Mercy Medical Center FY 2011
Health Services Cost Review Commission
Community Benefit Report Narrative

INTRODUCTION

Since its founding in 1874, Mercy Medical Center has provided compassionate and excellent health care to the Baltimore community and has consistently demonstrated a special commitment to people who are poor and underserved. Mercy's commitment in this regard has been unwavering.

Mercy welcomes the focus on community benefit reporting and the opportunity to share our mission of giving witness to God's healing love for all people.

I. General Hospital Demographics and Characteristics

Table I

Bed Designation	Inpatient Admissions	Primary Service Area ZIP Codes	All Other Maryland Hospitals Sharing Primary Service Area	Percentage of Mercy Uninsured Patients, by County	Percentage of Mercy Medicaid Patients, by County
226	17,455 and 1,321 observation cases	21202, 21217, 21213, 21215, 21218, 21216, 21230, 21223, 21224, 21206, 21229, 21201, 21207, 21222, 21231, 21205, 21225	University of Maryland Medical Center, Johns Hopkins Hospital, Maryland General Hospital, Bayview Medical Center, Harbor Hospital Center, Sinai Hospital, Bon Secours Hospital, Good Samaritan Hospital, Union Memorial Hospital	Baltimore City: 65% Baltimore County: 22.6% All other counties: 12.4%	Baltimore City: 65.8% Baltimore County: 28.6% All other counties: 3.6%

II. Community Health Needs Assessment

Demographic Overview of Mercy Medical Center's PSA and CBSA

Located in the heart of downtown Baltimore, Mercy Medical Center (Mercy) primarily draws patients from the greater Baltimore metropolitan area. In addition, Mercy's Centers of Excellence in several key clinical specialties attract patients from throughout the Mid-Atlantic region.

Mercy's Primary Service Area (PSA,) which comprises 17 ZIP codes in Baltimore City, accounts for 60% of its total admissions. Key demographic characteristics of the PSA are as follows:

Population

- The PSA 2009 population is approximately 535,000, which has experienced a 4.6% decline from 2000.
- PSA population is projected to decline by 1-2% by 2015. This is in contrast to a 3.1% projected growth for the State of Maryland.
- Since 1990, the distribution of Baltimore City residents has shifted towards older age groups with a 6% increase in the 40-year and older population. This trend of an increasing older population growth is expected through 2020.

Ethnicity and Age

- 64% Black and African-American; 32% White in PSA. The percentage of Baltimore City's Black and African-American population has increased by 5% since 1990.
- Approximately 59% of patients served by Mercy Medical Center are members of a racial or ethnic minority; 66% are women and 51% are Medicaid and/or Medicare beneficiaries.
- 12% of the population is 65 years in age and older.

Income

- PSA median household income is $35,656.
- 21% of the population has income below $21,000.
- 40% of Baltimore City households reported an income of less than $30,000. This is 50% less than the statewide median income of $68,080.
- Three times as many families living in Baltimore City had income that was below the poverty level compared to all families in Maryland.

Methodology to Determine PSA and CBSA

- There are 17 ZIP codes that comprise Mercy's Primary Service Area which is defined as including 60% of all inpatient admissions for FY 2011. In aggregate, 35% of families live beneath the federal poverty level definition. These zip codes include the following: 21201, 21202, 21205, 21206, 21207, 21213, 21215, 21216, 21217, 21218, 21222, 21223, 21224, 21225, 21229, 21230, and 21231.
- 15 of the 17 PSA ZIP codes are further defined as Mercy's Community Benefit Service Area (CBSA). These ZIP codes were identified and determined based on Emergency Department (ED) visits during FY 2011. Mercy believes that ED visits represent a more accurate statistic to measure uninsured and underinsured (Medicaid) patient utilization.
- Of these ZIP codes, seven constitute areas with at least 5% or more of all ED visits by uninsured and underinsured patients. They include the following:

  21202 – 15.9%; 21217 – 9.9%; 21213 – 7.6%; 21216 – 5.8% 21223 – 5.6%; 21218 – 5.4%; 21215 – 5%

Table II: Community Benefit Service Area (CBSA) Demographic Characteristics

Community Benefit Service Area (CBSA) Target Population • **Population*** • **Age *** • **Sex*** • **Race***	487,000 N/A 53% Female; 32% Male 90%: Black or African-American; 5% White; 5%: All other	**Source** ✓ 2010 US Census Data ✓ Baltimore City Health Status Report:2008 ✓ Maryland Vital Statistics Annual Report ✓ Maryland Vital Statistics Annual Report
Median Household Income within the CBSA *	$21,000	"Baltimore City Health Department Neighbor- hood Profiles:2008"
Percentage of households with incomes below the federal poverty guidelines within the CBSA *	43%	"Baltimore City Health Department Neighbor- hood Profiles:2008"

