

## Inova Alexandria Hospital Report to the City Manager - April, 2022

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 obstetric (OB) patients that received services from Inova Alexandria Hospital (IAH) for 2021 compared to 2020. OB care/women’s services only account for a fraction of the overall care Inova provides to our under and uninsured community. IAH provides all medically necessary services 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 state of Virginia.

The attached *Inova’s Commitment to the Alexandria Community – 2020* offers more information on Inova’s commitment and unreimbursed costs.

### Inova Alexandria Hospital Unreimbursed Costs – All Services

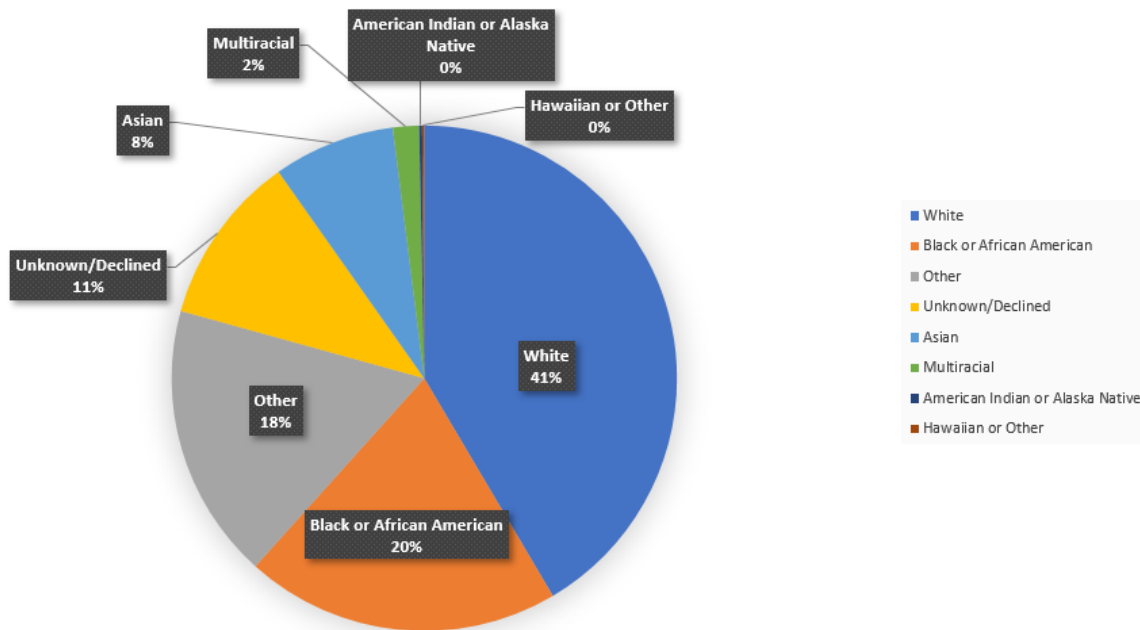
Inova Alexandria Hospital provides exceptional healthcare to all, regardless of an ability to pay. The table to the right outlines the more than **\$16.4 million** in unreimbursed charity care and services provided to Medicaid patients by the hospital in 2021.

Indigent Hospital Inpatient	\$5,128,469
Indigent Hospital Outpatient	\$6,200,018
Medicaid Inpatient	\$4,298,387
Medicaid Outpatient	\$831,640
	<b>\$16,458,515</b>
2021 IAH TOTAL UNREIMBURSED COSTS	

