

April 15, 2013

Submitted electronically

The Honorable Dave Reichert
Ways and Means Committee Office
1102 Longworth House Office Building
Washington D.C. 20515

The Honorable John Lewis
Ways and Means Committee Office
1102 Longworth House Office Building
Washington D.C. 20515

Re: Charitable/Exempt Organizations Work Group

Dear Representatives Reichert and Lewis,

I am writing on behalf of Virginia Mason Medical Center to follow up on a meeting I had last week with Congressman Dave Reichert regarding the proposal to create a federal minimum charity care standard.

As I discussed with Congressman Reichert, Virginia Mason is opposed to the proposal because charity care alone is not an effective measure of our organization's benefit to the community. While charity care is an important component, it is only one of many programs through which we benefit the community.

In addition to the provision of charity care, Virginia Mason provides community benefit through a broad range of programs targeting at-risk populations. In addition, Virginia Mason participates in both Medicare and Medicaid programs, neither of which covers the full cost of care.

Further, as we work to increase the health of the community we serve, our percentage of charity care is likely to decrease. I'd like to share with you some background about Virginia Mason and the unique characteristics of our patient population and the community we serve.

Virginia Mason is a 501(c)(3) organization located in Seattle. As a regional referral center for the Pacific Northwest, Virginia Mason serves patients in Washington, Alaska, Idaho and Montana. In addition to providing uncompensated care for more than 5,100 patients in 2012, Virginia Mason's community benefit program specifically targets the health needs of our community in a number of ways.

Virginia Mason provides subsidized health services to our community through our operation of Bailey-Boushay House, the first facility in the United States designed and

built to provide care to those living with HIV and AIDS. During the past 20 years, Virginia Mason has contributed more than \$14 million to meet the needs of Bailey-Boushay House patients, the majority of whom struggle with chemical dependency and mental illness. It is also important to note that one fifth of the 200 people in Bailey-Boushay's chronic care management outpatient program are homeless. In 2012, Virginia Mason provided direct support of more than \$950,000 to Bailey-Boushay House's skilled nursing and outpatient programs.

In addition to the homeless patients we serve at Bailey-Boushay House, we provide funding and work in partnership with Public Health – Seattle & King County Health Care for the Homeless Network and other area hospitals to provide a respite care program for homeless adults in King County. When homeless patients who are discharged from the hospital are too frail to resume their lives on the streets, they are cared for at the Edward Thomas House. Patients at the Edward Thomas House often have mental health and substance abuse issues that prevent them from accessing traditional rehabilitation care. In addition to rest and recovery, patients at Edward Thomas House receive intravenous antibiotic care, wound care and linkage to case management services for housing, mental health and substance abuse treatment. This program greatly reduces health care costs in the hospital setting.

Virginia Mason also financially supports a range of community health improvement services aimed at addressing the needs of the community. Recognizing the prevalence of diabetes and associated conditions, Virginia Mason offers a regular bilingual community diabetes prevention program at the Mexican Consulate in Seattle. We also offer free screenings at health fairs for the underserved in our community, as well as free flu shots and health screenings for the homeless in conjunction with United Way of King County's Community Resource Exchange.

Another area in which Virginia Mason provides community benefit is through its support of medical and other health professions education. Virginia Mason is the oldest independent academic medical center in the Pacific Northwest, training 120 residents and fellows, and ensuring physicians are available to meet the increasing demand for health care services. Government funding for Graduate Medical Education positions was capped in 1996. Recognizing that training costs are one of the barriers to addressing physician shortages, Virginia Mason provides funding toward Graduate Medical Education training. In 2011, Virginia Mason contributed more than \$4 million to educating health professionals.

Virginia Mason's Graduate Medical Education program also partners with Public Health – Seattle & King County Health Services Division to provide 12 residents who care for underserved patients at the Eastgate Public Health Center.

Through the work of our nonprofit affiliate, Benaroya Research Institute at Virginia Mason (BRI), the community benefits from medical research. BRI works to unlock the mysteries of the immune system. Its team of scientists is focused on identifying causes and cures for devastating diseases including diabetes, arthritis, heart disease and cancer.

In 2012, Virginia Mason subsidized research at BRI by contributing more than \$4.8 million.

Again, the proposal to create a federal minimum standard does not provide an accurate measure of the benefit tax-exempt non-profit hospitals provide to the communities we serve.

Thank you for the opportunity to share these important facts with you. Please don't hesitate to contact me with any questions regarding Virginia Mason's community benefit program.

Sincerely,

A handwritten signature in cursive script that reads "Kathleen G. Paul".

Kathleen G. Paul
Vice President, Communications and Public Policy
Virginia Mason Medical Center

cc: Zachary Rudisill
Legislative Director
Eighth Congressional District
Washington State