

Hospital Trends in Memphis/Shelby County, TN 1990-2002

with a focus on Market Share,
Uncompensated Care, and ED Visits

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*Joint Annual Report of Hospitals
(JARs), 1990-2002*

Tennessee Department of Health,
Nashville, Tennessee

Community Hospitals Analyzed

1. Methodist Le Bonheur Healthcare
2. The Regional Medical Center of Memphis (The Med)
3. Rest of Shelby County (Baptist - Medical Center (closed 2000), Baptist East, Women's, and Collierville; St. Francis, UT Bowld, St. Joseph (closed 1998), The Delta Medical Center)

Major Trends Analyzed

1. Market Share
2. Payer Mix
3. Revenue Adjustments Including Uncompensated Care
4. ED Utilization

Hospital Market Share

Hospital Market Share based on No. of Admissions

Hospital	2000	2001	2002
Methodist-Le Bonheur	41%	45%	43%
The Med	10%	10%	11%
Rest of Shelby	50%	45%	46%
Total	100%	100%	100%

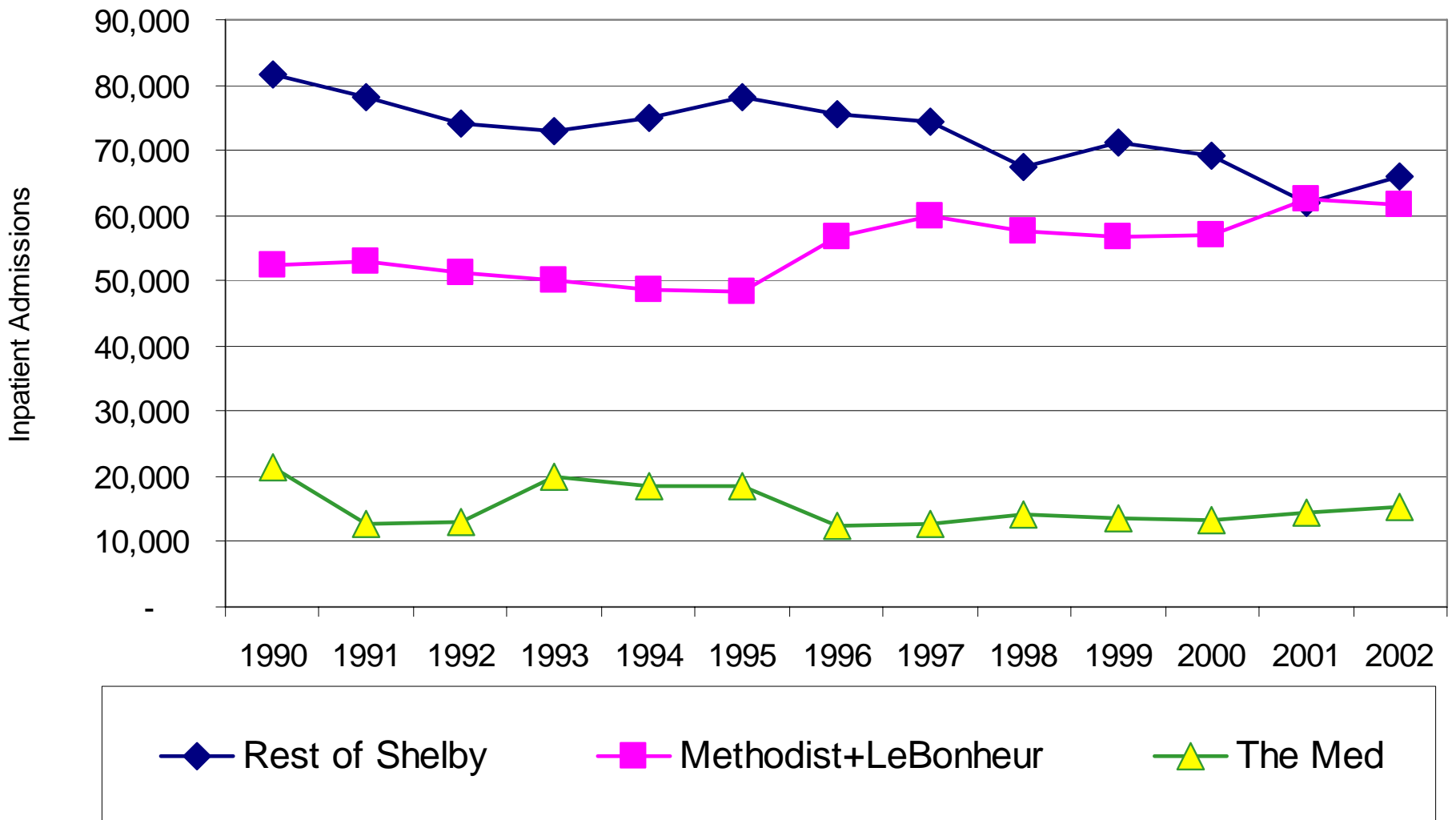
Hospital Market Share based on Gross Charges

Hospital	2000	2001	2002
Methodist-Le Bonheur	36%	39%	43%
The Med	12%	13%	11%
Rest of Shelby	51%	47%	46%
Total	100%	100%	100%

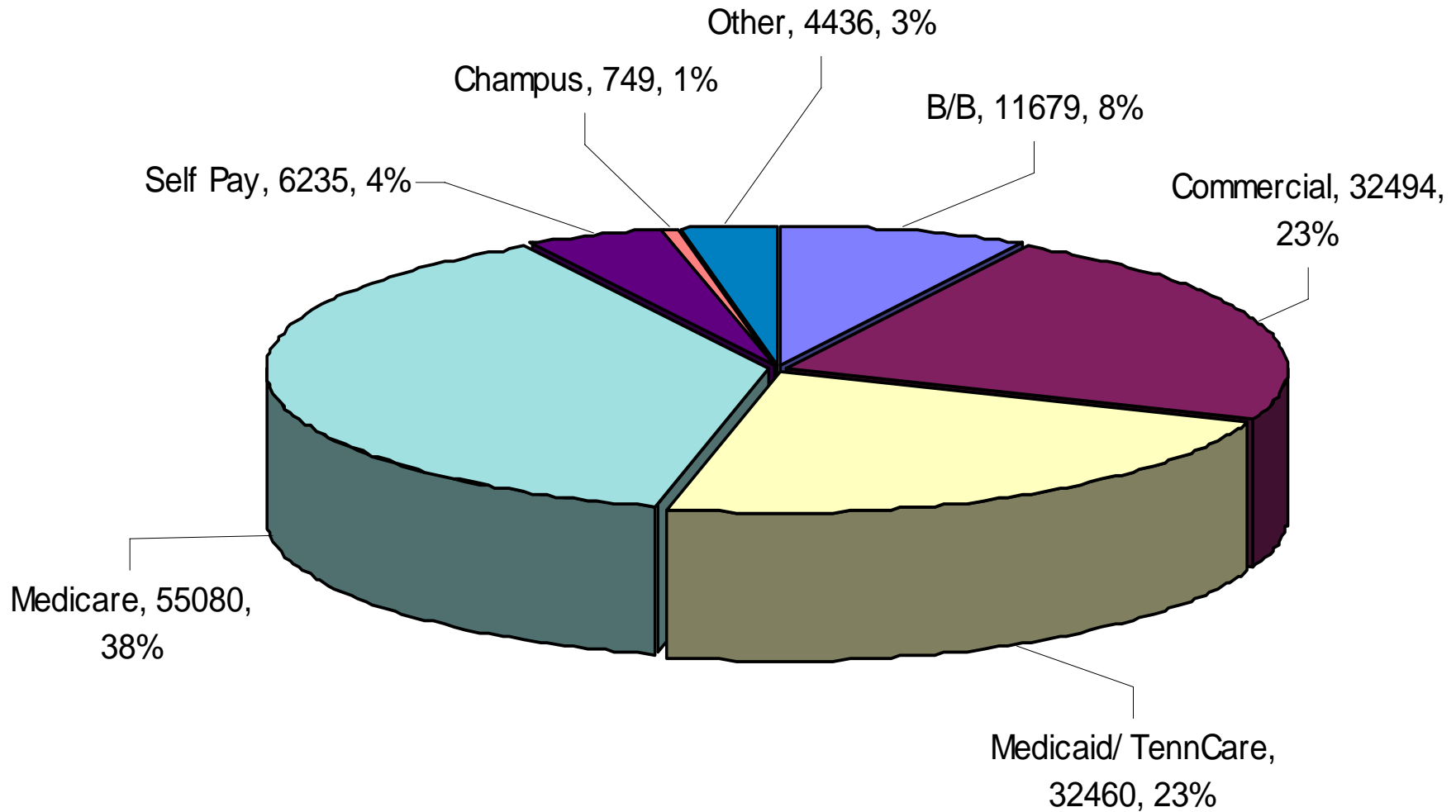
The components may not add up to 100% due to rounding error