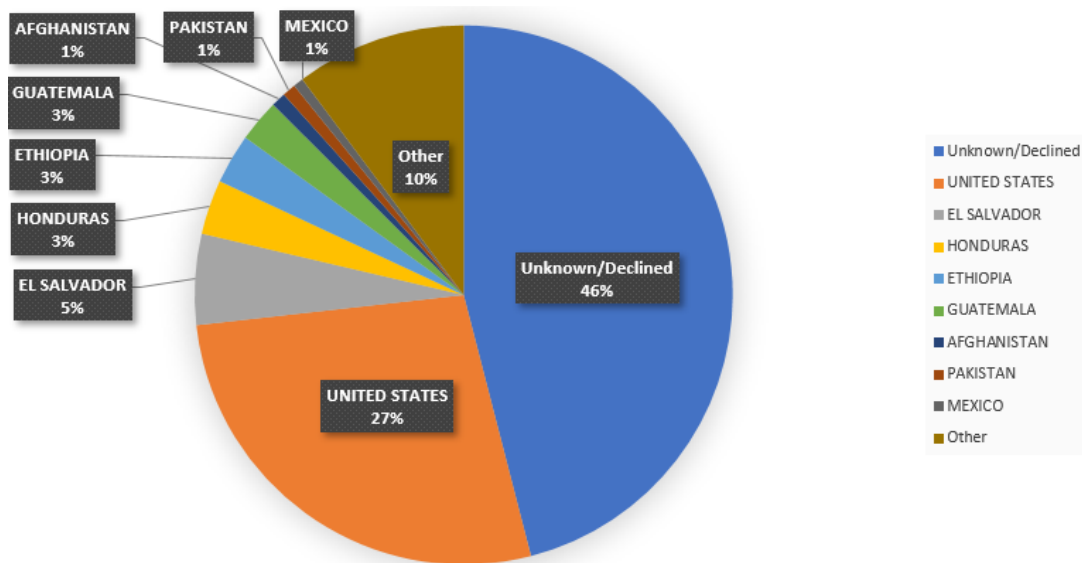
### Inova Alexandria Hospital Unreimbursed Costs – OB Services

IAH provided obstetric services (Inpatient, Observation, and Outpatient) to 3,623 (2020) and 3,981 (2021) uninsured and underinsured patients; an increase of 358 patients, or 10%. This increase is not the result of any change in IAH’s policies or practices, but larger market trends with overall deliveries increasing 2% in 2021, and with growing observation/outpatient patient volumes following the 2020 COVID-19 outbreak.

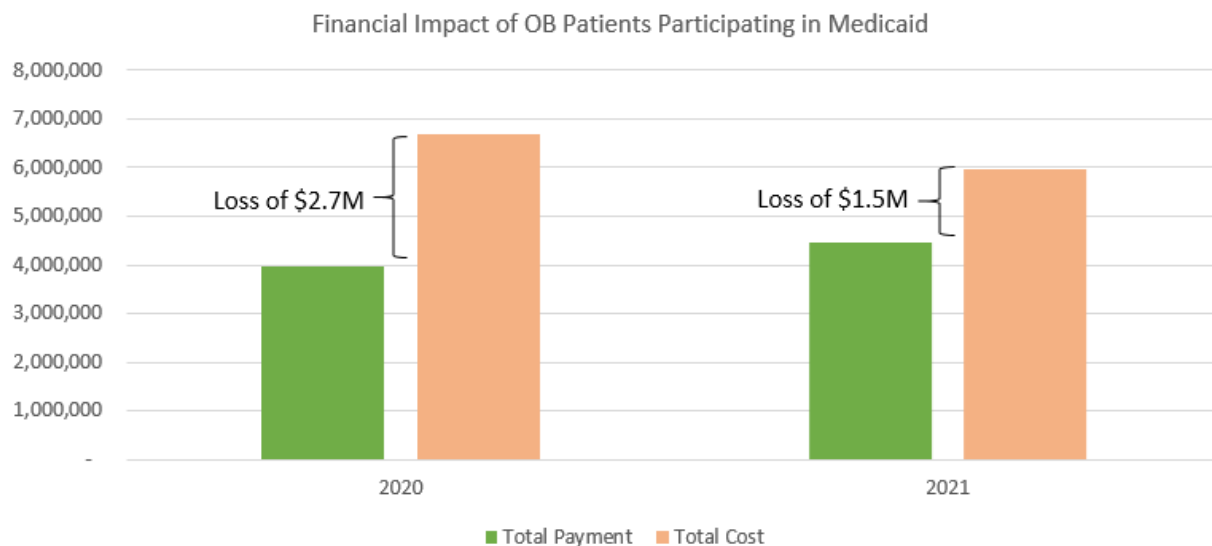
A summary of the ethnicity of IAH’s 2021 OB patient population is as follows:



A summary of the national origin of IAH's 2021 OB patient population is as follows:

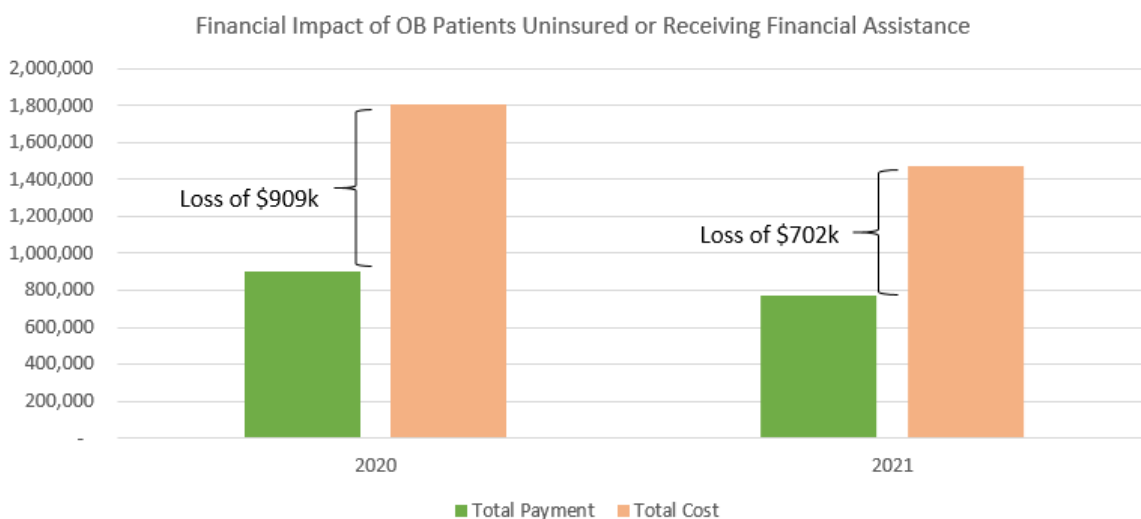


IAH provided OB (inpatient, observation, and outpatient) services to 2,559 patients with Medicaid coverage in 2021, compared with 2,174 in 2020. The hospital received approximately \$8.4 million in reimbursement from the Virginia Medicaid program for these patients; however, the cost of providing those services was \$12.6 million. The total uncompensated cost absorbed by the hospital between 2020 and 2021 was \$4.2M. The table below shows reimbursement and expenses for each year. Expenses include costs for 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 detail important quality metrics for all patients, ensuring the best treatment outcomes for these patients are achieved.

