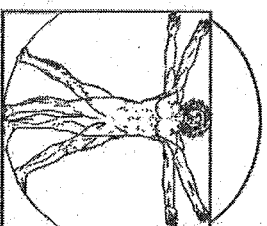


**Texas Senate Finance
Subcommittee on Medicaid**

February 21, 2011

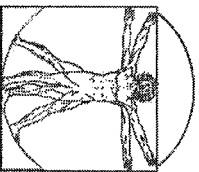


DOCTORS HOSPITAL
at
RENAISSANCE

Presentation By

Dr. Fausto Meza

Chief Medical Officer

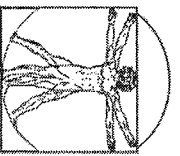


DOCTORS HOSPITAL
at
RENAISSANCE

"Founded, built and operated by South Texans for South Texans, DHR works to ensure that medical marvels from around the world are available and attainable by everyone in our community."

Serving our Community Since 1997

- ❑ 506 Bed General Acute Care Community Hospital
- ❑ Over 50 Specialties and Sub-Specialties
- ❑ Over 580 Practicing Physicians
- ❑ Over 3,500 Employees
- ❑ Care provider to over 180,000 patients annually.
- ❑ Providing one of the largest emergency rooms in Hidalgo County with 25 ER beds and 24/7 access to on-site physicians and on-call specialists.
(See an average of 2,200 ER patients per month)
- ❑ Named One of Thomson Reuters Top 100 Hospitals in the U.S. for 2007, 2008, and 2009.
- ❑ Home to the only exclusive Women's Hospital in South Texas and a Level III-B Neo-Natal Intensive Care Unit that was ranked in the Top 5%, both national and internationally, by the Vermont-Oxford Network for exemplary outcomes.
- ❑ Offering 88 inpatient beds for mental healthcare at the Behavioral Center at Renaissance.

