HOSPITALIZATION OF THE INDIGENT AND MEDICALLY INDIGENT

REPORT OF THE VIRGINIA ADVISORY LEGISLATIVE COUNCIL To THE GOVERNOR And THE GENERAL ASSEMBLY OF VIRGINIA

SENATE DOCUMENT NO. 11

COMMONWEALTH OF VIRGINIA
Department of Purchases and Supply
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HOSPITALIZATION OF THE INDIGENT AND MENTALLY INDIGENT

REPORT OF THE

VIRGINIA ADVISORY LEGISLATIVE COUNCIL

Richmond, Virginia,
December 15, 1959

To:

HONORABLE J. LINDSAY ALMOND, JR., *Governor of Virginia*

and

THE GENERAL ASSEMBLY OF VIRGINIA

The State and local program for hospitalization of the indigent and medically indigent presents a continuing problem necessitating periodic reappraisal of and changes in the laws relating thereto. The ever rising costs of hospitalization and the rapidly and constantly increasing population of the State render provisions for financing the program inadequate almost as soon as these provisions are amended and improved from time to time. The program is a joint State and local effort, on a matching basis. Participation, and the extent of participation, of the cities and counties in the program is voluntary. Therefore, the lack of funds to furnish all necessary hospitalization to these unfortunate people is not entirely a matter of insufficient State appropriations to the program.

Various suggestions have been made from time to time for changes in the State and Local Hospitalization Act. The General Assembly at its 1958 Regular Session, recognizing the need for a re-study and re-evaluation of the State and local hospitalization program, adopted Senate Joint Resolution No. 34, which follows:

SENATE JOINT RESOLUTION NO. 34

Directing the Virginia Advisory Legislative Council to make a study and report upon improvements in the State and local program for the hospitalization of indigent and medically indigent patients.

Whereas, the present State and Local Hospitalization Act is not fully providing necessary hospitalization for the indigent and medically indigent of the Commonwealth, with the result that the expense of caring for these patients is placing an undue burden on the nonprofit hospitals of the Commonwealth; and

Whereas, many counties and municipalities are not now matching State appropriations for this purpose, and there is a wide diversity of support of the program as between the several counties and municipalities to the disadvantage of these political subdivisions which are meeting their obligations; now, therefore be it

Resolved by the Senate of Virginia, the House of Delegates concurring, that the Virginia Advisory Legislative Council is directed to make a study and report upon improvements which can be made in the program for providing hospitalization for the indigent and medically indigent. The

Council shall consider the feasibility of a state-wide program to insure support from both the locality and the State, the creation of regional hospitalization districts, or other means to achieve the above ends and in this connection shall examine the legislation, programs and plans of other states using similar methods to provide such hospitalization for such patients. All agencies of the State shall assist the Council in its study. The Council shall complete its study and make a report containing its findings and recommendations to the Governor and General Assembly not later than October 1, 1959.

The Council assigned the study to Dr. J. D. Hagood, of Clover, a member of the Council and the the Senate of Virginia, to serve as Chairman of the Committee to make the preliminary investigation and report on the study. The following were selected to serve with Dr. Hagood on the Committee: Dr. L. P. Bailey, a member of the Halifax County Board of Supervisors, Nathalie; LeRoy E. Batchelor, Attorney at Law, Arlington; Harold I. Baumes, Executive Secretary, League of Virginia Municipalities, Richmond; Charles P. Cardwell, Jr., Director of Hospitals, Medical College of Virginia, Richmond; Dr. W. C. Elliott, a member of the House of Delegates, Lebanon; Dr. Malcolm H. Harris, West Point; W. Marvin Minter, a member of the Senate of Virginia, Mathews; Robert D. Morrison, City Manager, Lynchburg; and William B. Speck, Field Secretary, League of Virginia Counties, Charlottesville.

Dr. Harris was elected as Vice-Chairman of the Committee and John B. Boatwright, Jr., and G. M. Lapsley served as Secretary and Recording Secretary, respectively.

The Committee held several meetings and thoroughly considered the problem. In the course of its deliberations, the Committee took into consideration previous studies on this subject, the laws of other states, and considerable data and figures on the State and local program for hospitalization of the indigent and medically indigent. It also held a public hearing which was well attended. At this hearing the Committee heard suggestions and comments by hospital administrators, public health officials, public welfare officials and members of the Governmental Relations Committee of the Virginia Hospital Association.

The Committee completed its deliberations and made its report to the Council. The Council has carefully considered the report of the Committee and now submits its findings and makes the recommendations hereinafter set forth.

