

Inova Alexandria Hospital Report to the City Manager - September 2023

As Northern Virginia’s leading nonprofit healthcare provider, Inova Health System’s mission is to provide world-class healthcare – every time, every touch – to each person in every community we have the privilege to serve. Inova is committed to caring for all members of our diverse community, regardless of an individual’s ability to pay.

The information below summarizes the number, types, and financial impact of uninsured or underinsured patients, within the obstetrics (OB) patient community, that received services from Inova Alexandria Hospital (IAH) for 2022 compared to 2021. These services, as well as all services provided at, IAH are provided to all patients without regard to the patient’s ability to pay for those services. At 400% of the federal poverty level, Inova has the most generous Charity Care policy in the region and the Commonwealth of Virginia.

Inova Alexandria Hospital Unreimbursed Costs – All Services

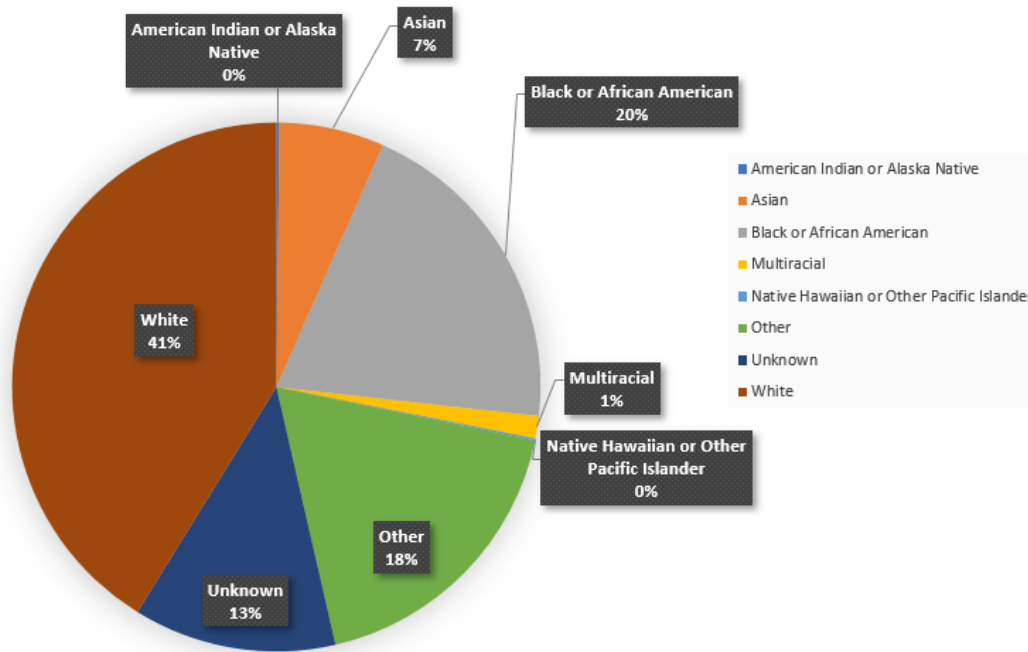
The table to the right outlines the more than **\$11.2 million** in unreimbursed indigent care coverage (Charity, Medicaid, Other) to patients by the hospital in 2022.

Indigent Hospital Inpatient	\$3,860,955
Indigent Hospital Outpatient	\$6,132,336
Medicaid Inpatient	\$2,822,872
Medicaid Outpatient	<u>(\$1,608,200)</u>
	\$11,207,963
	<small>2022 IAH TOTAL UNREIMBURSED COSTS</small>

