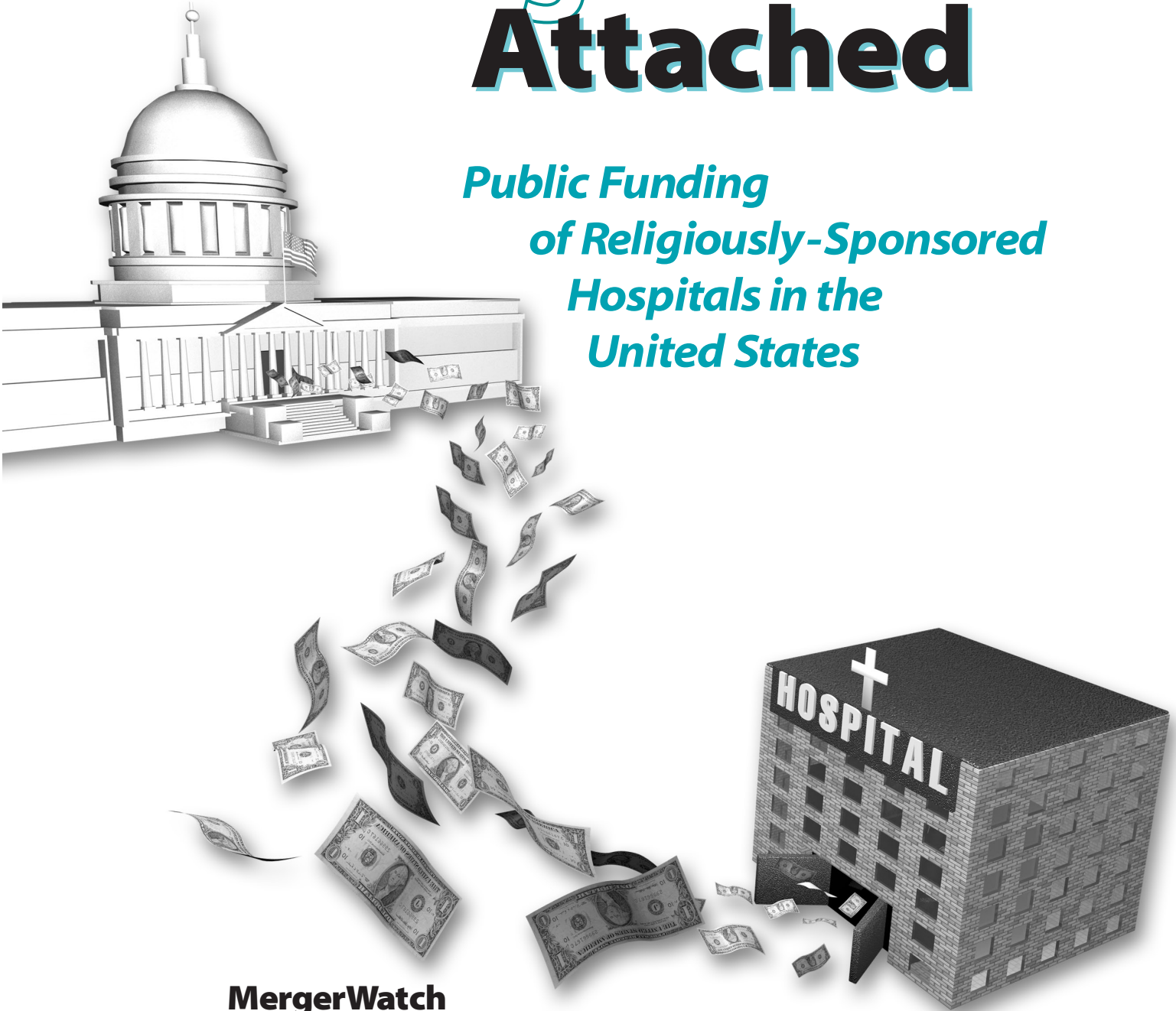


No Strings Attached

*Public Funding
of Religiously-Sponsored
Hospitals in the
United States*



MergerWatch

*A Project of the Education Fund of
Family Planning Advocates of NYS*

*In collaboration with
Empire Health Advisors*



New Study Details Public Funding of Religious Hospitals

Religiously-sponsored hospitals in the United States bill the government more than \$40 billion a year, while using religious doctrine to restrict medical care, especially reproductive services.

A new national study from the MergerWatch project finds that religiously-sponsored hospitals report more than \$40 billion a year in gross patient revenues from Medicare, Medicaid and other government programs.

