

June 5, 2008

Dear Friends and Colleagues,

Last week the *Naples Daily News* ran an editorial and article about the care of the medically indigent in Collier County. No story is more important to NCH, in terms both of the patients we serve and the constraints that serving them places on our finances. Let me explain.

Most estimates suggest that there are at least 50,000 people in our community – over 12% of year-round residents – who lack medical insurance. Nationally, estimates suggest that 47 million people lack insurance, and another 17 million are underinsured. That's almost 16% of the national population. Currently, NCH cares for about 24% self-pay and Medicaid patients. The other 76% of patients carry the burden of cost for those who can't pay or don't have insurance.

In dollars and cents, last year such indigent care cost NCH an astounding \$69,703,631 in charges. We applaud the Physician Lead Access Network (PLAN) and Physicians Regional Medical Center (PRMC), which help provide outstanding care to indigents. But PLAN represents only about \$500,000, or 1% of NCH's charity care.

As you can imagine, the impact on our bottom line is staggering. If these patients had commercial insurance we would have received about \$23 million dollars, or about one third of what we charge. Last year, NCH broke even for the fiscal year. Had we been paid for the indigent care we delivered, NCH would have recorded a profit of \$23 million, which would have placed us ahead of most hospitals in the country.

So serving uninsured and underinsured patients is a huge problem for all of us in healthcare. What's the solution? Well, it's a key part of the great debate over universal health care that Senators Obama and McCain will be waging during the next several months.

Locally, there are several options that might help. **First,** we can try to become more efficient and effective in reducing the estimated 30% waste in healthcare, by embracing such cost savings as evidence-based medicine, information technology, and limiting ourselves to value-added paper work. **Second**, we can press for more money for health care from insurance companies or the government. But in these tough times, that may not be realistic. **Third,** we can do more with what we have, involving all of us in the process. **Fourth,** we can change our own lifestyles, emphasizing exercise, weight control, tobacco avoidance and alcohol moderation as well as prudent preventive measures. This alone would save a fortune.

One example of such positive lifestyle pursuits: This past Sunday, more than a dozen nurses, physicians (including me), children, spouses, and other NCH colleagues participated in the  $22^{nd}$  Annual Naples Triathlon. We even had the "Team that Delivers" from our Women's Health, composed of Kate Morris, Michelle Schwing and Vicki Rhodes, come in  $2^{nd}$  in its division. Terry Gaudi, who works in Administration, was pictured on the first page of the *Naples Daily News* with her son, who flew in from New York City to complete the race with both his parents. An enthusiastic, productive and fun time was had by all.

You can join the team effort. Consider getting to either of the Wellness facilities to make a difference for yourself and your family. What better way to realize our mission of "promoting, maintaining and restoring" health!

Respectfully,

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