

## **Loyola University Health System Community Benefit Plan**

**Date adopted: July 1, 2008**

### **Goals and Objectives of the Community Benefit Plan:**

This plan is a formal document outlining the goals and objectives of Loyola University Health System (LUHS) in its commitment to provide community benefits and to provide charity care and government sponsored indigent health care. LUHS updates this plan each year.

LUHS is a nationally recognized leader in providing specialty and primary health care services. It also is recognized as a leader in conducting groundbreaking research in areas such as the treatment of heart disease, cancer, organ transplantation and neurological disorders. It is one of the Midwest's leading academic healthcare institutions and is a major referral center for the Chicago metropolitan area, providing care for some of the most critically ill patients in the state and in the county.

On July 1, 2008, Gottlieb Memorial Hospital (Gottlieb) entered into an agreement with LUHS that resulted in the coming together of two not-for-profit health care institutions that complement each other and enhance health care in the geographic area served. Gottlieb has prepared and provided their community benefit report separately. As a result, their community benefit results are not included in this report.

For the seventh year in a row, LUHS was highly ranked in this year's U.S. News and World Report magazine as one of the nation's top 50 hospitals. Specifically, LUHS was identified as number 50 in Geriatrics and 45th in Heart & Heart Surgery. Only 174 of the more than 5,400 hospitals nationwide were included in the U.S. News ranking list.

LUHS is also among the Thomson Reuters 100 Top Hospitals for cardiovascular care compared with 971 other hospitals. These hospitals provide high quality and highly efficient cardiovascular services at a reasonable cost in comparison to peers across the United States. As a group, the 100 Top Hospitals have resulted in lower mortality rates, shorter average hospital stay, and lower cost per case.

Through agreements with Loyola University, LUHS also provides clinical and teaching facilities for the University's health sciences education programs at the University's Stritch School of Medicine and the Niehoff School of Nursing.

In response to the current challenging times, LUHS continues to improve the health of the communities it serves by improving the access to high-quality health care. LUHS considers a community benefit to represent activities that meet at least one of the following criteria:

- Respond to the needs of special populations, such as the poor, the disabled, the elderly or minorities;
- Generate a low or negative profit margin;
- The service or program would likely be discontinued if the decision was made on a purely financial basis.

Consistent with our commitment to charitable purposes and to strengthening the community, LUHS provided more than \$150 million in community benefit expenditures in FY 2009. As a not-for-profit health system, LUHS's Community Benefit Plan validates its not-for-profit, tax-exempt status, substantiates its accountability as a charitable healthcare organization, and demonstrates its responsiveness to the health needs of the communities we serve.

It is an inherent part of LUHS' stated mission to provide necessary medical care free of charge, or at a discount, to individuals without insurance or other means of paying for such care. A copy of LUHS's mission statement and its charity and uncompensated care policies are attached as appendices to this plan. We will provide health care services to all patients based on medical necessity. Specific community benefit needs identified are: child health care, health care to under-insured or non-insured patients, and health awareness and health screenings to those patients who do not have the privilege of being served regularly by a physician.

In addition to the specific programs within the surrounding communities, our mission is reflected in the care on campus or at any of our sites to all patients seeking care. This care is provided regardless of whether a patient cooperates in a formal process to evaluate their financial need. Patients qualify for charity care based upon federal poverty guidelines as well as an assessment of their ability to pay depending on the size of the claim. Each year, the operating budget sets aside funds to ensure we continue our commitment to allow for the cost of charity care and the provision of care to patients insured by the State Medicaid program. The financial commitment is significant and is an area within the operating budget that continues to grow.

**Identify the populations and communities served by the hospital:**

Centrally located in the western suburbs of Chicago, LUHS is comprised of its 61-acre Maywood campus that includes the 561 licensed bed Loyola University Hospital with a Level I trauma center, the regions largest burn unit, one of the Midwest's most comprehensive organ transplant programs, the Russo Surgical Pavilion, and the Ronald McDonald Children's Hospital. Also on campus are the Center for Heart & Vascular Medicine, the Cardinal Bernardin Cancer Center, Loyola's Outpatient Center and the

Stritch School of Medicine. In addition, 22 primary and specialty care outpatient centers are situated in the western and southwestern suburbs.

Because of its convenient location, LUHS is accessible to the majority of the Chicago (six county) Metropolitan area of 8.5 million people. The population of LUHS's primary service area is 4.7 million people and encompasses a Northwest, Central, and Southwest area.

As a well-known and respected tertiary care and Level I Trauma Center, the Loyola University Hospital serves approximately 2.0 million people living in western Cook, DuPage and Will counties as well as from surrounding states. Over 200 hospitals transfer 2,500 inpatients to LUHS annually for specialized care and treatment in particular for heart disease, cancer, burn/trauma, organ transplantation and neurological disorders.

