



UNIVERSITY HOSPITALS
AUTHORITY & TRUST

University Hospitals Authority & Trust (UHAT) Overview

- ❖ University Hospitals Authority (UHA) separated from DHS in 1993. At that time, University Hospitals were struggling financially and were woefully under-capitalized. UHA's indigent care, teaching and research missions were in jeopardy. The University Hospitals Trust was created in 1998 with the goal of privatizing management and operational functions of the hospitals. The Trust entered into a joint operating agreement (JOA) with HCA Health Services of Oklahoma in 1998. That partnership continued until the Trust entered into a new JOA with OU Medicine, Inc., in February 2018. OU Medical System includes the State's only comprehensive children's hospital, level I trauma center and NCI designated cancer center.



University Hospitals Authority & Trust Mission

- ❖ Indigent Care: OU Medical Center is the State's largest provider of indigent care. Indigent care is defined in statute as Medicaid, Self Pay/Charity and DOC inmate care. The Joint Operator (OU Medicine Inc.) is required to provide a base amount of indigent care each year. Appropriations support programs such as the Level I Trauma Center and other patient services.
- ❖ Medical Education: OU Medical Center is the primary teaching hospital for the State's only M.D. Program. UHA supports this mission through various programs including both the Medicaid Hospital GME and Dean's GME Program. Approximately 1,185 residency positions are supported by UHA.
- ❖ Medical Research: University Hospitals Authority & Trust have provided medical research dollars to the University of Oklahoma for a variety of programs including research that led to the National Cancer Institute's NCI Designation of the Stephenson Cancer Center in 2018. Only 2% of hospitals nationally have received this designation.



OU Medical Center's Provision of Services for the Oklahoma Department of Corrections

- ❖ Oklahoma State Statute requires the Joint Operator to provide hospital services without cost to DOC. However, the Joint Operator is allowed to reduce indigent care service levels, including services to DOC, if appropriations from the Legislature are insufficient to offset costs.
- ❖ In addition to OU Medical Center, DOC has a multi-tiered healthcare structure which includes infirmaries and other facility-based healthcare, agreements with local hospitals and healthcare providers around the state. OU Medical Center services are utilized by DOC primarily for specialty services and traumatic/highly complex cases such as general and cardiovascular surgery.
- ❖ All of DOC's routine deliveries of newborn babies are scheduled at Children's Hospital. There were 29 deliveries performed for DOC inmates in FY'19.



OU Medical Center Inpatient and Outpatient Combined DOC Services

- ❖ The Legislature appropriated \$7,511,826 to University Hospitals Authority in FY'19 to offset all statutorily required indigent care at OU Medical Center. There were over \$100 million of unreimbursed costs associated with Self Pay/Charity and DOC inmate care in that time period.
- ❖ The value of services provided by OU Medical Center to the DOC during FY'19 at commercial insurance rates totaled over \$24.4 million.
- ❖ The value of services measured at Medicaid rates during that same time period would have been \$6.8 million.
- ❖ OU Medical Center's costs associated with the provision of these services totaled more than \$13.2 million.
- ❖ These medical services were all delivered at zero cost to the DOC.



OU Medical Center Inpatient Service

- ❖ All transfers or direct admissions are coordinated through the Patient Logistics Center
 - ❖ The Patient Logistics Center assigns an open bed to the patient. For security there is a designated section on the 6th floor of the adult hospital that will accommodate 6-8 inmates.
 - ❖ Based on level of care, an inmate can be placed anywhere in the facility. For instance, a cardiac patient may be placed on the cardiac floor of the hospital so the attending physician does not have to move between floors.
 - ❖ Labor and Delivery Services are provided at the Women's and Children's Hospital.
- ❖ Referral sources for DOC patients
 - ❖ DOC facility to OUMC ER or direct inpatient hospital admission.
 - ❖ Lindsey Hospital to OUMC ER or direct inpatient hospital admission.
 - ❖ Community ER to OUMC ER or direct inpatient hospital admission.
- ❖ Upon arrival the inmate is registered.
 - ❖ The patient is coded as “charity/self pay” versus “insured.”
 - ❖ The facility is verified using the Oklahoma Department of Corrections website offender look up.