Please estimate the percentage of uninsured people by County within the CBSA	39%	2010 US Census Data
Percentage of Medicaid Recipients by County within CBSA *	30%	HSCRC data supplied to Mercy
Life Expectancy by County within the CBSA **	70.9	"Baltimore City Health Department Neighbor- hood Profiles:2008"
Mortality Rate by County within the CBSA **	113.9 per 10,000 residents	"Baltimore City Health Department Neighbor- Hood Profiles:2008"
Access to health food, quality of housing, and transportation within CBSA	Access to healthy food and affordable, safe housing remains a major challenge within Mercy's CBSA.	Maryland State Health Improvement Process (SHIP)

** Estimated numbers and percentages based on averaging demographics within the CBSA ZIP codes.*
*** Same as Baltimore City*

<u>At-Risk Neighborhoods Served by Mercy Medical Center</u>

- The Baltimore City neighborhoods that comprise these seven ZIP codes include Downtown/Seton Hill, Midtown, Upton/Druid Hill, Jonestown/Oldtown, Sandtown/Winchester, Greenmount East, Washington Village, Southwest Baltimore, South Baltimore, Westport, Cherry Hill, Brooklyn/Curtis Bay, Southern Park Heights, and Greater Mondawmin. These neighborhoods have high poverty levels, low median incomes, and a high percentage of population over 65 or less than 17 years of age.
- Using data from the Baltimore City Department of Health "Neighborhood Health Profiles," demographic information from these neighborhoods were averaged to develop approximate composite statistics on age, sex, ethnicity and income distribution.

Target Service Area	% 65+ Old	%<17 Old	Median Income
7 "At-Risk" Neighborhoods	18%	28%	$19,000
City of Baltimore	16%	25%	$30,000

Baltimore City vs. State of Maryland on Key Health Outcome Measures*

- Overall Mortality Rate: Baltimore is 37% higher
- Life Expectancy: Baltimore is 8% lower
- Infant Mortality: Baltimore is 41% higher
- Low Birth Weight: Baltimore is 36% higher
- Teen Birth Rate: Baltimore is twice as high
- HIV/AIDS Mortality: Baltimore is five times higher

** Key Findings from the "Baltimore City Health Status Report 2008"*

As shown by these select indicators, there is a significant health status disparity between Baltimore City residents and the rest of the State of Maryland. Due to its location in center city, Mercy cares for many of the at-risk, low- income population in the communities that immediately surround the hospital. This is best evidenced by the large percentage of Emergency Department visits by the Medicaid and uninsured patients.

- Medicaid covered and uninsured patients accounted for 65.9% of Mercy's FY2011 Emergency Department visits, an increase of 5.9% from FY2010.

- Baltimore City's largest homeless shelter at the Fallsway is within three blocks of Mercy.

- Mercy provides all of the medical staff (physicians and nursing personnel) for Health Care for the Homeless (HCH) which delivers outpatient care to a significant number of homeless persons in Baltimore City. HCH is located three blocks from Mercy.

1. **Identification of Community Needs – describe the process your hospital used for identifying the health needs in your community, including when it was most recently done.**

   Mercy has a historical, longstanding and continuing role in providing medical care to the poor and underserved communities that surround the Hospital. Mercy employed a multi-pronged approach in identifying community health needs during early summer 2011. These approaches were as follows:

Accessing Existing Data Sources on Health Care Status in PSA

- ✓ "Baltimore City's Health Status Report: 2008" was the key statistical document which provided Mercy with key data on the most critical health care conditions affecting the CBSA population.
- ✓ Accessed and reviewed other State of Maryland health care data bases related to health care needs of communities that Mercy serves in its PSA and CBSA, including:
    - "Healthy Baltimore - 2015" and "Baltimore City Neighborhood Profiles," published by the Baltimore City Health Department
    - "Healthy People-2020", published by the State of Maryland's Department of Health and Mental Hygiene.
    - Maryland Department of Health and Mental Hygiene's most recent "State Health Improvement Plan"
    - Maryland Vital Statistics Annual Report
- ✓ Publications and data available from organizations in which Mercy physician and administrative leadership are active participants such as B'More for Healthy Babies, The Journey Home, Family Crisis Center of Baltimore, and Baltimore Homeless Services, among others.

2. What organizations and/or individuals of the hospital were consulted?

- ✓ Through the workgroups and partnerships that have been established with key organizations such as Health Care for the Homeless (see table below of these workgroups and partnerships), Mercy received significant input and feedback on the health care needs of its immediate surrounding neighborhoods and communities. This was achieved through regular meetings and discussions throughout FY 2011.
- ✓ Through participation of Mercy's executive leadership team in business forums such as The Downtown Partnership of Baltimore and membership in other organizations, significant feedback and information on health care needs and gaps was also gathered.

