

City of Cambridge

MASSACHUSETTS

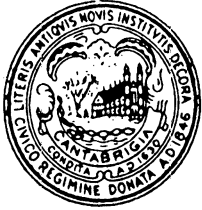
Agenda # 3 - City Council support for the appropriation of monies for medical assistance funding for General Relief recipients.

In City Council

April 25

198 3

	YEA	NAY	ABSENT	PRESENT
Mr. Daniel J. Clinton				
Mr. Thomas W. Danehy				
Mr. Francis H. Duehay				
Ms. Sandra Graham				
Mr. Leonard J. Russell				
Mr. David E. Sullivan				
Mr. Walter J. Sullivan				
Mr. Wylie				
Mayor Vellucci				



CITY OF CAMBRIDGE
DEPARTMENT OF HEALTH AND HOSPITALS
1493 CAMBRIDGE STREET
CAMBRIDGE, MASSACHUSETTS 02139
498-1349

MELVIN H. CHALFEN, M.D.
COMMISSIONER

April 11, 1983

The Honorable Robert D. Wetmore
The State Senate
State House, Room 409
Boston, MA 02133

Dear Senator Wetmore:

I am writing to request your support for the appropriation of the \$73.7 million Governor Michael Dukakis has requested for funding for medical assistance for General Relief recipients. The inclusion of these monies in the FY 1984 budget will have a significant impact upon the health care industry's ability to provide health care to the indigent.

As you are probably aware, medical assistance payments to hospitals for services provided to General Relief recipients were virtually eliminated several years ago. The elimination of these funds placed an immense strain on inner city hospitals, particularly Cambridge and Boston City Hospital, who care for the majority of these patients. These hospitals, who already account for an unequal portion of the states free care and bad debts, faced even larger deficits due to the elimination of medical assistance funding for this non-paying population.

Chapter 372, the innovative hospital legislation enacted into law in 1982, has further accentuated this problem by requiring hospitals to significantly reduce costs, bad debts being one of them. To reduce bad debts, many private hospitals have tightened their credit and collection policy procedures resulting in many indigent patients being refused treatment. This situation has resulted in a greater number of the poor seeking care at municipal hospitals.

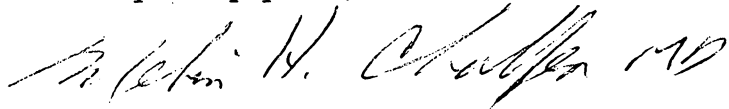
In conjunction with the fiscal pressures of Chapter 372, a number of other developments on both the federal and state level are adversely impacting this hospital. On the federal level, the Tax Equity and Fiscal Responsibility Act of 1982 significantly modifies Medicare reimbursement methodology for hospitals. Reduced hospital payments have already been effected in numerous areas as a result of this legislation. Further reductions are proposed as part of the Social Security reform legislation which recently passed the House and Senate. On the state level, revisions to the A.F.D.C. eligibility criteria has resulted in the removal of nearly four hundred families from the welfare roles in Cambridge. Due to Proposition 2 1/2, the bad debt burden of treating these patients cannot be offset by increased tax support by the city. In fact, with level funding of tax dollars from the city, the recently completed Fiscal Year 1984 hospital budget contains not only the most stringent operating budget in the hospital's history, but also is predicted upon reduction of services in certain areas.

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OFFICE OF THE
CITY MANAGER

The appropriation of the General Relief monies would significantly improve the fiscal plight confronting The Cambridge Hospital. My fiscal staff has projected that the funding for this care would result in an increase in net revenues of more than \$600,000 in Fiscal Year 1984. This would greatly enhance our ability to provide care for the indigent and could, in fact, materially affect the continued financial viability of this institution. Without these monies, a corresponding cut in expenditures for Fiscal Year 1984 would be mandated, undoubtedly resulting in a significant reduction in services.

Your support in this matter would be greatly appreciated.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Melvin H. Chalfen M.D.", written in dark ink.

Melvin H. Chalfen, M.D.

Commissioner of Health & Hospitals

/tap



CITY OF CAMBRIDGE

CAMBRIDGE, MASSACHUSETTS 02139

Tel. 498-9011

EXECUTIVE DEPARTMENT

ROBERT W. HEALY

City Manager

April 11, 1983

I am writing to request your support for the appropriation of monies Governor Michael Dukakis has included in his proposed budget for medical assistance funding for General Relief recipients. The inclusion of this \$73.7 million allotment would have a significant impact upon the Cambridge Hospital's ability to provide medical services to the indigent populace of Cambridge.

Several years ago, the elimination of medical assistance for General Relief patients resulted in a temporary setback in the City's goal of having a less tax-dependent hospital. Although the hospital has been able to reduce its tax dependence since that time through improved efficiency, numerous developments on the federal, state, and city level have halted this progress. Chapter 372, the novel cost containment legislation enacted in 1982, as well as other reimbursement changes on the federal and state level, have placed particular hardship upon health care providers with a large percentage of indigent patients. These developments are examined in greater detail in a letter also being forwarded to you by Melvin H. Chalfen, M.D., Commissioner of Health and Hospitals for the City of Cambridge.

These detrimental health care reimbursement changes unfortunately have arrived at a time when the city is least able to increase the tax support it provides to the hospital. Based upon current projections for fiscal year revenues and expenditures, I have found it necessary to level fund this tax support figure which, fully allocated, approximates three million dollars. So as to comply with this budgetary mandate, the hospital has submitted the most compact budget in its history, calling for some reduction in services. This budget submission is, however, predicated upon the receipt of \$600,000 in General Relief receipts. If funds for health care services to those recipients is not appropriated in the state budget, broad based reductions in both personnel and services will be required.

Your support for the appropriation of these monies is critical to the continued provision of health care services to the indigent of Cambridge. Your assistance in this matter would be greatly appreciated.

Very truly yours,

Robert W. Healy
City Manager

RWH/mbf



CITY OF CAMBRIDGE

CAMBRIDGE, MASSACHUSETTS 02139
Tel. 498-9011

EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

April 25, 1983

To the Honorable, the City Council:

Enclosed please find copies of communications from Dr. Chalfen and myself to the Senators and Representatives on the Ways and Means Committees, requesting their support for the appropriation of monies for medical assistance funding for General Relief recipients.

Very truly yours,

Robert W. Healy
City Manager

RWH/mbf
Encs. 2

Agenda # 3

F-116

City Council support for the appropriation of monies for medical assistance funding for General Relief recipients.

In City Council,

April 25, 1983

4/25/83

- Placed on File -

- No Action Taken -