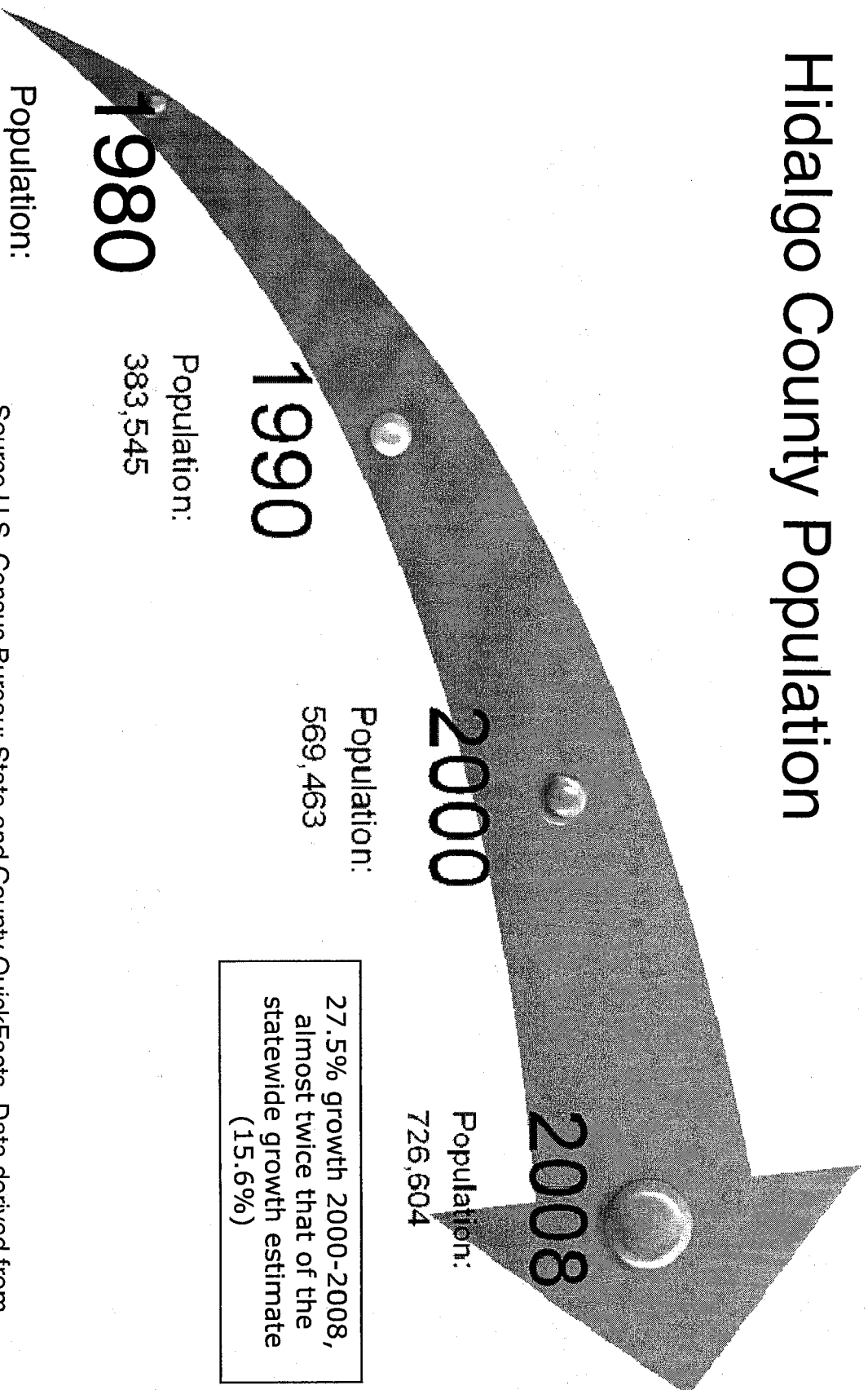


DOCTORS HOSPITAL
at
RENAISSANCE

Committed To Community Health

- DHR is invested over \$32 million to create an electronic medical record system to improve patient care and help eliminate duplicative tests.
- DHR is working to launch a county-wide effort for an electronic community medical record platform (RioStarr) that will integrate all medical record systems in Hidalgo County and allow for physician collaboration on patient care.
- DHR formed the Diabetes & Obesity Institute of South Texas, a non-profit medical institute geared at reducing the prevalence of diabetes and obesity in South Texas, the largest contributing cost factors to healthcare in our region.
- DHR has begun forming a consortium of universities that will partner in bringing needed medical research to South Texas.
- DHR partnered with The University of Texas Medical Branch to create a non-profit cancer prevention clinic that opened in October 2009.
- DHR provides an estimate of over \$20 Million in charity care annually.
- DHR contributed over \$500,000 annually to healthcare-related community causes in 2010.

Hidalgo County Population



27.5% growth 2000-2008,
almost twice that of the
statewide growth estimate
(15.6%)

Source U.S. Census Bureau: State and County QuickFacts. Data derived from Population Estimates, Census of Population and Housing, Small Area Income and Poverty Estimates, State and County Housing Unit Estimates, County Business Patterns, Nonemployer Statistics, Economic Census, Survey of Business Owners, Building Permits, Consolidated Federal Funds Report

Source: Texas State Data Center and Office of the State Demographer

Demographic and Socioeconomic Challenges In South Texas

- ▣ Poverty
- ▣ Low Literacy
- ▣ Obesity
- ▣ Diabetes
- ▣ Uninsured Residents
- ▣ Lack of Healthcare Access
- ▣ Healthcare Disparities
- ▣ Language and Cultural Barriers

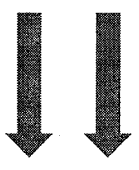
Hidalgo County's Challenging Demographics

	Hidalgo County	Texas
Language other than English spoken at home, pct age 5+, 2000	83.10%	31.20%
High school graduates, percent of persons age 25+, 2000	50.50%	75.70%
Bachelor's degree or higher, pct of persons age 25+, 2000	12.90%	23.20%
Median household income, 2008	\$30,513	\$50,049
Medicaid Covered Births as a Percent of All Births, 2006	84.40%	56.60%

