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Imagine a Day Without Hospitals –

How Would You be Affected?



There are countless encounters between patients and caregivers in our state's hospitals every day. Every minute, someone dies and someone is born. In between, people receive life-saving treatments, education on how to stay healthy and support at times of need.

Certainly, hospitals are a backdrop for life's changing moments.

Think about your own life. How have hospitals served you? Now, imagine your own personal hospital stories multiplied for millions of individuals and families all across our state. Each day, New Jersey's hospitals welcome 300 new babies into our world, perform 800 life-enhancing surgeries and care for 9,000 people who rush to the Emergency Room.

The thought of losing those services is simply unimaginable.

Unfortunately, a growing number of New Jersey communities have experienced the loss of their local hospitals. In the last 15 years, 22 New Jersey hospitals have closed their doors – six in the last 18 months alone.

Two more have announced plans to close in the coming weeks. Half of the remaining hospitals are losing money.

Obviously, it's a very difficult time for hospitals in New Jersey. Years of government underfunding are catching up with them. New Jersey hospitals lose money each time they serve a patient on Medicaid or charity care. They have for years. And those losses will grow even deeper under Gov. Jon Corzine's plan to cut \$143 million in charity care funding for the state's 1.3 million uninsured residents. Those cuts will hasten the closure of many more of our hospitals.

More parents, more families, more individuals without health insurance will learn what it's like to travel further and wait longer for the health care they need. Those with insurance will also have to bear the burden because of increased demand for needed services and longer waits which could be life threatening. Consider this: when a hospital closes, the people needing care don't automatically get better. The burden to care for even more people will fall on those hospitals that remain, essentially shifting problems elsewhere.

When a hospital closes, not only does it take away needed services, but it also affects our economy in other ways. Nearly 1,700 jobs are lost. The sales of goods and services bought locally and regionally by the

hospitals are cut. Local businesses such as pharmacies, florists and restaurants are hurt.

By law, New Jersey hospitals are mandated to serve all patients, regardless of their ability to pay. This mandate is consistent with the Lourdes Health System mission as a faith-based provider. But hospitals can't bear the burden of caring for the state's uninsured alone. As it stands now, the Lourdes Health System would lose most of the reimbursement received from the state to care for the uninsured. Lourdes Medical Center of Burlington County would see its funding cut in half, while Our Lady of Lourdes Medical Center, which is located in one of the nation's poorest cities, would receive nothing. This is staggering considering, in 2007, the health system's overall charity care costs were \$19 million.

This problem isn't just about hospitals, and it's not just about charity care patients. It's about all the people in New Jersey who count on the presence of a hospital in their community.

What can you do? We urge you to visit the Lourdes Health System Web site at www.lourdesnet.org. Under the "News and Events" section, click on our "advocacy section". You will find more information about the state budget crisis, as well as links to a letter writing campaigns and more. Also, read our FAQ about Charity Care on Page 2.

Welcome to News & Views

At the Lourdes Health System, we believe that a hospital is more than just a place to go when you are sick. A good hospital is a community resource – providing information on how to stay healthy, advocating for social justice and offering services to meet special community needs. At the Lourdes Health System, we have a unique role as a faith-based care provider to be a place of healing – mind, body and spirit. Lourdes News & Views is a new periodic publication to help us communicate with our local faith communities and other organizations about happenings at our hospitals as well as learn about important issues that affect the health and well-being of the community as a whole.

Understanding Charity Care: FAQ

What is charity care?

Charity care is a state program designed to provide free and reduced cost hospital care to those without health insurance. All New Jersey hospitals provide care to all patients who need it, regardless of their ability to pay. That's part of hospitals' caring mission, and it's also a mandate written in state law.

Who qualifies for charity care?

Charity care provides health care to those who don't have health insurance or who are underinsured and can't afford to pay their medical bills on their own. In many cases, it is New Jersey's "working poor" — those who make too much to qualify for Medicaid or other programs — who rely on charity care for both inpatient and outpatient services (not just emergency care).

How much charity care do hospitals provide?

This year, New Jersey hospitals will provide more than \$1.3 billion in charity care services to New Jersey's residents.

How are hospitals reimbursed for this care?

Under New Jersey's charity care law, the state is responsible for reimbursing hospitals for the charity care services they provide. But each year that funding falls short. This year, for example, New Jersey's hospitals will receive \$715 million in state reimbursement for providing \$1.3 billion in charity care services. Since 1993, New Jersey's hospitals have been forced to absorb \$6.8 billion in charity care losses. With the proposed budget, funding will be further reduced to \$573 million.

What happens when the state doesn't pay hospitals for their charity care services?

The state's chronic underfunding of charity care has put New Jersey's hospitals under a tremendous financial strain. Roughly half of New Jersey's hospitals are losing money. In addition to the number of hospitals that have closed or filed for bankruptcy (see page 1 for details), hospitals have had to cut nearly 6,500 jobs in the last five years.

If I have health insurance, why should I care about charity care?

Everyone should be entitled to have their basic healthcare needs met, and as a caring society it's important that we help the less fortunate. But beyond that, charity care underfunding has a very real impact on all New Jerseyans. When the state fails to pay its fair share, others are left to pick up the slack. Even if you have insurance, you have probably felt the impact through higher premiums or had to wait longer for appointments or needed services.

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Lourdes Burlington Named Bariatric Center of Excellence

Lourdes Medical Center of Burlington County's Bariatric Surgery Program, along with three of its surgeons, David Greenbaum, M.D., Samuel Wasser, M.D., and David Ing, M.D., has received a full three-year accreditation as a Bariatric Surgery Center of Excellence from the American Society for Metabolic and Bariatric Surgery (ASMBS) and the Surgical Review Corporation.

This accreditation is important since it has been mandated by the Centers for Medicare and Medicaid Services (CMS) to be eligible for reimbursement under the Federal payer programs. In addition, many of the commercial insurance programs, recognizing the importance of volume coupled with high quality outcomes, are moving along a similar path. With this new designation, the hospital joins its sister hospital, Our Lady of Lourdes Medical Center, which received certification in 2006. "Having both hospitals certified, is quite an achievement we can be proud of," said Alexander Hatala, CEO of Lourdes Health System.

