

*Delaware Hospitals
Cornerstones in our Communities
A Report on Fiscal Year 2016 Community Benefit Activities*



Report Date: March 2018

Message from Our CEO



On behalf of Delaware's hospitals and health systems, I am pleased to present our Eighth Annual Statewide Community Benefits Report. The Report serves as a tool for policymakers, hospitals, consumers, and the larger healthcare community, by explaining how hospitals provide public health and economic benefits to the State.

Most Delawareans are familiar with traditional hospital services, but few understand their broader and more far-reaching contributions. From providing financial assistance to addressing unmet health needs, our hospitals stand ready to serve as active and engaged members of their neighborhoods.

In Fiscal Year 2016, Delaware hospitals contributed more than \$348.9 million statewide in community benefit spending. This includes charity care, bad debt, losses on government sponsored health insurance, and supporting an array of programs benefitting particular populations. Delaware hospitals also added \$5.7 billion to the State economy through economic output.

While the healthcare landscape continues to change and evolve, Delaware hospitals have repeatedly demonstrated their capacity to adapt, yet remain firmly and consistently grounded in their mission to provide high-quality healthcare services. I am confident they will continue to advance the health of all Delawareans and contribute to the economic viability of the state.

Sincerely,

A handwritten signature in black ink that reads "Wayne A. Smith". The signature is written in a cursive, flowing style.

Wayne A. Smith
President & CEO
Delaware Healthcare Association

About This Report

Community benefits can be defined as a planned, managed, organized, and measured approach hospitals use to respond to identified community needs. Community benefits are integral to the mission of not-for-profit healthcare organizations, and are the basis of their tax exempt status.

Generally, a community benefit responds to an identified community need by meeting at least one of the following criteria:

- Improves access to health care services.
- Enhances health of the community.
- Advances medical or health knowledge.
- Relieves or reduces the burden on government or other community efforts.

The Delaware Healthcare Association annually collects data to quantify total community benefit contributions from all Delaware hospitals. The data in this report represents Fiscal Year or Calendar Year 2016, depending on each hospital's budget cycle. Each hospital used its most accurate cost methodology, which might include cost-accounting systems, cost-to-charge ratio or other accounting best practices.



Fiscal Year 2016 Community Benefits

UNPAID COST OF PATIENT CARE	NET BENEFIT
Charity Care at Cost	\$41,933,305
Unpaid Cost of Public Programs	\$109,656,378
Bad Debt at Cost	\$48,625,046
Total Unpaid Costs of Patient Care	\$200,214,729

COMMUNITY BENEFIT SERVICES & PROGRAMS	NET BENEFIT
Community Health Improvement Services	\$25,823,048
Health Professions Education	\$38,144,792
Subsidized Health Services	\$48,989,382
Research	\$24,431,810
In-Kind Contributions	\$2,772,559
Community Building Activities	\$7,134,200
Community Benefit Operations	\$1,347,328
Total Community Benefit Programs	\$148,643,119

TOTAL COMMUNITY BENEFITS	\$348,857,848
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\$348.9 Million In Community Benefit Activities

Delaware hospitals provided over \$348 million in community benefits in Fiscal Year 2016. This total reflects programs and services in four main categories:

- **Unpaid Costs of Patient Care.** This includes charity care for the uninsured and underinsured; the unpaid costs of treating patients who have government sponsored health insurance; and bad debts, which include services for which hospitals anticipated, but did not receive payment for care.
- **Community Health Improvement Services.** A category that broadly describes healthcare services hospitals provide to their community, including preventative services, clinics, and health education.
- **Health Professions Education.** This includes graduate medical education, residency, preceptor, and other programs that train and financially support the next generation of healthcare professionals.
- **Other Community Benefit Services and Programs.** These reference research and other initiatives that may not be directly related to healthcare, but that address unmet community needs.

Unpaid Costs of Patient Care - \$200.2 Million

Delaware hospitals absorbed more than \$200 million in losses in Fiscal Year 2016 caring for the state's poor, uninsured, and other vulnerable populations. The total includes:

- \$41.9 million in unreimbursed charity care;
- \$48.6 million in bad debt;
- \$109.7 million in unpaid care for Medicare, Medicaid and Tricare patients.

Several points are worth mentioning regarding unpaid costs of patient care. Delaware hospitals treat all patients who enter their doors, regardless of their ability to pay. That is the law, and one which is aligned with each hospital's mission. Second, in the absence of a public hospital, Delaware hospitals serve as a much needed safety net. Lastly, hospitals care for millions of patients each year through government health programs such as Medicare, Medicaid, and Tricare. These programs pay hospitals for

care at rates well below the actual costs of delivering the care. Hospitals absorb those losses as part of their community benefit.

