



Focus



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In This Issue...

- ⇒ McClymonds New Chairman
- ⇒ Medicaid is Good Business
- ⇒ Medicaid and Fiscal Policy
- ⇒ Benjamin Wins SC Race
- ⇒ WV Donation Initiative
- ⇒ Jefferson Memorial's 100th Year
- ⇒ Nursing Fellowship Program

Bruce McClymonds New WVHA Chairman



Bruce McClymonds, President of West Virginia University (WVU) Hospitals in Morgantown, is the newly appointed Chairman of the West Virginia Hospital Association (WVHA) Board of Trustees. McClymonds replaces former Montgomery General Hospital CEO Randy Mills.

West Virginia University Hospitals, a 522-bed university teaching hospital, is a subsidiary of the West Virginia United Health System and a component of the WVU Health Sciences Center, which includes the WVU Schools of Medicine and Nursing and University Health Associates, a 350-physician faculty plan. McClymonds served as the hospital's Chief Financial Officer from 1989 through 1994 and as the hospital's Chief Operating Officer in 1995 and 1996. As current CEO, McClymonds is responsible for all aspects of hospital operations and plays a significant role in strategic plan development and implementation.

Prior to moving to WVU Hospitals, McClymonds spent nine years in the healthcare specialty group of Price Waterhouse's Pittsburgh office. He also served as CFO of a community hospital in the Pittsburgh area.

McClymonds is eager to begin his tenure as Chairman during which time he will be involved in WVHA advocacy issues, one of which is to protect and maintain Medicaid funding.

"The increasing inadequacy of Medicaid payment to hospitals has substantially increased the cost shift in recent years," McClymonds said. "We have to continue to work closely with state government in addressing

this issue. Absent a long-term solution to this problem faced by both hospitals and the state, the implications are significant."

Medicaid is Good Business

Healthcare contributes \$2.1 billion annually to West Virginia's payroll, is an economic stimulus, strengthens the employment base, and is one of the most important features of the state's infrastructure. Every 100 healthcare jobs support as many as 70 additional jobs in other areas of the economy. Healthcare services also help to attract and retain business. It is important that business leaders and other key decision makers understand the contribution of healthcare to the state's economy and how governmental healthcare policies affect private employers.

Because so many West Virginians are insured through publicly financed programs, government is responsible for a large portion of hospital revenues. Since healthcare programs like Medicaid are inadequately funded and reimbursement to providers is below cost, the private sector and commercial insurers bear the cost of this uncompensated care.

Consequently, when state healthcare programs do not pay their coverage costs that financial shortfall is shifted to private businesses. Last year, West Virginia passed over \$97 million of Medicaid and PEIA costs to private employers; Medicare nearly doubled that figure. Such a shift often makes private health insurance too expensive for state residents and on any given day 250,000 West Virginians are uninsured. Underinsured or uninsured workers struggling to stay healthy and remain (Continued on Page 2)

(Continued from Page 1) employed unintentionally compromise the state's economic opportunities.

West Virginia needs adequately funded government healthcare programs and a healthy, insured workforce. An insolvent Medicaid program is economically detrimental to everyone who practices business in West Virginia. Inadequate access to healthcare leads to lower productivity, and that hurts business. Cuts also result in higher employer health insurance costs, and that hurts employers and employees. Ultimately, the payment shortfall shift to private businesses.

Business leaders must become strong advocates for well-funded governmental healthcare programs, and they must help shape policies that will ensure a viable, stable healthcare system with a predictable source of funding to meet the needs of all West Virginians.

Benjamin Wins Supreme Court



In a continued display of unity by the healthcare field and business community, in what was considered to be the most important and hotly contested race in the state, Republican Brent Benjamin defeated incumbent Justice Warren McGraw for a seat on the West Virginia Supreme Court. Benjamin, endorsed by the West Virginia Hospital Political Action Committee (HOSPAC) in early June, won the race with 372,210 or 53% of the votes to McGraw's 325,338 or 47%. Benjamin will serve for a 12-year term, expiring 2016.