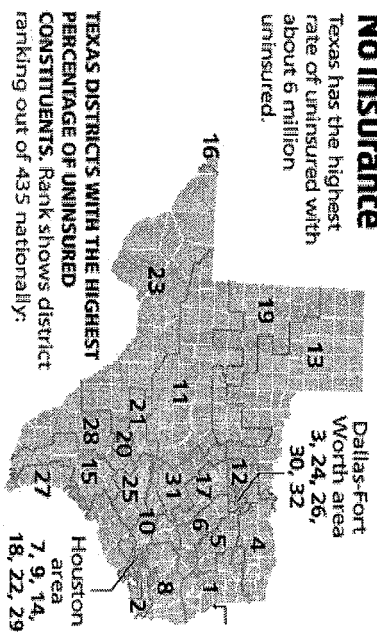
Sources: U.S. Census Bureau; Department of State Health Services
(<http://www.dshs.state.tx.us/chs/healthcurrents/nata.asp?fips1=108&fips2=266&fips3=255>)

Texas Congressional Districts Lead Nation In Uninsured Residents

South Texas districts have first and sixth-highest uninsured rates.



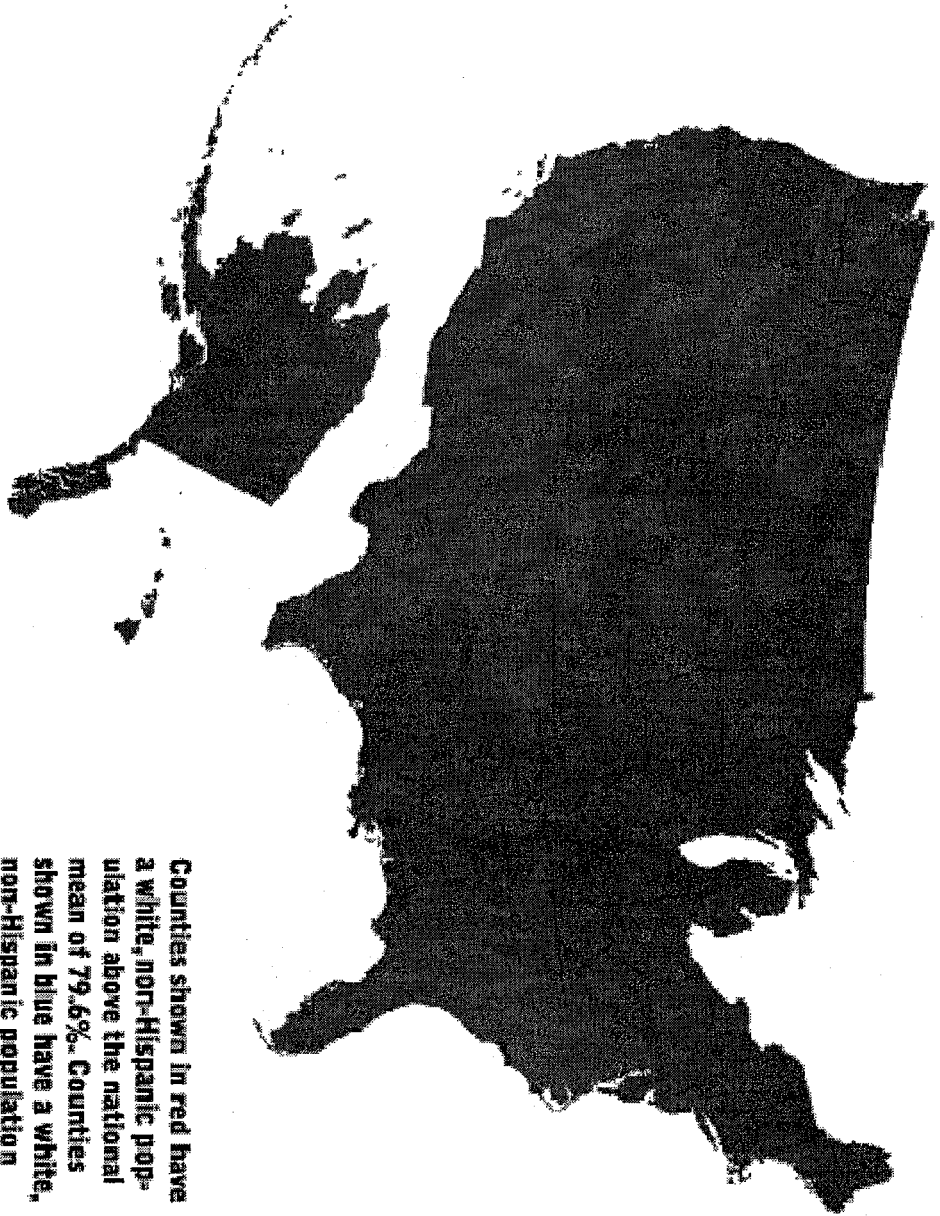
No insurance
Texas has the highest rate of uninsured with about 6 million uninsured.