Key Mercy Health Services (MHS) Partnerships/Work Groups

Group Name	Purpose and Mercy's Participation
Health Care for the Homeless (HCH)	HCH provides health-related services to reduce the incidence and burdens of homelessness. Its headquarters/clinic is located three blocks from Mercy. Catherine Kelly, Director of Community Outreach at Mercy, serves on the HCH Board of Directors.

Group Name	Purpose and Mercy's Participation
Baltimore Homeless Services	A program within the Mayor's Office of Human Services responsible for managing the continuum of care of provided to the City's homeless population. Mercy Supportive Housing Program provides housing counseling and case management for homeless families under grants from this agency.
The Weinberg Housing and Resource Center	Baltimore City's facility providing 274 emergency shelter beds and 25 beds for the medically fragile as well as programs and services for the homeless. Mercy employees assist with the program.
Mayor's Office on Emergency Management	Mercy serves on the Emergency Preparedness Task Force for Baltimore City.
Sex and Family Crimes Division of the Baltimore City Police Department	Mercy's Forensic Nurse Examiner Program works collaboratively with the Baltimore City Police Department. Mercy provides the Forensic Nurse Examiner program in the metropolitan area.
Turn Around, House of Ruth	Mercy's Family Violence Response Program works with Turn Around, House of Ruth, and other organizations. Mercy also is taking a leadership role in establishing hospital-based family violence response programs at other Maryland hospitals.
Family Crisis Center of Baltimore (FCCB)	FCCB is a major referral partner to Mercy's Forensic Nurse Examiner and Supportive Housing programs.
Domestic Violence Coordinating Council	Colleen Moore, Coordinator of Mercy's Family Violence Response Program, serves on the organization's Steering Committee.
B'more for Healthy Babies (BHB)	BHB is a coalition of physicians among Baltimore City's major hospitals that addresses ways to reduce infant mortality, prematurity and low birth weight. Robert Atlas, M.D., Chairman of the Department of Obstetrics and Gynecology at Mercy and a recognized expert in at-risk pregnancy is a leader within BHB.
Family Health Centers of Baltimore (FCHB)	Samuel Moskowitz, Mercy's Executive Vice President and Chief Operating Officer serves on the Board of Directors of FCHB, a Federally Qualified Health Center that serves Central and South Baltimore City.

The Mission and Corporate Ethics Committee of Mercy's Board of Trustees meets regularly to review and coordinate issues related to community outreach. This Board committee is informed and clearly understands the scope and depth of Mercy's community benefit initiatives.

3. **When was the most recent needs identification process or community health needs assessment completed?**

   While Mercy has successfully partnered with the organizations listed above, as well as with Baltimore City and State health agencies for decades, a formal needs identification process or community health needs assessment has not been completed. The planning phase has been initiated to ensure that a Community Health Needs Assessment is completed by June 30, 2013.

4. **Has your hospital conducted a community health needs assessment that conforms to the definition as described in the Narrative Instruction, within the last three years?**

   A formal Community Health Needs Assessment will be completed by June 30, 2013 that conforms to the definition provided in the FY2011 Narrative Reporting Instructions. Mercy has initiated a planning phase for the extensive planning surrounding the community health assessment process that will lead to formal plan development in FY2013.

III. Community Benefit Administration

1. a Does your hospital have a CB strategic plan?

Mercy anticipates that a comprehensive Community Benefit Strategic Plan will be completed and approved by the Board of Trustees during Fiscal Year 2012.

1. b What stakeholders are involved in your hospital community benefit process/structure?

i. Senior Leadership

1. Yes – CEO
2. Yes – CFO
3. Yes – Other (Mercy's Senior Executive Team and Board of Trustees)

ii. Clinical Leadership

1. Yes – Physicians
2. Yes - Nurses
3. Yes - Social Workers
4. Yes – Pastoral Care

iii. Community Benefit Department/Team

Mercy's Community Benefit Committee includes:

1. Assistant to the President for Mission
2. Senior Vice President for Institutional Advancement
3. Senior Director of Financial Planning
4. Director of Community Outreach
5. Director of Social Work
6. Director of Pastoral Care
7. A community member who is a Licensed Clinical Social Worker who led both a hospital Social Work and Pastoral Care department.
8. A community member who is a former State legislator, agency head, and corporate executive

In addition, strategic advice is offered by the Chief Financial Officer, the Chair of the Emergency Services Department, and the Chair of the Department of Obstetrics and Gynecology

Finally, the Mission and Corporate Ethics Committee of the Board of Trustees is informed and clearly understands the scope and depth of Mercy's community benefits programs.

1.c Is there an internal audit of the Community Benefit report?

Spreadsheet - Yes
Narrative - Yes

1.d Does the Hospital's Board review and approve the completed FY Community Benefit report that is submitted to the HSCRC?

