Shelby County Health Care Corporation dba Regional Medical Center at Memphis (The Med)

Memphis and Shelby County, Tennessee

(Largest urban area in state and most populated county)

OPERATIONAL

Organizational Structure

- Shelby County Health Care Corporation Board: 501(c)(3) nonprofit organization that governs the Regional Medical Center at Memphis (The MED).
- 12 members
  - One ex-officio member will be the president of the Regional Medical Center with vote. Two ex-officio members (with no vote) will be medical director and the president of the medical staff.
  - Appointed by the County Mayor and confirmed by the County Commission.
  - Purpose is to set policies and oversee operations (mainly focusing on quality and patient safety) of the Regional Medical Center (The MED) and affiliates.
  - Three-year term.

The MED

- Primary source of care for Shelby County's uninsured.
- Acute-care teaching hospital site for the University of Tennessee Health Science Center.
- More than half of all physicians in Tennessee have been trained here.
- Serves a six-state region within 150 miles of Memphis, Tennessee.
- 86 percent of its hospital admissions are from Tennessee and 92 percent of these are from Shelby County.

2001 data:

- 347 staffed beds
- 16,000 inpatient admissions, including approximately 4,500 newborn deliveries.
- Approximately 340,000 outpatient visits at the main campus and at more than a dozen offsite facilities.
- Eight Centers of Excellence
  - Firefighters Regional Burn Center
  - The *Elvis Presley* Memorial Trauma
  - High-Risk Obstetrics

- Wound Center
- Sheldon B. Korones Newborn Center
- Adult Special Care Center
- Sickle Cell Center

- Operates 10 primary care outpatient clinics located throughout the Memphis area known as Health Loop (not FQHCs).
  - Before 1999, the Shelby County DOH operated six clinics that provided primary care services as well as traditional public health services such as immunizations and prevention activities. The merger of these DOH clinics with The Med's four primary care clinics was designed to reduce duplication of services and increase coordination between providers who have compatible missions.
  - Sees 60,000+ patient visits per year.
  - Connected to the specialized services of THE MED through the Shelby County Health Care Network, which includes the Memphis and Shelby County Health Department and MedPlex, The MED's outpatient facility.
- Outpatient specialty services MedPlexRehabilitation Hospital of Memphis is known for its innovative approaches to patient rehabilitation resulting in quick and complete patient recovery.
- The MED's medical communications center (MEDCOM) facilitates critical ground and air ambulance-to-hospital medical communications.
- No psychiatric care—outsources psychiatric emergency department to Lakeside Behavioral Health System, placing 13 Lakeside staff at The Med for placement with area providers. Or patients get transferred to Memphis Mental Health Institute (state hospital).
- A 2004 George Washington University Study found a significant percentage of emergency department visits at The Med are for patients whose conditions are non-emergent:
  - 14% of all emergency department encounters that did not result in an admission were for patients who presented with non-emergent conditions.
  - Another 14 percent were for patients whose conditions were emergent but could have been treated in a primary care setting.

Personnel data not readily available.

THE MED FOUNDATION

- Charitable, nonprofit, 501(c)(3) fundraising arm for the Regional Medical Center at Memphis (The MED).
- Founded in 1986, the Foundation operates for the benefit of The MED with a volunteer Board of Directors, which guides the fundraising, allocations, and investment of dollars.
- Foundation's fund began with a transfer of $50,000 from donations received by the hospital from Elvis fans.

Other safety net providers: two Federally Qualified Health Centers (FQHCs) Christ Community Clinic (established in 1995 by Baptist Memorial Health Care Foundation) and Memphis Health Center, and a faith-based clinic system called Church Health Center.

Methodist University Hospital and LeBonheur Hospital for Children are also important sources of care for the uninsured. BOWLD Hospital, operated by the University of Tennessee, Methodist Hospital, and St. Francis, also provides care to uninsured and underserved residents.

MORE ON THE CHURCH HEALTH CENTER

- Largest faith-based clinic of its type in the country.
- Provides medical services for the working poor, wellness and fitness education, congregational outreach for health information, preschool childcare.
- Started in 1987 by a family practice physician and ordained United Methodist minister.
- 50,000 patients of record without relying on government funding.
- Eligibility requirements for patients:
  - Shelby County resident.
  - Age 17 or younger or are still in high school must be uninsured or have TLC TennCare.
  - 18 or older must be working* and uninsured:
    - Men must work at least 30 hours per week.
    - Women must work at least 20 hours per week.

