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**Senate Bill 71 (SB71) Annual Indigent Care Reporting  
Union County General Hospital  
Calendar Year 2021**

**Safety Net Hospital Serving a Large Low Income and Indigent Population**

UCGH is a Medicare-designated Critical Access Hospital (CAH) in Clayton, New Mexico, which means that it is at least 35 miles from the nearest hospital. In fact, the nearest hospital provider is Cimarron Memorial Hospital, which is 44 miles from the UCGH campus.

Hospital Name	Category	City	Distance (miles)
Cimarron Memorial Hospital	Critical Access Hospital	Boise City, Oklahoma	44
Coon Memorial Hospital	Critical Access Hospital	Dalhart, Texas	48

UCGH provides care to a community with a large population of low-income (Medicaid) and uninsured individuals; in 2021, roughly \$4.4 million in charges for patient care at the hospital, or 30% of total charges, were for services provided to Medicaid beneficiaries and the uninsured. With over one fourth of patient claims being paid below the cost of providing the care, UCGH bears a significant burden of the cost for treating the low-income and uninsured of its community.

The federal and state governments have allocated funding through various Medicaid supplemental payment programs to help alleviate this burden; however, these funds do not eliminate the difference between the cost of services and reimbursement.

The below table illustrates the unreimbursed cost of providing care to the indigent population in the fiscal year ended June 30, 2022.

Category	Total Charges (000s)	Estimated Cost of Services (000s)	Claim Payments (000s)	Cost Longfall / (Shortfall) (000s)	Supplemental Payments (000s)	Adjusted Cost Longfall / (Shortfall) (000s)
Medicaid	3,800	2,500	1,500	(1,000)	627	(373)
Uninsured	700	450	4	(446)	0	(446)
<b>Grand Total</b>	<b>4,500</b>	<b>2,950</b>	<b>1,504</b>	<b>(1,446)</b>	<b>627</b>	<b>(819)</b>



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### **Financial Assistance Plan (FAP)**

UCGH strives to ensure that the financial capacity of people who need healthcare services does not prevent them from seeking or receiving care.

In 2022, UCGH wrote off roughly \$100k of patient charges to charity care for patients who followed the procedures outlined in the FAP. To qualify for charity, patients are required to submit a charity application along with the supporting documentation to substantiate that their income level falls within the qualifying criteria in the FAP. If the patient does not provide the necessary information or cooperate with the financial advisors, UCGH cannot determine the patient's eligibility. Any uninsured or low-income patient that does not qualify for charity is due to an incomplete application or having a family income above the qualification threshold. ***Consequently, it is impossible for UCGH to quantify the total charges that were written off to bad debt that relate to patients who likely would have qualified for charity.***

For purposes of the form SB 71, UCGH is reporting no charges written off to bad debt for patients who qualified for financial assistance under the FAP. The hospital's policy is to write any unpaid account balances qualifying for financial assistance off to charity.

### **Bad Debt Expense**

Because UCGH uses an FAP application and approval process for charity care, the provider has no way to determine if accounts written off to bad debts could have otherwise been approved as charity accounts.

### **Clayton County RHC**

The provider's healthcare footprint not only includes the hospital but Rural Health Clinics as well. As these services are integral in the overall continuum of care provided at UCGH and as the available services are shown to reduce the reliance on the hospital's emergency room in an effort to help control the shortfall in costs, the clinic costs direct and indirect costs were not removed from the SB-71 analysis. Therefore, the Rural Health Clinic information is contained in the determination of the Medicaid/Uninsured costs/payments and shortfall calculation.