Statement of the Problem

Programs for the hospitalization of the indigent and medically indigent are relatively new. Virginia's program was inaugurated in 1946, following a study made the previous year. There was little experience to go on at that time but it is believed that the Virginia plan has achieved worthwhile results. It is only natural that a pioneer effort such as this program embodies should be studied from time to time in order to meet changing conditions more effectively. Several committees already have studied this problem in the period intervening since 1946 and gradually refinements have been made in the program. Additional modifications appear to be needed and necessary changes are envisioned for the future.

The impetus which gives continual urgency to this matter actually is the importance of life and the health which sustains it. Health, like life itself, is often not appreciated until it begins to slip away. Legislation in Virginia, like similar legislation elsewhere, bespeaks a concern for these

values. It emphasizes the intent of Virginians to see that all citizens have the reasonable protection of health care.

Most states have some method of paying for at least part of the cost of hospitalizing indigent and medically indigent patients. Procedures differ from state to state but regardless of their details, there are few problems in this area which would not yield to adequate funds. As this report will bring out, there are instances when local units of government do not meet their responsibility realistically and, on the other hand, there are examples of State funds being inadequate to match the expenditures of Virginia units of local government which do deal responsibly.

In addition to the particular person concerned, a principal victim of this situation is the hospital. It is difficult if not impossible for a hospital to deny its services when life is in jeopardy or suffering is in evidence and, consequently, hospitals are burdened with the patient and the expense of his care whether or not any funds are available. If the patient cannot pay these costs, the hospital has no way to recover them except as public agencies may elect to appropriate funds for the care of such persons. Since a hospital cannot discharge a patient until the physician says it is proper to do so, the result is that large sums often have to be charged off by such hospitals and absorbed as operating expenses. Representative examples of the extent to which these conditions prevail in various hospitals throughout the State are shown in Appendix A attached to this report. The information shown in this appendix was compiled from questionnaires sent by the Committee to the hospitals throughout the State, and is admittedly incomplete but the data reflected in this appendix were considered by us as presenting enough information to be illustrative of the problem. For most hospitals the only way to absorb these losses and stay in business is to pass the cost on in the form of increased rates to the paying patients. This, in turn, imposes a form of double taxation on the sick member of the community at a time when often he can least afford it. The fairer concept, apparently accepted in principle, is that the indigent patient is properly a ward of the community as a whole and should be supported through public appropriations adequate to this need.

It should be emphasized also that the doctors not only do not receive any profit from the program for the hospitalization of the indigent and medically indigent patients but they receive no fees whatever for such hospital cases. The Commonwealth of Virginia, its localities and citizens, therefore, owe a debt of gratitude to the medical profession for the splendid service which it provides without charge to these unfortunate cases.

The Virginia Hospital Association recently made a canvass to determine what patterns have emerged in other states in providing for hospitalization of the indigent and medically indigent. We are advised that answers were supplied from thirty-four states. These replies revealed that in ten states there is no organized plan of support of hospitalization of the indigents. There are twelve states with locally controlled plans similar to procedures now followed in Virginia. There are an additional twelve states operating under state controlled plans. Within the various states there were found to be a variety of approaches to the financing of their programs. Some states depend on local tax districts; others favor a matching concept. Some states exert a compulsive force on local government to appropriate for their needs; others make an outright state appropriation. The recurring criticism was found to be that not enough money is appropriated for the results expected. It was found that in states with matching plans, local governments were often lax in meeting

even inadequate state appropriations. Moreover, in locally controlled plans there are great variants in eligibility requirements and hospitals have great difficulty in coping with this situation.

Some authorities seem to feel that state controlled plans tend to give more satisfaction and operate more effectively. It is apparent that many hospital authorities favor such a centralized plan. While we recognize that this may be true, nevertheless, we feel that in Virginia the tradition for local government is still strong and that local governmental units have a legitimate and important part to play in the administration of Virginia's plan for the hospitalization of the indigent and medically indigent. Therefore, we do not feel that the time has come when a state controlled plan should be adopted for Virginia.