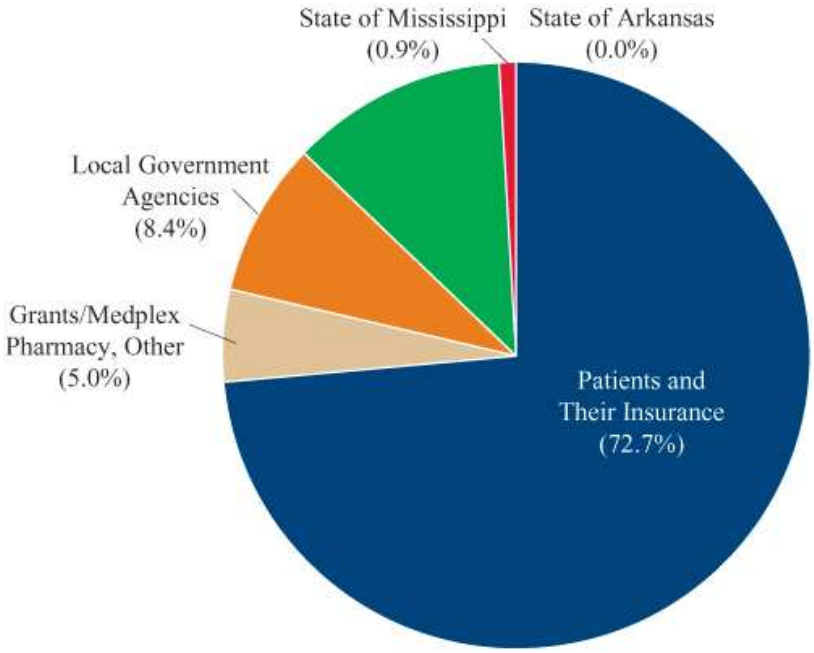
      * Sole care-giving parent of a child six years old or younger, does not have to meet the work requirements. Homeless may also qualify to become patients.
- Runs Hope & Healing:
  - 80,000-square-foot, comprehensive wellness facility, offering everything from personalized exercise plans and cooking classes to group exercise classes and activities for children and teens.
  - Sliding-scale membership fees are based on income and family size, so healthier living has never been more affordable.
- Runs an employer-sponsored health care plan (The MEMPHIS Plan, created in 1991) for small businesses (<200 employees) and the self-employed.
  - Employees must be <200%FPL and work at least 20 hours per week.
  - Memphis Plan volunteer doctors see patients in their own offices.
  - Linked with Methodist hospital.
  - Led a communitywide effort (1995–1999) to expand the "Memphis Plan" by working jointly with the Memphis and Shelby County Medical Society on the project, focusing specifically on bringing more private physicians into the Memphis Plan. The project was part of the Robert Wood Johnson Foundation (RWJF) *Reach Out: Physicians' Initiative to Expand Care to Underserved Americans* national program.

FINANCIALS

From The MED Web site

It takes approximately $331 million annually to operate programs such as the Trauma Center, Burn Center, Neonatal Center and MedPlex at The Regional Medical Center at Memphis (The MED). The approximate percentage breakdown of the source of those funds can be found below. All of these funding sources are critical to sustaining the tremendous work conducted every day at The MED.

In 2008, The MED provided over $255 million of Charity Care to the residents of this community.



2001 financial data (more recent data not readily available):

- 42 percent of outpatient visits were reimbursed by TennCare and 22 percent of the visits were by uninsured patients.
- Provided over $50 million in bad debt and charity care

From the 2004 George Washington University Study

- Adjusting DSH rules would likely bring in about $5 million from Arkansas and Mississippi. The federal government, however, has prohibited DSH funds from being distributed across state lines.
- Mississippi recently gave The Med $10 million from its tobacco fund in recognition of the care.
- The Med officials previously argued that the facility should receive funding from Mississippi's trauma fund because it is the only Level I trauma center that serves northern Mississippi and because it spends as much as $9 million annually treating uninsured trauma and ED patients from that state.

- Mississippi Medicaid paid almost $8 million to The Med in 2002; however, regulators determined that the payment did not comply with guidelines concerning federal Medicaid matching grants and the federal portion of the payment was withdrawn.
- The Med receives $30 million from Shelby County to defray the costs of uncompensated care.

SIMILARITIES TO NASHVILLE

- Located in Tennessee.
- Affiliated with teaching hospital.
- Community dynamics appear to be similar to that of Nashville, although academic affiliation is not as complex.

DIFFERENCES FROM NASHVILLE

- Has a broader geographic reach, larger number in the target market.
- Has a teaching hospital linked to clinics for underserved.
- Does not have as many FQHCs as Nashville.
- Benefits from EAP funds by having a very large percentage of TennCare enrollees in its payer mix.
- Community seems to have a general sense of the safety net system—the Med provides a unified base.

OTHER NOTABLE FACTS/ISSUES

From the 2004 George Washington Safety Net Study

- *Memphis' safety net providers generally do not collaborate or coordinate services. Long-standing turf issues, competition for patients, and feelings of distrust among members of the safety net inhibit efforts to coordinate care and to exchange information across sites.*
- *Although there is a general sense that sufficient primary care capacity exists to meet the needs of Memphis residents, this is not the case for specialty care.*
- *Uninsured and low-income patients have very poor access to specialty physicians, and there are reports that many providers are no longer willing to treat TennCare patients.*
- *Organizations in Shelby County were granted, and subsequently lost, funding for several CAP initiatives. In 1998, The Med, the Health Loop, and Memphis Health Center were awarded a $998,000 grant, and, in 2000, Shelby County Health Care Corporation received a grant of $885,992 to locate medical homes and develop a case management model for the uninsured in Memphis. The Med was also awarded a CAP grant, which it used to conduct an outreach program.*

- *Notable for Nashville General too: The switch from DSH to EAH had broad implications because EAH compensation is based only on the number of Medicaid patients seen, rather than on a formula that also takes into account a hospital's uninsured burden. EAH pays hospitals with high Medicaid volumes a portion of the difference between regular Medicaid payments and the actual costs of treatment.*[45] *Thus, the EAH program has not been as beneficial to hospitals as traditional DSH payments which did take into account costs associated with care to the uninsured.*[46] *The amount of money forgone as a result of the switch to EAH is significant, given increasingly high uncompensated care burdens experienced by net inpatient care providers.*