Community Health Improvement Services - \$25.8 Million

Community health improvement services encompass health education, health promotion and wellness programs, clinics, health fairs, school based wellness centers, and other programs and partnerships that target specific community health needs. Generally, these programs are offered in a variety of settings (i.e., inpatient, outpatient, school, home) and serve all ages from infants through senior citizens as well as the uninsured and the poor.

Health Professions Education - \$38.1 Million

Delaware is home to two regional teaching hospitals that provide graduate medical education, clinical education, and residency programs for physicians, nurses, and other healthcare professionals. The value of a well trained healthcare workforce now and in the future is immeasurable.

Other Community Programs - \$84.7 Million

Hospitals provide more than traditional healthcare services in their commitment to the health and well-being of the communities they serve. Community programs cover a wide array of community benefits, from medical research to financial donations to community building activities:

- \$49 million in subsidized health services (defined as programs/ services that hospitals provide to respond to a community need, despite financial losses associated with the program);
- \$24.4 million in health research;
- \$2.8 million in donations;
- \$7.1 million in community building activities; and
- \$1.3 million in support of community benefit operations.



Community Benefit Program Highlights

The Primary Care Location as Community Resource

Nemours duPont Pediatrics, Jessup Street, Wilmington, is more than a medical practice. For more than 20 years it has been a community hub that's transforming "primary" care in an underserved area through a team approach to social work and care coordination that addresses the needs of their patient population. Highlights include:

- A farm stand operates in front of the practice twice a week to increase access to healthy and affordable foods (the practice is located in a food desert). Families receive a food voucher from their Nemours physician for an additional \$1 worth of food when they spend \$1 at the stand.
- The Jessup Street practice partnered with the Delaware Summer Food Program to provide weekday breakfasts to low-income children to help bridge the nutrition gap during the summer months. 1,669 breakfast meals were served to low-income children at the Jessup Street program during summer 2016.
- Other preventive and proactive efforts include oral health assessments during all well-child visits, dietary guidance and referrals to dental homes as needed, and distribution of donated books through local literacy partners.
- In addition, the Jessup Street practice serves as an internet café, where community members without internet access can come to work on their resumes, and apply for jobs; tutoring and mentoring for students is also available.



Taking Medicine on The Road

Saint Francis Healthcare has a new and fully equipped medical office...on wheels. The Saint Clare Medical Van has been deployed and fully operational 5 days a week, providing primary medical care to the uninsured and homeless populations throughout Wilmington. In addition to regular business hours, the Saint Claire Van attends most community health events to provide free blood pressure and glucose screenings, health education, and assistance connecting community members to primary care physicians in Saint Francis Family Practice

offices and other services offered at Saint Francis Hospital. This comprehensive program of medical care served 1,730 patients in Fiscal Year 2016.

Growing Into Their Own



Project SEARCH is a high school transition program designed to help young people with disabilities find gainful employment. At **Bayhealth**, Project SEARCH provides hands-on experience through various internship opportunities in addition to classroom education and life skills coaching. SEARCH at Bayhealth is an award-winning program now four

years strong, and has graduated dozens of students many of whom now work in our community, such as Dazmir James. Dazmir was one of the first interns to complete two rotations at Bayhealth's Childcare Center while also earning Training for Early Care and Education accreditations. James now works at The Little School at Kids Cottage. James credits Project SEARCH with putting him on the path to his dream job—"Project SEARCH helped me find what I love," he said. "I love everything about this job. As soon as I walk in the door, the kids are right there to greet me. It's great."

Advancing Cancer Prevention in Teens

When **Nanticoke Health Services** was conducting its Community Health Needs Assessment, pediatricians voiced concerns over the low HPV vaccination rate among teen girls and boys as a preventative measure for cervical cancer. Recent studies show the HPV vaccine has cut infections in girls by more than half. Yet, follow-up research found that in Fiscal Year 2016, 42.3% of girls aged 13-17 in Delaware had received the HPV vaccine; down from 51.7% in 2014. Delaware is ranked 18th in the US for girls receiving the HPV vaccine.

Nanticoke is working to change those statistics by increasing the percentage of patients age 13-17 treated by a Nanticoke provider from 35% to 50%. Through partnerships with Seaford pediatricians and high school wellness centers, Nanticoke Health Services will identify opportunities to bridge the knowledge gap between CDC recommendations for HPV vaccine and current patient/parent understanding of the vaccine's benefits. Utilizing Cancer Nurse Navigators to

proactively reach patients who need screening and designing other internal workflow processes are two other strategies Nanticoke will employ to reach its HPV vaccination goal.