The study of the problem in Virginia indicates that there is no conceivable way to determine what the actual total cost of hospitalization for the indigent and medically indigent would be according to reasonable acceptable minimum standards throughout the State. It is evident that in some localities there is not sufficient local money appropriated to match present State allotments, while in other localities there is not sufficient State money available for local matching purposes. Details of this condition will be found in Appendix B attached to this report. It is generally felt that the legitimate need is not being adequately met Statewide and most persons seem to agree that additional funds, both State and local, are badly needed. Not only are additional funds needed just to match State allocations but it is probable that local appropriations in many localities which have not fully matched State grants in the past will be gradually increased, thus necessitating higher State allocations. Attention is directed to the fact that it appears that under present State appropriations currently available together with local matching funds only a little more than one-half the number of bed days can now be provided as was possible under the lower State appropriation originally made in 1946. The reason for this, of course, is obvious—the costs of hospitalization have risen sharply during the last thirteen years and the State and local appropriations for hospitalization have not kept pace with this increase in costs. Appendix C attached to this report provides some details as to this condition. This appendix contains charts numbered 1, 2 and 3, respectively. Chart 1 indicates the increase in State appropriations for hospitalization of the indigent and medically indigent under the SLH program from $600,000 in 1946 to $957,000 in 1959. However, from Chart 2 it is obvious that the increased per diem costs of rendering care to these patients has risen from $6.10 per day in 1946 to $15.08 per day in 1957-58. The effectiveness of the program depends on the number of patient days purchased from participating hospitals for these indigent patients. Chart 3 shows that in 1946, 98,361 patient days were purchased through a State appropriation of $600,000. Due to the steadily increasing cost of hospitalization only 57,692 patient days were purchased in 1957-58 through a State appropriation of $957,000. An analysis of these charts points up the fact that even though there have been substantial increases in State appropriations since 1946 the present State appropriation is purchasing only slightly over one-half the number of patient days as compared with 1946. With the steadily increasing population in Virginia, the need for support of the indigent and medically indigent has increased rather than diminished.

The State appropriation for the State-Local Hospitalization Program for each year of the present biennium is $957,000, of which $750,000 is for allocation to the counties and cities on the basis of population, and $207,000 is for the reserve fund.

This reserve fund is a fund set up by the Board of Welfare and Institutions out of the money appropriated for that purpose, plus the unexpended balances held by the counties and cities at the end of any six months period. This fund is prorated semiannually among those counties and cities whose local expenditures were in excess of the State allotment, with fifty per cent as the maximum rate of reimbursement. There is now only one county in Virginia which does not make any local appropriation for the State-Local Hospitalization Program.

It should be emphasized that it is often difficult to distinguish clearly between a medically indigent person and an indigent person in the hospital. Many cases involving originally the medically indigent, over a period of time, become indigents. Under present Virginia statutes and practices there is no standardization of eligibility requirements for cases which must be cared for at public expense in our hospitals. Some localities accept only recipients of public assistance rather than medically indigent cases, while others accept both types of cases. Residence requirements, the treatment of cases involving transients, divergent rules pertaining to the acceptance of hospital cases in general, as well as inadequate appropriations, often result in a situation which is critical for the person concerned and confusing to the hospital to which he turns for medical care. A standard form of contract is now used by all localities for agreements between the locality and the various hospitals involved. Each locality negotiates the rate to be paid a given hospital, but such rate may not exceed the reimbursable operating costs of the hospital or the maximum established by the State Department of Welfare and Institutions, whichever is the lower. Many of the hospitals feel that they should be paid the actual costs of providing hospital service. While the standard form of contract in itself is good, the lack of any discernible uniformity in eligibility requirements and a more realistic approach to the actual costs of hospitalization present a problem for which a practical remedy should be sought.

Attention is directed to the fact that public assistance funds can now be used for nursing home care of the indigent and, therefore, it would seem feasible to urge the localities to establish additional nursing homes on either a local or regional basis. Hill-Burton funds are available to assist in the construction of nursing homes and hospitals for the chronically ill, which perhaps could be added to or established near existing hospitals so that convalescent patients could be transferred from the hospital to the nursing home with attendant savings in costs.

Following this statement of problems of the present program for the hospitalization of the indigent and medically indigent, we make the following recommendations which, if adopted, are believed sufficient to remove many difficulties and weaknesses in our present State-Local Hospitalization Program.

Recommendations

(1) Uniform eligibility standards should be promulgated and distributed by the State Board of Welfare and Institutions as a guide to the local authorizing agents.

(2) Larger State appropriations should be made available to match local funds for hospitalization of the indigent and medically indigent.

(3) Adequate facilities should be made available for the care of the chronically ill, long-stay rehabilitation cases and the aging.

(4) Hospitals should be paid, in so far as practical, the actual costs, excluding depreciation, of providing hospital services to indigent and

medically indigent patients. The Department of Welfare and Institutions shall require appropriate supporting financial and statistical data upon which to base these payments.

Reasons for Recommendations

There are set forth below reasons for the recommendations enumerated above. They are numbered to correspond with the recommendations.

