

*Delaware Hospitals  
Caring for Their Communities  
A Report on Fiscal Year 2014 Community Benefit Activities*



*Report Date: March 2016*

## Message from Our CEO



On behalf of Delaware's hospitals and health systems, I am pleased to present our Seventh Annual Statewide Community Benefits Report. The Report serves as a tool for policymakers, hospitals, patients, 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 2014, Delaware hospitals contributed more than \$275 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 \$2.7 billion to the State economy through economic output.

While the healthcare landscape continues to change and evolve, Delaware hospitals remain firmly grounded in their mission to provide high-quality healthcare services. I am confident they will continue to improve the health of all Delawareans.

Sincerely,

A handwritten signature in black ink that reads "Wayne A. Smith". The signature is written in a cursive, slightly slanted 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 tax exemption.

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 of government or other community efforts.

The Delaware Healthcare Association annually collects data from all Delaware hospitals to quantify total community benefit contributions. The data in this report represents Fiscal Year or Calendar Year 2014, 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.



## Delaware Hospitals' Community Benefits Provided in FY 2014

UNPAID COST OF PATIENT CARE	NET BENEFIT (LOSS)
Charity Care at Cost	\$57,756,249
Unpaid Cost of Public Programs	\$27,587,029
Bad Debt at Cost	\$50,513,119
<b>Total Unpaid Costs of Patient Care</b>	<b>\$135,856,397</b>

COMMUNITY BENEFIT SERVICES & PROGRAMS	NET BENEFIT (LOSS)
Community Health Improvement Services	\$29,173,680
Health Professions Education	\$32,557,409
Subsidized Health Services	\$45,487,228
Research	\$20,423,452
In-Kind Contributions	\$4,708,358
Community Building Activities	\$7,490,456
Community Benefit Operations	\$49,145
<b>Total Community Benefit Programs</b>	<b>\$139,889,728</b>

<b>TOTAL COMMUNITY BENEFITS</b>	<b>\$275,746,125</b>
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## *Total: \$275.7 Million In Community Benefit Activities*

Delaware hospitals provided over \$275 million in community benefits in Fiscal Year 2014. The total reflects programs and services in four main categories:

- **Unpaid Costs of Patient Care.** This includes charity care services for the uninsured and underinsured; the unpaid costs of treating patients with government sponsored insurance; and bad debts consisting of 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 educations, residency, preceptor, and other programs to 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 - \$135.9 Million*

Delaware hospitals absorbed more than \$135 million in losses in Fiscal Year 2014 caring for the state's poor, uninsured, and other vulnerable populations. The total includes:

- \$57.8 million in unreimbursed charity care services;
- \$50.5 million in bad debts;
- \$27.6 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 hospitals' 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 - \$29.2 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, racial and ethnic minorities, the uninsured, and the poor.

### *Health Professions Education - \$32.6 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 - \$78.1 Million*

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

- \$45.5 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);
- \$20.4 million in health research;
- \$4.7 million in donations;
- \$7.5 million in community building activities; and
- \$50,000 in support to hospitals' community benefit operations.



## *Community Benefit Program Highlights*

### *Connecting Research to the Community*

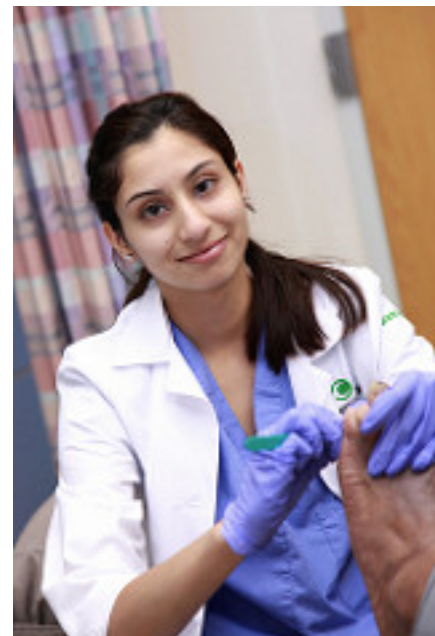
In the largest multi-institutional grant ever awarded in Delaware, Nemours/Alfred I. duPont Hospital for Children and three other organizations have received five-year, \$25 million funding from the National Institutes of Health and State of Delaware to establish The Delaware Clinical and Translational Research Program (DE-CTR). The DE-CTR's goals are to create a research infrastructure; help recruit, train and mentor clinicians, scientists and engineers; and develop model health and wellness community outreach and engagement. The DE-CTR focus areas will include obesity, infant mortality, cancer, women's health, cardiovascular disease and rehabilitation.

### *Giving the Most Vulnerable a Chance*

The Tiny Steps Program at St. Francis Healthcare gives the smallest, most vulnerable members of our community a fighting chance. In a state with an alarmingly high infant mortality rate, the Tiny Steps Program is fostering healthy pregnancies, healthy babies and healthy families. Operating out of the Family Medicine Center at Saint Francis Hospital and the Center of Hope on Kirkwood Highway in Wilmington, Tiny Steps offers complete prenatal, maternity care, post-partum care, bilingual health classes, patient/parent education and counseling to all expectant mothers, regardless of their financial circumstances.