DOC Utilization of OU Medical Center Inpatient Services

- ❖ OU Medical Center handled 366 inpatient visits during SFY 2019. The average length of stay was 5.41 days and the average cost to OU Medical Center per visit was approximately \$19,247.
- ❖ The severity of OU Medical Center cases is such that if OU Medical Center inpatient services were billed to DOC at Medicaid, Medicare, or Commercial Insurance rates, they would make up an outsized share of total DOC costs. The table below provides the amounts that would have been billed for OU services if billed at a Medicaid, Medicare, or Managed Care rate.

OU Inpatient Service Equivalents	Amount
OU Medicaid Equivalent	\$4.2 million
OU Medicare Equivalent	\$6.6 million
OU Commercial Insurance Equivalent	\$15.7 million

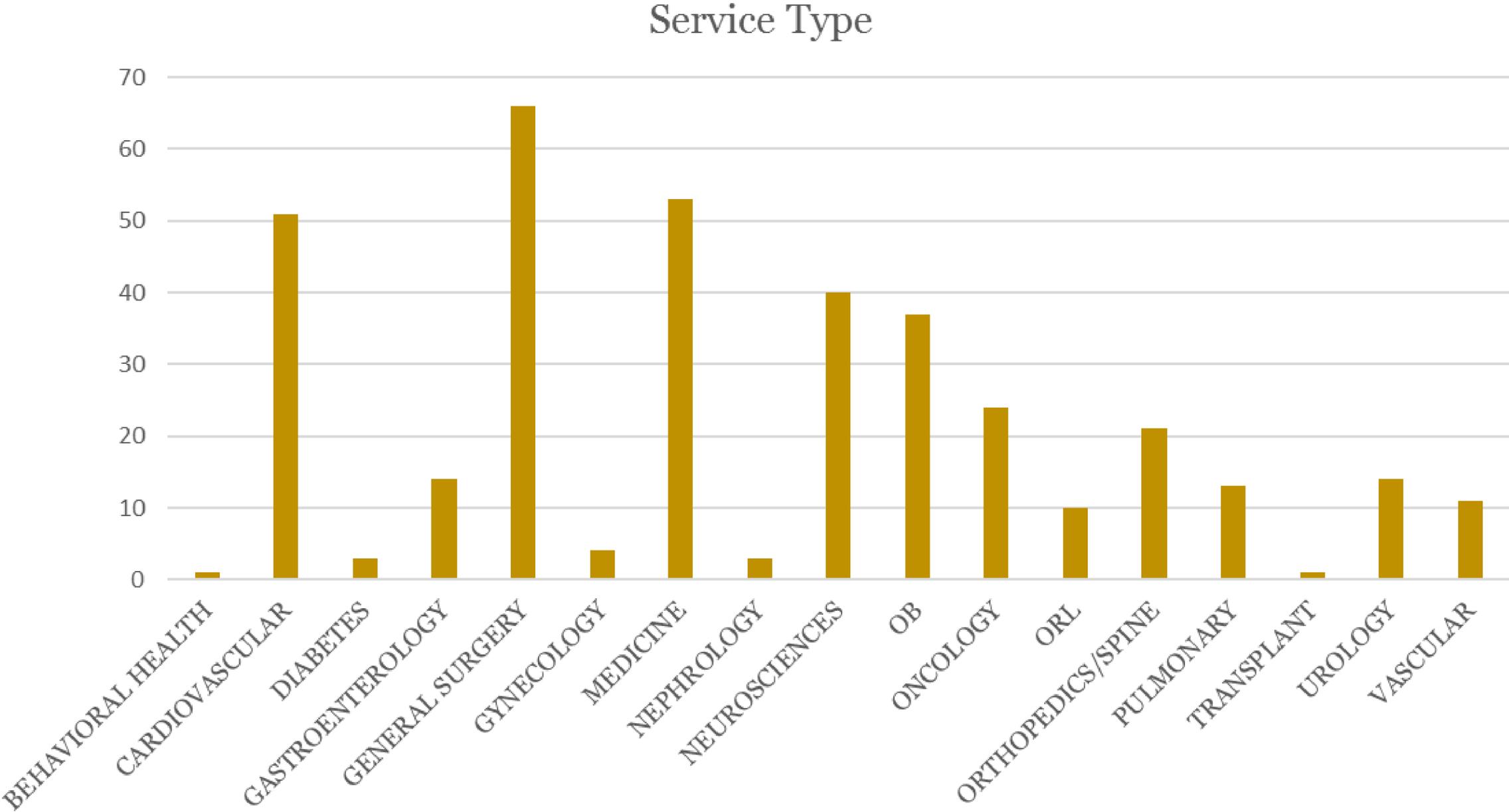


DOC Inpatient Hospital Case Complexity

- ❖ Case complexity contributes greatly to both the value and cost of services provided by OU Medicine. Age of the inmate is a contributing factor due to comorbidities. 53 of the 366 admissions were for inmates over the age of 65 with another 82 inmates aged 55-64.
- ❖ Evidence of DOC's case complexity can be found in the Case Mix Index (CMI) for the hospital. Case mix is based on the medical severity of Diagnostic Related Grouping (DRG) codes divided by the number of total discharges. The higher the CMI number, the higher the medical complexity.