Inpatient Admission Trends 1990-2002

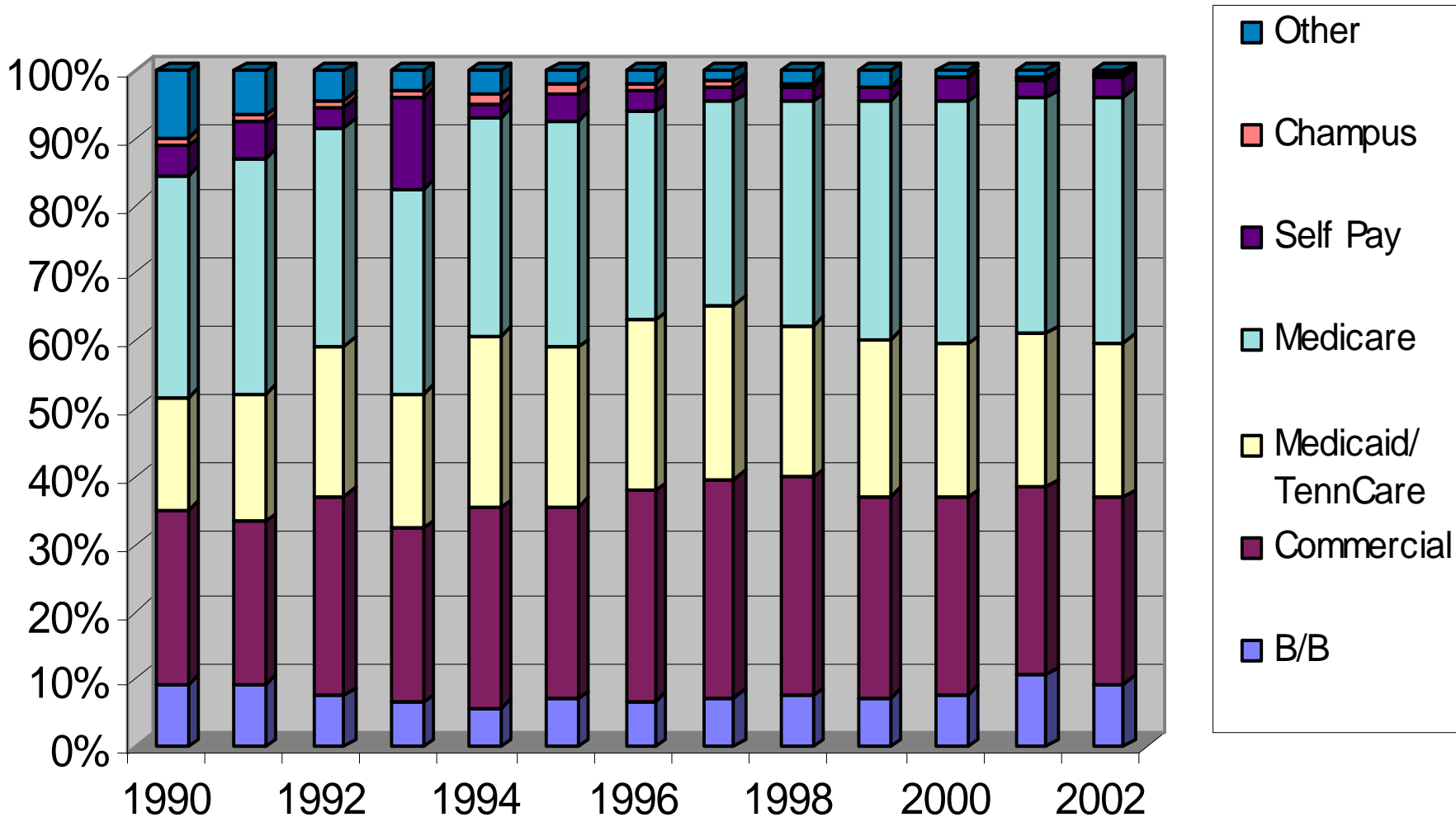
Shelby County, Tennessee



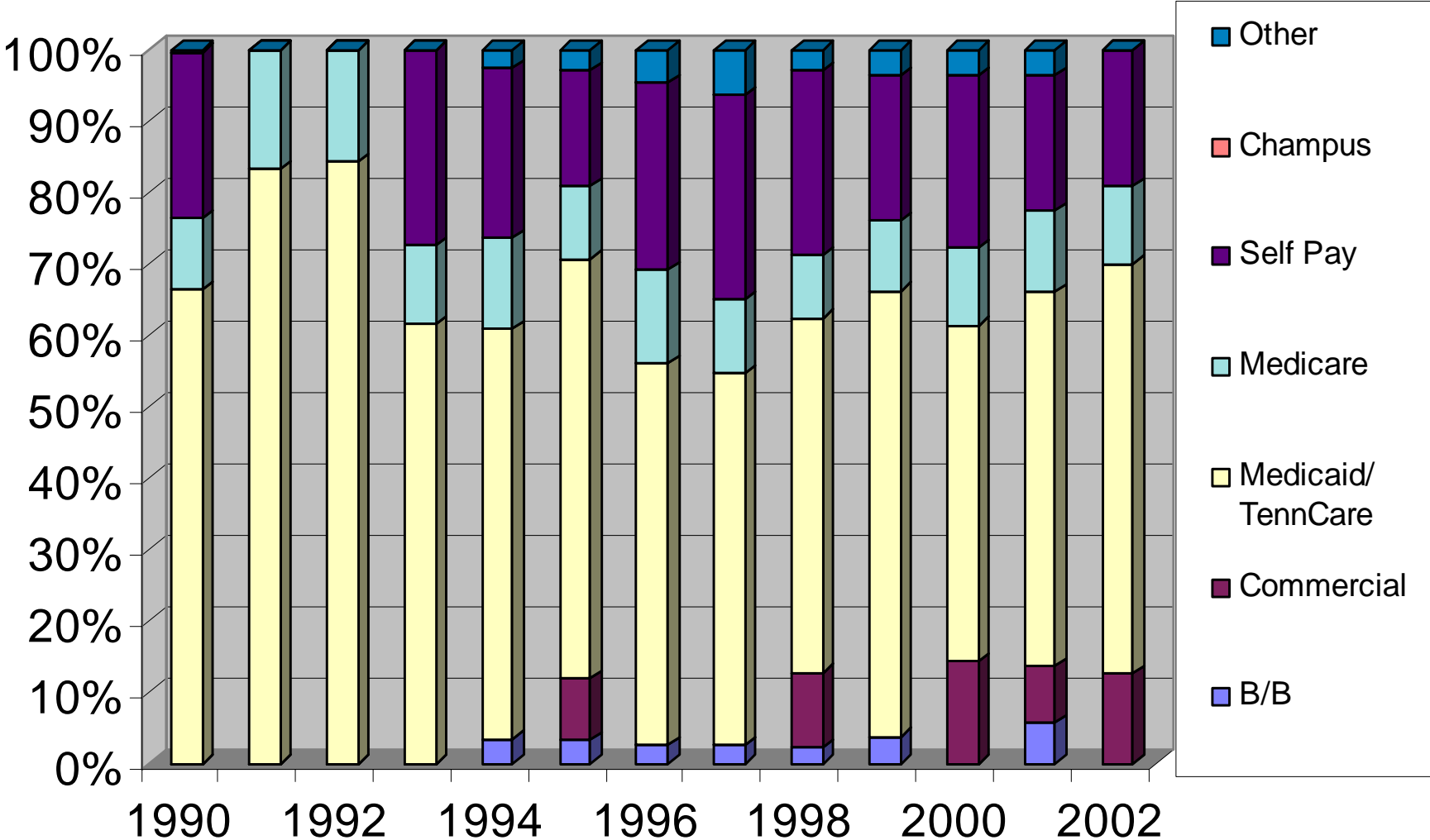
Distribution of Admissions by Payer Mix - 2002