The primary service area (Central area), which accounts for over 60% of patients served at LUHS, has a diverse population of almost 2 million and is made up of the following characteristics:

- 12% of the population is aged 65 or over
- Average household income is \$71,443 with 20% of households over \$100,000 and 20% under \$25,000
- Hispanics are among the fastest growing group making up 33% of the population
- 258,689 inpatient discharges last year from this area with LUHS serving 5.4% of these (highest among all hospitals)

To ensure the patient care services and community benefits are responsive to the mission outlined above, LUHS performs an ongoing assessment of the needs of the medically underserved population within the community that surrounds the main campus. This assessment includes looking to the primary and secondary service areas from which many of our patients come. LUHS seeks new opportunities to better serve the needs of these populations as their needs change and as advances are made in medical care. The needs assessment is performed periodically through various methods including population projections by zip code for LUHS' service areas which involves identification of the number of patients served including their age, race, and sex. This data is used to determine the community benefit needs and to evaluate both existing and future programs that will serve those needs.

### ***Charity Care, Discounts to Uninsured Patients and Government-Sponsored Indigent Health Care***

Nationwide, over 46 million Americans now lack health insurance coverage . Because LUHS meets essential medical needs regardless of each patient's ability to pay, we absorb the expense of healthcare services we provide without charge.

LUHS continues to demonstrate its annual commitment to the provision of medical care free of charge on campus or at any of the surrounding sites through a provision within the operating budget specifically earmarked for charity and uncompensated medical care.

Charity care is provided to patients based upon the Federal Poverty Guideline. Patients are provided substantial discounts if their income is less than 400% of the Federal Poverty Guidelines. Patients who earn up to 250% of the Federal Poverty Guideline will receive care at no cost. Patients who earn up to 300% will receive a 75% discount and patients that earn up to 400% will receive a 50% discount. In addition, if the patient's account balance is greater than 50% of their documented family income, the patient is provided 100% charity. In addition to following these guidelines, LUHS utilizes a service to evaluate patient's ability to pay based upon the size of the claim and the patient's financial resources. Consequently, significant charity care is provided above these guidelines. LUHS also offers financial assistance in the form of uncompensated care to patients who are unable to pay their bill due to several circumstances including the inability to provide information for the specific evaluation under the charity care policies.

As part of its program to provide charity care, LUHS continues to provide resources for the operation of the Maywood Clinic, a primary care clinic that offers services at no charge to patients who cannot afford to pay for these services. The services include physical exams, immunizations, preventative care, nutritional counseling, clinical laboratory, radiology, and nursing services. Currently, almost 500 patients benefit annually from these services at a cost of \$1.3 million dollars. The needs of the patients participating in this clinic are periodically reviewed to ensure the appropriate services are provided.

In addition, LUHS operates an emergency department open to everyone, 24 hours a day seven days a week regardless of the ability to pay. During fiscal 2009, there were 53,034 emergency patient visits.

In fiscal 2009 expenditures of approximately \$18.8 million (at cost) were incurred for charity and uncompensated care. In response to the growing population of uninsured and underinsured individuals, LUHS provides all self-pay patients with financial assistance screening and these patients automatically receive a 48 percent discount for Medical Center charges and 40 percent for physician charges. With changes within the economic environment this commitment continues to grow. In fiscal 2009, this commitment resulted in the granting of approximately \$13.8 million in discounts.

LUHS also incurs additional unreimbursed costs of providing services to Medicaid patients. Total Hospital Medicaid patient days in FY 2009 was 28,160. Our neonatal intensive care program, obstetrics and gynecology program and our Ronald McDonald Children's Hospital are significant providers of care to the Medicaid population. These programs continue to grow in response to the demand in the surrounding community as well as in our Perinatal network throughout the State. In fiscal year 2009, the financial

contribution in terms of the excess cost over reimbursement for these patients was \$45.9 million.

**Health Care Needs Considered in Developing this Plan:**

Our community benefit plan assesses health care needs throughout the community in the following areas of focus:

- Research activities.
- Health awareness and prevention programs for our vulnerable populations.
- Health awareness, prevention, and community education programs for our broader community.
- Support groups, language interpretation, and social work counseling.
- Medical education
- Contributions and volunteer services

**Research activities:**

LUHS is a not-for-profit corporation and Loyola University Chicago is the sole corporate member of LUHS. The Stritch School of Medicine (SSOM), part of Loyola University Chicago, receives substantial financial support from LUHS. In fiscal year 2009, SSOM spent \$48.5 million in connection with research to advance medical science. A significant portion of the financial support for these expenses was provided by external grants. The benefits to our patients through clinical trials and in the development in lifesaving procedures and therapies are beyond measure. LUHS provided approximately \$5.2 million in direct research support during 2009.