Reproductive services — including contraception, emergency contraception for rape survivors, sterilization, abortion and infertility services — are frequently banned at religiously-sponsored hospitals, along with “safer sex” counseling to prevent HIV/AIDS. End-of-life choices, such as the option to refuse or remove feeding tubes, are sometimes restricted. Treatments derived from embryonic stem cells are likely to be the next category of banned services.

Religious sponsors operate 13 percent of all community hospitals in the United States and nearly one in every five hospital beds. In an increasing number of communities, patients have no other accessible or affordable choice of a hospital. The study, “No Strings Attached: Public Funding of Religious Hospitals in the United States,” concludes that in the rush to enact laws (known as “refusal clauses”) protecting the religious practices of these hospitals, Congress and

state Legislatures have ignored the needs of patients whose tax dollars help support those hospitals.

“Religiously-sponsored hospitals serve and employ people from a wide variety of faiths and — as this study has demonstrated — rely heavily on public funding,” said Lois Uttley, Director of the MergerWatch Project and co-author, with Ronnie Pawelko, of the new study. “Yet these hospitals refuse to provide basic health care services needed in the communities they are licensed to serve.”

The study recommends policymakers act to protect patients’ rights by strengthening hospital oversight, requiring advance disclosure of hospital religious policies, protecting patients’ rights to knowledge of all treatment options, guaranteeing the right of physicians and other caregivers to discuss all treatment options with their patients and requiring that services be provided immediately on-site in the case of an emergency or, in non-emergencies, that patients be given timely referrals to accessible alternative providers.

“Instead of enacting still more special refusal rights for religious hospitals, policymakers should be asking for greater accountability from hospitals that receive taxpayer funds and hold licenses to serve entire communities, including patients who do not share the religious views of hospital sponsors,” Uttley said.

MergerWatch is a national project of the Education Fund of Family Planning Advocates of New York State. The project works with health care consumers nationwide to address the threat to patients’ rights posed by the spread of religious health care restrictions through such health industry transactions as mergers of religious and nonsectarian hospitals, the creation of large national religious health systems and management of public hospitals by religious systems.



Religious hospitals in the U.S. health care system

Religiously-sponsored hospitals have long played an important role in the American health care system, which relies on a mixture of public and private health providers. Many of these sectarian hospitals were founded to serve the medical and spiritual needs of members of a particular faith, including patients and physicians who may have experienced discrimination at other hospitals.

Since the mid-twentieth century, however, religiously-sponsored hospitals have served an increasingly diverse population of patients and employ staff who often are not of the same faith as the hospital sponsors. The participation of religious hospitals in

the secular world has been further promoted through consolidation in the hospital industry, which has brought nearby hospitals together in mergers and other forms of business partnerships.

Because many of these sectarian hospitals continue to restrict the services they provide, based on religious doctrine, there is a growing conflict across the United States between religiously-sponsored hospitals and the diverse communities they serve. Patients may have no other convenient choice for hospital care, or may be restricted in where they can seek care because of managed care rules requiring members to use “in-network” hospitals.

Number and size of religious hospitals

- Religious sponsors operated 13 percent of community hospitals and nearly one in every five community hospital beds in the United States in 1999. Of those, nearly 70 percent were Roman Catholic, with the remainder affiliated with Seventh Day Adventists, Baptists, Episcopalians, Jews, Lutherans, Methodists, Presbyterians and other faiths.
- Religious hospitals provided inpatient care for more than 5.3 million people in 1999, accounting for nearly 19 percent of all inpatient discharges at community hospitals.
- Ten of the 20 largest non-federal health systems in the United States were religiously-sponsored in 1999.

Community Hospital Sponsorship (1999)

Sponsorship Type	Number of Hospitals	Number of Hospital Beds	Percent of Total Hospitals	Percent of Total Hospital Beds
Religious	604	126,662	13%	18%
Nonsectarian Not-for-Profit	2,111	357,782	46%	51%
Public	1,149	114,813	25%	16%
For-Profit	709	107,362	16%	15%
Total	4,573	706,619	100%	100%