Spreadsheet - Yes
Narrative - Yes

IV. Hospital Community Benefit Program and Initiatives

1a. Identified Need

Based upon the "informal" needs assessment conducted during the fall of 2010 and that continued through June 2011, Mercy Medical Center identified three key areas of focus for "Mission Driven Health Services." Of note, Mercy will be conducting and completing a formal community health needs assessment that conforms to the Narrative reporting guidelines during FY2013. Mercy is located in a Primary Care Professional Shortage Area (HPSA), a Dental Care Health Professional Shortage Are, and a Medically Underserved area/population (MUAP) as defined by the United States department of Health and Human Services.

As cited in Question one in Section two of this Narrative, several internal and external data sources were accessed along with input from community

stakeholders to develop recommendations for the three initiatives. The three initiatives detailed in the narrative section of the FY2010 submission are inter-related as they each seek to improve health service delivery to the underserved and poor populations and communities within a two mile radius of Mercy Medical Center.

Longstanding Community Benefit programs and services of note that continue to be provided by Mercy include the following:

- Supportive Housing Program
- SAFE Program
- Charity Prescription Program
- Medical Assistance Financial Counseling

Recognizing the tremendous impact that substance abuse has on the health of the community, Mercy offers one of two inpatient detoxification unit in Baltimore City. This service has been in place since 1986 and serves more than 1,200 individuals annually.

Mercy's three initiatives for FY2001 are:

Table III

Identified Need	Hospital Initiative	Primary Objective of the Initiative	Single or Multi-Year Initiative Time Period	Key Partners and/or Hospitals in initiative development and/or implementation	Evaluation dates	Outcome	Continuation of Initiative
Baltimore's homeless population extends greatly beyond those who can find beds in City and nonprofit shelters. Mercy is directly involved in the provision of medical services to the homeless population in three key areas. Since its inception in 1985, Mercy Medical Center has directly employed and provided all of the physician and nursing staff to Health Care for the Homeless (HCH.) While Mercy is reimbursed for the direct costs of its employed clinicians from HCH, indirect and other non-compensated costs contributed to HCH were over $1,485,000 in FY 2011. In FY2011, HCH served 17,421 patients, a three-fold increase from the prior year, primarily due to its new clinic building and expanded programs. The new HCH building, which is located three blocks from Mercy, refers a majority of its patients to the hospital for consultation,	Patient Navigator for Health Care for the Homeless	This initiative proposes to create and fund a "patient navigator" position at HCH that will be primarily responsible for facilitating and ensuring that HCH patients keep their appointments and ensure that these patients arrive on time at the site of service.	November 2011 to June 2012 Planning, Research and Feasibility Study Period *(including the enlistment of partners)* July to December 2012 Phase I Implementation Phase January to June 2013 Phase II Implementation Phase Summer 2013 Evaluation Phase	Health Care for the Homeless Mercy Medical Center Department of Social Work	June 2012 December 2012 June 2013	The expected outcome of the Patient Navigator position is to vastly improve continuity and provision of health services between HCH and Mercy as patients move between the two organizations for care. Overall quality of care should improve as homeless patients are seen in a timely fashion and complete their course of treatment for their conditions.	Continuation will be based upon data from Evaluation Phase in Summer 2013 and Mercy's Community Health Needs Assessment

specialty care and medical/surgical procedures. Mercy data indicates that a significant percentage of HCH patients become “no shows” for physician appointments and procedures. Accessing a hospital can be a daunting, overwhelming experience for many people. Continuity of care for this sick and vulnerable population is exacerbated when appointments are not maintained.							

Table III

Identified Need	Hospital Initiative	Primary Objective of the Initiative	Single or Multi-Year Initiative Time Period	Key Partners and/or Hospitals in initiative development and/or implementation	Evaluation dates	Outcome	Continuation of Initiative
Mercy Medical Center delivered more babies, 2,886, than any other hospital in Baltimore City in FY 2011. Of these babies, 10.6% were low birth weight and 13.7% were premature. Low birth weight and prematurity are intertwined and correlated. Low birth weight is a key health status indicator that is measured and tracked by the Baltimore City Health Department, which desires to reduce the percentages of low birth weight babies.	Mercy Low Birth Rate Prevention Program	The primary objective of this initiative is to create and fund a new position, "Care Coordinator" within the Department of Obstetrics and Gynecology with a focus on enhancing prenatal care by high risk pregnant patients. This new Care Coordinator position would be responsible for patient education and home outreach services with the goal of reducing unhealthy lifestyle behaviors and choices such as smoking, obesity, and drug use that contribute to prematurity and low birth weight.	November 2011 to June 2012 Planning, Research and Feasibility Study Period *(including the enlistment of partners)* July to December 2012 Phase I Implementation Phase January to June 2013 Phase II Implementation Phase Summer 2013 Evaluation Phase	Baltimore City Health Department B'More for Health Babies	June 2012 December 2012 June 2013	To reduce by 10% annually the number of low birth weight babies delivered at Mercy by the end of year three of the program.	Continuation will be based upon data from Evaluation Phase in Summer 2013 and Mercy's Community Health Needs Assessment. It is anticipated that this position would remain funded for at least three years in order to develop evaluation metrics and outcomes on this initiative. The initiative would be continued if the program evaluation produced successful outcomes, as yet to be defined.

