

## Broadlawns Health Care Issues – 2014 Legislative Session

### History

- Strong collaborative relationship on IowaCare with the State of Iowa (Win/Win).
- Broadlawns tax levy that has been transferred to the state over the past 7 years draws down an *additional* \$500 million.
  - Broadlawns uses some of this funding to cover costs of expanded and unfunded care.
  - State of Iowa and counties outside of Polk County benefit greatly, utilizing more of these funds to care for patients in their respective counties.
- In addition, Broadlawns implements measures that drastically reduce costs of patient care by over 45%, resulting in net annual savings of approximately \$25 million per year. These dollars go back the State of Iowa to further support the IowaCare and other Medicaid programs.

### Key Issues

- 1) Creation of new Iowa *Health & Wellness Plan* while positive for hospitals throughout Iowa, *creates significant financial uncertainty* for Broadlawns Medical Center. While many patients will certainly continue to use Broadlawns as their medical home, others – many with unique *psychosocial issues – may go elsewhere. This inability to forecast future volume of patients* creates difficulty trying to estimate needed resources. Approximately 50% of Broadlawns patient volumes today are IowaCare patients.
- 2) Capping of the IowaCare program and eliminating new patient enrollment effective 7/1/13 is resulting in a tremendous increase in the cost of *charity care* at Broadlawns. Prior to 7/1/13, Broadlawns provided the highest level of charity care in the state of Iowa. Since 7/1/13, charity has exploded and has more than doubled to 9% of its operating budget. The capping of the IowaCare Program has resulted in an *additional \$750,000 (approx) in new charity per month. This will result in close to \$5 million of new charity care* for the period of 7/1/13 to 12/31/13.
- 3) Broadlawns currently has the largest family medicine residency program in Iowa. Approximately 2/3 of our graduates go on to practice and stay in Iowa – many of these go to rural Iowa. In addition, Broadlawns has a very large psychiatry and mental health program – the largest in Iowa. Given the *extreme demand and need for psychiatrists in Iowa*, Broadlawns would like to build off its success running residency programs that recruit, retain and place physicians in the State of Iowa. Broadlawns proposes to start *a new psychiatric residency program* in Iowa. The uncompensated costs to operate a residency program such as psychiatry are very high. We would *request \$2 million* to start up and operate this program.