

NHRMC overview

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House Select Committee on
Certificate of Need Process and
Related Hospital Issues
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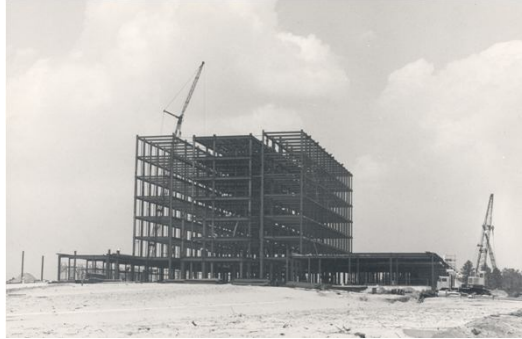


NHRMC: Who we are



A historical overview

- Voters approved bonds for New Hanover Memorial Hospital in November 1961. Issue passed by 272 votes
- Voters rejected funding hospital operations
- Hospital opened June 14, 1967, merging black and white hospitals without violence, protest or demonstration - this region's shining civil rights moment
- Mission of serving all – regarding of race, creed, or ability to pay – continues today



Today, taxpayers in New Hanover County pay this much toward NHRMC's budget:

\$0

Organization overview

- NHRMC is ninth-largest hospital in North Carolina. Licensed for 769 beds
- By far the state's largest county-owned public hospital (NHRMC and Carolinas Health System – a hospital authority – are only county-owned hospitals among state's largest 25 hospitals)
- NHRMC includes:
 - Main campus on 17th Street
 - Cape Fear Hospital
 - Coastal Rehabilitation Hospital
 - Behavioral Health Hospital
 - Cameron Women's and Children's Hospital
 - New Hanover Regional EMS
 - Relieved county taxpayers of annual \$2 million debt
 - Cardiac save rate went from 4% in 1998 to 33% today
- Management agreement with Pender Memorial Hospital – Critical Access Hospital – preserving access in rural county

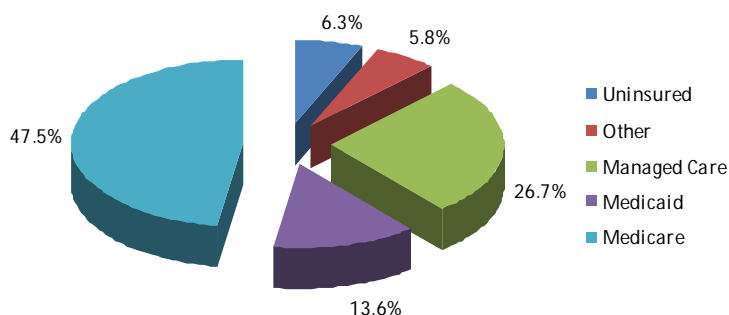


Clinical excellence

- NHRMC offers specialized services in cardiac, orthopedic, oncology, vascular, trauma and neonatal care
- Orthopedic program consistently ranking among nation's top 10%
- Centers of Excellence in Cardiac and Bariatric services. Designated as Teaching Hospital Cancer Program. Working toward certification as Stroke Care Center
- Teaching hospital in four residency programs: Internal Medicine, OB/GYN, Surgery, and Family Medicine. Affiliated with the UNC School of Medicine
 - Family Medicine's mission is training physicians to serve rural areas
- Physician staff of 540+ offers specialties comparable to larger metro areas