Table III

Identified Need	Hospital Initiative	Primary Objective of the Initiative	Single or Multi-Year Initiative Time Period	Key Partners and/or Hospitals in initiative development and/or implementation	Evaluation dates	Outcome	Continuation of Initiative
Mercy Medical Center's Emergency Services Department (ED) had 62,421 visits in Fiscal Year 2011, a 2.7% increase from the previous year. Two out of every three patients were uninsured or Medicaid beneficiaries. Located in the heart of Baltimore City, Mercy's ED serves persons who do not have access to regular medical care, particularly patients who are poor or homeless. Poverty, alcohol or drug use, homelessness, chronic illness, mental illness, challenging social circumstances, or some combination of all of these factors, result in several hundred individuals each year who visit Mercy's ED four (4) or more times per month. Effective case management can led to better outcomes for these patients while also reducing cost to the health care system.	Emergency Services Department Frequent Visitor* Reduction Initiative **Defined by Mercy as patients who visit the ED four (4) or more times per month.*	This initiative proposes to reduce the number of frequent visitors to the ED by 10% annually through expanded and enhanced social work and case management support. Mercy believes that frequent ED visitors require personalized attention and follow-up to address complex medical and psycho-social issues. In addition, partnerships with other organizations can be strengthened and better coordinated to ensure that these vulnerable individuals receive required support. The initiative will begin with a planning, research, and feasibility study period through June 2012 that will look at best practices, medical literature, and enhanced staffing opportunities. This period also will include the enlistment of partners to support the initiative. Two six-month implementation phases will follow. The first of these phases will follow the recommendations and outline developed in the planning phase. The second of these phases will refocus the program based upon the experience of the first six months. An evaluation phase will be completed in early summer 2013 to coincide with Mercy's Community Health Needs Assessment.	November 2011 to June 2012 Planning, Research and Feasibility Study Period *(including the enlistment of partners)* July to December 2012 Phase I Implementation Phase January to June 2013 Phase II Implementation Phase Summer 2013 Evaluation Phase	Health Care for the Homeless Baltimore City Homeless Services Baltimore City Housing Department Baltimore Crisis Response, Inc. Jobs, Housing, Recovery Helping Up Mission Family Health Centers of Baltimore Mercy Family Care Mercy Medical Center Department of Social Work	June 2012 December 2012 June 2013	Projected 10% annual decrease in the number of individuals who visit the Mercy ED four or more times per month	Continuation will be based upon data from Evaluation Phase in Summer 2013 and Mercy's Community Health Needs Assessment

2. Were there any primary community health needs that were identified through a community needs assessment that were not addressed by the hospital? If so, why not?

Mercy did not identify any primary community health needs through a community needs assessment during FY2011. Mercy has initiated planning to conduct a formal community health needs assessment to be completed by June 30, 2013, at which time there may be additional community needs that are identified and initiatives proposed to address these needs. The informal needs assessment performed to date has revealed three key areas. The initiatives presented in this report respond to unmet community needs of an at-risk, poor, and vulnerable population that immediately surrounds Mercy's campus.

V. Physicians

1. Provide a written description of gaps in the availability of specialist providers, including outpatient specialty care, to serve the uninsured cared for by the hospital.

As a major provider of medical services to patients throughout the City of Baltimore, Mercy Medical Center is a vital safety net for the medically underserved. This safety net is necessary in every specialty, and is particularly needed for patients who present via the Emergency Department. The following medical and surgical sub specialties at Mercy respond to the needs of the uninsured through the Emergency Department on an initial or follow-up basis.

- Orthopedics
  This specialty is especially problematic in terms of Emergency Department coverage. Four orthopedic surgeons provide coverage. A significant proportion of patients are uninsured.

  Mercy supports a weekly Orthopedic Clinic which provides follow-up care to patients initially seen in the Emergency Department and other out-patient sites. Of these patients, 99% are either uninsured or underinsured. In addition, orthopedic services are so limited for Baltimore City residents with inadequate insurance that many patients are referred to the Mercy orthopedic physicians from non-Mercy settings throughout the metropolitan area.

- Otolaryngology
  A large percentage of patients presenting to the Emergency Department with the more urgent otolaryngologic problems are underinsured or have Medicaid. Mercy's three otolaryngologists provide care to these patients regardless of their ability to pay.