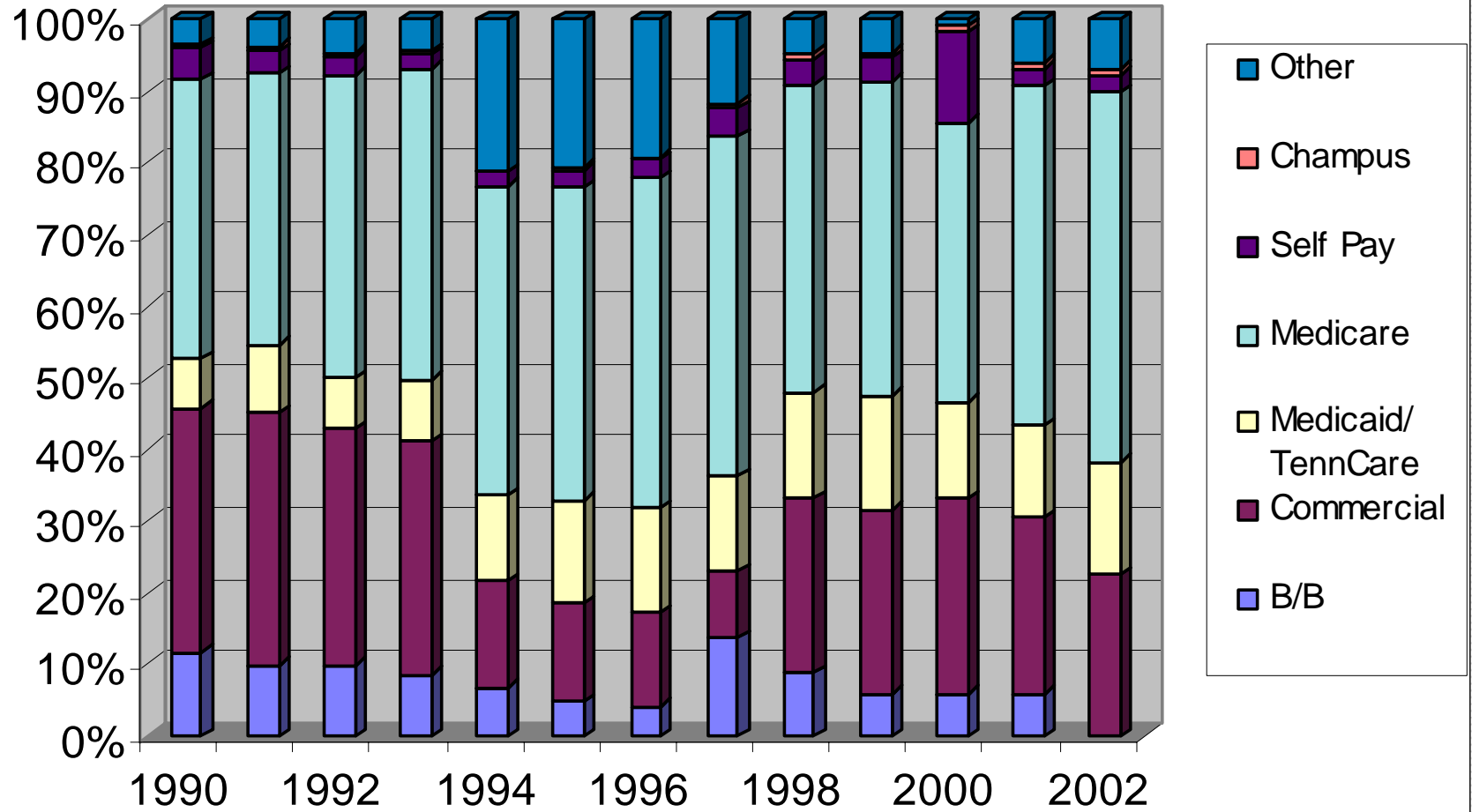
Total Admissions by Payer Mix - Methodist + Le Bonheur



