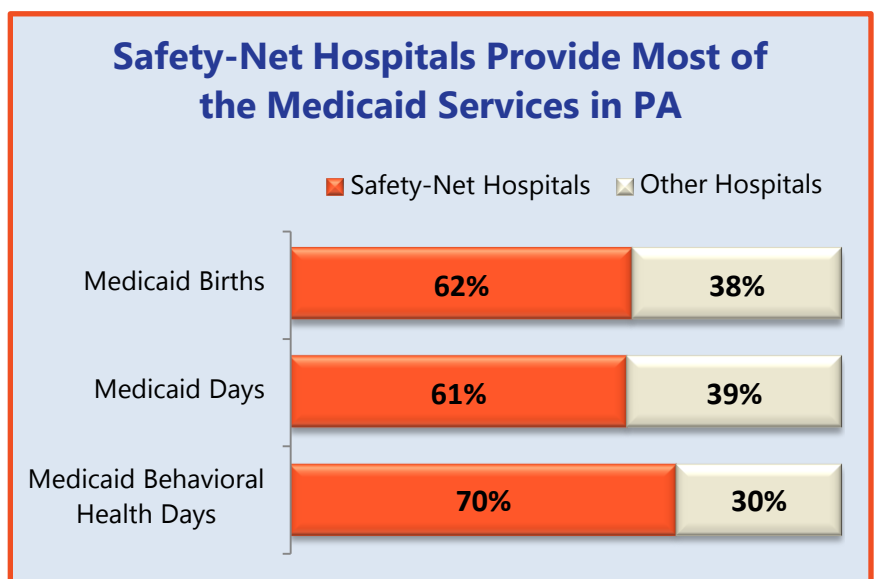
This document is the first in a series that introduces readers to Pennsylvania’s safety-net hospitals; to the Safety-Net Association of Pennsylvania; to the distinct challenges safety-net hospitals face as they work to fulfill their role in their partnership with the state in serving low-income Pennsylvanians; and to potential solutions for some of those challenges that will enable Medical Assistance to become a program that improves care for individuals, improves the health of the general population, and reduces the overall cost of care.

Pennsylvania’s Safety-Net Hospitals are the 25 percent of the state’s hospitals

that treat the highest proportion of Medical Assistance patients and provide the services those patients need most. Although only one-quarter of the state’s hospitals, safety-net hospitals provide most of the care to Pennsylvania’s Medical Assistance population.

Safety-net hospitals do all this, moreover, under a Medical Assistance program that typically pays them less than the cost of the services they provide. This means that the more Medical Assistance patients these hospitals serve – and among hospitals, none serve more than safety-net hospitals – the more financially vulnerable they become. This remains a major public policy challenge as the state expands eligibility for Medical Assistance.

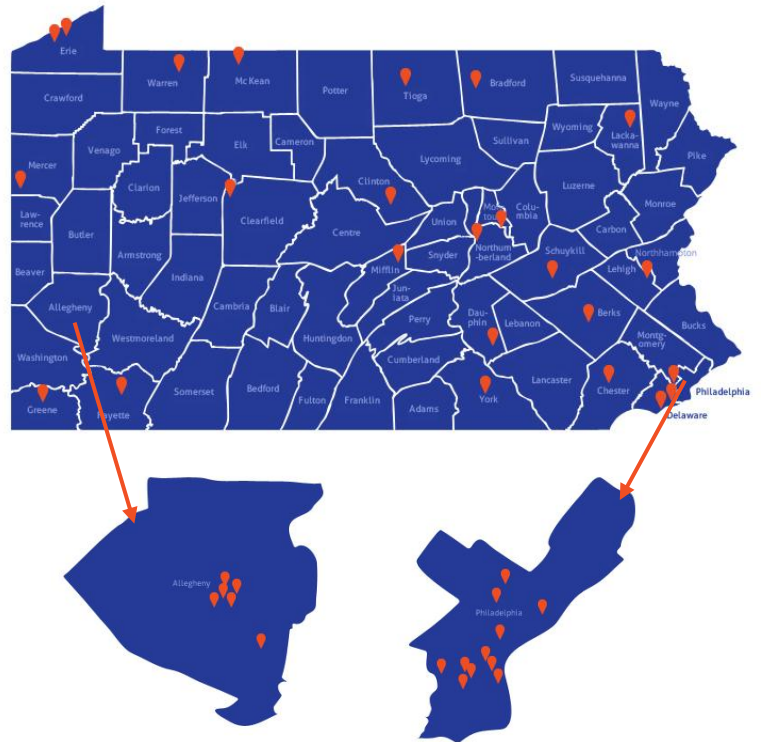
Pennsylvania’s 41 safety-net hospitals serve all Pennsylvanians: millions of people who have private insurance, millions on Medicare, millions on Medical Assistance, and hundreds of thousands who are uninsured. These hospitals are large and small and include community, children’s, and teaching hospitals and academic medical centers. They are located throughout the state: in the western, central, and eastern parts of the state; in rural, suburban, and urban areas; and in 24 of Pennsylvania’s 67 counties. In a state with no public hospitals, safety-net hospitals constitute the heart of the health care safety net, working in partnership with government in service to those with few, if any, health care options.



The leading voice for these essential health care providers is the Safety-Net Association of Pennsylvania (SNAP), which since 2002 has represented the interests of the private, acute-care hospitals that play the leading role in caring for low-income, medically vulnerable patients in the commonwealth.

Big Impact on Health, Big Impact on the Economy

Safety-net hospitals are the economic engines that drive their primarily low-income communities. They provide good jobs with good benefits while their spending spurs economic activity all around them, purchasing local goods and services and employing area residents. They are typically one of their communities' biggest employers, if not the biggest; they employ more people than the typical community hospital; their jobs pay better than the typical Pennsylvania job; and their employees pay hundreds of millions of dollars in income, property, and other state taxes. The financial health of safety-net hospitals is vital to the economies of the communities in which they are located and vital to the economy of Pennsylvania.



Powerful Forces Calling for Change

Insurers, government, and others are all demanding change from hospitals. They want hospitals to reconfigure their care delivery structures and develop and invest in new ways of serving their patients and their communities; to work more cooperatively with doctors, skilled nursing facilities, and others to realign financial incentives through bundled payments, accountable care organizations, and other new care delivery and payment mechanisms; and to provide more care on an outpatient basis and less in the hospital. They also want to pay providers based on the results they produce rather than the services they deliver.

In the coming years, hospitals will need to find the creativity, the tenacity, the resources, and the resourcefulness to shape new programs and establish new facilities that expand their scope of endeavor outside their own walls and into the community, to provide health care in new ways and in new settings. The state will need to be a major partner of safety-net hospitals in this critical undertaking.

Conclusion

Pennsylvania's private safety-net hospitals are enthusiastic about the future but know the changes demanded of them will not come about easily: they will take time and they will take money, they will require innovation, and they will demand capabilities that many institutions do not currently have. They also will need the continued support of their partners in serving low-income Pennsylvania: the state itself, in the form of adequate Medical Assistance payments and assistance in pursuing the resources they will need to meet the demands of patients, insurers, and government.

Pennsylvania's safety-net hospitals and the Safety-Net Association of Pennsylvania look forward to working with Pennsylvania's state government to reshape Medical Assistance into a program that improves care for individuals, improves the health of the general population, and reduces the overall cost of care.

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