

Gavins ACE Hardware

★
plan
ahead
for the
holidays!



Save now
through
Nov. 24th!

SALE

Home Center • Fort Myers

466.7777

16025 San Carlos Blvd.

Home & Pro Powerhouse • Fort Myers

466.0069

16065 San Carlos Blvd.

PAIN

From page 1

off by 6.3 percent in 2008's fiscal year that ended Sept. 30, representing 4,961 patients, or at least \$25 million in lost revenue based on wide-ranging per patient averages.

The lack of patients last year put Neal Sword, Lee Memorial's director of business operations, in a unique position. In anticipation of a slower fiscal 2009, he didn't raise the annual budget for the first time in 32 years.

"People decide to put off certain things," Mr. Sword said. "You may have a hernia, but it's not killing you, so you put it off."

The revenue from those patients helps subsidize care for the uninsured or out of work — especially when they come to emergency rooms, which must treat all patients under federal law.

With consumers cutting back on luxuries, Mr. Sword's immediate concern is the possibility of a slow tourist season in Southwest Florida. "How many people will fly to Florida with their families this year?" he wondered. "That scares us."

Out of state patients are some of the hospital's most lucrative, because LMHS can charge their insurance providers higher rates.

Insurance companies with in-state customers can negotiate a lower price, because they send LMHS a higher volume of patients. The hospital also loses money on government health programs like Medicare and Medicaid. Like a faulty slot machine, they only pay about 80 to 90 cents of each dollar of health care.

"Medicare and Medicaid payments was a serious issue heading into this slump, and then you deal with this (lower) volume of patients and it really hit us hard," Mr. Sword said.

Adding to the bill, the amount of charity care LMHS provides has increased by millions since the housing meltdown in 2005, accounting for nearly 10 percent of last year's budget. The hospital system writes off about one-third of care for patients within 200 to 400 percent of federal poverty guidelines. And starting in 2007, uninsured patients at Lee hospitals get up to 50 percent off their bill.

About one-third of Lee County residents, more than 180,000 people, have no health insurance. Statewide, that number is about 25 percent.

"We can't have 30 percent uninsured," Mr. Sword said. "We can't pay for it."

Although offering less charity care has been up for debate in the past, there are no plans to change it now. Mr. Rueben said "I don't expect they'd walk away from that type of commitment. Is it harder to do that when there's an economic downturn? Well, of course it's harder. But I would expect they'd find away."

Mr. Sword agreed.

"It's easy to be a leader when you have plenty of money," he said. "The true test is when you don't."

Staying profitable also affects the hospital's ability to "float bonds," a way of borrowing money.

"Hospitals require a very, very large amount of capital and generally borrow that money," Mr. Rueben explained. "When a hospital has a strong financial performance, the bond rating agencies give the bonds a higher confidence rating. That means the interest on the bonds is lower. So the expense to the hospital and the community is lower."

Other hospitals in Florida and the United States have also seen fewer admissions cut into their budgets. Citi Investment Research told the New York Times that in a survey of 112 nonprofit hospitals in the United States, overall inpatient admissions were down 2 to 3 percent versus a year earlier.

Private practice

Mike Biel, practice administrator for Internal Medicine Associates, a private group with about 30 doctors in Lee County, both primary care and specialists, has seen less business for the specialists.

"A lot of (patients) are going to a primary care doctor and not following up with the specialists," he said. "We're seeing a lot of patients that are forgoing testing and procedures."

Expensive medications, such as those that control cholesterol levels, have also lost sales.

"Some patients we're dealing with are actually splitting pills to get more out of their drug," Mr. Biel said. "I think that's where people that need health care are cutting corners."

Mr. Biel said doctors at Internal Medicine treated a wave of people who couldn't pay shortly after the housing meltdown, but the number dropped when those workers left town. Now, as the unemployment rate keeps going up, he said, "We'll probably go through another wave of people that just say 'I don't have any more money.'"

Internal Medicine may lose at least one medical service because it's no longer affordable: antibiotics delivered intravenously for certain infectious diseases.

"The only reason we'd think of phas-

keep patients out of ERs, "the most expensive place to get primary care on the planet," said Mr. Sword.

"It's harder for them to gear down to treat an earache," he said. "They're more ready to treat someone who lost their ear — it's that level of staffing and intensity."

Family Health Center provides about \$12 million in uncompensated primary care to patients and their families each year, with at least 12 locations in Lee County.

