

Idaho Statesman, Friday, Nov. 21, 2008 – by Colleen LaMay (2 pages)

St. Luke's, Saints Al's feel the pain as economy sours

Like many institutions nationwide, the local hospitals find more patients struggling to pay bills and delaying non-essential procedures.

The Treasure Valley's biggest hospitals are starting to feel the ache of recession. Officials at Saint Alphonsus Regional Medical Center and St. Luke's hospitals in Boise and Meridian say more patients are struggling to pay off medical bills or are delaying expensive elective surgeries like joint replacements.

All of the hospitals say they'll work with patients who have bills to pay but have lost jobs and health insurance. No staff or service cuts are being considered. Some building projects may be put off.

But the worst may still be ahead for the Treasure Valley and the nation. "It's safe to say hospitals are no longer recession-proof," said David A. Rock, a health care consultant in New York.

"We have seen some softening of volumes," acknowledged Gary Fletcher, CEO of St. Luke's Boise and Meridian hospitals. "The good news is that through careful financial management, St. Luke's has a strong cash position - more than \$200 million."

At Saint Al's, less expensive outpatient procedures and surgeries are gaining steam, and elective in-patient surgeries are fading slightly.

Saint Al's says the number of surgeries performed in October exceeded the hospital's goals. However, more of the procedures than usual were outpatient, which cost less and get people back to work faster. That cuts hospital income.

"We are seeing a case-mix change," said registered nurse John Hiltibidal, director of perioperative services at Saint Al's. "I think the job market plays into that or people have concerns about taking extended time off."

The possibility of putting off an expensive surgery or other major procedure is a frequent topic of conversation with patients, said Dr. Ted Epperly, a Boise family practice doctor who also serves as president of the American Academy of Family Physicians. "They wait," he said.

Some patients, he said, face choosing between such fundamental needs as food and gas and their medical care. Epperly's patients are likely to suffer first in an economic downturn. The Family Medicine Residency of Idaho, which he directs, is one of the places patients without health insurance or jobs know they can go for care because charges are based on ability to pay. Nationally, the loss of moneymaking procedures such as hip or knee replacements comes at a difficult time for hospitals. Those treatments tend to subsidize charity care, unpaid

medical bills and less profitable but necessary services such as psychiatric care and specialized treatment for premature babies.

"The numbers are down in the past month, there's no question about it," said Dr. Richard Friedman, a surgeon at Beth Israel Medical Center in New York, although he said it is too early to call the decline a trend.

Nationwide, some hospitals are closing or laying off workers. Shands HealthCare, a nonprofit Florida hospital system, cited the poor economy and lower patient demand when it said last month that it would shutter one of its eight hospitals and move patients and staff to its nearby facilities.

Some other hospitals, including prominent institutions like Massachusetts General in Boston, say they have not yet seen actual declines in admissions but have tried to curb costs by cutting jobs in recent weeks in anticipation of harder times.

The big hospitals in Ada County are keeping an eye on the bottom line.

At St. Luke's, that means possibly extending the timeline for some construction projects. Officials offered no details but don't plan to walk away from projects already in progress.

"Leadership is keeping a careful eye on staffing levels and will make adjustments needed to ensure St. Luke's has the staff to meet the needs of St. Luke's patients," hospital officials said in an e-mail.

Separately, HCA, the Nashville chain that operates West Valley Medical Center in Caldwell and about 160 other for-profit hospitals, reported flat admissions for the three months ended Sept. 30 compared with the same period last year, and a dip in inpatient surgeries.

West Valley is a 150-bed facility that has been part of HCA since 1975. It did not provide information about effects of the economy on its operations.

Mike Frith, director of business services at Saint Al's, urges people who have lost their jobs to reapply for help paying their hospital bills. The hospital also is giving people longer to pay without interest.

St. Luke's acknowledged increases in bad debt and charity care and said it is making changes, too.

Another source of financial anxiety for hospitals nationwide is difficulty raising money through the credit markets. The majority of the nation's hospitals are nonprofit, and they often raise capital through the municipal bond market to erect new buildings or make other significant capital investments.

Boise's big hospitals are doing the same thing. Saint Al's will get \$179 million from its parent company, Trinity Health, a large Catholic health system based in Novi, Mich., hospital spokeswoman Kristen Micheletti said. She declined to say how the money raised would be used.

St. Luke's recently sold \$125 million in bonds and plans to offer up an additional \$150 million in January. No decisions have been made yet on how the hospital system will use the money, spokesman Ken Dey said.

The New York Times contributed to this story.

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HOSPITALS HELP PATIENTS IN TOUGH ECONOMIC TIMES

The economy has made it tougher for people to pay their bills or to pay them on time, so local hospitals are responding.

St. Luke's Boise and Meridian

St. Luke's plans to give people in some circumstances more time to pay and will continue the policy of not charging interest on past due bills. Info: 706-2333

Saint Alphonsus Regional Medical Center

People who have lost their jobs are being encouraged to reapply for help paying their bills. Without a job or health insurance, patients may qualify for help they wouldn't have qualified for before. Just don't hide your bills under a pile of junk mail and hope they will go away, said Mike Frith, director of business services at Saint Al's. Info: 367-2909

Mercy Medical Center

"If some of our patients are experiencing difficulty in meeting their financial obligations, we do make every effort to objectively evaluate each situation," officials said. "We review instances in which patients may be eligible for financial assistance when accessing services by offering to help them apply for county and state programs, payment arrangements and discounts if applicable." Info: 463-5499

West Valley Medical Center

"West Valley has always offered non-interest payment plans and will continue to do that," hospital officials said. "These plans are worked out on a patient-by-patient basis." West Valley also has dedicated resources to work with each patient to help find programs to help them and has discounts for patients without health insurance. Info: 1-800-307-8153