**Health Awareness Programs for our vulnerable populations:**

The majority of education that is provided to the community (in addition to the medical education described below) can be categorized as health information with two major disease categories: cancer and cardiovascular disease. The needs assessment process continues to identify these two disease categories as significant problem areas for both our vulnerable and broader-based populations. We offer free health screenings for these diseases through our Cardinal Bernardin Cancer Center and our Cardiology department. These services will continue in the future in close relationship to the advancement of care and research into the prevention and cure of these diseases.

Health Awareness Programs for our broader community:

LUHS provides a comprehensive schedule of health information and education programs and services for our community adults and children. LUHS's health promotion and education and prevention programs serve to contain the growth of community health care costs, as well as to improve the overall health of the community. We educate our community in many ways, including health topics on the Internet, hosting a cancer survivor day/week and an awareness program to provide the latest information on colorectal cancer, CPR instruction classes for parents and families, sponsoring a bone marrow transplant picnic for donors and patients along with a "Living Well" event, distributing a Loyola Living Community health quarterly newsletter, and providing a Mini-Med School that offers special courses that give the public a glimpse into medical education.

LUHS incurred expenses over \$1.2 million to support these programs during fiscal year 2009. LUHS will continue to support these programs in its fiscal year 2010 budget. Various departments within LUHS hosted these programs including our Neonatal ICU unit, Cardinal Bernardin Cancer Center, Primary Care Clinics and Service Line Marketing.

In May 2002, LUHS opened the area's first program to offer free on-site social and medical services, child-life programs and day care for children whose parents or guardians have business in the Fourth Municipal District Courthouse in Maywood, Illinois. During fiscal year 2009, LUHS opened the Harrison DV court child's advocacy room in downtown Chicago. These programs serve almost 5,000 children annually. LUHS spent approximately \$71,000 to operate these programs in fiscal 2009.

The pediatric mobile health unit from the Ronald McDonald Children's Hospital of LUHS continues to provide free health care to about 90,000 underserved children in Chicago's western suburbs since its inception in October 1998. For the quality of services and efficiency of care, it is often cited as a national model for medical outreach. This program is supported by outside donations and has an annual operating expense of approximately \$365,000.

LUHS is the largest employer of students participating in Cristo Rey Jesuit High School's Corporate Internship Program. Students from an economically depressed area gain valuable work experience and earn compensation that is applied to their tuition. As part of this program LUHS paid Cristo Rey \$219,000 in compensation on behalf of these students.

LUHS, through its joint venture with a long-term acute care hospital located in Hinsdale, Illinois (RML Specialty Hospital, (RML)), spent almost \$152,000 for community health services. These services included educational programs for local community centers on lung health and general health promotion as well as back-to-school fairs and support groups conducted by RML's clinical psychologists. RML sponsored three blood drives

and assisted families in need with transportation and lodging assistance to visit their loved ones at RML.

During 2008, LUHS totally redesigned its medical website that offers free information on various diseases and treatment options. There were 585,000 visits in fiscal year 2009 to our medical website.

LUHS has a pastoral care/ministry department to attend to the spiritual needs of its patients, families, physicians, and staff members. It also supports a community chapel that is available not only to the employees and patients and their families, but to the surrounding community. A daily Mass is said to those seeking spiritual enrichment. It also coordinated the preparation and distribution of more than 300 Thanksgiving gift baskets to local families.

#### *Support groups, language interpretation, and social work counseling:*

Through our ongoing commitment to build, strengthen, and rehabilitate a healthier community, LUHS provides support group programs at no charge or at a subsidized rate. As a result of the large number of participants in these various programs, LUHS spent almost \$95,000 in fiscal 2009 on staff costs, room rentals, and supplies. The main support groups are brain, transplant, cancer, and grief.

In addition, LUHS continues to include in its operating budget provisions for free translation services for the deaf and those limited in English proficiency. Through our patient relations department, this program has helped thousands of LUHS's patients understand their medical options. This community service will continue to be provided in the future and cost LUHS almost \$1.6 million to operate in fiscal year 2009.

The department of pastoral care, social work and general counsel provide counseling and social work services to organizations, individuals, groups, and families at no charge or at a subsidized cost. During fiscal year 2009, these services were provided at a cost to LUHS of almost \$259,000. LUHS plans to continue these services in fiscal 2010.

#### *Medical Education*

As described in our mission statement LUHS is committed to the Jesuit tradition of academic distinction and the values of care, concern and respect for our students and each other. As of June 30, 2009 LUHS had approximately 599 residents and fellows involved in its various Graduate Medical Education Programs. These include programs within 52 different medical and surgical specialties. In addition to providing support for resident education, LUHS also provides education within the community for paramedical

education and for nursing students. The total unreimbursed medical education costs were almost \$27.8 million during fiscal 2009.