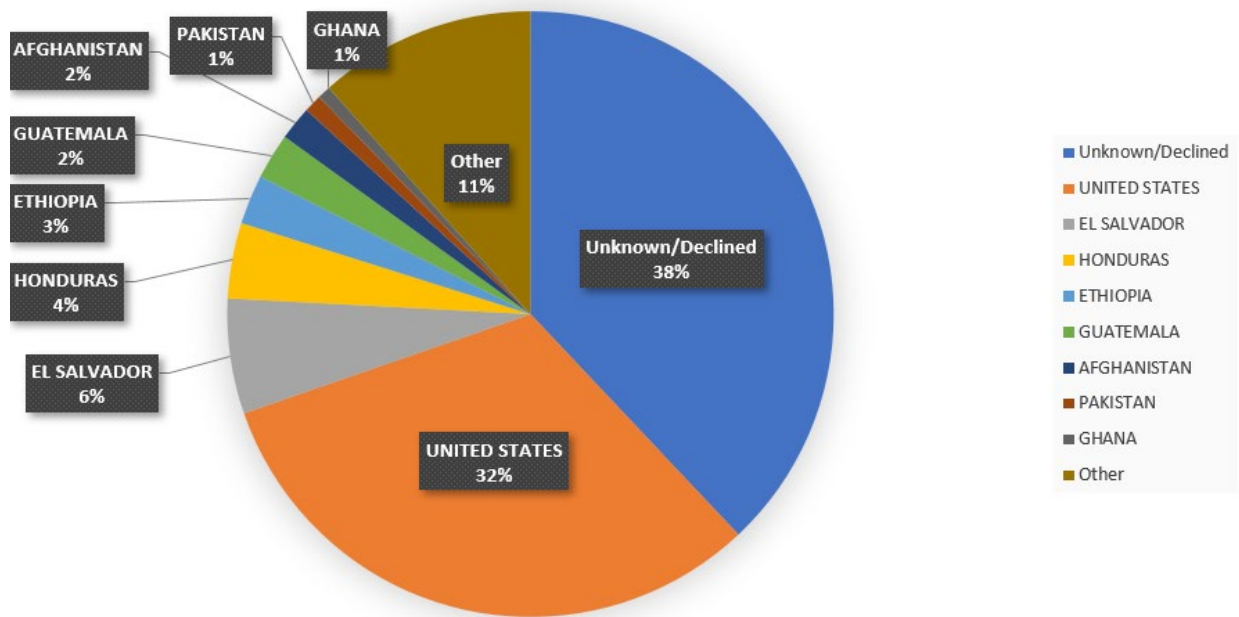
Inova Alexandria Hospital Unreimbursed Costs – OB Services

IAH provided obstetric services (Inpatient, Observation, and Outpatient) to 1,448 (in 2021) and 1,875 (in 2022) uninsured and underinsured patients; an increase of 427 patients, or 29%. This increase is not the result of any change in IAH’s policies or practices, but because the uninsured/underinsured OB patient population increased from 28% in 2021 to 35.2% in 2022. Overall, IAH provided care to 5,156 patients in 2021 and 5,325 in 2022, an increase of 3.2%.

A summary of the ethnicity of IAH's 2022 OB patient population is as follows:

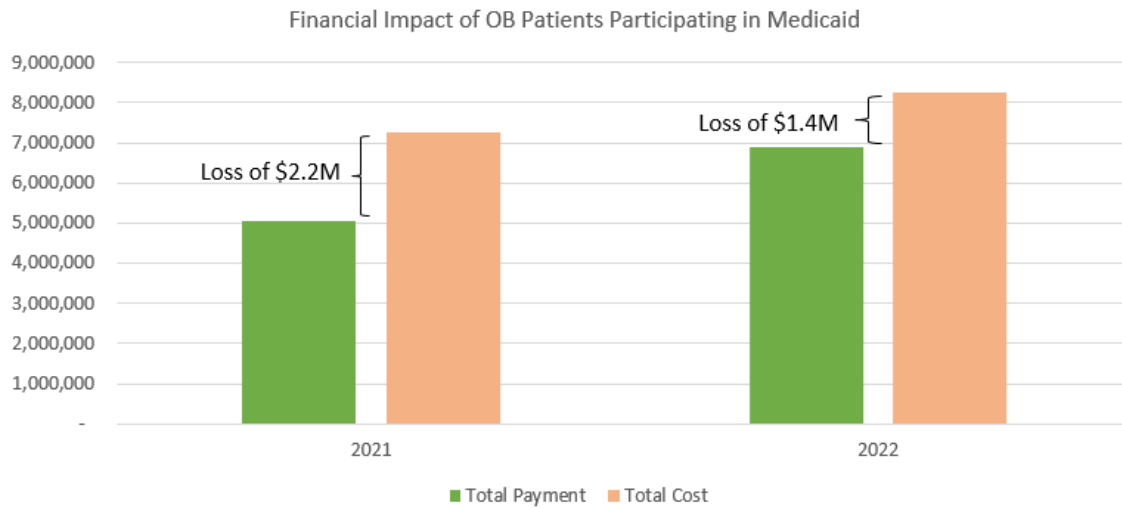


A summary of the national origin of IAH's 2022 OB patient population is as follows:



