



Testimony
Committee on State Affairs
Texas Senate
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Who we are



- Ten-hospital, faith-based 1,500+ bed system serving Central Texas
 - Twenty-four sites of care and service, including seven urban/suburban medical centers and hospitals, one psychiatric hospital, two Critical Access Hospitals, three Austin community clinics, five rural clinics (Burnet, Caldwell counties), three mobile clinics, two specialty clinics at University Medical Center Brackenridge
- Two Level I trauma centers
 - University Medical Center at Brackenridge
 - Dell Children's Medical Center of Central Texas
- Developing academic (physician training) program with UT-Southwestern and UT-Austin
- Clinical Education Center @ Brackenridge

What we do



- Leading healthcare provider in 11-county 1.8 million population region
 - \$1.2 billion in net patient service revenue (FY09)
 - Four out of every ten area inpatients cared for within the Seton Family of Hospitals
 - One in five area residents receive some care within Seton Family of Hospitals each year
- Full range of services
 - From primary care to heart transplants

How we serve

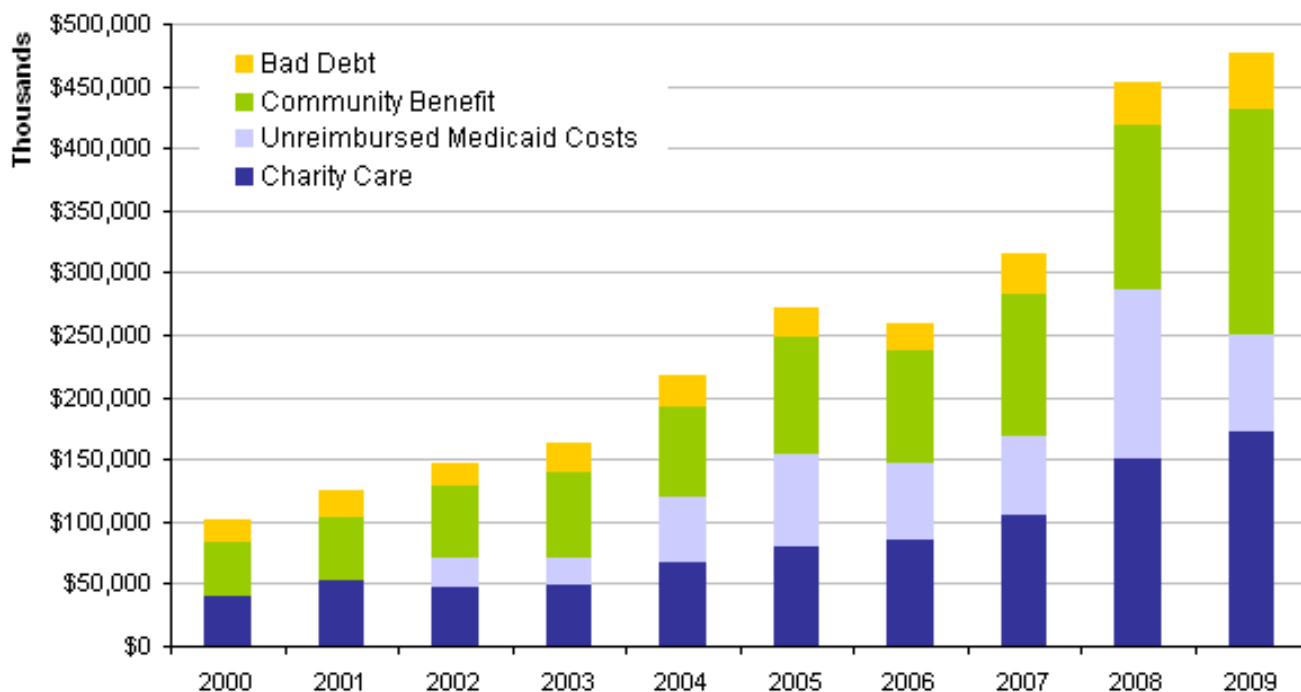


- Regional collaboration and outreach
 - Founding member, Integrated Care Collaboration
 - School health services for Austin ISD
 - Working partnership with Central Health (Travis County Healthcare District), CommuniCare (Hays) and Lone Star Circle of Care (Williamson)
- Largest community service provider in the area
 - \$249 million charity care and unreimbursed Medicaid, and \$182 million in community benefit (FY09)

