

005608230

SENATE JOINT RESOLUTION NO. 169

Offered January 24, 2000

Requesting the Joint Commission on Health Care, in cooperation with the Commonwealth's academic health centers, the Senate Finance and House Appropriations Committees, the Department of Planning and Budget, and the State Council of Higher Education for Virginia to study the feasibility of establishing a "risk-sharing" formula or other model of shared accountability for funding the cost of unreimbursed indigent care at the academic health centers.

Patrons—Bolling, Lambert and Schrock; Delegates: Brink, DeBoer, Diamonstein, Hamilton, Melvin and Morgan

Referred to Committee on Rules

WHEREAS, academic health centers across the country are facing critical financial and operational challenges; and

WHEREAS, several academic health centers in other states have incurred significant operating losses and have projected even greater losses in future years; and

WHEREAS, the cost of unreimbursed indigent care has been a major factor driving the financial difficulties being experienced by academic health centers across the country; and

WHEREAS, the Joint Commission on Health Care conducted a study of the financial and operational issues affecting the Commonwealth's academic health centers pursuant to Senate Joint Resolution 464 of the 1999 Session of the General Assembly; and

WHEREAS, during this study, Virginia Commonwealth University's Medical College of Virginia (VCU/MCV), the University of Virginia Health Sciences Center (UVA), and the Eastern Virginia Medical School (EVMS) indicated that the cost of unreimbursed indigent care is the most pressing financial issue facing their respective institutions; and

WHEREAS, in 1998, VCU/MCV incurred an estimated \$32.6 million in unreimbursed indigent care while UVA and EVMS reported \$12.8 million and \$14.3 million, respectively; and

WHEREAS, to ensure the financial viability of the Commonwealth's academic centers, additional state funding is needed to offset the cost of unreimbursed indigent care; and

WHEREAS, a formula needs to be developed to provide a mechanism for funding the cost of unreimbursed indigent care in future years; and

WHEREAS, a formula that included appropriate incentives for the academic health centers to effectively manage the care provided to indigent persons and share in the accountability and responsibility for the cost of unreimbursed care would help control these costs; now, therefore, be it

RESOLVED, by the Senate, the House of Delegates concurring, That the Joint Commission on Health Care, in cooperation with the Commonwealth's academic centers, the Senate Finance and House Appropriations Committees, the Department of Planning and Budget, and the State Council for Higher Education for Virginia study the feasibility of establishing an appropriate "risk-sharing" or "share accountability" model for funding the cost of unreimbursed indigent care at the Commonwealth's academic centers. The study shall include an analysis of: (i) different potential models for funding the cost of unreimbursed indigent care; (ii) the fiscal impact of each funding model on both the Commonwealth and the academic health centers; (iii) an assessment of how other states fund the cost of unreimbursed indigent care; and (iv) other issues as identified by the Joint Commission on Health Care.

The Joint Commission shall submit its findings and recommendations to the Governor and 2001 Session of the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.

INTRODUCED

SJ169