### Contributions and Volunteer Services

In addition to the specific community benefits mentioned above, LUHS provides various services including house staff serving at other Cook County area hospitals, and donations to various other not for profit organizations. LUHS also has an active program of internal and external volunteers. 272 volunteers contributing over 24,700 hours of service are provided to serve the community in making access to the LUHS campus patient friendly. Staff volunteers in many different capacities to meet the needs of families in the surrounding communities. Total community benefit provided in these areas was approximately \$1.6 million.

### **Future goals**

The future of LUHS's Community Benefits Plan will continue to provide quality patient care and promote health to its surrounding community through a variety of educational and support programs. LUHS continues to update its community needs assessment to ensure that as our community health care needs change, so do we.

This assessment helps us to:

- Identify how specific medical services can improve health.
- Evaluate how well our current programs serve the community.
- Examine access and barriers to receiving health services.
- Determine the need for additional health information.
- Project required budgets for charity and unreimbursed care.
- Ensure that we are providing the highest quality care and leading the way in medical education.

Over the past year, Loyola University Health System has implemented a comprehensive strategic plan that addresses the three key missions of the health system: clinical care, education and research.

That plan has continued to expand research in critical areas that will aid patients. The continued commitment to medical education and nursing education brings important health care resources, in the form of necessary caregivers, to the communities we serve. And, most importantly, our clinical programs provide necessary and life-saving care to patients in our service area. That service area is comprised of nearly 6 million people and clearly is a significant portion of our State's population.

Research conducted at Loyola is leading the way to treatments for patients that are not only cutting edge, but life preserving and saving. The research done on cancer vaccines

at the Cardinal Bernardin Cancer Center brings individualized treatments for specific cancers to patients in our state. Research conducted at the Loyola Cardiovascular Institute has supported the use of electrophysiology interventions post Myocardial Infarction (MI) that protect patients from sudden death. Other cardiac research in which Loyola participated has highlighted the need to immediate care for STEMI patients (patients suffering from an ST segment elevation while having an MI). This has translated at Loyola into an entirely new program. These are just a few examples of the translation of research to clinical care that provides significant benefits to patients.

Clinically, Loyola has planned and implemented several new initiatives this year to benefit the community we serve. Some of those key initiatives are noted here:

- 24/7 Cardiac intervention available via Loyola's HAART program. – This program has accomplished two great community benefits. First, it has engaged the EMS community in Loyola's region to utilize 12 lead EKG technology in the field to provide early identification of STEMI patients. The second benefit this program brings is the presence of an interventional cardiologist in house at Loyola 24/7, allowing patients to cross the threshold in the ER and go immediately to the Cath Lab for acute intervention. No other provider in the state has this available and patients are now receiving tissue saving treatment at Loyola within minutes of arrival to the hospital.
- Expansion of additional services into more communities. In particular, Loyola has expanded its presence in several significant ways at Gottlieb Memorial Hospital. This includes Loyola presence at the Gottlieb campus in cardiology, cancer, orthopedic surgery, obstetrics and gynecology and gynecologic subspecialties
- On a smaller scale, Loyola's approach to flu vaccine this year was unique among health care providers in Illinois. First, Loyola mandated that employees receive the seasonal flu vaccine. That was a critical step in providing a safe environment for hospitalized and sick ambulatory patients. Many of Loyola's patients suffer high level acute illness or from debilitating chronic diseases. Exposure to flu could prove life-threatening for them, and obtaining that exposure from a health care professional is not acceptable. Additionally, Loyola prioritized patients among the recipients of the limited H1N1 vaccine. As H1N1 has demonstrated around the country, it is very dangerous for pregnant women. Rather than distribute the vaccine only to employees, Loyola prioritized pregnant women with their caregivers in the vaccine queue.

As we look forward to the next fiscal year there are several initiatives on the horizon for LUHS.

- Continue to expand access to academic programs and research at the Gottlieb campus. This will bring cutting edge treatments and new protocols to patients who previously did not access them.
- Develop additional sites of outreach particularly for cancer treatment and cardiac care. Loyola provides treatments that rank among the best for outcomes, not only in the state, but in the country. By making those

treatments available to more communities we will improve the lives of the patients of Illinois.

- Develop an integrated stroke network in Illinois. We will work with outlying and rural hospitals in a telemedicine stroke network to ensure that patients who suffer from potentially devastating strokes receive state of the art treatment in the most timely manner.
- Use telemedicine capabilities to enhance pediatric emergency room care throughout the State as well. As we link with outlying and rural providers for stroke care, we can also provide critical access to pediatric critical care physicians who can assist emergency room physicians with pediatric patient triage and treatment plans.

Loyola takes great pride in the benefit it provides to the State of Illinois. Our goal is to provide the highest quality health care to as many citizens as we can reach, and to do so in a highly compassionate way.