The West Virginia Hospital Association (WVHA), along with other healthcare leaders and the business community, considered the West Virginia Supreme Court race critical to sustain the medical liability reforms of *House Bill 2122* passed by the Legislature in 2003, which is considered nationally recognized medical liability reform legislation, as well as to begin building a more business friendly judicial climate in West Virginia. Benjamin's opponent in the race, current Justice Warren McGraw, has voted twice to strike down the previous \$1 million cap on non-economic damages that was in place prior to the passage of medical liability reform in 2003. Since the passage of the *House Bill 2122*, McGraw has voted three times to hear cases aimed at weakening the new reform.

Steven Summer, President and CEO of the WVHA, praised the election results. "Now with a more balanced court," he said in an article appearing in the *Daily Mail*, "decisions may be more favorable on these issues. At least the court will be able to determine that what the Legislature did was constitutional. The issue is access to care."

Benjamin has been a lawyer for 20 years and has practiced with the firm of Robinson & McElwee. In his acceptance speech he told reporters, "Brent Benjamin will mean a stable, predictable and balanced Supreme Court."

Cutting Medicaid is Bad Fiscal Policy

As states become increasingly concerned about rising budget deficits, lawmakers are likely to turn to the Medicaid program to find new ways to save money. But it is important to know that Medicaid costs are increasing for the same reason that healthcare costs in general are increasing – the rising cost of prescription drugs and the increasing cost of providing healthcare services such as hospitalization and nursing home care – and Medicaid is doing a better job of keeping those cost increases in check than the private health insurance market. This point is especially important because not only does Medicaid provide important services for state residents, it also helps bring revenue to the state in the form of federal matching funds.

Although Medicaid costs are growing at the same time West Virginia is facing financial difficulties, the state should look elsewhere to find budgetary savings for one important reason – state Medicaid spending brings federal funds into West Virginia's economy. For every \$1 West Virginia spends on Medicaid, \$3.31 in federal funds are brought into the state.

According to a recent West Virginia University study, commissioned by the West Virginia Hospital Association, Federal Matching Funds for FY 2002 created over 32,000 jobs and \$1.9 billion in total business activity. These federal monies help support doctors, hospitals, home health services, and health clinics.

A cut in state Medicaid spending, therefore, further reduces state revenues at a time when West Virginia most needs that assistance. At the same time, it strains the entire healthcare system.

West Virginia Donation Initiative



A new organ donation initiative just begun in West Virginia is a collaboration of the West Virginia Hospital Association (WVHA), the state's four Organ Procurement Organizations (OPOs), and the state Department of Health and Human Resources (DHHR). The statewide, one-year project, *West Virginia Donation Initiative*, is the first of its kind in the nation and represents the first time that an entire state has come together under the auspices of increasing organ donation rates. The goal of the project is to further engage hospitals in a directed strategy to increase donation rates in West Virginia to 75 percent.

Hoyt Burdick, Medical Director of the Intensive Care Unit of Cabell-Huntington Hospital, is medical advisor for the West Virginia Donation Initiative (WVDI). Burdick received his medical education at the University of Mississippi Medical Center in Jackson, Mississippi. While there, Dr. Burdick became acquainted with Dr. James Hardy, Chairman of the school's Department of surgery. A pioneer in transplantation, Hardy developed the technique for cardiac transplantation and was the first surgeon to attempt transplantation of a chimpanzee heart into a human being. His research helped to solve problems to enable surgeons like Dr. Christian Barnard to perform heart transplantation years later.

"In the past 10 years," said Dr. Burdick, "I have practiced as an Intensivist in Huntington and have treated many patients with various end-organ failures. Some failures were acute and reversible; others proved fatal. I experienced firsthand the combination of tragedy and hope that can arise from the unexpected severe injuries of loved ones and the promise of saving another dying patient through organ donation. I witnessed the joy of renewed life expressed by patients who were freed from bondage to a dialysis machine or who are taken off *death row* through the experience of receiving a transplanted organ."

Dr. Burdick works with the staff and members of his Organ Procurement Organization, Kentucky Organ Donor Affiliates, or KODA, to support and preserve organ function of donors. "We have also participated in the *Organ Donation Breakthrough Collaborative from its beginning," Dr. Burdick said, "and we are continuing to improve our consent rate for medically suitable donors and learn from our peers around the country."

*See <http://organdonation.iqsolutions.com>



*ThanksgivingDay
Give Thanks, Give Life
www.donatelife.net*

Medicaid and the Uninsured

Medicaid coverage actually reduces West Virginia's healthcare expenditures. When low-income people have Medicaid coverage, they seek more cost effective care. Then the state can share a significant part of the cost of this care – half or more – with the federal government.