### *Vital Community Partnerships*

The needs of the homeless go far beyond cold weather. Christiana Care's Medical Home Without Walls population health program, which helps coordinate care for the homeless population—one that typically only seeks medical care through the Emergency Department—was the perfect fit for serving the people at St. Patrick's Center on Wilmington's East Side. Three Christiana Care social workers have regularly scheduled days at St. Pat's to provide care management services, and an on-site nurse practitioner provides additional support several times each month by taking blood pressure readings and doing wellness checks. A community educator also regularly visits the center to help participants navigate the insurance system.



The partnership was an immediate success. In fact, since Christiana Care teamed up with St. Pat's, the number of people using the Emergency Department for social needs has dropped an astounding 83 percent.

### *Promoting Teen Health and Wellness*

Bayhealth's School Based Wellness Centers provide Delaware's teenagers with health services in cooperation with each teen's family physician. Located in area high schools (Caesar Rodney, Dover, Lake Forest, Milford, Polytech, Smyrna, Woodbridge), the Wellness Centers work to meet the physical needs of today's adolescents, as well as their health education, nutritional, mental and emotional needs. Bayhealth wellness centers focus on prevention and promote positive physical and mental health to area teens.



### *Improving Access to Behavioral Healthcare*

Beebe Medical Center teamed up with InSight Telepsychiatry, LLC, in 2012 to launch the first telepsychiatry program within a Delaware hospital. Since then, the program has expanded and now provides care to an average of 15 in-patients per month and 20 emergency room patients per month. Because telepsychiatry removes many of the barriers to fast and effective care, behavioral health patients at Beebe Medical Center are able to quickly receive psychiatric evaluations and care from psychiatrists regardless of the time of day or severity of their condition. Beebe's telepsychiatry program improves the quality of care for behavioral health patients, cuts Emergency Department wait times, and reduces unnecessary patient transfers.

### *Turning Traditional Outreach into Partnerships for Early Detection*

Nanticoke Health Services, like many healthcare organizations, provides screenings at local events throughout the year. Nanticoke is partnering with local businesses to provide additional screening opportunities specifically for their employees. By building important screenings into existing employee events and education sessions, employers such as the City of Seaford and Delaware Electric Coop are impacting the health of their staff. To date, these efforts have already made a difference, from helping more people at high risk better control blood pressure to detecting early stage melanoma.



## *Economic Contributions*

No community benefit report would be complete without mentioning the economic benefits hospitals bring to their communities. Delaware hospitals are the second largest source of private sector jobs, employing 20,363 employees in Fiscal Year 2014 with annual hospital payroll totaling just over \$1.4 billion. In addition, Delaware hospitals spent over \$2.7 billion on goods and services from other businesses <sup>1</sup>. 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 more jobs and every dollar spent by a hospital supports almost \$2.00 of additional business activity.



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<sup>1</sup> Source: Avalere Health, using BEA RIMS-II (2002/2010) multipliers for hospital NAICS Code 622, released 2008, applied to American Hospital Association Survey data.

## About the Delaware Healthcare Association

Established in 1967, the Delaware Healthcare Association 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.

The Association 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.

### Staff Contacts:\*

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*Member Hospitals Reporting  
Community Benefit Information*

**Nemours/Alfred I. duPont Hospital for Children**

1600 Rockland Road  
Wilmington, DE 19803  
(302) 651-4000  
[nemours.org](http://nemours.org)

**Bayhealth-Kent General**

640 S. State Street  
Dover, DE 19901  
(302) 674-4700  
[bayhealth.org](http://bayhealth.org)

**Bayhealth - Milford Memorial**

21 West Clarke Avenue  
Milford, DE 19963  
(302) 422-3311  
[bayhealth.org](http://bayhealth.org)

**Beebe Healthcare**

424 Savannah Road  
Lewes, DE 19958  
(302) 645-3537  
[beebehealthcare.org](http://beebehealthcare.org)

**Christiana Care Health System-Newark Campus**

4755 Ogletown-Stanton Road  
Newark, DE 19718  
(302) 733-1000  
[christianacare.org](http://christianacare.org)

**Christiana Care Health System - Wilmington Hospital**

501 W. 14th Street  
Wilmington, DE 19801  
(302) 733-1000  
[christianacare.org](http://christianacare.org)

**Nanticoke Health Services**

801 Middleford Road  
Seaford, DE 19973  
(302) 629-6611  
[nanticoke.org](http://nanticoke.org)

**St. Francis Healthcare**

701 North Clayton Street  
Wilmington, DE 19805  
(302) 421-4100  
[stfrancishealthcare.org](http://stfrancishealthcare.org)