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Time to step into gear again

Next week, before the next edition of *CEO News* is scheduled to appear, you'll start seeing people around campus and the satellite clinics wearing this little pin.



It signifies they are "stepping" into the next phase of our contest to see who among us can improve our walking fitness the most.

It's actually just a fun way to help each other get moving and get fit. We've held two of these competitions so

I know I've been discussing economic issues a lot lately, but we are in a particularly frightening moment in our country's history and we, as a hospital, are in a particularly vulnerable line of work. Many hospitals are coping with weakened volumes, shrunken investments, retreating donors and, most troubling of all, an increasing number of uninsured people in need of care. We already are coping with some of those issues. I'm sure we'll deal with all of them before this cycle is over.

On the other hand I, a confirmed skeptic, find myself with the same, seemingly incongruous sense of optimism the rest of the country seems to be enjoying.

Cause for optimism

The optimism may not fit current fiscal conditions, but it is not irrational. Two years ago, after all, UCH itself was in very challenging financial waters. With much sacrifice, innovation, discipline and skill, an enterprise of 4,500 people soon returned to solid financial ground. There is no reason why we can't do it again even as the ground itself shakes.



For one thing, we start this comeback in a stronger position. While hardly rolling in cash, we have many more tools to track how we're doing, identify challenges, and treat them before they become big. We have installed intriguing new ways to improve the quality and efficiency of everything from throughput to food service to patient service to hiring and beyond. As a result, we probably have still more talent on board to respond to the current turbulence around us.

Treating the uninsured and the under-insured

Most urgently, the nation's unemployment surge means more people have lost their private health insurance. Their problems hardly mean they and their families should not get the very highest possible level of care, which I sincerely believe we provide in many areas. Losing insurance, however, often does deny them the means to pay for it.

There may be no worse task in health care than turning away someone because they cannot pay. It is sad, destructive to the patient, embarrassing, maddening and just about the opposite of being a healing force in the world.

Yet, needless to say, no hospital - not even ours - can afford to treat many more of the 800,000 or so medically indigent Coloradoans for free.

But we give it a pretty good try

The growing number of uninsured people obviously has increased the need to *try* to do more. We are, in fact, providing even more uncompensated care. As the economy deteriorated, the amount of uncompensated care we provide has increased from about \$162 million in fiscal year 2007 to \$170 million last year. We project it will be about \$195 million before this fiscal year ends on June 30. That helps a lot of people, and is about a third of our annual revenue.

Even with all that, we are increasingly called on to decide who

far (last summer and last fall). Aside from the health benefits, they proved to be great ways for team members to interact and, as our employee engagement



logo of meshing gears

shows, work with and for each other.

It's also a good reason to hold a little celebration for the winners and for all the participants.

Everyone can - and should - participate.

Join me and your team members on the front steps of Leprino at 12:30 pm on February 4th for a short kickoff.

To sign up to join Step Into Gear, just go to iAmaze.

among the medically indigent gets or does not get care here. Because we have to disappoint people sometimes and we never can be wholly "right" when we do, most of us hate the whole decision-making process. I don't want to equate the emotional toll of *making* the decisions with the terrible impact that *hearing* them has on the person who is denied care, but I believe it has an effect on how we feel at work lately.



Will the state help?

As you know, we get no help from the state or Colorado taxpayers in covering our expenses, including those huge costs of uncompensated care.

It's true there's frequent confusion over who funds us. Perhaps because "University of Colorado Hospital" sounds so much like "University of Colorado," many people - some even inside the hospital - think of us as a state-funded institution, operating on tax dollars.

In reality, of course, we're not state-funded and receive no direct financial support from Colorado's general fund. (We do receive about \$300,000 from a different state fund. While genuinely needed and appreciated, the support is a sliver of a percent of our budget each year.) Almost all our revenue comes from providing patient services, paid for by insurers and patients themselves.

We are also legally and financially separate from the university system. While the university system is partially funded by the state and run by a board of regents, UCH is fiscally on its own and run by an independent board of directors.



A new way to expand care

But, even as Governor Ritter (left) and the legislature grapple with making dramatic state budget cuts,

UCH has offered at least initial support to a Colorado Hospital Association effort to institute an innovative "hospital fee" that will help the uninsured get more government health insurance.

If the governor (who endorses this emerging proposal) and the association can convince the legislature and the federal Centers for Medicare and Medicaid Services (CMS) to accept it, all Colorado hospitals would pay a new fee into the Medicaid system. CMS would match each dollar we put in, adding to the pot it already allocates to the state. All the Medicaid funds, including the amounts we put in, then would go back out to support patients and hospitals to pay for the care patients get.

With still more legislation, Medicaid reimbursements would rise to cover more of the actual costs of care.

And if the system works, it would provide more Medicaid dollars to care for more patients and could encourage more hospitals beyond UCH, Denver Health and the few other "safety net" facilities in the state to treat them.

But even if it doesn't work, I should add that we have long been a vital, high-quality and central part of Colorado's health care safety net. Especially in this time of so much economic distress, I can't imagine that that would change.

Sincerely,

A handwritten signature in dark blue ink, appearing to read "Bruce Schreffel".

Bruce Schreffel