Rank	Representative, district #	Percent uninsured
1.	Rubén Hinojosa, District 15	46.4%
5.	Gene Green, District 29	36.4%
6.	Henry Cuellar, District 28	34.1%
8.	Silvestre Reyes, District 16	33.3%
12.	Eddie Bernice Johnson, District 30	32.3%
19.	Sheila Jackson Lee, District 18	29.7%
22.	Solomon Ortiz, District 27	28.6%
23.	Louie Gohmert, District 1	28.9%
24.	Jeb Hensarling, District 5	28.8%
27.	Ciro Rodriguez, District 23	26.4%
OTHER SOUTH TEXAS DISTRICTS		
37.	Lloyd Doggett, District 25	25.0%
40.	Charlie Gonzalez, District 20	24.7%
48.	Ron Paul, District 14	23.7%
124.	Lamar Smith, District 21	18.3%

Source: Houston Chronicle analysis of Gallup data

Minority Concentrations Centers In America



Counties shown in red have a white, non-Hispanic population above the national mean of 79.6%. Counties shown in blue have a white, non-Hispanic population below that mean.

Below mean
Above mean

County-level Estimates of Diagnosed Diabetes for Adults aged \geq 20 years: United States 2006



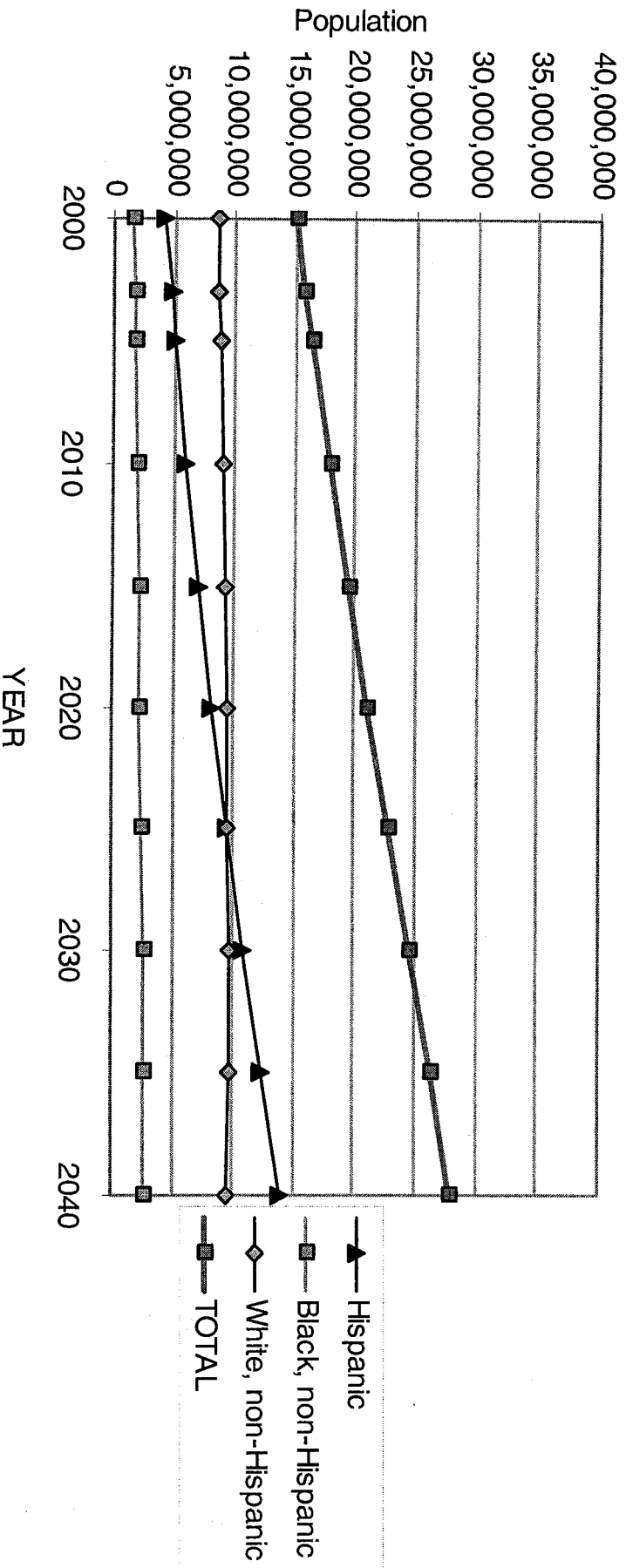
CDC's Division of Diabetes Translation. National Diabetes Surveillance System available at www.cdc.gov/diabetes/statistics.



Diabetes and Hispanic Americans

- According to a national examination survey, Mexican Americans are almost twice as likely as non-Hispanic whites to be diagnosed with diabetes. They are 50% more likely to die from diabetes as non-Hispanic whites.
- Mexican American adults are 1.7 times more likely than non-Hispanic white adults to have been diagnosed with diabetes.