- ❖ OUMI's system wide aggregate CMI for FY'19 was 1.7. The National Council of Teaching Hospitals median CMI is 1.88. The CMI for DOC specific patients had a monthly average of 2.1 during the same time period. This is 24% higher than the system aggregate which includes the State's only Level I Trauma Center.



Types of Inpatient Services Provided by OU Medical Center to DOC



OU Medical Center Outpatient Scheduling

- ❖ Outpatient referrals for the inmates are handled the same way any other referral is handled.
 - ❖ Primary referral sources for DOC patients are the DOC resident clinics, individual facility physicians or Lindsey Hospital physicians.
- ❖ Surgical cases for outpatients are scheduled with OR scheduling.
 - ❖ A call or faxed request for surgery is made to the OR scheduler
 - ❖ The patient is placed on the schedule in the appropriate surgeon's block time that is available.
- ❖ Outpatient Diagnostic Studies are scheduled with Central Scheduling.
 - ❖ A call or faxed order for the test that needs to be scheduled is received.
 - ❖ The patient is placed on the schedule for the next available time.
 - ❖ For security, inmates are primarily placed at the OUMC Presbyterian Tower, but the patient can be scheduled anywhere if the test need is only done in a certain location or the urgency requires it to be done at first place the patient can be seen.
- ❖ All other services are scheduled in the departments as needed.
- ❖ Upon arrival, the inmate is registered following the same process as is done for inpatient admission.