When uninsured West Virginians are forced to wait until a health condition worsens to an acute level, they often turn to care in a hospital emergency room. When the patient is unable to pay, the cost of care is absorbed by the hospital and results in higher costs for everyone – as evidenced by higher insurance premiums.

Uncompensated care costs are passed on by increasing the price of care for all people – insured or uninsured – in the healthcare system. Thus, Medicaid is actually cost effective. Although Medicaid serves many people who are elderly or sick or have disabilities, nationally the program's costs have not risen as fast as the costs of private insurance. Medicaid spending per beneficiary grew by four percent between 1999 and 2000; the cost of premiums for employer-based private coverage grew by 8.3 percent.

If West Virginia reduces spending on Medicaid, more state residents will be left uninsured. A significant number (Continued on Page 4)

(Continued from Page 3) of these people will go without needed care – with long-term consequences to their health and their ability to contribute productively to the state's economy. A 10 percent reduction in the Medicaid Federal-Match Funds costs West Virginia:

- ⇒ \$188.1 million in business volume;
- ⇒ 3,268 jobs;
- ⇒ \$66.7 million in employee compensation; and
- ⇒ \$95.5 million in value added.

The West Virginia Hospital Association has long stressed the importance of protecting and maintaining the Medicaid program and has strongly advocated against budget cuts to the state-operated medical insurance program.

State money designated for Medicaid is used to gain three times the amount in matching funds from the federal government. Given the state's demographics, many residents receive healthcare through government aid, with 300,000 utilizing Medicaid.

Jefferson Memorial Celebrates 100th

On November 5, 2004, Jefferson Memorial Hospital in Ranson celebrated 100 years of service to its community. Over 140 people were in attendance, including physicians, past and present employees, the general public, and members of the Jefferson Memorial Hospital Board of Directors.

John Sherwood, CEO, acted as Master of Ceremonies, and Cal Simpson, Re-



The American Hospital Association's Cal Simpson presents CEO John Sherwood with an honorary plaque from the West Virginia Hospital Association.

gional Executive for the West Virginia Hospital Association (WVHA), made presentations for both the American Hospital Association and the WVHA. Gary Murdock, Vice President of Planning and Program Development, West Virginia University (WVU) Hospitals, spoke about the pending merger between Jefferson Memorial Hospital and WVU Hospitals to form WVU Hospitals — East. Dr. Jan Kletter, President of Jefferson Memorial's medical staff, spoke of the advancement of medicine over the past 100 years and saluted the first physicians to bring modern healthcare to a small, rural town in West Virginia.

New Nursing Fellowship Program

In recognition of the future nursing shortage West Virginia will face, the West Virginia Hospital Association and other healthcare groups last year successfully advocated for *House Bill 4143*, which creates the Center for Nursing. The purpose of the Center is to collect and analyze data on the nursing shortage and to address the issues of recruitment and retention of nurses in West Virginia.

The healthcare community has no doubt that a nursing shortage looms ahead. The 2003 *West Virginia Nursing Shortage Study Commission Report* estimates that our state will be unable to meet the predicted demand for as many as 2,500 additional nurses by 2008. This projected nursing shortage, occurring at the same time as a major restructuring of our healthcare system, makes the need for leadership in nursing more important than ever before.

West Virginia's impending nursing shortage calls for innovative solutions to support nurses to stay and work in their home communities. Together, the Charleston Area Medical Center Health Education and Research Institute and the West Virginia University School of Nursing – Charleston Division – have formed The West Virginia Nursing Leadership Institute (WVNL) in hopes of addressing this issue.

Starting in January 2005, 30 nurses from cities and towns across West Virginia will assemble in Charleston as the first class of an exciting, new 18-month fellowship program. The WVNL will provide these nurses with the experiences, insights, competencies, and skills necessary to become effective leaders in both the workplace and the community. Recognizing the importance of leadership skills in successful nurse recruitment and retention, these participants also will develop the skills necessary to advance within nursing.

Thirty nurses will be accepted into the program each year. Nurses working in hospitals, public health departments, primary care clinics, schools of nursing, and rural areas will be targeted to participate, and those chosen will be allowed to remain in their current places of employment. Upon completion, each participant will receive CEUs and have the potential to earn college credit. For more information, visit www.wvnli.org.