



County looks to spread cost of wayward patients

Effort to limit clientele dates to 1930s, but officials not giving up

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By SHERRY JACOBSON / The Dallas Morning News

Dallas County officials who oversee Parkland Memorial Hospital have always been unhappy about patients who show up from other counties in need of medical care.

At least since the 1930s, elected leaders have tried to impose residency requirements to stop people from crossing Dallas County borders to be treated at Parkland, which has grown into the largest hospital in North Texas.

But lawsuits and a variety of federal and state laws repeatedly have struck down such exclusions.

Still, Dallas County officials are not giving up the battle in this, the 110th year of Parkland's existence. County officials are hoping to find a way to spread around the cost of caring for out-of-county patients.

Out-of-county patients made about 60,000 outpatient visits to the hospital's emergency room and clinics and had more than 6,300 admissions to the hospital in 2003, according to a hospital report.

Dr. Ron Anderson, Parkland's president and chief executive officer, said it was time for the state to recognize that large urban hospitals, like Parkland, have become the safety net for counties that have no public hospitals, as well as for small rural hospitals that can't provide specialized care.

"Large safety-net hospitals provide a substantial amount of charity or uncompensated care to residents outside their immediate market," Dr. Anderson noted in a study for the Texas Medical Association's current issue of *Texas Medicine*. "Currently, Texas has no comprehensive funding arrangement for regional medical services."

Many out-of-county patients end up at Parkland for trauma or burn care not available elsewhere in North Texas, he said. Others seek "unavoidable" treatments in neurosurgery, epileptic, obstetric and neonatal specialties.

Treating out-of-county patients resulted in Dallas County being stuck with \$32.9 million in unpaid costs from those visits. However, other counties did reimburse \$241,487 for the cost of caring for their indigent residents.

County Commissioner Jim Jackson said many Texas counties shirk their responsibility to care for poor, uninsured residents by limiting the coverage to people with extremely low incomes. Since 1985, state law has required that counties without public hospitals foot the medical bills of their indigent residents.

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But the Indigent Health Care and Treatment Act also set the qualifying incomes as low as 21 percent of the federal poverty level. That means a family of four can earn no more than \$3,958 a year to be covered.

Meanwhile, the definition of indigent in Dallas County is much higher – up to 200 percent of the federal poverty level – or \$37,710 a year for a family of four. The federal government allows higher income levels when it reimburses hospitals for serving a disproportionate share of nonpaying patients.

Last year, Parkland received about \$77 million from the federal government for shouldering a large number of patients who are uninsured or covered by Medicaid, the insurance provider for low-income patients.

However, the disparity in defining who is indigent allows low-income residents who don't qualify for coverage in their own county to get it in counties with higher limits.

"The difference in indigent qualifications is common in Texas wherever you have an urban hospital district surrounded by counties that don't have a public hospital," said Jan Maberry, who manages the indigent health care program for the Texas Department of Health. "You can imagine that some people would go across county lines to get whatever they could at a public hospital."

Mr. Jackson said he plans to tackle such disparities when he joins the Texas Legislature next year, representing House District 115. He is unopposed this fall.

"Parkland Hospital, in my opinion, is not sustainable for another 10 years," he said of the hospital's financial plight. "It's a state problem, a federal problem and a local problem."

The hospital is undergoing a two-year, \$70 million cost-cutting effort that has eliminated more than 500 jobs.

However, Parkland officials wonder if the out-of-county issue has more weight than it deserves.

"It's a lot more complicated than you can convey in a sound bite on TV," said Dr. Anderson, who has headed Parkland for 23 years. "It's not so much the lack of insurance coverage that hurts us as the underfunding from Medicare, Medicaid and commercial insurance."

Most of the hospital's out-of-county losses last year came from insured patients whose coverage didn't pay their entire hospital bill, he said. Those underpayments accounted for \$19.3 million or about 60 percent of the non-Dallas County losses in 2003.

Medicaid reimbursed only 38 percent of Parkland's costs last year and private insurers also negotiated lower rates.

"People tell us, 'Why don't you bill other counties,' " said John Gates, Parkland's chief financial officer. "But the fact is the counties are not going to pay us because they have no liability to cover these costs."

County Judge Margaret Keliher said Parkland's financial plight would become clearer after a comprehensive study approved by Dallas County commissioners is completed this year.

"We're going to get all the facts out in the open, and hopefully, other counties will want to help us."

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