Preparing for slower growth

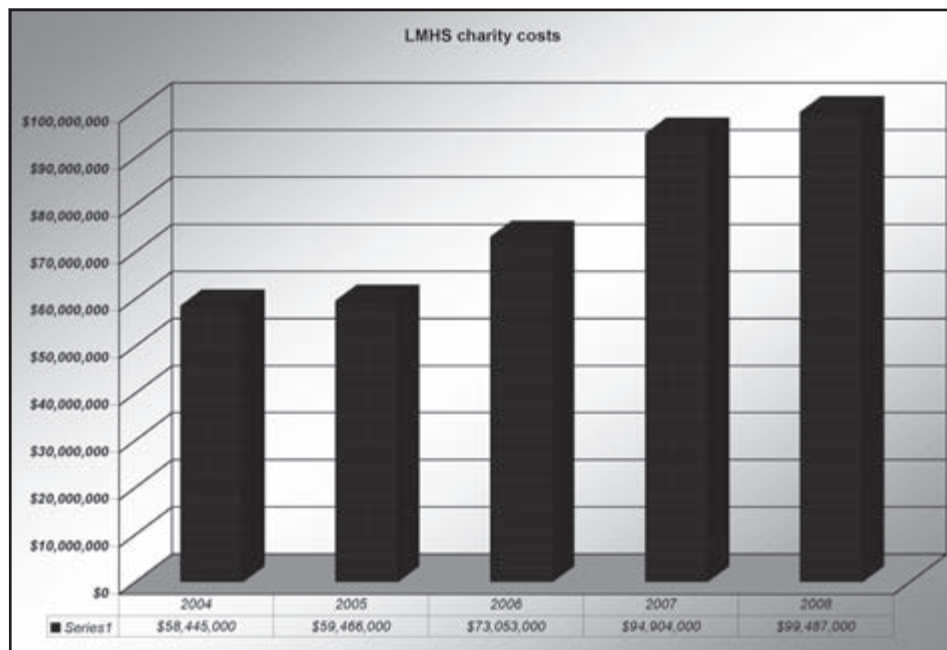
In recent years, LMHS grew rapidly along with Lee County to become one of the 10 largest hospital systems in the United States.

It more than doubled the budget since 2004, to nearly \$1 billion in 2008. After acquiring all of Nashville-based HCA's hospitals in Lee, in a \$500 million deal, LMHS continued to spend hundreds of millions in new development, including a new cancer care center. But recent plans, like a \$60 million software system to link the developments, may have to wait until admissions pick up again.

But things are changing.

Mr. Sword pointed to a decrease in births at LMHS, 1,200 less than expected in fiscal 2008, as evidence some patients have left town.

"That doesn't tell me young people



FLORIDA WEEKLY GRAPHIC, DATA FROM LEE MEMORIAL HEALTH SYSTEM

ing that out is some of the insurance companies have stopped paying for the drugs," Mr. Biel said. "Some of these drugs (require) a week, two weeks of coming in every day and having antibiotics running through your system. It costs thousands, and is something patients can't afford."

Low-cost option for primary care

An increasing number of uninsured or out-of-work patients are forced to use Lee County emergency rooms as a source of primary care.

ER visits for health problems like ear infections or stomach aches are two of the top 20 reasons people visit the ER, according to the Florida Hospital Association. LMHS recommends you don't hesitate to use the ER whenever you need to. You won't be asked to pay on the spot, but the bill you get later could be 10 times what a doctor's office would charge.

There is at least one option for people with no insurance or work to get a primary care physician: Family Health Center of Southwest Florida.

An average charge for an office visit is \$92, but many patients only pay about \$10 if they provide proof of their financial situation.

"If you can't pay, we're not going to hunt you down," said Bob Johns, senior vice president of community partnerships at FHC. "Because we're primary care, we're more like a family doctor."

Having access to a family doctor helps

are having fewer babies," he said. "They left Lee County."

Mr. Johns saw a similar trend. "We saw an increase in patients initially as the bottom fell out of the construction industry, and they didn't have any insurance," he said. "And then, a lot of those families started leaving the area."

Working on a tight operating margin this year, Mr. Sword and the LMHS board members cut \$65 million from the budget to renegotiate contracts and freeze hiring in 2009. They aren't looking for new employees this year, like "fly-in" nurses who are usually hired on a seasonal basis to prepare for winter residents and tourists. Line employees will only get a 2 percent raise this year and management won't get a raise.

Only \$19 million will be spent on the "latest, greatest" equipment doctors like, Mr. Sword said, instead of the usual \$40 million. He assured there is plenty of money to meet federal and state requirements at LMHS. But any additional spending will be "up for debate."

Mr. Sword believes more people will continue to defer getting health care because it will become increasingly unaffordable.

"I was absolutely not an advocate of socialized medicine," he said. "But I've come to the opinion that we have to have some government help."

While the quality of health care is high at hospitals, Mr. Sword said, and there is easy access to it, "it's the cost that's out of control." ■