- Psychiatric Evaluation and Emergency Treatment
  Mercy provides for professional services to evaluate patients presenting to the Emergency Department with psychiatric complaints, 90% of whom are uninsured or underinsured.

- Substance Abuse and Medical Detoxification
  Mercy offers one of two inpatient detoxification units in Baltimore City and cares for over 1,200 patients annually. Over 90% of patients are under or uninsured. Mercy provides physician subsidies for the professional component of these inpatient services. Of note, a number of diseases and medical conditions are over-represented in patients with substance abuse (e.g. Infectious Disease, Gastroenterology). Consultative and follow up care with appropriate specialists are also supported.

- Dentistry & Oral Surgery
  Mercy has one of the few community hospital based Dentistry & Oral Surgery Program in the City of Baltimore. This program provides services for adults (not covered under the State's Medicaid Program) and pediatric patients seen in the Emergency Department and at local community health centers.

- General Surgery
  Mercy provides higher levels of uncompensated care to patients in this discipline than any other community hospital in the City of Baltimore, in part because of its close, integrated clinical relationship with Health Care for the Homeless.

- Dermatology
  Mercy supports the only community hospital-based Dermatology practice in downtown Baltimore, which serves as a referral center for dermatologic disease from numerous urban clinics and settings throughout the Baltimore area. Of note, Dermatologic disease is often present in patients with advanced HIV disease.

- Mammography/Women's Imaging:
  Mercy provides the largest hospital-based mammography service to the residents of Baltimore City. The Tyanna O'Brien Center for Women's Imaging provides over 12,000 imaging exams annually; 25% of patients who receive imaging exams are without insurance or are underinsured.

- Gastroenterology
  Mercy's regionally recognized Posner Institute for Digestive Health and Liver Disease treats a number of illnesses, including Hepatitis C, pancreatitis, and cirrhosis that overrepresented in uninsured and underinsured patients.

2. If you list Physician Subsidies in your data in category C of the CB Inventory Sheet, please indicate the category of subsidy, and explain why the services would not otherwise be available to meet patient demand.

   Mercy provided physician subsidies in four main areas of care during FY2011:

   a) Hospital- based physicians with whom Mercy has an exclusive contract
      - ✓ Emergency Services - $3,458,657

   b) Non resident house staff and hospitalists
      - ✓ Obstetrical coverage - $1,397,137
      - ✓ Antepartum Diagnostic Physician - $6,658

   c) Coverage of Emergency Department
      - ✓ Psychiatric coverage of Emergency Department - $470,609

   d) Physician provision of financial assistance to encourage alignment with Mercy's financial assistance policies
      - ✓ Physician Charity care, (other medical and surgical specialists) - $2,716,979

   Subsidies to Mercy's employed and contracted physicians in Emergency Services, Obstetrics (including Antepartum Diagnostic Services), primary care, and medical/surgical subspecialties ensures that care is provided to all patients regardless of their ability to pay. Medicaid and uninsured/no pay patients accounted for 60% of all ED visits and births in FY2011. Without subsidies, the net income of Mercy's employed physicians would be considerably below "market" as the reimbursement for Medicaid is far lower than Medicare and commercial insurance. These subsidies are vital to the retention and recruitment of Mercy's medical staff.

   Payment for on-call psychiatric coverage of Mercy's ED is critical to providing 24/7 mental health care services to patients. Over 60% of patients who access Mercy's ED for mental health conditions are either uninsured or underinsured. Without the psychiatric on-call subsidy, it would be very difficult and most challenging to contract for 24/7 coverage of the ED by psychiatrists.

Appendix 1 **Describe your charity care policy.**

Appendix 2 **Include a copy of the hospital's charity care policy.**

Appendix 3 **Attach the hospital's mission, vision, and value statement(s)**

Mercy Medical Center **Appendix #1**
HSCRC Community Benefit Report
FY 2011

Describe your charity policy. Describe how the hospital informs patients and persons who would otherwise be billed for services about their eligibility for assistance under federal, state, or local government programs or under the hospital's charity care policy.

Mercy attempts to be very proactive in communicating its charity care policy and financial assistance contact information to patients. The charity care policy and financial assistance contact information is posted in all admissions areas, including the emergency room. A copy of the policy and financial assistance contact information is also provided to patients or their families during the pre-admission, pre-surgery and admissions process.

Mercy utilizes a third party, as well as in-house financial counseling staff, to contact and support patients in understanding and completing the financial assistance requirements. They also discuss with patients or their families the availability of various government benefits and assist patients with qualifications for such programs. Patients may also request a copy of the Financial Assistance Policy at any time during the collection process. Upon request, the policy can be provided in several languages and interpreter services are also available.

Even after the patient is discharged, each billing statement contains an overview of Mercy's Financial Assistance Policy, a patient's rights and obligations, and contact numbers for financial assistance, financial counseling, and Maryland Medicaid. Follow-up phone calls by hospital billing/collection staff made to patients with unpaid balances also stress the availability of financial assistance and charity care availability.