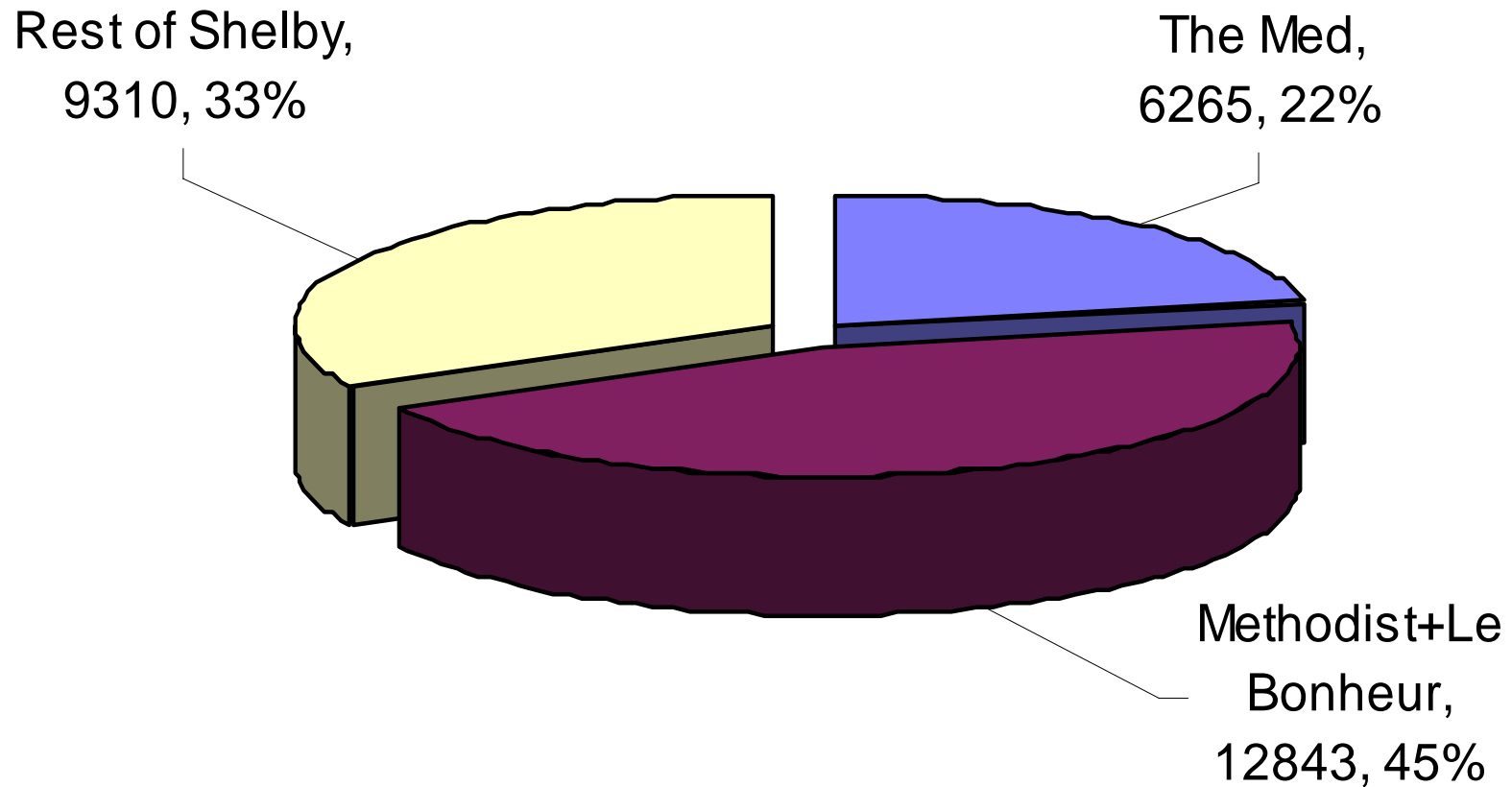
Total Admissions by Payer Mix - The Med



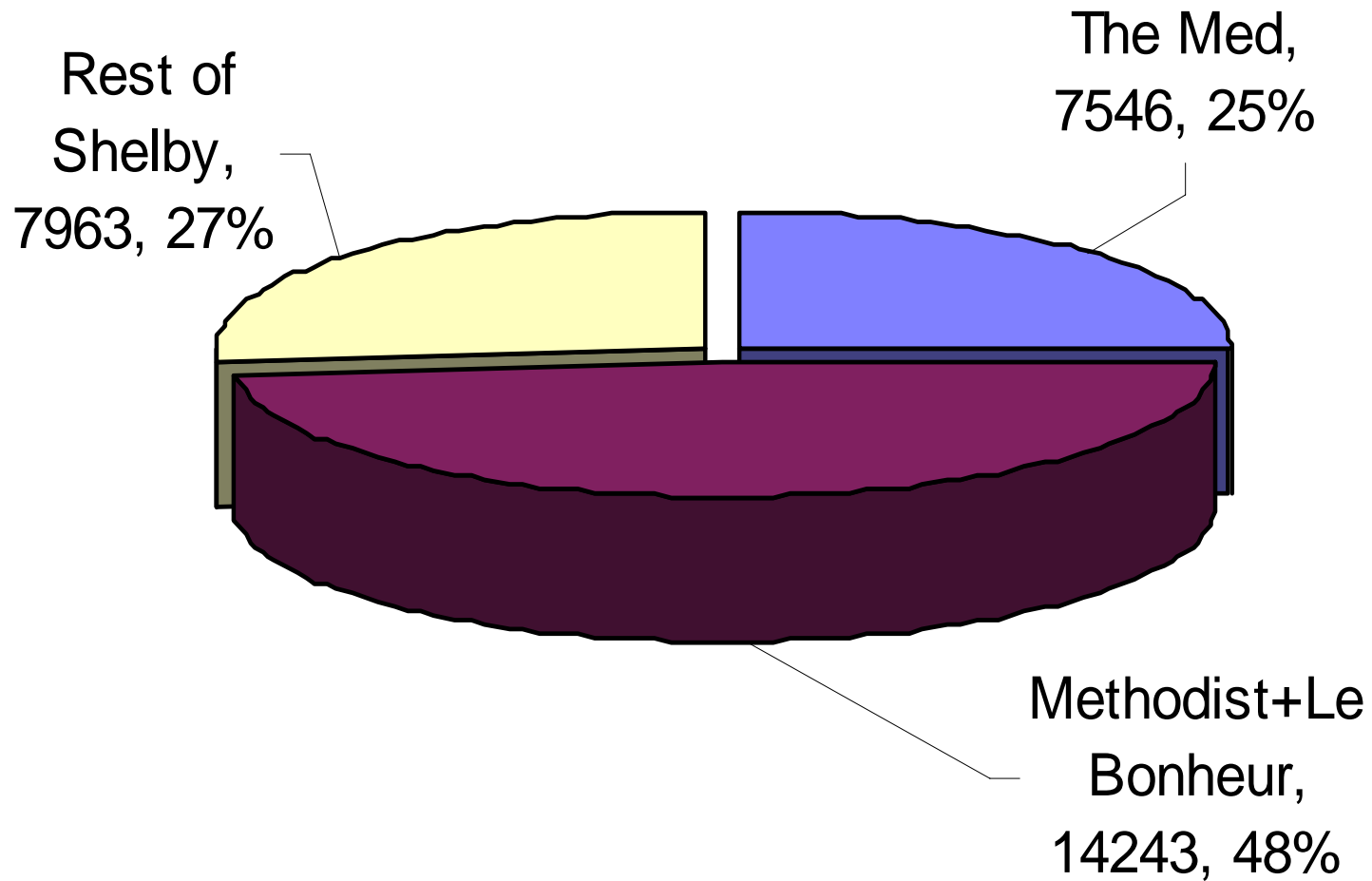
Total Admissions by Payer Mix - Rest of Shelby County



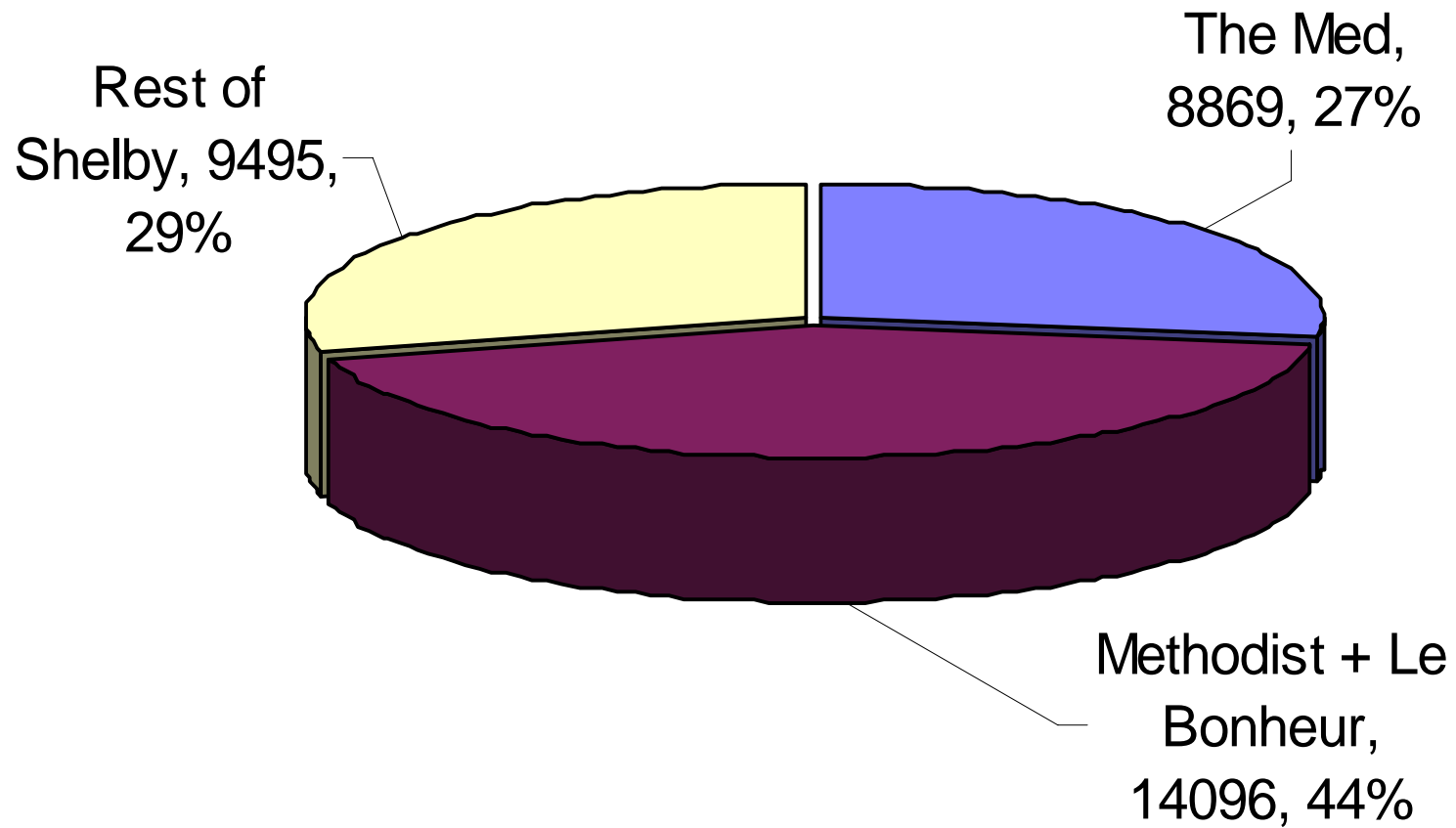
Distribution of TennCare Admissions Among Shelby County Hospitals, 2000