\$249M Charity/Unreimbursed Medicaid, \$182M Community Benefit



Charity Care, Community Benefit and Bad Debt



Seton is part of Ascension Health



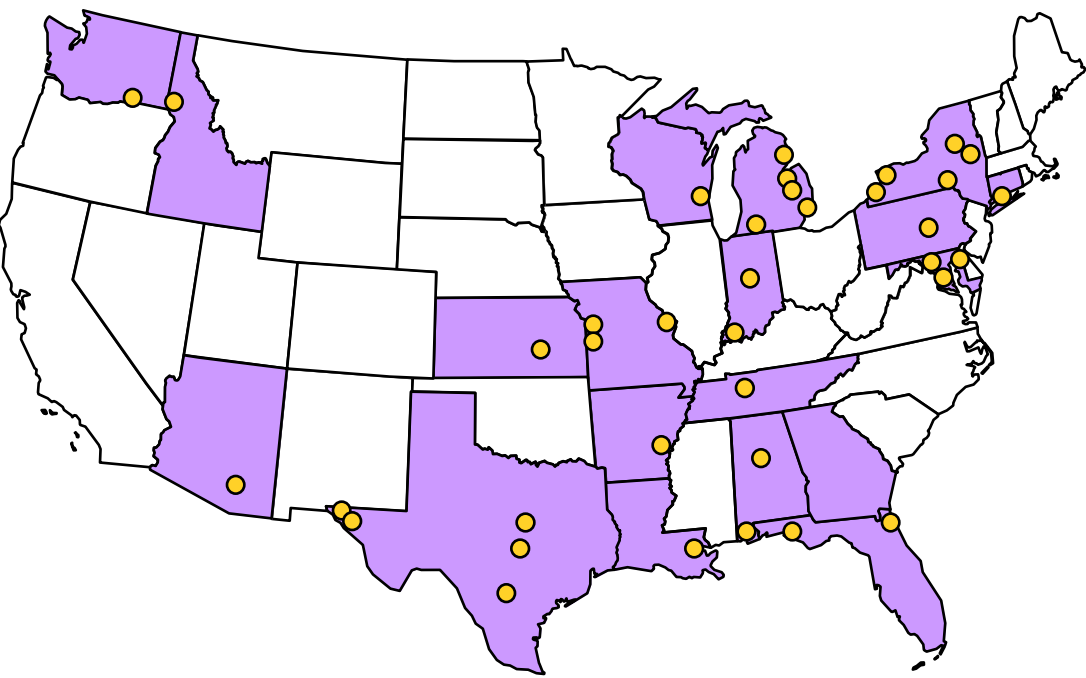
Ascension is the largest Catholic health system, the largest private nonprofit system and the third largest system (based on revenues) in the United States, operating in 19 states and the District of Columbia.

Facilities and Staff

Locations	500+
Acute Care Hospitals	67
Long-term Acute Care Hospitals	2
Rehabilitation Hospitals	3
Psychiatric Hospitals	4
Available Beds	17,928
Associates	113,000
Physicians	20,000

Financial Information (FY09)

Total Assets	\$16.5 Billion
Operating Revenue	\$14.3 Billion
Operating Income	\$371 Million
Net Income	(\$710 Million)
Investment (Loss)	(\$980 Million)



Care of Persons Who Are Poor and Community Benefit \$868 Million



Seton Family of Hospitals

Charity Assistance at Seton Facilities

- O-250% of Federal Poverty Income Level (FPIL)
 - 250% = \$55,000 annually for household of four
 - Co-pay structure
 - Everyone expected to pay something (as little as \$5 for some outpatient services) according to ability
- 251%-375% of FPIL
 - 375% = \$82,500 annually for household of four
 - Sliding fee scale, according to ability
 - Patient's expected maximum payment not to exceed 15% of annual income
- Medical Indigence over 375% of FPIL
 - Extended to patients above this level when medical bills exceed 50% of patient's disposable/discretionary income

Uninsured Discount at Seton Facilities

- Uninsured patients not qualifying for financial or charity assistance
 - Above 375% FPIL (\$82,500 annually for household of four)
 - 35% discount off total charges for payment at time of discharge or within 30 days of service
 - 21% discount to patients who require interest-free, extended monthly payment arrangements

Example 1

- Outpatient electrocardiogram (EKG) – approximate \$200 charge
 - Uninsured patient at 100% FPIL (\$22,000)
 - Co-pay of \$10
 - Charity for balance of \$190
 - Uninsured patient at 200% of FPIL (\$44,000)
 - Co-pay of \$30
 - Charity for balance of \$170 balance
 - Uninsured patient at 400% of FPIL (\$88,000)
 - 35% discount if paid within 30 days - \$130
 - 21% discount for monthly, interest-free payments - \$158

Example 2

- Upper gastrointestinal endoscopy – average charge \$2,200 if no complications
 - Uninsured patient at 100% FPIL (\$22,000)
 - Co-pay of \$25
 - Charity for balance of \$2,175
 - Uninsured patient at 200% of FPIL (\$44,000)
 - Co-pay of \$55
 - Charity for balance of \$2,145 balance
 - Uninsured patient at 400% of FPIL (\$88,000)
 - 35% discount if paid within 30 days - \$1,430
 - 21% discount for monthly, interest-free payments - \$1,738

How a Patient Learns about Financial Assistance

- Signs and brochures in all registration areas, including emergency department
- Financial counselors
 - Attempt to speak with all uninsured patients
 - Offer to assist in identifying potential funding source and/or completion of financial assistance request form
- Seton business partner contract
 - Private firm provides additional support to complete applications for potential funding sources, including Medicaid, VA, Crime Victims, SSI, following discharge
- Seton uses Patient Account Rank Order (PARO)
 - Presumptive financial means and socioeconomic score to evaluate patient's ability to pay medical bill
 - Does NOT access credit data, no impact on credit score

Collections Process

- Billing and collections reflect Seton values
 - Respect, service, and compassion to those most in need
- Early in process of care delivery
 - Attempt to identify eligibility for funding source and/or financial assistance
 - Attempt to identify primary care medical home for patients
- Patient statements include reminders of availability of financial assistance

Collections Process (cont.)

- Patients who do not qualify or whose eligibility remains undetermined
 - Statements and calls for 120 days after discharge or date of service
 - If no response/no confirmation of eligibility, account written off as bad debt, placed with agency within 120-150 days of service
 - Primary agency works account for five months
 - Secondary agency given account if first unsuccessful
 - If no response within 45 days, report filed with credit bureaus (i.e., 10-12 months after service)

Collections Process (cont.)

- Seton does **NOT**
 - Place liens on a personal residence
 - Seton only files liens to protect Seton interest in third party liability cases
 - Take any action resulting in foreclosure on a personal residence
 - Seek bench warrants/body attachments/orders for arrest
 - Charge interest on payment arrangement accounts
- Collection agencies, other business partners, contractually bound to follow same principles