



# **HASC** Briefs

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# Hospital Payments Plunge in Orange County Program for the Uninsured County Loss of Lawsuit with State Damages Prospects for Relief

Orange County hospitals have learned from county officials that payments for inpatient services to the uninsured in the county's MSI Program are currently projected at 17 percent of actual cost for the 2012-13 program year. This compares with 28 percent in the 2011-12 program year, and 53 percent in 2010-11.

Under the terms of the MSI Hospital-County Agreement, hospitals are allowed to be reimbursed up to the amount of actual cost. However, underfunding in the program coupled with spikes in enrollment (20,000 new enrollees from 2010-11 to 2012-13), and the federal government's decision to shift payment for AIDS drugs to the program have decimated the program's funding for hospital payments.

In recent years, the Orange County Board of Supervisors has approved budget augmentations for hospital payments promoted by HASC, but these have been virtually wiped out by the factors noted above. Last week, the county lost its lawsuit with the state over funding the state had taken back from the county in an effort to balance its own budget. The \$140 million hit to the county budget as a result of this loss brings a multitude of challenges to the county, and is expected to impede hospitals' requests for relief. Latest figures show hospitals subsidizing the program at a level of approximately \$125 million this year.

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# HASC Presents Health Benefits and Wellness Partnership to Southern California Hospitals

HASC presents the Health Benefits and Wellness Partnership (HBWP), a brand new program designed to help hospitals substantially reduce the cost of employee benefits.

HASC is uniquely positioned to provide what is in essence a group purchasing vehicle for employee benefits. Many hospitals can expect to save 4% to 10% of the cost of benefits, a significant savings considering hospitals in Southern California spend more than \$1.5 billion annually on employee benefits.

HBWP offers the following:

- \* Hospitals can select from two plan options – a fully insured plan and a self-funded plan.
- \* HBWP provides benefit design flexibility to accommodate individual hospital needs, thereby avoiding major changes in current employee health benefit programs.
- \* The self-funded plan provides up to 8% savings on the cost of care by avoiding the ACA insurer tax, California premium tax, and mandated benefits.
- \* The self-funded plan also offers a stop -oss captive that can save 5% to 10% of the cost

- of stop-loss coverage and a Pharmacy Benefit Management (PBM) coalition that can save 5% to 15% of pharmacy
- \* HBWP improves employee retention at the "home" facilities.
- \* It also provides *robust care management*, disease management and wellness programs that drive down the cost of claims, and keeps employees healthy and on the job.
- \* Aggregates ASO/TPA services to reduce administrative costs and network access fees.

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## Patient and Family Centered Care Conference Fast Approaching

There is still time to register for the 2013 Patient and Family Centered Care Conference. The daylong event, presented by National Health Foundation and PFCC Partners, will take place June 3 at the Renaissance Hotel, Long Beach. Attendees will learn about Patient and Family Centered Care (PFCC) initiatives taking place across a variety of health care settings and be inspired to advance PFCC in their own facilities.

Sessions will focus on the following areas: Pediatrics; PFCC Design; PFCC: Beyond Hospital Walls; and Transforming Rounding. Because an interdisciplinary approach is a central component of

HBWP from page 1

- \* HBWP is broker agnostic, which means hospitals can continue to work with their existing broker.
- \* Anthem, our health plan partner, provides the insurance vehicle, provider network, and care management/wellness tools for less than what most hospitals currently spend.
- \* HBWP is a viable option for hospitals that have a benefit year starting January 1, 2014 or later.

patient and family-centered care, involvement of all members of the care team, including patients, family members, allied health care professionals, physicians, nurses, therapists, social workers, spiritual service providers, palliative care representatives and hospital administrators, is encouraged.

This year's keynote speakers will feature Robert M. Wachter, MD, professor and Associate Chairman of the Department of Medicine at the University of California, San Francisco, and generally considered the academic leader of the hospitalist movement, as well as Dave de Bronkart, a cancer survivor known as "e-Patient Dave" and an interna-

If you have a January 1 benefits start date, HASC representatives can meet with you within the next three weeks to provide you with specific projected cost savings for your hospital.

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## **Recent Events**

At left, San Gorgonio Memorial Hospital's new Emergency Department and Intensive Care Unit building opened for patient care on May 14, 2013. The new ED/ICU more than doubles the hospital's former capacity.





tional keynote speaker on patient engagement.

A diverse panel of presenters will discuss innovative strategies for the adoption of PFCC philosophy and culture across health care settings as well as outcomes related to PFCC including improved safety, quality, patient satisfaction, workforce morale and lower health care costs.

For more information and to register, go to <a href="http://events.constantcontact.com/register/event?">http://events.constantcontact.com/register/event?</a> <a href="lilr=yeztwlcab&oeidk=a07e76zlnv5625cb8fe">llr=yeztwlcab&oeidk=a07e76zlnv5625cb8fe</a>.

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## PDS University May 23 Managed Care Strategy Session

PDS University presents Managed Care Strategy, a 20-minute webinar that will focus on how you can use PDS data to evaluate your contracts, set targets for negotiations, and improve your overall rates. PDS data is a powerful tool to help you tell your story and level the playing field during payer negotiations.

The session is scheduled for Thursday, May 23, 11 a.m. Visit <a href="https://www2.gotomeeting.com/register/527562618">https://www2.gotomeeting.com/register/527562618</a> to register.

For more upcoming events, visit <a href="http://www.hasc.org/calendar">http://www.hasc.org/calendar</a>.

Dennis Knox, CEO, Western Medical Center – Anaheim, left, with keynote speaker David Gergen, at the 2013 HASC Annual Meeting. Look for a special photo iournal from the event next week.