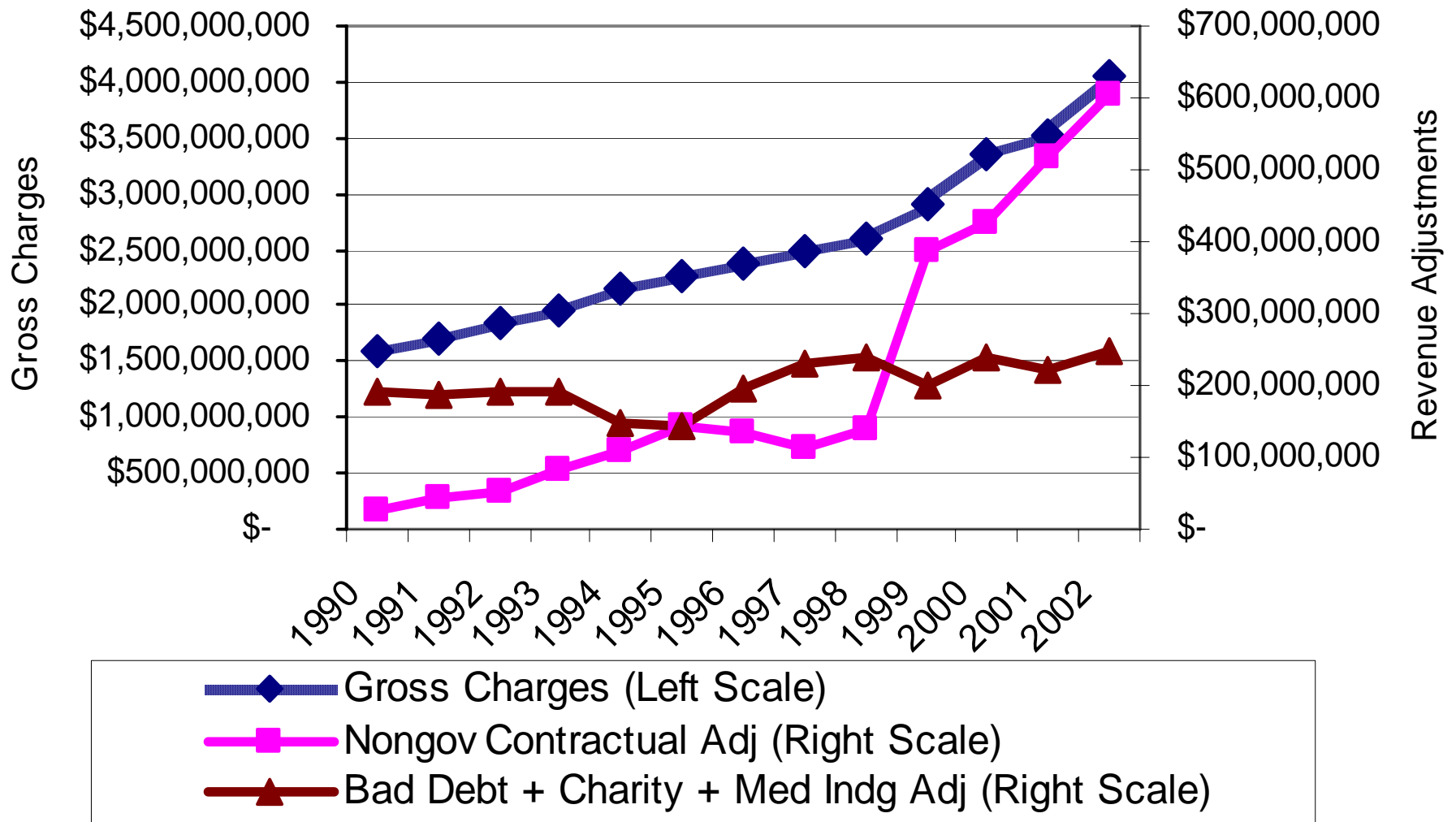
Distribution of TennCare Admissions Among Shelby County Hospitals, 2001



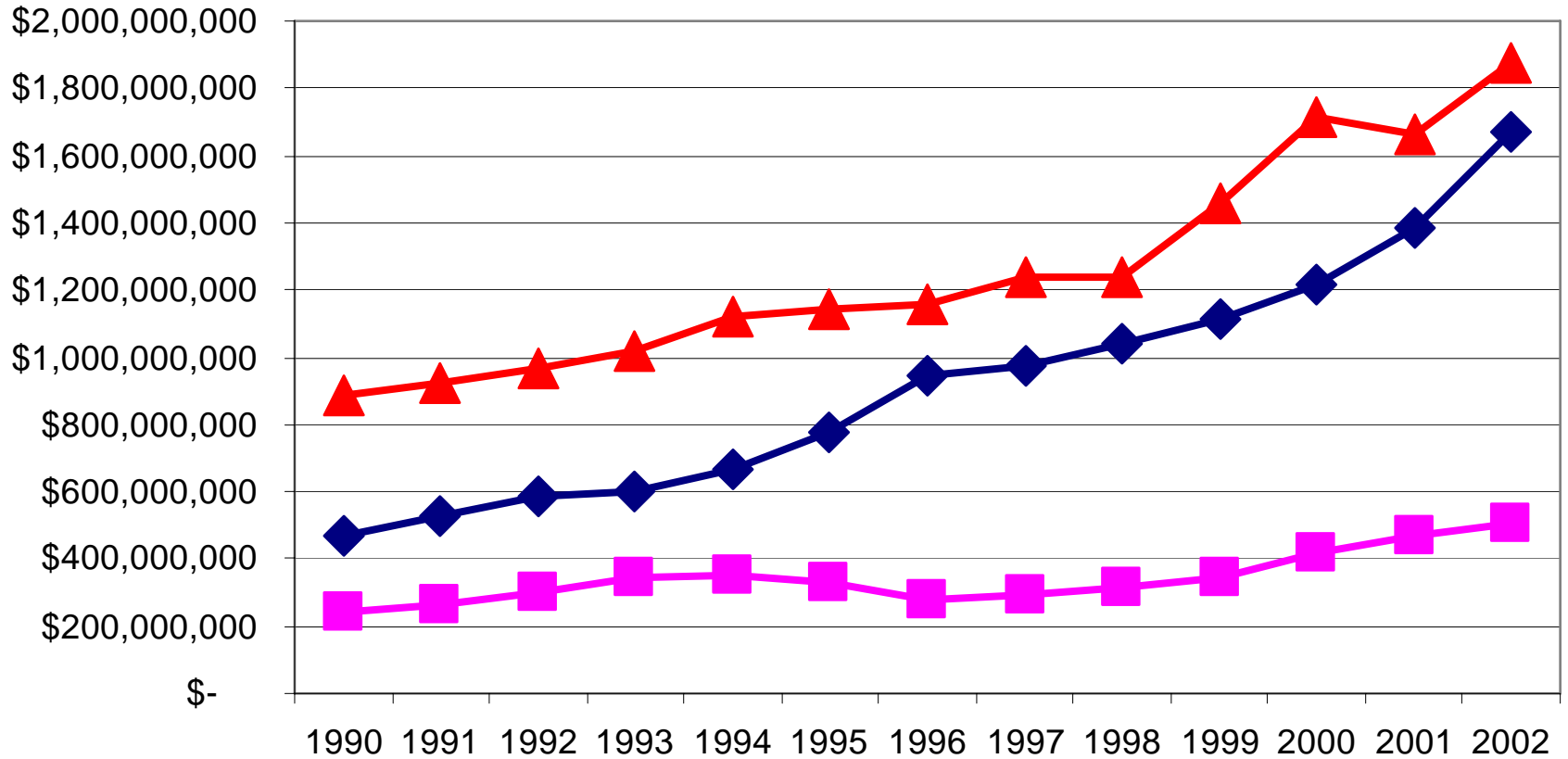
Distribution of TennCare Admissions Among Shelby County Hospitals, 2002



Gross Charges and Major Revenue Adjustments Memphis/Shelby County Hospitals 1990-2002