MERCY MEDICAL CENTER

POLICY AND PROCEDURE
PATIENT FINANCIAL SERVICES

FINANCIAL ASSISTANCE POLICY

POLICY #: 602-176-93 ISSUE/REISSUE DATE: 10/11

Mercy Medical Center ("MMC") provides and promotes health services for the people of Baltimore of every creed, race, economic, and social condition. In the spirit of the Sisters of Mercy who are its sponsors, MMC has a special commitment to the underserved and the uninsured.

Consistent with this mission, MMC provides, without discrimination, care for emergency medical conditions to patients regardless of their ability to pay and regardless of their eligibility for financial assistance under this Financial Assistance Policy. It is also MMC's policy to accept, within the limits of its financial resources, all patients who require non-emergency hospital care without regard to their ability to pay for such services. These policies, however, do not preclude MMC from reviewing a patient's ability to pay, the availability of insurance benefits, or the patient's eligibility for Medical Assistance.

Financial Assistance

MMC provides free and reduced-cost medically necessary care to patients based on factors such as income, assets, medical debt, and other criteria specific to an individual patient's situation ("Financial Assistance"). The amount of Financial Assistance generally is determined using a sliding scale for income and taking into account other considerations.

In no event shall a patient receiving Financial Assistance be required to make a payment for the covered care in excess of the charges less MMC's mark-up, nor shall such a patient be billed gross charges (although bills may show itemized reductions to gross charges). In no event shall a patient receiving Financial Assistance be billed an amount for medically necessary care or emergency medical procedures that is more than the amount generally billed to individuals who have insurance covering such care. If a patient is eligible for Financial Assistance under more than one of paragraphs 1 through 5 below, MMC shall provide the Financial Assistance for which the patient qualifies that is most favorable to the patient.

Notification and Application

MMC will make patients aware of its Financial Assistance policy by posting notices in several areas of the hospital, including the billing office. The notice will inform patients of their right to apply for financial assistance and providing contact information for additional information. MMC will also provide patients with a Financial Assistance information sheet during their hospital stay, when presenting the bill for services (which bills themselves reference the information sheet), and upon request. Patients may also request a copy of this Financial Assistance Policy at any time during a collection process. Upon request, the policy can be provided in several languages and interpreter services are also available.

MMC also makes available staff who are trained to work with patients, family, and authorized representatives to understand (1) bills; (2) rights and obligations with regard to the bill, (3) how to apply for Maryland Medical Assistance Program ("MMAP"), (4) information regarding the Financial Assistance Policy, and (5) how to contact MMC for additional assistance.

A patient may apply for Financial Assistance by completing and submitting the Maryland State Uniform Financial Assistance Application ("UFAA"). MMC uses the completed application to determine eligibility under the requirements described below. MMC will only require applicants to produce documents necessary to validate the information provided in the UFAA, and patients are responsible for cooperating with MMC's Financial Assistance application process. A patient who disagrees with a determination by MMC that the patient is not entitled to Financial Assistance may contact MMC by telephone, mail, or e-mail and request MMC reconsider such denial. Patients determined to be eligible for Financial Assistance subsequent to the date of service may be eligible for a refund of payments made, depending on certain circumstances.

Eligibility & Benefits

In order to qualify for Financial Assistance, a patient must be a U.S. citizen or permanent legal resident who qualifies under at least one of the following conditions:

Statutory and Regulatory Required Categories

1. A patient with family income at or below 200% of the Federal Poverty Level ("FPL"), with less than $10,000 in household monetary assets qualifies for full Financial Assistance in the form of free medically necessary care.

2. A patient not otherwise eligible for Medicaid or CHIP who is a beneficiary/ recipient of a means-tested social services program, including but not necessarily limited to the following programs, is deemed eligible for Financial Assistance in the form of free medically necessary care, provided that the

patient submits proof of enrollment within 30 days unless the patient or the patient's representative requests an additional 30 days:

a. households with children in the free or reduced lunch program;

b. Supplemental Nutritional Assistance Program ("SNAP");

c. Low-income-household energy assistance program;

d. Primary Adult Care Program ("PAC"), until such time as inpatient benefits are added to the PAC benefit package; or

e. Women, Infants, and Children ("WIC").

3. A patient with family income at or below 400% of FPL, with less than $10,000 in household monetary assets qualifies for partial Financial Assistance in the form of reduced-cost medically necessary care. The amount of financial assistance in this case is based on a sliding scale of income and shown in the attached table and other factors.