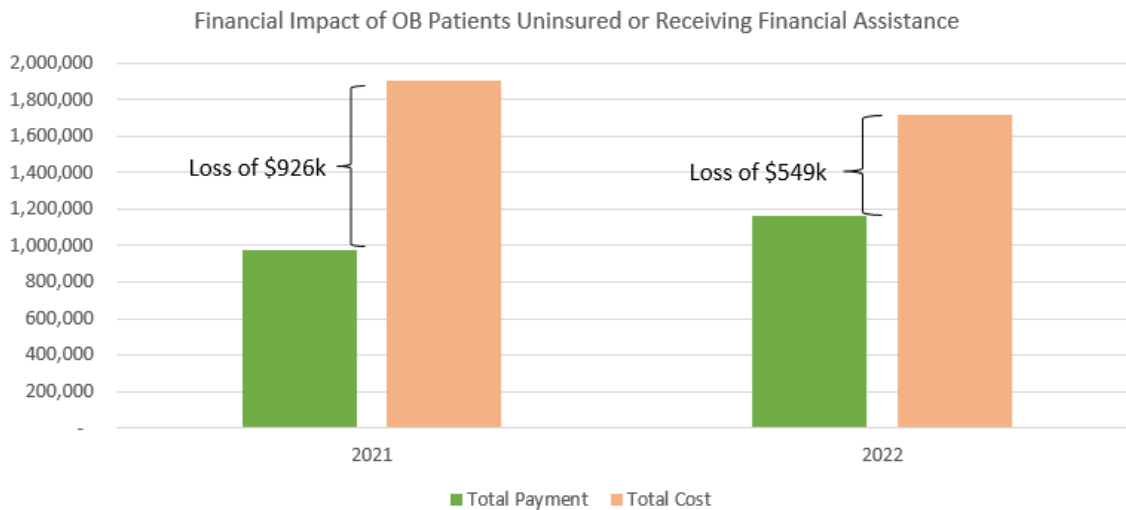
IAH provided OB (inpatient, observation, and outpatient) services to 1,520 patients with Medicaid coverage in 2022, compared with 1,057 in 2021. The hospital received approximately \$11.9 million in reimbursement from the Virginia Medicaid program for these patients; however, the cost of providing those services was \$15.5 million. The total uncompensated cost absorbed by the hospital between 2021 and 2022 was \$3.6M. The table below shows reimbursement and expenses for each year. Expenses include costs for high-risk pregnancy services at IAH's ante natal testing center, and OB hospitalists (i.e., 24/7 specialty physician staff) to ensure physician coverage for the indigent OB populations

referred from the City of Alexandria’s/Neighborhood Health’s Casey Clinic. In addition to ensuring coverage, contracts with OB hospitalists allow for important quality metrics for patients, ensuring the best treatment outcomes are achieved.

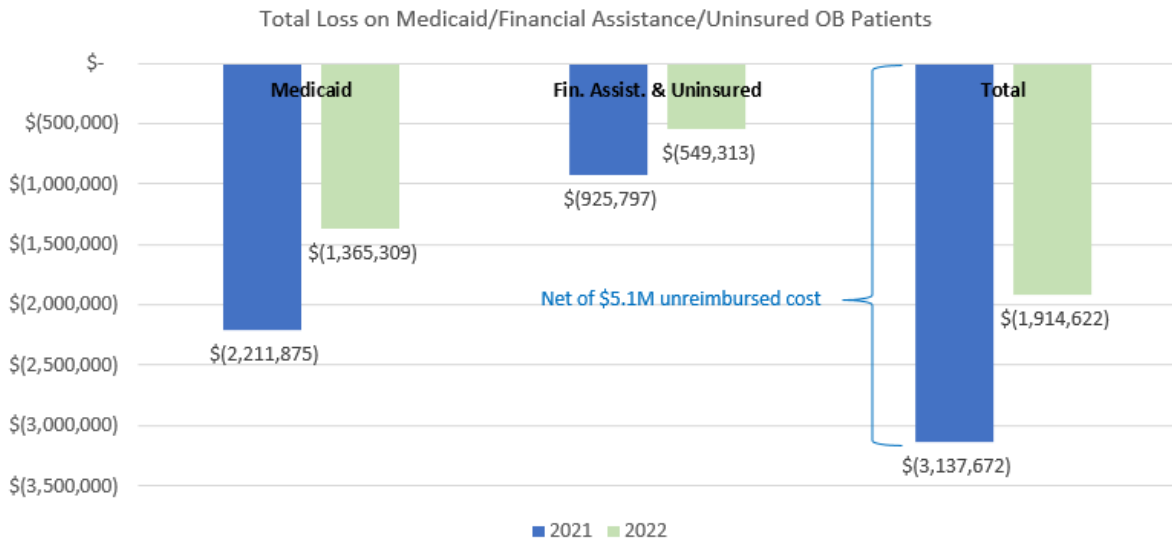


The reduced losses in 2022 were primarily due to IAH cost per case dropping due to ongoing cost reduction initiatives since the COVID-19 pandemic.

