

Overview

State law requires free, medically necessary hospital care for all Ohioans with incomes at or below the federal poverty level, but many people above that line still lack finances to pay for the health care they need. Many hospitals reach beyond the legal requirement, extending charity care to other low-income Ohioans above the federal poverty level.

In 2007, Ohio hospitals actually provided more free care to individuals above the poverty line than those below, but the policy at each hospital needs to reflect the best fit for the local community. The quest to provide access to affordable health care for all Ohioans must be an ongoing, cooperative effort involving government, employers and patients, not just hospitals.

Hospital Uncompensated Care in 2007	
▶ Medicaid Losses	\$835,688,272
▶ Charity Care	\$893,469,170
▶ Community Activity Expenses	\$1,037,108,318
▶ HCAP Reimbursement	(-\$326,396,722)
▶ Medicare DSH Reimbursement	(-\$285,053,736)
▶ Net uncompensated care	\$ 2,154,815,302

* As reported in OHA's 2009 Community Benefit Report; Based on information voluntarily submitted by Ohio hospitals.

Hospital Missions Challenged

Medicaid/Medicare

- Medicaid enrollees accounted for 13 percent of a typical hospital's billing for admissions, outpatient and ED visits in 2007; Medicare enrollees accounted for 40 percent of these services.
- These programs currently do not fully reimburse hospitals for their services, and as large budget items on both the state and federal level, they are often the target of government spending cut-backs.
- In 2007, the gap between Ohio hospitals' cost to provide services to enrollees and the reimbursement they received hit more than a billion dollars—\$1.4 billion.
- 1.7 million Ohioans were enrolled in Medicaid in 2007; 1.8 million were enrolled in Medicare.

In 2007, Ohio's hospitals provided more than \$2.1 billion in care for which they received no compensation.

Free Care Policies

- Ohio's hospitals provide care at no charge to Ohioans at or below the federal poverty level (\$22,050 for a family of four).
- In 2007, Ohio hospitals actually provided more free care to individuals above the poverty line than those below, but the policy at each hospital needs to reflect the best fit for the local community.

HCAP Program

Created in 1988, the federal Hospital Care Assurance Program (HCAP) offers some financial relief to Ohio hospitals that serve a disproportionate share of Medicaid or other indigent patients. The program helps hospitals cope with the increasing level of uncompensated care they provide each year by reimbursing them for a portion of the care.

But the program's ability to help has limits:

- ⇒ To participate, hospitals must first pay an assessment that is used to draw down federal funding. At least 10% of Ohio hospitals pay more in assessments than they receive each year.
- ⇒ For hospitals that receive HCAP funding, the reimbursement still falls far short. In 2007, HCAP provided \$326.4 million to Ohio's hospitals, just making a dent in the more than \$2.1 billion in uncompensated care hospitals provided.