Gross Patient Revenue by Payer



67.4% of patients are government-funded or uninsured



Source: NHRMC Unaudited Financials for FY11

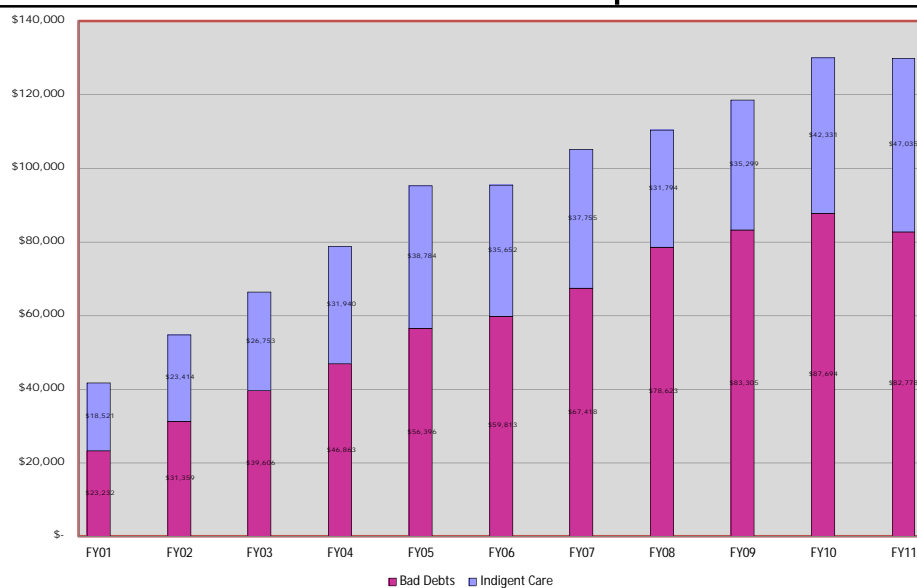
NHRMC benefit to the community

- Per ANDI report: \$40 million in community benefit; \$29.6 million in bad debt
- Safety net for seven counties
- Lose millions providing psychiatric care, outpatient clinics and EMS
- Other examples of community outreach:
 - Outpatient pharmacy – vouchers for poor patients who cannot afford medications
 - About 440 free mammograms to poor women through Pink Ribbon program
 - About 530 free cardiac screens, mostly for women, through Red Dress program
- Community sponsorships exceed \$280,000



NHRMC pediatric nurses coordinate care twice a year at Camp Special Time in Camp Lejeune

Growth in NHRMC uncompensated care



Local economy depends on NHRMC

Within NHRMC

- Employer of 5,118, including 1,414 staff nurses
- In worst economy since the Depression ...
 - No layoffs
 - Raises kept in place – market adjustment this year
 - Basic health insurance rates flat for seven years
- Added employee gym and employee health clinic last year



In the region

- Impact of more than \$1.5 billion annually on New Hanover County's economy
- More than 9,000 jobs depend, directly or indirectly, on our viability
- Largest employer in Southeastern NC
- Industry cannot recruit key personnel without presence of strong medical center

Source: NC Office of Research, Demonstrations and Rural Health Development



Keys to our current success



Growing to meet demand

- Facilities upgrade in 2006-09, CON-approved project
- No public tax money
- Added:
 - Women's and Children's hospital, with region's first PICU
 - New surgery center, with robotic surgery
 - Renovated patient tower, with almost all private rooms



Cameron Women's and Children's Hospital



Collaborating in the region

Pender Memorial Hospital

- Critical Access Hospital in Burgaw, rural area 25 miles north of Wilmington
- NHRMC began operating agreement in 1999, an arrangement credited with keeping Pender open
- Through CON process, Pender partnered with NHRMC to open two new ORs and expand ED
- NHRMC contracted with two primary care doctors in Burgaw to increase access
- In FY 2011, NHRMC funded about \$3M for Pender - \$1.4 million in capital and \$1.6 million in operating loss



Collaborating in the region

Brunswick County

- Affiliation agreement with Doshier Memorial Hospital, Critical Access Hospital in Southport
- NHRMC manages hospitalist program at Doshier
- NHRMC physician specialists expanded services to Brunswick County
- NHRMC helps with physician recruitment to rural Brunswick County
- Partnered with physicians through CON process to establish radiation oncology in Supply
- NHRMC works on patient transport issues in Southport/Supply area



In the region

- Founding member of Coastal Carolinas Health Alliance, which includes 12 partners in eastern NC
- Help recruit physician specialists to make rotations to Columbus County
- Established urgent care in Duplin County



Physician relationships

- NHRMC partnered in joint venture with physicians on CON project to open operating rooms in northern New Hanover County
- Working with physicians and other agencies to expand access to medical records through Health Information Exchange
- Continue to partner on increased clinical integration with physicians over entire continuum of care





Our CON experience



CON's three primary goals

- Increase access
 - Protect access in rural counties by partnering with Critical Access Hospitals, recruiting primary and specialty doctors to rural areas and opening services closer to where patients live
 - CON projects such as ambulatory surgery center, outpatient radiation oncology center, and master facility expansion plan brings services closer to patients, allowing them to stay home for care.
- Improve quality
 - Achieved 99% of core measure quality indicators in FY 2011
 - Top quality designations in areas such as cardiac, orthopedics and bariatrics
- Reduce costs
 - Community Value Five-Star Hospital by Cleverley + Associates
 - Reduce duplication of services through collaboration and regional planning



Our view of CON



- CON allows us to provide community benefit and unprofitable services, such as a regional trauma center, psychiatric hospital, and teaching clinics. We are able to serve as the region's safety net provider, fulfilling our mission
- CON allows us to perform dual roles that would otherwise contradict one another: Compete as a business – without taxpayer subsidy - while providing access at all times to all in need, regardless of ability to pay
- Minor adjustments could be warranted. Major overhaul is not needed and would harm health care in this state