- In 2006, Hispanics were 1.7 times as likely to start treatment for end-stage renal disease related to diabetes, compared to non-Hispanic white men.
- In 2006, Hispanics were 1.5 times as likely as non-Hispanic Whites to die from diabetes.

Texas Projected Population Increases by Race/Ethnicity, 2000-2040*



*Uses 0.5 migration scenario. Texas State Data Center - Office of the State Demographer, Institute for Demographic and Socioeconomic Research, College of Business, University of Texas at San Antonio.

Diabetes Prevalence by Race/Ethnicity Texas, 2008*

Area: Texas

9.7%

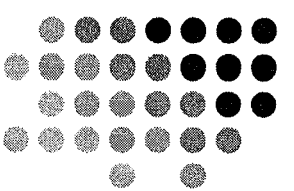
1,205,993

<u>Race/Ethnicity</u>	<u>Prevalence</u>	<u>Estimated # of People</u>
White, non-Hispanic	8.3%	736,987
Black, non-Hispanic	13.0%	251,543
Hispanic	11.1%	680,351
Other	7.5%	59,389

*Source: Texas Behavioral Risk Factor Surveillance System, Statewide BRFSS Survey, 2008. Note: All reported rates (%) are weighted for Texas demographics and the probability of selection and thus are not derived from the simple division of numerator and denominator cases.

The Estimated Cost of Diabetes in Texas, In 2006

Medical cost of diabetes:	\$8,118,000,000
Indirect Cost:	\$4,345,000,000
Total Cost:	\$12,460,000,000



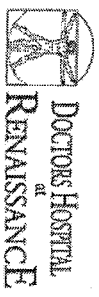
The total cost of diabetes for people in Texas in 2006 is estimated at \$12,460,000,000. This estimate includes excess medical costs of \$8,118,000,000 attributed to diabetes, and lost productivity valued at \$4,345,000,000.