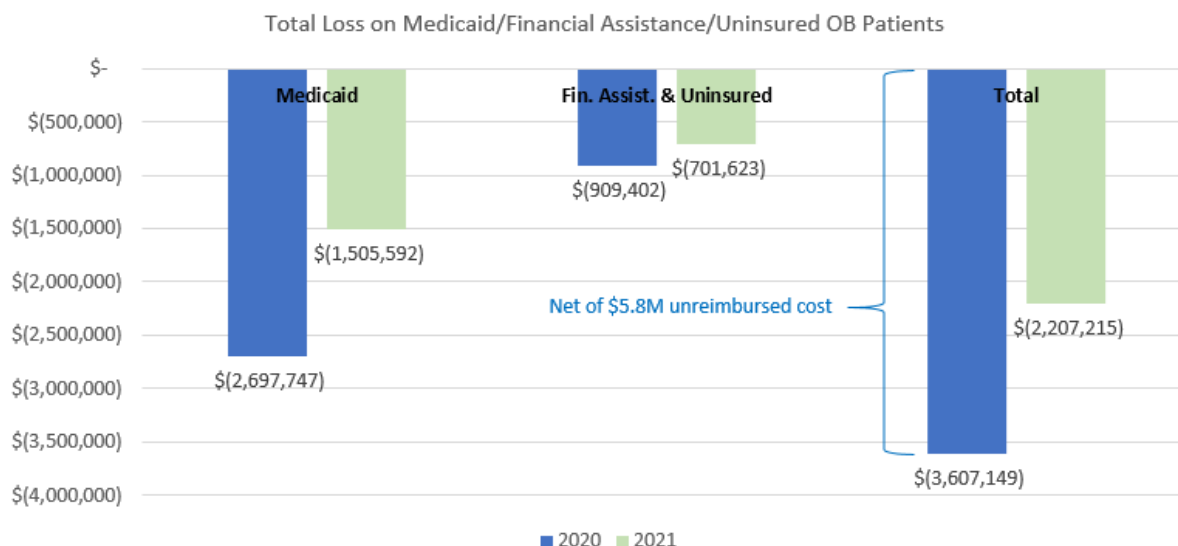


The reduced losses in 2021 were primarily due to IAH cost per case dropping for both inpatient and outpatient OB patient populations through cost savings initiatives following the COVID-19 outbreak. Also, Medicaid reimbursement increased 9.6% per case. To make this possible, Inova and other Virginia hospitals contribute to two assessments designed to fully cover the required state cost share to access Medicaid coverage expansion and Medicaid rate improvement.

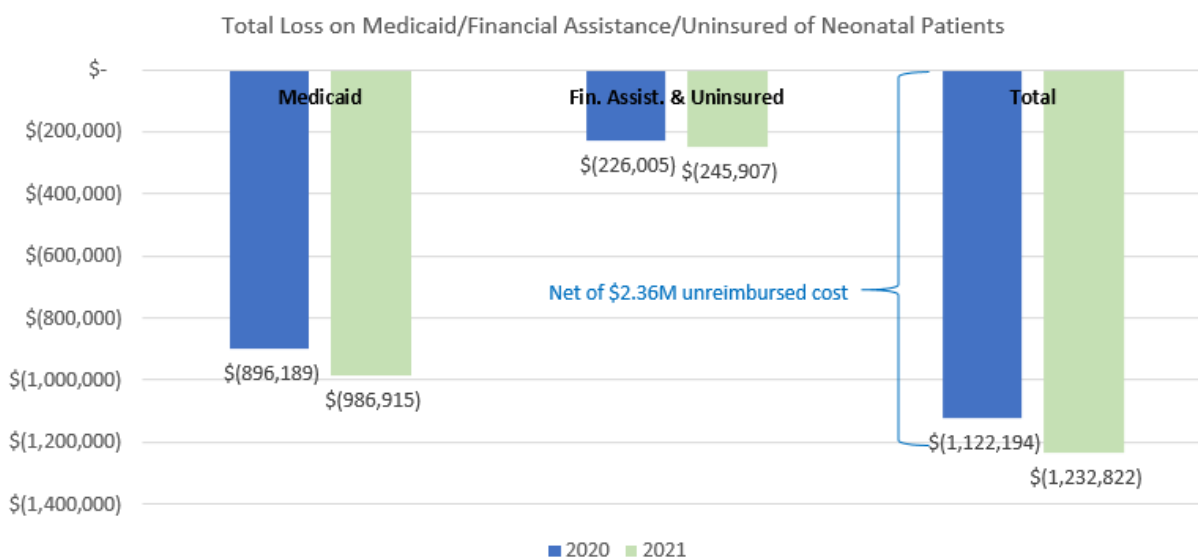
For those that do not qualify for Medicaid, IAH provides free or reduced cost healthcare services to patients who meet certain criteria under its Financial Assistance Policy. Free care (100% financial assistance) is available to uninsured or underinsured individuals with family incomes at or below 400% of current federal poverty guidelines (up to \$54,360 for an individual, or \$111,000 for a family of four). IAH provided OB services to 1,422 patients who were uninsured or receiving financial assistance in 2021, compared with 1,449 in 2020. IAH received \$1.67M in reimbursement; however, the cost of providing services was \$3.3M, resulting in \$1.6M in uncompensated care for the two years. The following chart summarizes the financial impact of providing services to these patients for 2020 and 2021.



The chart below summarizes the total financial impact of providing OB services to Medicaid, uninsured and financial assistance patients for 2020 and 2021. The total unreimbursed cost to the hospital was \$5,814,364.



In addition to providing OB care to the 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 2020 and 2021. The total unreimbursed cost to the hospital was \$2,355,016.



Beyond the OB patient population, IAH continues to support all patients in this community. The City's financial commitment helps offset unreimbursed cost directly relating to 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](mailto:melissa.riddy@inova.org) or 202.352.2378.