

February 14, 2013

Dear Friends and Colleagues,

All of us at NCH are justifiably proud of the reputation we've earned over the years for high-quality service and financial strength. Another often-overlooked aspect of our contribution to the community is that NCH provides an astonishing 97% of the hospital charity care in Collier County, according to the Florida Agency for Healthcare Administration ([AHCA](#)) (Page D-19).

The significant charity care we provide every day is an important variable, particularly in relation to our financial strength and the quality care that our 638-member medical staff and their colleagues deliver. According to the most recent AHCA information, of the four hospitals in Collier County, both NCH hospitals provide 80% of Medicaid hospital days.

The significance of this higher charity care contribution involves the concept of "fairness" in health care delivery. Frankly, the fact is that NCH has grown in quality and size while providing a disproportionate amount of charity care.

In terms of quality, NCH is the only system in southwest Florida ever to be twice recognized by *U. S. News & World Report* as being "best in the region." NCH has earned more than 100 other accolades for quality, including best cardiac care in Florida for a decade. In fact, our quality is such now that a number of patients are, after searching around the country, deciding to travel to NCH for specialized services.

In terms of financial strength, we have been able to grow despite our burden of charity care. Some argue that as a not-for-profit system, the fact that we don't pay taxes provides NCH with an advantage over for-profit hospitals. This is incorrect. If we were a for-profit, paying taxes and rewarding shareholders rather than shouldering the "burden" of indigent care, NCH would be far better off financially. The argument that the government "pays" for charity care and that for-profit hospitals "subsidize" not-for-profit community hospitals for charity care is a myth.

That is not to say that we reject our responsibility to pay for those less fortunate. On the contrary, we should all understand that those of us with the resources or insurance to pay for health care have an obligation to help our neighbors who have no means to pay for hospital care. Indeed, it's the responsibility of our 20-member NCH Board to ensure quality care for everyone—whether they can pay or not—and still retain the resources to grow our healthcare system to care for future generations.

The board and all 3,800 employees, 638 affiliated medical staff, and 1,200 volunteers who serve NCH have done an admirable job in ensuring that our bond ratings remain strong. (Moody's "A2" and Fitch "A" were both reaffirmed last year.) But the reality is that with the economic future of healthcare so uncertain, our disproportionate share of charity care becomes a growing challenge.

NCH is blessed with a generous community. We take seriously our mandate to continually become more efficient and leaner, as we continue to improve the quality of the care we deliver. What we ask is that all healthcare providers—not-for-profit and for-profit alike—accept their "fair share" of community charity care. That way, all of us who are charged with this critical responsibility of keeping our community healthy can continue to create for our neighbors a steadily improving quality of life.

Respectfully,



Allen S. Weiss, M.D., President and CEO

P.S. Feel free to share *Straight Talk* and ask anyone to email me at allen.weiss@nchmd.org to be added.