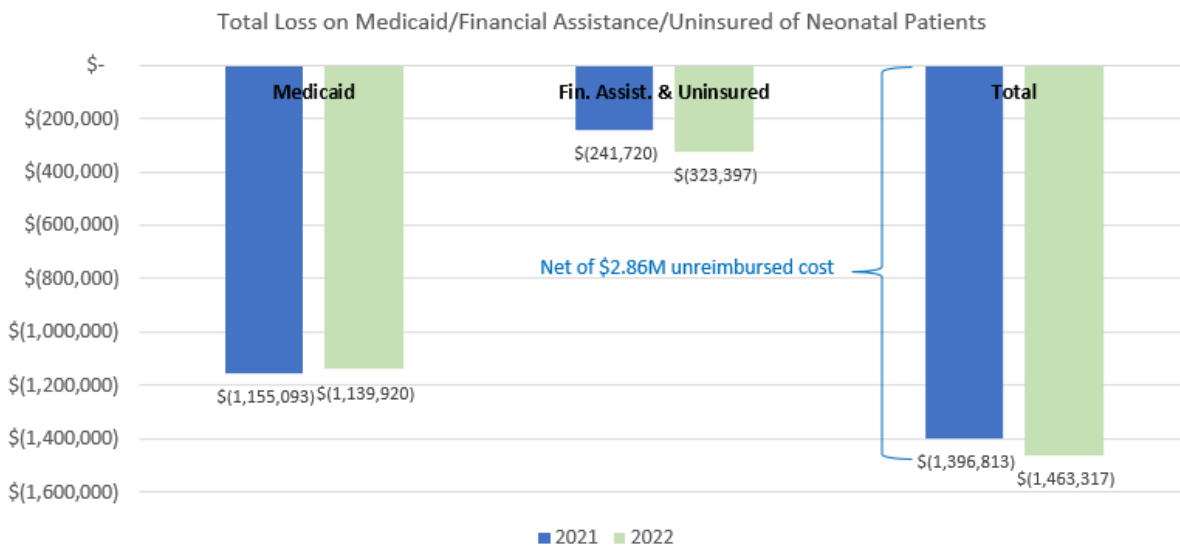
For those that do not qualify for Medicaid, IAH provides free or reduced cost healthcare services to patients who meet criteria outlined in its Financial Assistance Policy. Free care (100% financial assistance) is offered to uninsured or underinsured individuals with family incomes at or below 400% of current federal poverty guidelines (up to \$58,320 for an individual, or \$120,000 for a family of four). IAH provided OB services to 355 patients who were uninsured or receiving financial assistance in 2022, compared with 391 in 2021. IAH received \$2.14M in reimbursement; however, the cost of providing services was \$3.6M, resulting in \$1.5M in uncompensated care for the two years. The following chart summarizes the financial impact of providing services to these patients for 2021 and 2022.



The chart below summarizes the total financial impact of providing OB services to Medicaid, uninsured and financial assistance patients for 2021 and 2022. The total unreimbursed cost to the hospital was \$5,052,294.



In addition to providing OB care to women in the IAH community, IAH provides neonatal care to healthy newborns and newborns needing postpartum intensive care. The chart below summarizes the total financial impact of providing neonatal care services to Medicaid, uninsured and financial assistance patients in 2021 and 2022. The total unreimbursed cost to the hospital was \$2,860,130.



Beyond the OB patient population, Inova continues to support all patients in our community. In Alexandria, Inova also has two Inova Cares Clinics, one for families and the other for Women. These clinics provide comprehensive primary, prenatal and gynecologic care services to patients who reflect the culturally diverse community we serve. Our clinics serve as medical homes for patients of all ages, regardless of immigration status, who qualify for Medicaid, FAMIS, Inova’s Financial Assistance

Program, or are uninsured. Inova's total community investment for 2021 was \$382 million. More information is available in [Inova's Community Report](#).

The City's financial commitment helps offset unreimbursed cost directly relating to the care of OB and neonatal services, and to indirect costs associated with ensuring access to physician coverage specific to medically indigent women in Alexandria. This longstanding partnership between the City of Alexandria and IAH has been an important component of the community safety net, ensuring world-class care for all pregnant women and children in our community regardless of their ability to pay. Inova Alexandria Hospital is grateful for the Council's commitment to this work, and we request the release of the contingent reserves to be fully appropriated to the hospital in continued support of our community.

For questions or further information, please contact Melissa Riddy, Eastern Region Government and Community Relations Director at melissa.riddy@inova.org or 703.504.3365.