National Summary

The national cost of diabetes in the U.S. in 2007 exceeds \$174 billion. This estimate includes \$116 billion in excess medical expenditures attributed to diabetes, as well as \$58 billion in reduced national productivity. People with diagnosed diabetes, on average, have medical expenditures that are approximately 2.3 times higher than the expenditures would be in the absence of diabetes. Approximately \$1 in \$10 health care dollars is attributed to diabetes. Indirect costs include increased factors such as absenteeism, reduced productivity, and lost productive capacity due to early mortality.

Data sources and methods
The American Diabetes Association report "Economic Costs of Diabetes in the U.S. in 2007" describes the methods used to determine the national cost estimates. For the state and congressional district estimates, national prevalence rates for diabetes are adjusted to the state or congressional district level according to the diabetes risk factors of age, gender, and race/ethnicity, using U.S. Census data for the area. The cost estimates are also adjusted for variations in health care costs among states according to data from the Council for Community and Economic Research (available here). Cost estimates for the congressional district level rely on the state health care cost adjustment, and are not adjusted for the potentially significant health care cost variations that may exist within a state in different congressional districts (e.g., urban vs. rural populations).

The study includes diabetes prevalence information as a key component of calculating diabetes costs. The study's estimates are based on the National Health Interview Survey (NHIS) administered by the CDC. The methodology used in preparing the study may differ somewhat from other published sources of diabetes prevalence. Minor differences may exist between these prevalence figures and others available from CDC that are based on other health studies or that are based on NHIS but reflect different time periods or Census estimates.



Texas Overweight and Obesity Trends: A Healthcare Cost Driver

- In 2009 nearly 67 percent of Texas adults were either overweight or obese.¹
- If Texas were to invest \$10 per person per year in proven community-based programs to increase physical activity, improve nutrition, and prevent smoking and tobacco use, our state could save \$1 billion annually within five years through reductions in health care spending. This is a return of \$4.70 for every \$1.²
- If the current trends continue, 20 million or 75 percent of Texas adults might be overweight or obese, respectively, by the year 2040, and the cost to Texas could quadruple from \$10.5 billion today to as much as \$39 billion by 2040.³

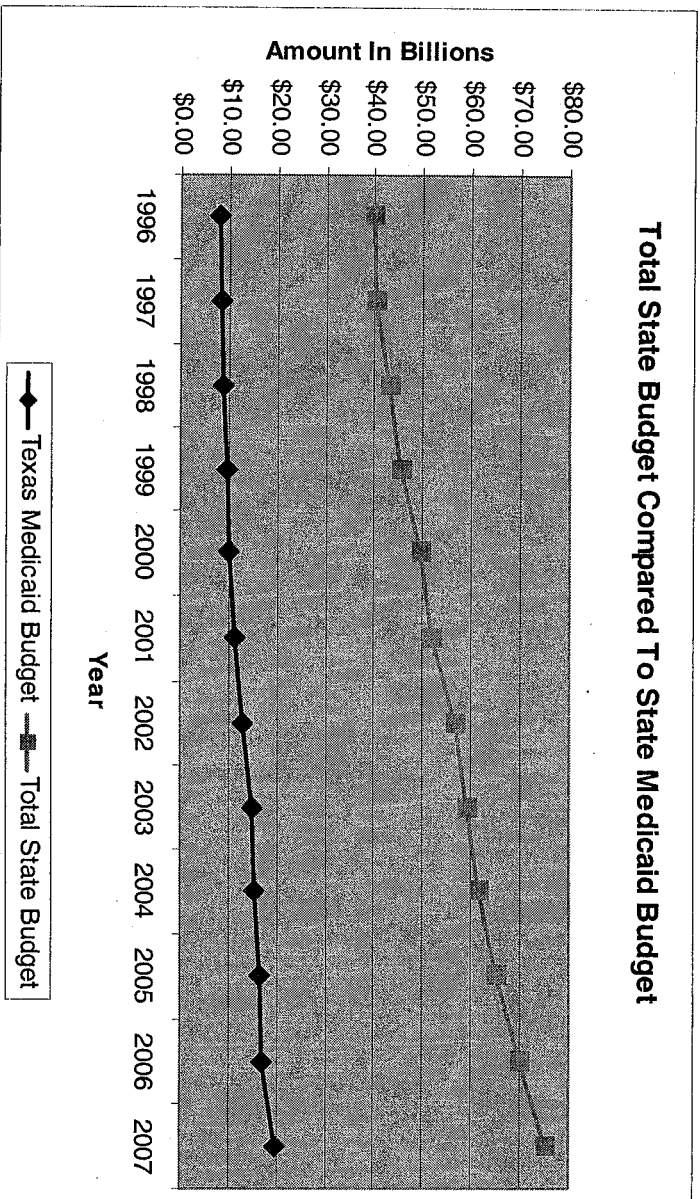
¹ CDC's National Center for Chronic Disease Prevention and Health Promotion, Behavioral Risk Factor Surveillance System. Prevalence Data, Texas 2009. Available online at: <http://www.cdc.gov/brfss/>. Accessed 5-20-2010.

