

## ASSOCIATION OVERVIEW

The South Carolina Hospital Association is a private, not-for-profit organization made up of nearly 100 member hospitals and health systems and about 900 individual members associated with our institutional members.

### ■ Vision

South Carolina's hospitals will be national leaders in improving the quality and safety of patient care, and SCHA will be a national leader in advocacy.

### ■ Mission

SCHA's mission is to support its member hospitals in creating a world-class health care delivery system for the people of South Carolina by fostering high quality patient care and serving as effective advocates for the hospital community.

### ■ Credo

We are stronger together than apart.

## SC HOSPITALS QUICK FACTS

- Total Employees  
**79,747**
- Total Annual Payroll  
**\$3.33 billion**
- Total Annual Capital Expenditures  
**more than \$1 billion**
- Total Discharges Per Year  
**539,359**
- Total ER Visits Per Year  
**2,133,499**

SCHA represents 91 hospitals located throughout the state.

64 community, acute-care hospitals

48 have less than 100 licensed beds

4 Level 1 Trauma Centers

61 not-for-profit

30 are investor-owned

7 rehabilitation hospitals

9 are psychiatric hospitals

4 long-term acute care hospitals

5 Critical Access Hospitals

2 Veteran Affairs Hospitals

1 Army Hospital

## BEHAVIORAL HEALTH

South Carolina's system of providing care to those in need of behavioral health services is in crisis. The system is severely under-funded and in many communities it is fragmented and poorly coordinated. Despite the tough economic times, the South Carolina Hospital Association (SCHA) believes it is imperative that we begin reinvesting in our state's behavioral health care system. State agencies, private providers, and patient advocacy groups must work collaboratively to strengthen the continuum of care and create statewide protocols to improve treatment for our state's most vulnerable citizens.

South Carolina hospital emergency rooms have become the safety net for the mentally ill. Far too many South Carolinians suffering from mental illness and/or substance abuse problems are either living on the streets or are incarcerated. Too often, they are dropped off at hospital emergency rooms not equipped to provide the services they need. They simply have no place else to turn.

Legislative Action To:

- Create a statewide funding pool, with new funding, to reimburse any provider willing to provide needed behavioral health services that are part of an accepted continuum of care, including inpatient care, crisis stabilization, and residential care.
- Extend current tort protections from civil and criminal liability to hospital emergency providers who have the authority to assess and discharge persons presenting to the ED for behavioral health related problems.
- Support the South Carolina Department of Mental Health's (SCDMH) funding request to sustain and expand the statewide telepsychiatry project to all acute care hospitals, community mental health centers and local alcohol and drug abuse facilities.
- Repeal the state alcohol exclusion law to encourage a continuum of behavioral health treatment after a patient is discharged from the hospital.
- Review with the South Carolina Department of Health and Human Services (SCDHHS) its interpretation of the Federal IMD Exclusion (Institute of Mental Disease) and support any opportunity for South Carolina to participate in a federal demonstration project that will allow the state Medicaid program to cover the care of patients in free-standing psychiatric hospitals and to receive federal matching payments to help do so.
- Increase the number of both mental health and drug courts and expand capacity of existing courts.
- Require state agencies to establish criteria and methodologies to re-establish Medicaid benefits for persons once released from incarceration.

## CIGARETTE TAX

SCHA supports increasing South Carolina's lowest-in-the-nation, seven-cents-per-pack cigarette tax to the national average, which is currently \$1.34 per pack. Increasing the state tax on cigarettes is reported to be a highly effective way to reduce smoking and smoking-related death and disease in both adults and youths. Studies indicate that South Carolina could expect long-term health care savings of \$1.2 billion from reductions in adult and youth smoking as a result of raising our cigarette tax to the national average. Not only would this save lives and money, it would also generate \$217 million in additional state revenue, providing funding for important health care needs such as protecting the Medicaid program.

Because it is uncertain what obligations states will have if federal health care reform is enacted, any revenue generated from the cigarette tax should be held in a trust fund to meet future health care funding needs.

### Legislative Action To:

- Increase South Carolina's 7-cent cigarette tax to the national average, currently at \$1.34, which would generate an estimated \$217 million in revenue.
- Establish a trust fund where the revenues will be deposited and designated to fund:
  - shortfalls in the Medicaid program; and
  - smoking prevention and cessation efforts.

## MEDICAID

With providers forced to shift to businesses and their employees the cost of care provided to uninsured South Carolinians, it is imperative that our state maximize its use of the Medicaid program and available federal matching funds. While hospitals are reimbursed for allowable costs, they contribute \$264 million through a statutory tax that helps preserve the state's health care safety net which the uninsured depend on for needed services. With Medicaid expansion certain to be part of any health care reform package passed by Congress this year, SCHA believes the state should mount an aggressive outreach program designed to enroll all Medicaid eligible individuals and remove existing barriers to Medicaid enrollment and re-enrollment.

### Legislative Action To:

- Reimburse hospitals for the full, allowable costs of caring for Medicaid patients.
- Implement policies requiring the state to expand outreach efforts so that qualified applicants will be enrolled in the Medicaid program.

## TORT REFORM

Recent research shows the average American family pays an additional \$1,700 to \$2,000 per year in health care costs simply to cover the costs of defensive medicine—that is, providing medical services that are not expected to benefit the patient but that are undertaken to minimize the risk of a subsequent lawsuit. SCHA supports meaningful medical malpractice reform that discourages the filing of frivolous suits against health care providers by instituting non-binding arbitration for medical malpractice claims with the provision of a “loser pays” rule that applies to the parties that reject the arbitrator's decision and continue to court.

### Legislative Action To:

- Enact the ‘loser pays’ rule and other reform measures aimed at lowering the cost of health care created by the practice of defensive medicine.

## WORKFORCE PLANNING AND DEVELOPMENT

The first wave Baby Boomers will reach age 65 in 2011 and our current health care workforce is too small and unprepared for this aging group of citizens. This, combined with any health care reform efforts to increase access to appropriate health care services, will put an immeasurable strain on our capacity to adequately respond to the state's health care needs. Therefore, South Carolina must start immediately to adequately fund existing educational programs and create bold new initiatives to create an adequate supply of well-trained physicians, nurses, and allied health professionals to meet these growing future needs.

### Legislative Action To:

- Increase the number of nurse graduates by fully funding priorities under the Critical Needs Nursing Initiative Act and the Allied Health Initiative.
- Provide incentives to increase the number of psychiatrists who provide on-call services and are willing to practice in rural areas.