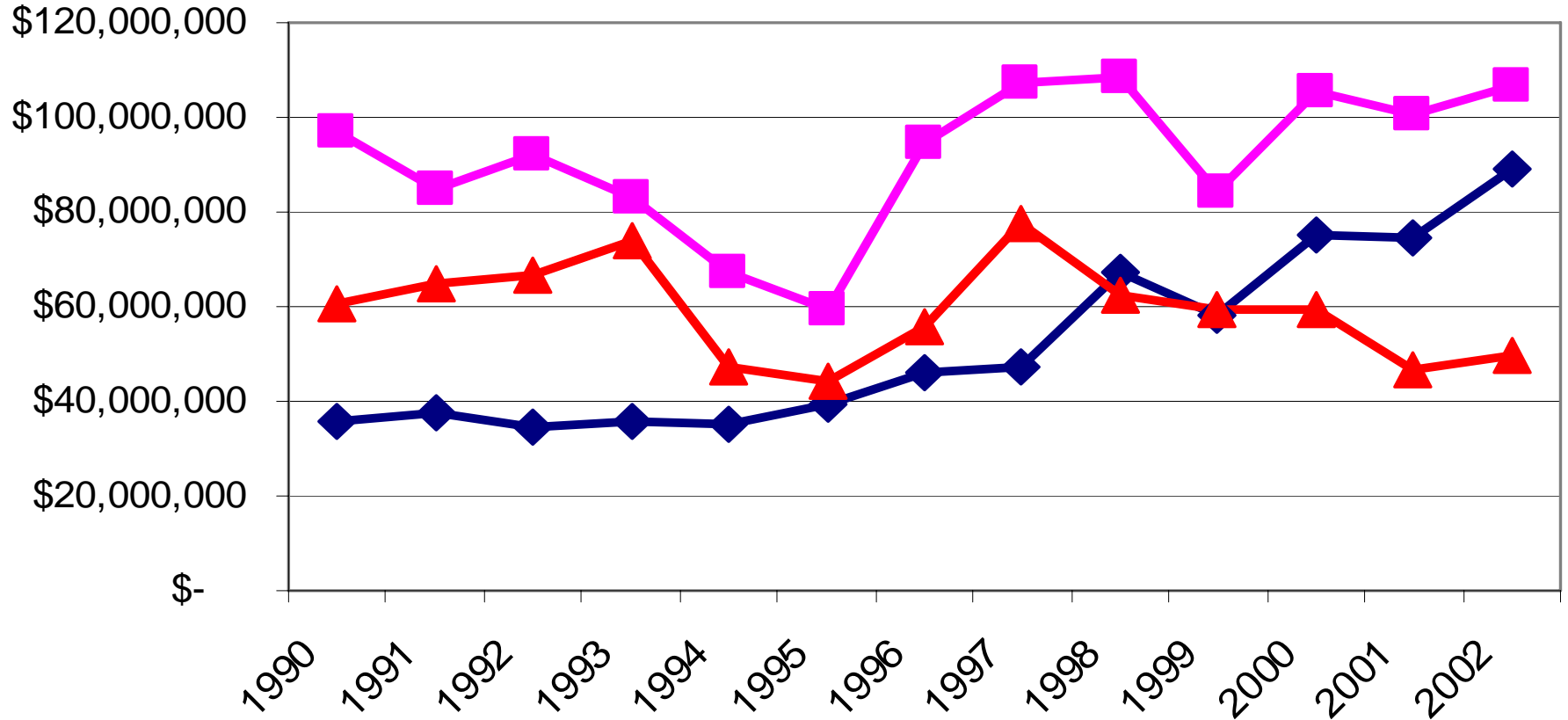
Gross Inpatient and Outpatient Charges Shelby County, Tennessee



◆ Methodist+Le Bonheur
 ■ The Med
 ▲ Rest of Shelby County

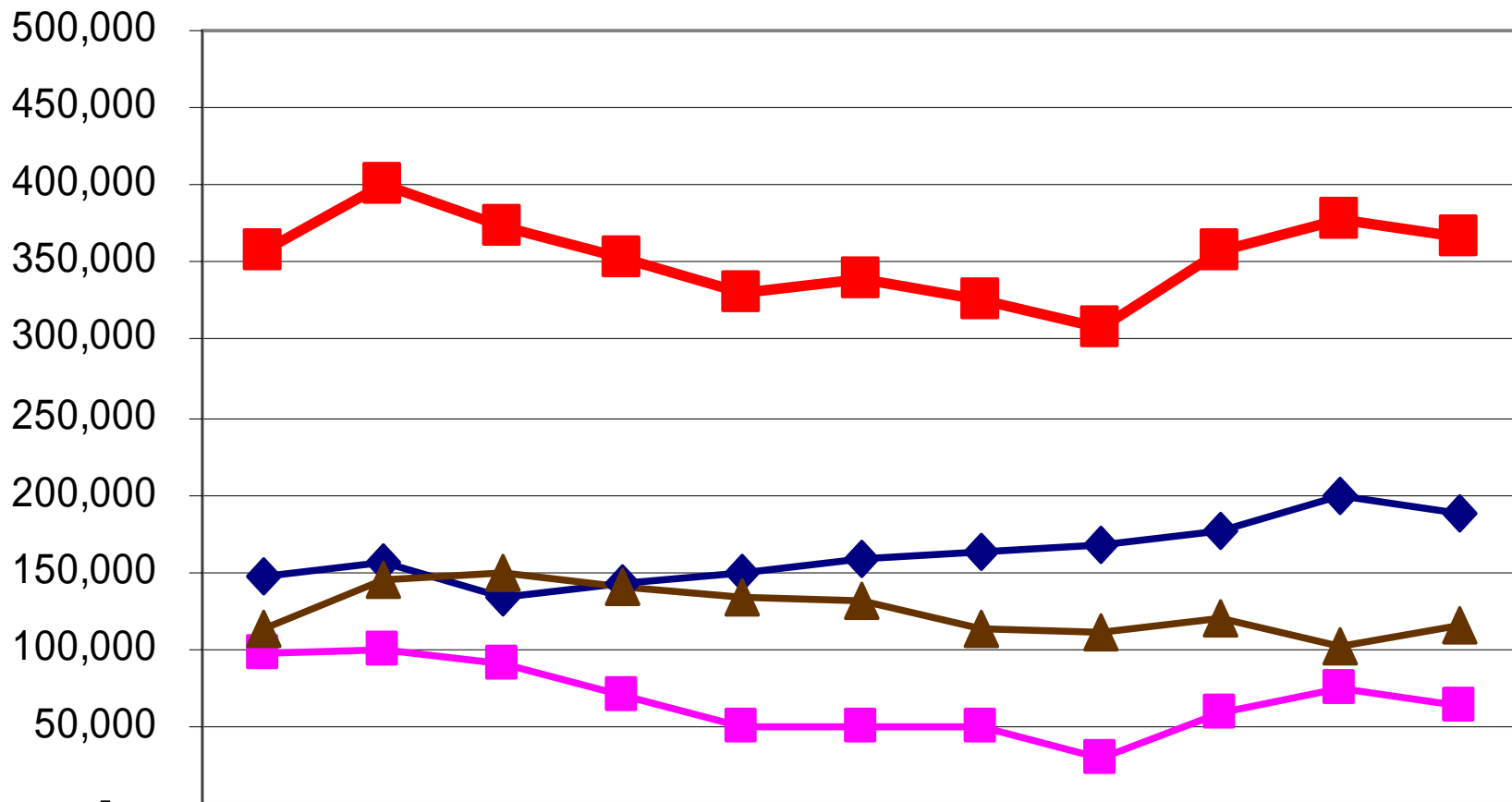
Uncompensated Care

(Bad Debt + Charity + Med Indigents Adjustments to Gross Charges)
Shelby County, Tennessee



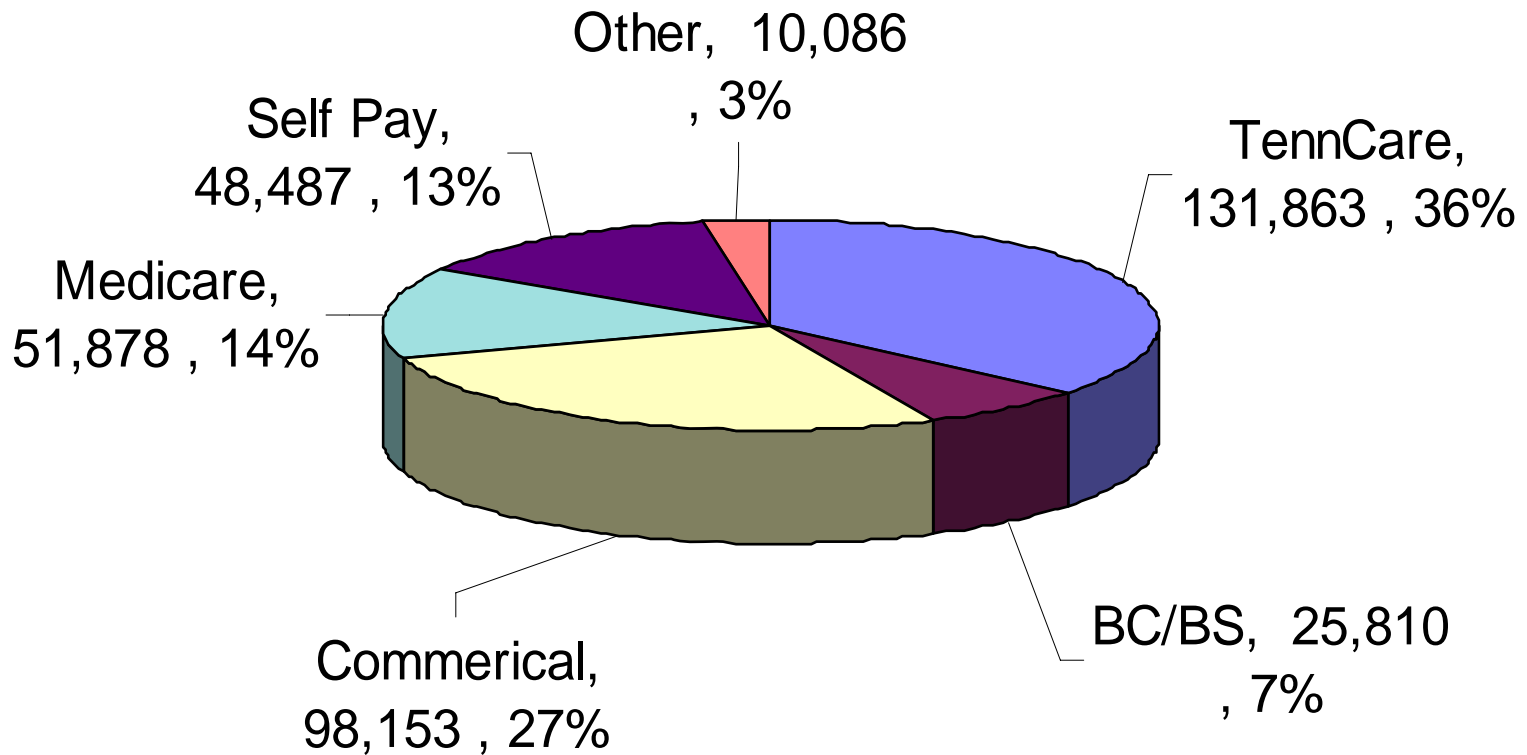
Methodist+Le Bonheur The Med Rest of Shelby County