Outpatient Services Provided by OU Medical Center

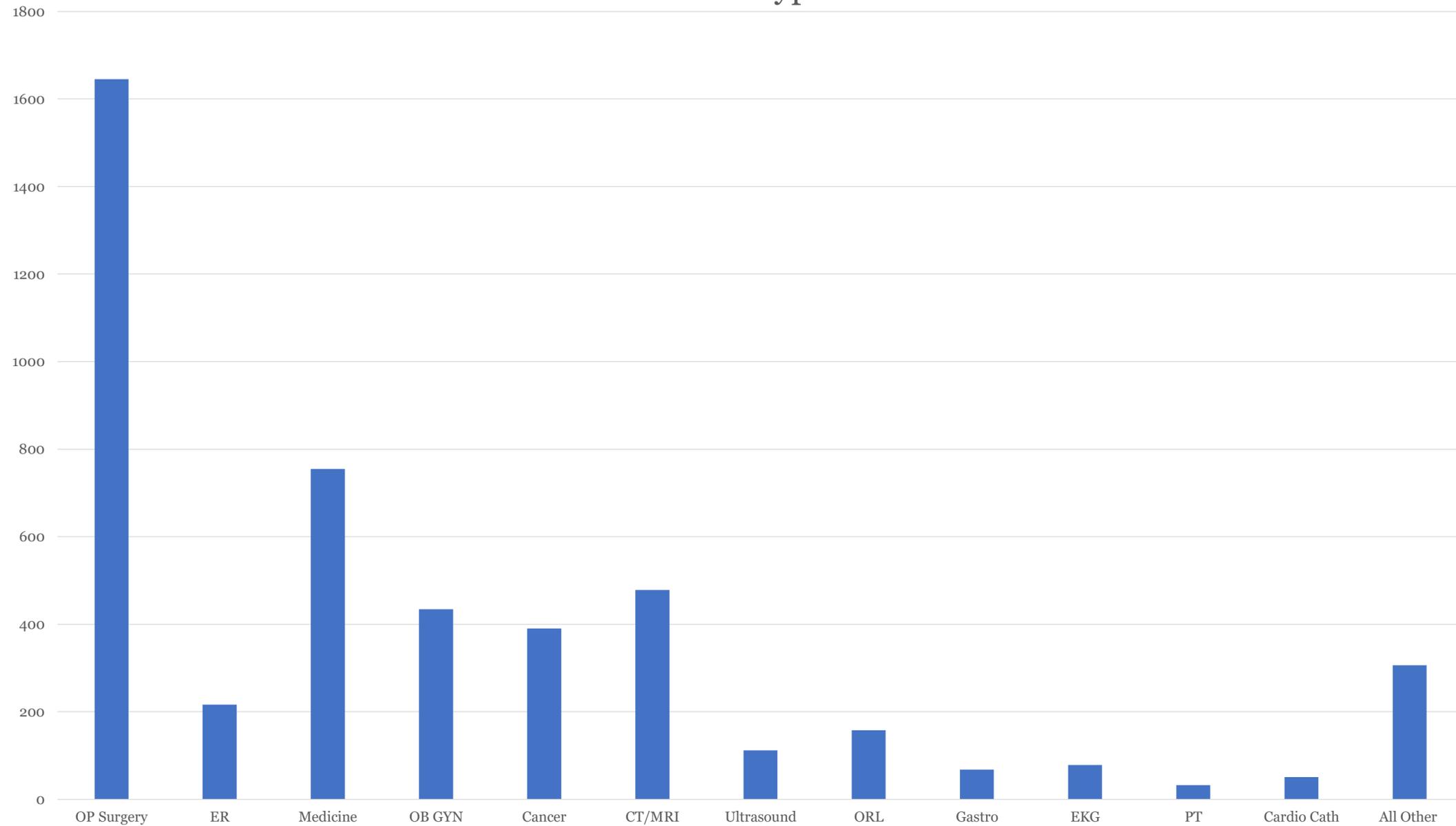
- ❖ OU Medical Center provided 4,718 outpatient encounters for DOC inmates during SFY 2019. Outpatient services are somewhat limited due to the location of the DOC resident clinic. It is across campus from the physician specialist’s main clinical building.
- ❖ Similar to inpatient services, OU Medical Center provided fewer overall outpatient encounters than other facilities; however, the equivalent billable value of those services was generally higher than other facilities. The following table presents the amount that would have been billed to DOC for OU Medical Center outpatient services at a Medicaid, Medicare, and Commercial Insurance rates.

OU Outpatient Service Equivalents	Amount
OU Medicaid Equivalent	\$2.6 million
OU Medicare Equivalent	\$3.8 million
OU Commercial Insurance Equivalent	\$9.7 million



Types of Outpatient Services Provided by OU Medical Center to DOC

Service Type



General Notes

- ❖ The DOC numbers presented in these slides are only intended to represent inpatient and outpatient encounters. They do not include other DOC healthcare costs such physician costs, ambulance costs, other general healthcare items, or transportation and security costs related to movement of inmates.
- ❖ The OU Medical Center numbers presented in these slides do not include services provided to private prisons, county and other local facilities, or federal facilities. OU Medical Center services are utilized by DOC primarily for specialty services and traumatic/highly complex cases.