4. A patient with: (i) family income at or below 500% of FPL; (ii) with medical debt incurred within the 12 month period prior to application that exceeds 25% of family income for the same period; and (iii) with less than $10,000 in household monetary assets will qualify for partial Financial Assistance in the form of reduced-cost medically necessary care. The amount of financial assistance in this case is based on a sliding scale of income, amount of medical debt, and other factors.

   a. An eligible patient or any immediate family member of the patient living in the same household shall remain eligible for reduced-cost medically necessary care when seeking subsequent care at MMC during the 12-month period beginning on the date on which the reduced-cost medically necessary care was initially received.

   b. To avoid an unnecessary duplication of MMC's determinations of eligibility for Financial Assistance, a patient eligible for care under Paragraph 4.a shall inform the hospital of his or her eligibility for the reduced-cost medically necessary care.

5. An uninsured patient with family income between 200% and 500% of FPL who requests assistance qualifies for a payment plan.

MMC's Expanded Coverage
(Categories Not Covered by Maryland Statute or Regulation)

6. A homeless patient qualifies for Financial Assistance.

7. A deceased patient, with no person designated as director of financial affairs, or no estate number on file at the applicable Registrars of Wills Department, qualifies for Financial Assistance.

8. A patient who has a remaining balance after Medical Assistance qualifies for Financial Assistance.

9. MMC may elect to grant presumptive charity care to patients based on information gathered during a debt collection process. Factors include propensity to pay scoring, eligibility and participation in other federal programs, and other relevant information.

10. A patient who does not qualify under the preceding categories may still apply for Financial Assistance, and MMC will review the application and make a determination on a case-by-case basis as to eligibility for Financial Assistance. Factors that will be considered include:

    a. Fixed income such as Social Security, Retirement or Disability with no additional income sources available;

    b. Medical expenses; and/or

    c. Expenses related to necessities of life compared to income.

Defined Terms

For purposes of this Financial Assistance Policy, the following terms have the following meanings:

Emergency Medical Conditions: A medical condition (A) manifesting itself by acute systems of sufficient severity (including severe pain) such that the absence of immediate medical attention could reasonably be expected to result in -- 1. placing the health of the individual (or, with respect to a pregnant woman, the health of the woman or her unborn child) in serious jeopardy; 2. serious impairment to bodily functions, or 3. serious dysfunction of any bodily organ or part, or (B) with respect to a pregnant woman who is having contractions -- 1. that there is inadequate time to effect a safe transfer to another hospital for delivery, or 2. that transfer may pose a threat to the health or safety of the woman or the unborn child.

Family income: Wages, salaries, earnings, tips, interest, dividends, corporate distributions, rental income, retirement/pension income, Social Security benefits, unemployment benefits, disability benefits, Veteran benefits, alimony and other income as defined by the Internal Revenue Service, for the Patient and/or responsible party and all immediate family members residing in the household (as defined by Medicaid).

Federal Poverty Level: Guidelines for federal poverty issued each year by the Department of Health and Human Resources.

Medical Debt: out-of-pocket expenses, excluding co-payments, coinsurance, and deductibles, for medical costs billed by a hospital.

Medically Necessary Care: Medical treatment that is absolutely necessary to protect the health status of a patient, and could adversely affect the patient's condition if omitted, in accordance with accepted standards of medical practice and not mainly for the convenience of the patient. Medically necessary does not include cosmetic, non-covered and optional procedures.

Monetary assets: Assets that are convertible to cash. In determining a patient's monetary assets for purposes of making an eligibility determination under this financial assistance policy, the following assets are excluded: (1) the first $10,000 of monetary assets; (2) equity of $150,000 in a primary residence; and (3) retirement assets to which the Internal Revenue Service has granted preferential tax treatment as a retirement account, including but not limited to, qualified and nonqualified deferred compensation plans.

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Mercy Health Services Mission and Values

Adopted by the Board of Trustees April 21, 2010

Mission:

Like the Sisters of Mercy before us, we witness God's healing love for all people by providing excellent clinical and residential services within a community of compassionate care.

Values:

DIGNITY – We celebrate the inherent value of each person as created in the image of God. We respond to the needs of the whole person in health, sickness and dying.

HOSPITALITY – From many religious traditions and walks of life, we welcome one another as children of the same God, whose mercy we know through the warmth, fidelity and generosity of others.

JUSTICE – We base our relationships with all people on fairness, equality and integrity. We stand especially committed to persons who are poor or vulnerable.

EXCELLENCE – We hold ourselves to the highest standards of care, and to serving all with courtesy, respect and compassion. Maintaining our involvement in the education of physicians and other healthcare professionals is a priority.

STEWARDSHIP – We believe that our world and our lives are sacred gifts which God entrusts to us. We respond to that trust by constantly striving to balance the good of all with the good of each, and through creative and responsible use of all our resources.

PRAYER – We believe that every moment in a person's journey is holy. Prayer is our response to God's faithful presence in suffering and in joy, in sickness and in health, in life and in death.