ED Visits in Shelby County, Tennessee, 1992-2002

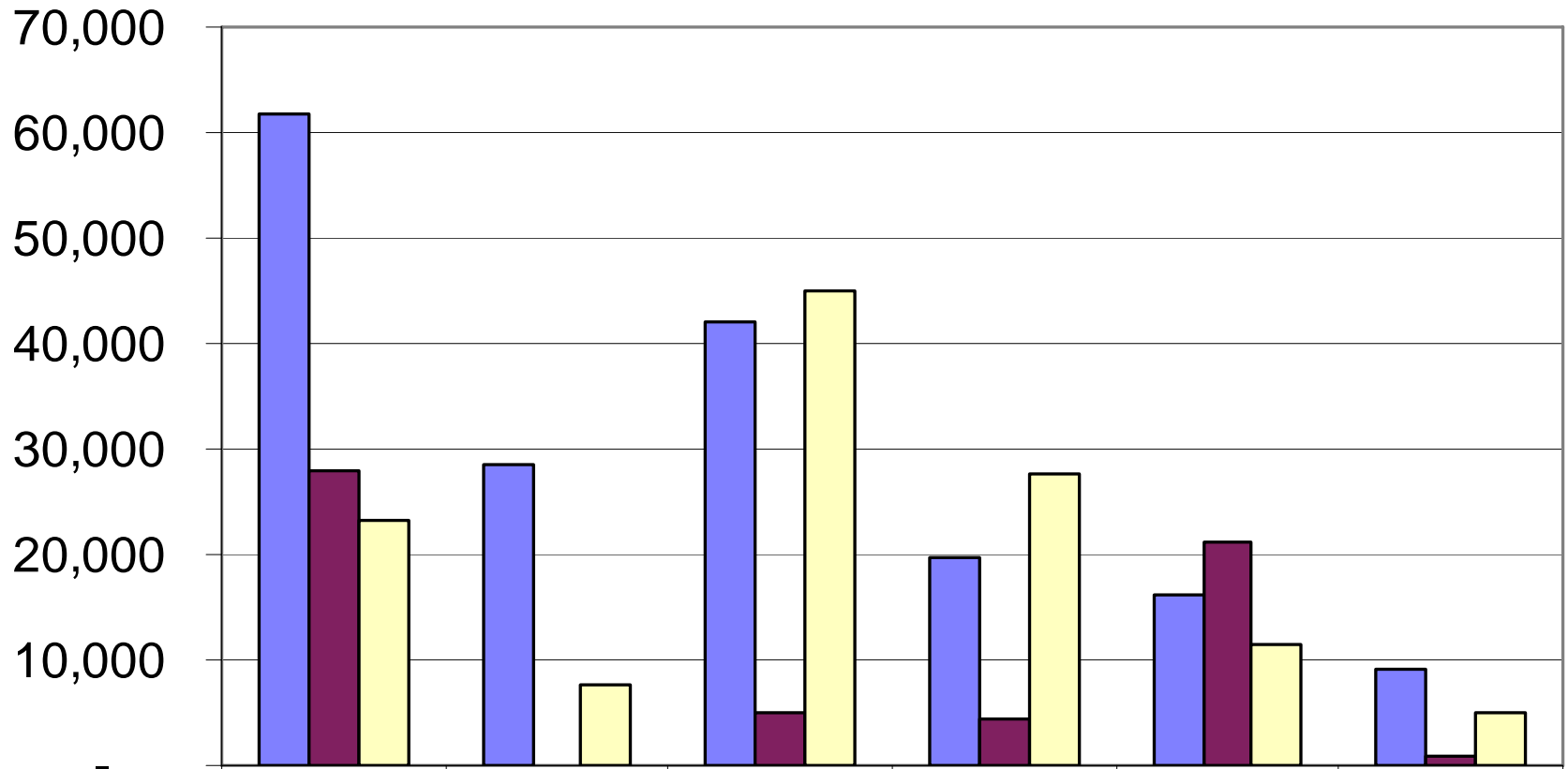


	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Methodist-Le Bonheur	147,991	156,351	134,141	143,398	148,693	158,801	161,973	167,039	177,377	199,117	186,851
The Med	98,416	98,945	89,426	70,354	49,329	49,093	48,987	30,012	59,404	75,166	64,032
Rest of Shelby County	112,186	144,149	149,469	139,211	133,418	131,813	113,817	110,169	120,265	102,824	115,394
Total Shelby County	358,593	399,445	373,036	352,963	331,440	339,707	324,777	307,220	357,046	377,107	366,277

