

SECTION 1: PREAMBLE

The Lee Memorial Health System Board of Directors requested community input regarding its policies governing discounts to those without insurance as a result of increased public scrutiny of hospital billing practices. The Self-Pay Discount Task Force, comprised of fourteen community members and co-chaired by James Green and Reverend Israel Suarez, was appointed in February 2004 by the LMHS Board and given the following scope and objectives:

Scope of Work: To examine the policies of LMHS that relate to discounts and payment arrangements for those without insurance coverage.

Objectives: The work of the Task Force would consist of three parts:

1. Members would be given background information on LMHS, healthcare finance information, the relational effect between the uninsured and healthcare financing, and current practices utilized by LMHS for collection of self-pay accounts.
2. Members would have an opportunity to submit questions to LMHS staff related to self-pay discounts, collections, and other related issues.
3. Based on the review and answers provided, the Task Force would make recommendations to the LMHS Board of Directors regarding the policies that had been reviewed.

The assignment taken on by the Task Force has been completed and documents containing its findings, recommendations, and guidelines are attached for consideration by the LMHS Board of Directors.

After lengthy discussions, data analysis, and inquiry into the hospital billing policies and procedures employed by LMHS personnel, the task force has concluded that LMHS does not discriminate against the uninsured or under-insured ... or for that matter does not discriminate against anyone regardless of race, ethnicity, income, gender or any other category. This Task Force was created as a response to an accusation by an out of state group claiming that such discrimination has occurred.

The accusation brought against LMHS was made during a time when the plight of the uninsured was becoming a national issue. Estimates range as high as 76 million Americans are without health insurance with an additional undetermined millions being under-insured. The publicity surrounding the vulnerability of the uninsured and underinsured encourages concerned private and governmental organizations to seek solutions which may assume varying degrees of objective well-thought through analysis.

What can readily be lost in the rhetoric over what has become a uniquely American Tragedy, is that this problem can only intensify. It results from a nation-wide environment that is adding even more Americans to the ranks of the uninsured; an environment which could help precipitate the virtual collapse of our American health care system if left unattended. One of the prime contributors to this collapse is the breakdown

of the employer-based financing infrastructure that underwrites the system; and to further exacerbate the problem, the government's Medicare and Medicaid programs are being pushed to the limits of financial insolvency unless major remedial action is taken soon. This will but increase the numbers and percentages of the uninsured exponentially. It will jeopardize the financial solvency of the system with the first to succumb being the public safety-net hospitals.

Following lengthy staff testimony, material data analyses and specific questioning inquiries and believable explanations into hospital billing practices and procedures, the Task Force has concluded that LMHS does not discriminate against the uninsured nor the under-insured.

We did find that the System takes its financial responsibility seriously, so it can continue to have sufficient funds to serve the needy and poor in accordance with its mission and community responsibility. It does actively pursue collection of payments for services rendered in a professional and most accommodating manner. Not all pursuits are enjoyable nor successful.

Lack of desire to pay because of unwillingness to be insured or just lack of desire to be financially responsible is not an acceptable reason to enjoy a benefit. Adequate funding provisions are and long have been made for the poor who cannot pay and for identified charitable cases which are defined and shown deserving; but not for those who choose not to pay or to be uncovered by available insurances.

The Task Force appreciates the serious National dilemma that the healthcare industry is undergoing but focused on the existing local problems and issues raised by the accusations leading to the formation of the group. We make no recommendations on the larger national issues, of which we have no influence nor solution.

With the LMHS community accountability to provide hospitalization care and services for 15,000- 20,000 new Lee County citizens each year, and a planned \$500,000,000 ten year capital structure intended to fund this need, not counting the requirement of doctors, nurses, supervisors and support personnel, we see no community justification for providing special interest pricing to accommodate a non-Lee County personal and political agenda.

SECTION 2: SELF-PAY DISCOUNT TASK FORCE FINDINGS

Lee Memorial Health System

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- The concerns about the uninsured and how to provide funding for their medical services is not unique to Lee County, Florida and involves many complex social and political issues.
- The problems of the uninsured and underinsured and how best to fund medical services is not unique to Lee County. The dissolving of employer based healthcare

insurance systems has created huge and serious financial problems on America in general and Lee County specifically.

- Lee Memorial Health System (LMHS) charges the same amount for its services to all patients regardless of insurance coverage.
- The average charge for all Florida hospitals is 30% greater than LMHS average charge; while local competing hospitals' average charge is between 39% and 45% higher than LMHS.
- LMHS offers discounts to the uninsured that are fair and reasonable based upon the individual's ability to pay for services.
- LMHS offers fair discounts to the uninsured, based on individual ability to pay, not on the desire to pay.
- LMHS discount programs are applied to all persons regardless of race, gender, age, religion, physical/mental disability, or national origin.
- LMHS discount program charges are equitably applied to all persons regardless of race, gender, age, religion, physical/mental disability or national origin.
- LMHS uses litigation for the collection of monies owed in a judicious manner and does not garnish wages for unpaid bills.
- LMHS responsibly engages in litigation, when necessary, for the rightful collection of personally incurred liabilities for services provided and does not garnish wages for unpaid debts.
- LMHS employs sufficient personnel and resources to provide financial assistance to those without insurance.
- LMHS provides substantial personnel and resources to help determine financial assistances to those in need.
- LMHS offers discounts for prompt payment to those without insurance regardless of income levels.
- LMHS offers material discounts for prompt payment by those without insurance regardless of income levels.
- LMHS has a responsibility to maintain financial integrity so that its services are available to all citizens, whether they are insured or uninsured.

- LMHS has a fiduciary community accountability to maintain its financial integrity to insure effective and professional continuation of its services to all, insured and uninsured.