Overcoming Barriers to Achieving Optimal Health

A virtual hub of interdisciplinary Care Link professionals from **Christiana Care Health System**, including more than 40 population health nurses, is reducing



trips to the hospital by navigating patients through transitions of care. Care Link is part of a value-based, bundled care model in which the health system is accountable for the patient's journey, instead of Medicare paying separately for various services.

The innovative model is working. In January 2015, Care Link began supporting more than 2,500 Medicare beneficiaries. Fewer than 8% were readmitted to the hospital within 90 days after discharge, compared to 14% pre-Care Link. The program now services more than 26,000 patients, including Esther Austin, 66, of Wilmington, who has Type 2 diabetes. The support Esther receives from Care Link has helped her improve her health and enjoy a better quality of life. Esther now keeps her medical appointments, watches her diet, and takes her medications as directed, all of which help her achieve optimal health. "I can keep up better with my great-grandchildren. I can do more things," she said. "That makes me happy."

Patient Centered Coordinated Care: The CAREs Program

Patient engagement is paramount to reducing readmissions and improving quality of life. That's what is driving Beebe CAREs, a population health program at **Beebe Healthcare**, in Lewes, DE. Patients establish goals, framed not by a physiological measure but by a life event or activity: attending a child's high school graduation; attending a NASCAR race; visiting the Boardwalk with a grandchild. Participants – in most cases, high utilizers in the health care system – are assigned to an RN and supported by a multidisciplinary team with a nurse practitioner and social worker, all trained in health coaching. The team meets with patients in the hospital before discharge and conducts a full bio-social assessment. After discharge, a social worker

follows up, and the team coaches patients for 90 days wherever they are – at home, in a skilled nursing facility or – if the patient is homeless – meeting in a local shelter, restaurant, church or library.

The program has consistently helped Beebe reduce readmissions by nearly 40%. In addition, based on the Care Transitions Measure, patients’ transition skills have shown a four-fold improvement. Quality of life has increased more than two times, based on the CDC’s BRFSS survey. Beebe is working to expand the program through its primary care practices across Sussex County

Economic Contributions

No community benefit report would be complete without mentioning the economic benefits hospitals bring to their communities. Delaware hospitals were the second largest source of private sector jobs, employing 22,999 employees in the year ending December 31, 2017, with annual hospital payroll totaling just over \$1.65 billion.

In addition, Delaware hospitals spent over \$3 billion on goods and services from other businesses ¹. These goods and services from other businesses create additional economic value for the community. With these “ripple effects” included, each hospital job supports about two additional jobs and every dollar spent by a hospital supports almost \$2.00 of additional business activity. The effect of hospital expenditures on total state economic output for the year ending December 31, 2017 is \$5.5 billion.

Delaware hospital jobs are among the most attractive employment opportunities in the state. The average salary is \$72,092.

Economic Impact At-a-Glance

Hospital Jobs: 22,999

Average Salary: \$72,092

State and Local Taxes Paid: \$56,897,720

Hospitals support 5.4% of all non-farm employment in Delaware, a total of 45,924 jobs and generate \$5,586,747,634 in economic activity.

¹ Source: AHA analysis using BEA RIMS-II (2007/2015) multipliers for hospital NAICS Code 622000, released December 2016, applied to SHA Annual Survey data for 2015.

About the Delaware Healthcare Association

Established in 1967, the Delaware Healthcare Association (DHA) is a statewide trade and membership services organization that exists to represent and serve hospitals, health systems, and related healthcare organizations in their role of providing a continuum of appropriate, cost-effective, quality care to improve the health of the people of Delaware.

DHA provides members with the resources needed to stay current about healthcare issues, and their impact; promotes effective change in the provision of healthcare services through collaboration and consensus building on healthcare issues at the State and Federal levels; and provides effective advocacy, representation, timely communication, and information to Association members.

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*Member Hospitals Reporting
Community Benefit Information*

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Wilmington, DE 19803
(302) 651-4000
nemours.org

Bayhealth-Kent General

640 S. State Street
Dover, DE 19901
(302) 674-4700
bayhealth.org

Bayhealth - Milford Memorial

21 West Clarke Avenue
Milford, DE 19963
(302) 422-3311
bayhealth.org

Beebe Healthcare

424 Savannah Road
Lewes, DE 19958
(302) 645-3537
beebehealthcare.org

Christiana Care Health System-Newark Campus

4755 Ogletown-Stanton Road
Newark, DE 19718
(302) 733-1000
christianacare.org

Christiana Care Health System - Wilmington Hospital

501 W. 14th Street
Wilmington, DE 19801
(302) 733-1000
christianacare.org

Nanticoke Health Services

801 Middleford Road
Seaford, DE 19973
(302) 629-6611
nanticoke.org

Saint Francis Healthcare

701 North Clayton Street
Wilmington, DE 19805
(302) 421-4100
stfrancishealthcare.org