ED Visits by Payer Mix - 2002

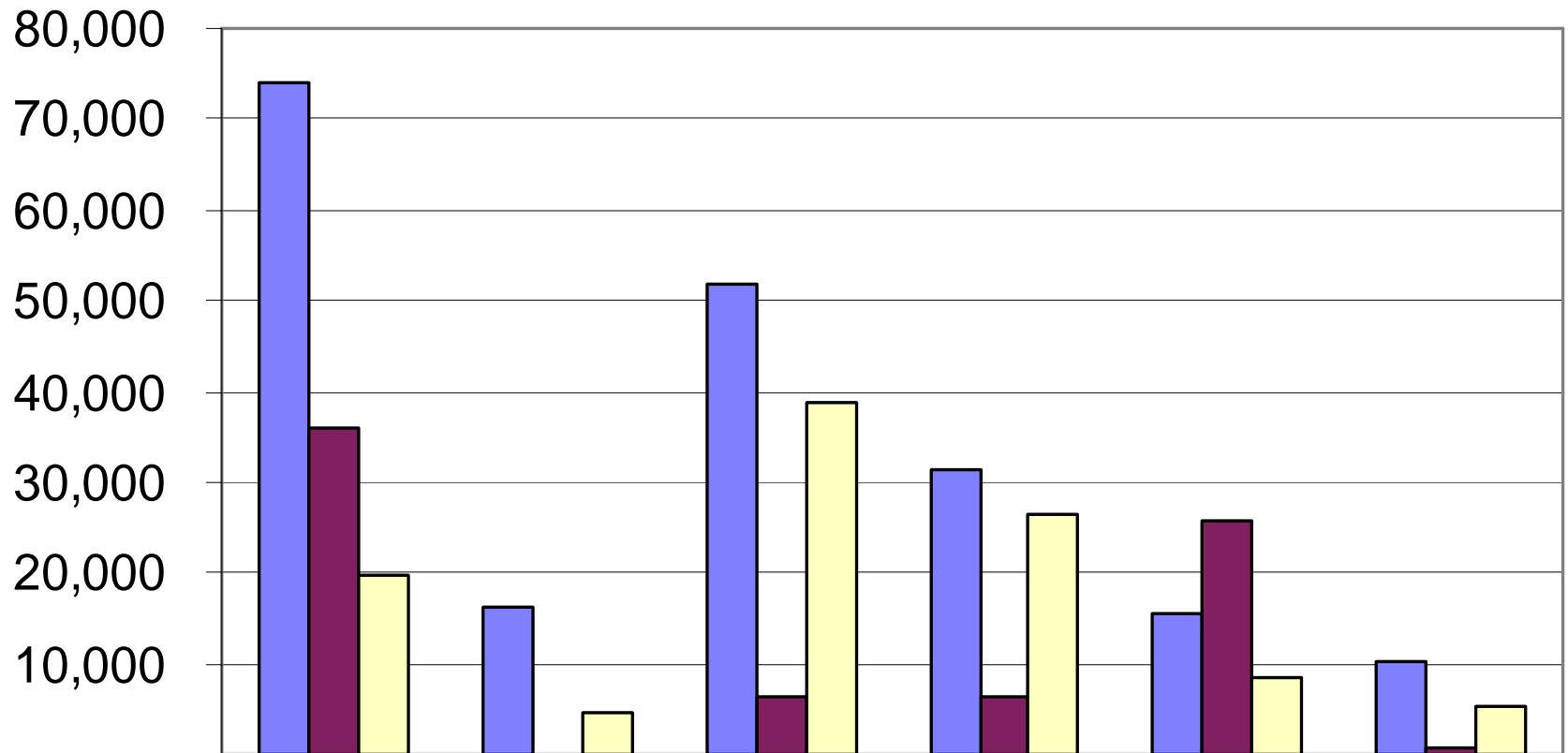


ED Visits by Payer Mix - 2000



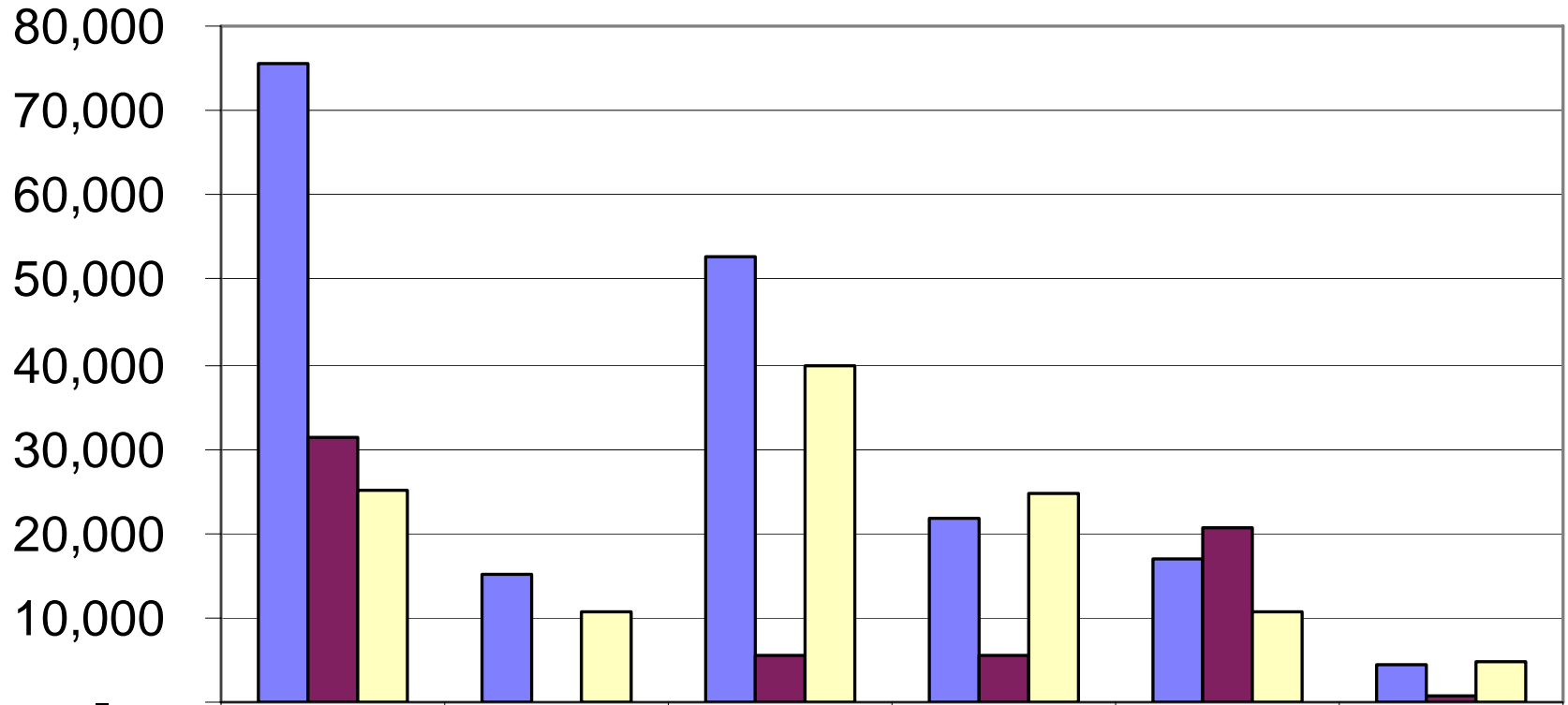
	TennCare	BC/BS	Commerical	Medicare	Self Pay	Other
■ Methodist-Le Bonheur	61,729	28,656	42,180	19,664	16,033	9,118
■ The Med	27,923	-	5,122	4,420	21,063	876
■ Rest of Shelby County	23,341	7,777	45,137	27,589	11,462	4,959

ED Visits by Payer Mix - 2001



	TennCare	BC/BS	Commercial	Medicare	Self Pay	Other
Methodist-Le Bonheur	73,988	16,347	51,849	31,395	15,393	10,144
The Med	35,932	-	6,448	6,229	25,724	833
Rest of Shelby County	19,895	4,699	38,827	26,568	8,381	5,354

ED Visits by Payer Mix - 2002



	TennCare	BC/BS	Commerical	Medicare	Self Pay	Other
■ Methodist-Le Bonheur	75,602	15,192	52,837	21,718	17,065	4,437
■ The Med	31,291	-	5,560	5,584	20,788	809
■ Rest of Shelby County	24,970	10,618	39,756	24,576	10,634	4,840

Concluding Observations

1. The Med has about 11% of the market share in Memphis/Shelby County, while the remaining 89% is split between Methodist Le Bonheur Healthcare (43%) and hospitals in the rest of Shelby County (46%)
2. In 2002, Methodist LeBonheur lost market share slightly when compared to the 45% share a year ago.

Concluding Observations (cont.)

3. In 2002, Medicare led among the third-party payers in hospital reimbursement paying for 38% of the total admissions in Shelby County, followed by TennCare (23%) and commercial carriers (23%)
 4. The Med and Methodist-Le Bonheur together treated a disproportionate share of TennCare patients in Memphis/Shelby County
 - ❑ The Med's admissions were overwhelmingly TennCare
 - ❑ Methodist-Le Bonheur accounted for about half of the total admissions of TennCare patients in Shelby County
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Concluding Observations (cont.)

4. The Med continues to draw mostly TennCare and Self-Pay (no-pay) patients with little success attracting commercial patients
5. Le Bonheur as a pediatric hospital is also saddled with a heavy load of TennCare and no-pay patients. However, this adverse burden has been mitigated by a sizable commercial patient base, slightly more favorable reimbursement rates, and effective cost control.

Concluding Observations (cont.)

6. In terms of uncompensated care, which includes bad debt, charity care, and free care for the medically indigents, The Med continues to bear the brunt of the burden, writing off close to \$110 million in 2002.
7. Methodist-Le Bonheur provided over \$89 million worth of uncompensated care in 2002 while hospitals in the rest of the County provided only \$50 million, and the gap is growing

Concluding Observations (cont.)

8. Contrary to national and state trends, ED visits in Memphis and Shelby County declined steadily in the late 1990s
9. In 2000 and 2001, however, ED visits rose sharply, with most of the increases occurring at Methodist-Le Bonheur hospitals and, to a lesser degree, The Med

Concluding Observations (cont.)

10. TennCare patients accounted for a disproportionate share of the ED visits in 2000-2002.
 - In 2002, for example, TennCare patients represented 23% of the total inpatient admissions in Shelby County but they accounted 36% of total ED visits