² Levi J, Segal LM, Juliano C. Prevention for a Healthier America: Investments in Disease Prevention Yield Significant Savings, Stronger Communities (2008). Available online at: <http://healthyamericans.org/reports/prevention08/>. Accessed on 7-29-08.

³ Texas Department of State Health Services. The Burden of Overweight and Obesity in Texas, 2000-2040. 2004.

State Medicaid Budget Trends

Year	Texas Medicaid Budget	Total State Budget	% of Total Budget
1996	\$8.18	\$39.99	20.50%
1997	\$8.51	\$40.12	21.20%
1998	\$8.94	\$43.01	20.80%
1999	\$9.57	\$45.28	21.10%
2000	\$10.09	\$49.45	20.40%
2001	\$11.06	\$52.00	21.30%
2002	\$12.99	\$56.62	22.90%
2003	\$15.02	\$59.30	25.30%
2004	\$15.47	\$61.51	25.20%
2005	\$16.62	\$65.20	25.50%
2006	\$16.90	\$69.96	24.20%
2007	\$19.65	\$75.10	26.20%



Dollars In Billions
 Excludes DSH Funds
 Source: Legislative Budget Board, SFY 2008-2009 Fiscal Size Up Report, Appendix C

What Can Be Done To Increase Healthy Populations And Reduce Long-Term Costs?

- *Invest in Preventative Care*
- *Improve Care Coordination at The Local Level
by Working with Local Institutions and Care Providers*
- *Proactively Educate Patients on Key Methods to
Reverse Obesity and Avoid Diabetes*
- *Outreach to At-Risk Medicaid Enrollees*
- *Incentivize Preventative Healthcare Programs and Medical Visits*
- *Take Healthcare Services To Patients*
- *Increase Patient Compliance*

Diabetes Prevalence by Educational Level Texas, 2008*

<u>Educational Level</u>	<u>Prevalence</u>
No High School Diploma	14.2%
High School Graduate	9.7%
Some College	9.8%
College +	6.9%
2008 Diabetes Prevalence for Texas is 9.7%.	

*Source: Texas Behavioral Risk Factor Surveillance System, Statewide BRFSS Survey, 2008, for persons who are eighteen years of age and older, and include both type 1 and type 2 Diabetes. Persons with diabetes include those who report that they have been told by a doctor that they have diabetes.

Why?

Greater Education and Financial Resources
Lead To Lower Intake of Carbohydrates,
Knowledge About Disease Management,
and Increased Access To Healthcare
Services.

**Solution: Educate All Populations About
Disease Management and Healthy Living**

How Do We Get There?

Integrated Care Models That:

- Put Patients First
- Utilize Local Organizations with Firsthand Community Knowledge
- Utilize Patient Care Navigators, Medical Homes, Patient Registries, and Population Based Care Programs.
- Coordinate Long-Term Care Plans With All Providers