* Beds in service

Public funding of religious hospitals

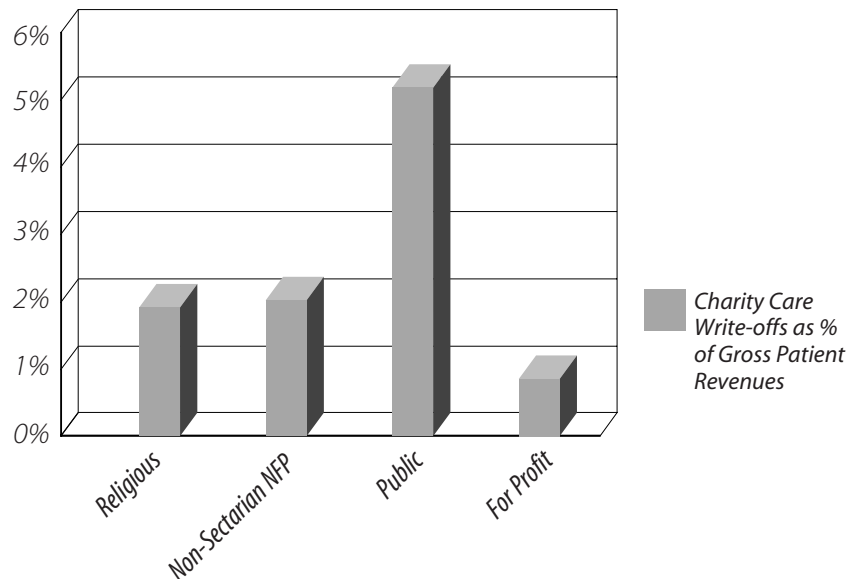
- Religiously-sponsored hospitals reported billing \$41.3 billion in gross patient revenues to Medicare in 1999. Total public funding, including Medicare, Medicaid and other government funding streams, was estimated at \$45.2 billion for 1998.
- Combined Medicare and Medicaid payments accounted for half the gross patient revenues of religiously-sponsored hospitals in 1998. The other half came almost entirely from insurance companies and third party payers, not from churches or other religious sources.

Medicare Revenues by Hospital Sponsorship (1999)

Sponsorship Type	Number of Hospitals	Medicare Gross Patient Revenue (billions)	Medicare as a Percent of Revenue
Religious	604	\$41.3	36%
Nonsectarian Not-for-Profit	2,111	\$110.9	35%
Public	1,149	\$23.2	27%
For-Profit	709	\$32.1	35%
Total	4,573	\$207.5	33%

Service to the poor

Charity Care Write-offs as a Percent of Revenues by Hospital Sponsorship (1998)



- Although they often profess a special mission of serving the poor, religious hospitals actually provide no more and, in some cases, less medical care to the poor than other types of hospitals. Nationally, religious hospitals reported a lower percentage of Medicaid inpatient discharges than any other type of hospital. Religious hospitals lagged far behind public hospitals in providing free charity care to the poor.

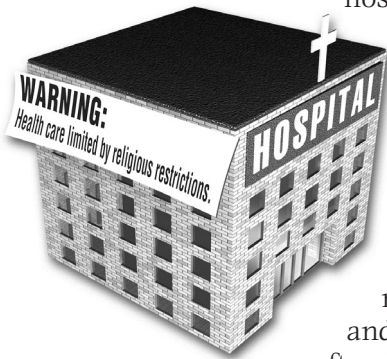
Religious restrictions

- The largest group of religiously-sponsored hospitals, Roman Catholic facilities, are governed by the Ethical and Religious Directives for Catholic Health Care Services, which prohibit the provision of contraception, sterilization, infertility services and abortions. Emergency contraception for rape survivors, treatment for ectopic pregnancies and end-of-life care choices are often limited, as well.

- Physicians at some Catholic hospitals have been required to pledge adherence to the Directives and have been barred from even

discussing treatment options prohibited at the hospital. Employee health insurance coverage has also been limited by religious restrictions.

- Nonsectarian hospitals merging with Catholic facilities have often been forced to accept Catholic health doctrine and eliminate reproductive services.
- Some other religious hospitals, including those operated by Seventh Day Adventists and Baptists, restrict abortion services and stress “abstinence-only” approaches to pregnancy and HIV/AIDS prevention. Adventist hospitals have official policies against bargaining with employee unions.



Special government exemptions for religious hospitals

Religiously-sponsored hospitals in the United States have won special government exemptions — known as “refusal clauses” — permitting them to use religious doctrine to guide patient care, while remaining eligible to receive public funding. The first such clause, the 1973 Church Amendment, allowed religious hospitals (and individual

physicians) to refuse to provide sterilizations or abortions. Since then, refusal clauses have proliferated at the state and federal levels, with religious hospitals most recently insisting they be exempted from providing emergency contraception to rape victims and contraceptive coverage to their employees.

Recommendations

The study urges that public policymakers act to protect the rights of patients who rely on religiously-affiliated community hospitals, but do not share the religious views of hospital sponsors, by taking the following actions:

- Require advance disclosure to patients of religious policies that restrict services.
- Protect patients’ right to informed consent, made with knowledge of all potential treatment options (including those prohibited at the hospital due to religious policies).
- Protect the ability of physicians and other caregivers to discuss all treatment options with patients.
- Require timely referrals to alternate providers when institutional policies forbid the provision of needed services.
- Require provision of needed services in cases or emergency or when no alternative provider exists.

Merger **WATCH**



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