(1) One of the things brought to light by this study is the lack of uniformity in eligibility requirements for hospital cases throughout the State. This lack of uniformity not only works an obvious hardship on the persons in need of medical care and unable to pay for same but it is also unfair to the hospitals which are confronted with the practical necessity of accepting indigent and medically indigent cases from various political subdivisions with different eligibility requirements. It is difficult to rationalize the acceptance of a hospital case with public aid in one jurisdiction and the refusal to recognize an identical case in another jurisdiction just because the locally prescribed eligibility requirements are different. If both cases are identical there is no sound reason why one should be accepted and the other denied.

It is believed that this situation can be alleviated to a large extent by legislation directing the State Board of Welfare and Institutions to promulgate uniform eligibility standards and to distribute copies of such standards to the authorizing agent of each county and city. These standards will be forwarded as a suggested guide in the determination of the eligibility of persons for hospitalization. Although it will not be mandatory upon the authorizing agents to adopt these standards, in all likelihood the promulgation of the standards would bring about an approach to a State-wide uniformity of eligibility for hospitalization. This would seem to be a possible result from receipt of uniform suggestions by each local authorizing agent from an official source

(2) An examination of the trend of State appropriations for the State-Local Hospitalization Program from 1946 through the present biennium indicates the obvious need for greater State appropriations to carry out this program in an acceptable and effective manner. Many of the localities are matching all of the State allotments and, in addition, have to care for additional cases entirely out of local funds, thus imposing upon such localities a great and disproportionate burden. Moreover, it is believed that while some of the localities are not appropriating enough money to match the State allotments, it is only a matter of time before a number of them will increase their appropriations to care for a greater number of the legitimate indigent hospital cases within their jurisdictions. In time this will call for greater State allotments to meet the need of such localities. It must be remembered that this whole program is relatively new and the full acceptance of the community's responsibility for indigent and medically indigent hospital cases can come about only after years of education and experience. It is believed that this should be the objective of the hospitalization program because to do otherwise will increase the burden on other users of hospital service, leave legitimate indigent hospital cases without care and will be eminently unfair to the hospitals which must care for these cases in any event.

The effects of inflation and the increase in the cost of living during the thirteen years that our State-Local Hospitalization Program has been in effect are generally recognized. The costs of hospitalization have increased greatly during this period and out of all proportion to the increase in the State appropriations made during this same period. The truth is

that even with the greater appropriations for the present biennium the funds are still insufficient to meet more than a fractional part of the number of bed-days which were provided for under lower costs in the original State appropriation made in 1946. Appendices A and C attached hereto as a part of this report should be referred to for additional proof of this situation and the need for greater appropriations both State and local.

(3) Ample evidence was presented to support the urgent need for well-planned, efficiently operated facilities to care for the chronically ill, long-stay rehabilitation case and for the aging patient. These patients need medical care to varying degrees but do not have to be in a general hospital. Private nursing homes, where properly operated, have done, and are doing, an excellent job in caring for those who can pay but there remain unmet needs in providing these services for the indigent and medically indigent patient. Actually, there are Hill-Burton funds now available for assistance in the construction of such facilities but they have not been used to date for lack of applicants. The State Health Department would appear to be the logical agency to promote and supervise the construction and operation of such facilities. Patrick Henry Hospital is a good example of cooperative effort on the part of localities in caring for this type of patient. Other such facilities could be provided on a regional basis throughout the Commonwealth which would relieve general hospitals of the care of these long-stay patients, thereby greatly reducing the cost of hospitalization to the State and the localities. The cost of building and maintaining such facilities would be at least partly offset by such savings.

The 1959 Extra Session of the General Assembly recognized the need of further study in this general field of services and adopted House Joint Resolution No. 30, directing the Virginia Commission on the Aging, which was created by the 1958 Regular Session of the General Assembly, to make a study and report on certain facilities for aged and incapacitated persons. A copy of this resolution is attached as Appendix D.

(4) Attention was earlier directed to the fact that each locality negotiates the rate to be paid a given hospital but that such rate may not exceed the reimbursable operating cost of the hospital or the maximum established by the State Department of Welfare and Institutions, whichever is the lower. The present maximum allowed by State regulation is $18.50 per day.

Many of the hospitals are of the opinion that they should be paid the actual cost of providing hospital services to indigent and medically indigent patients. Appendices A and C will be of interest for study in this connection. Conditions vary from one section to another and a flat maximum is not always sufficient to cover the actual costs to a given hospital.

We, therefore, recommend that the hospitals be paid the actual costs, excluding depreciation, of providing the services.

It is realized that the maximum payments established for any hospital should be subject to adequate regulations and perhaps to State audit of the actual costs involved and the individual services making up such costs.

Conclusion

The Council acknowledges and expresses its appreciation to the members of the Committee for their contribution of time and thought toward the formulation of this report. It further acknowledges its indebtedness to the staff of the State Department of Welfare and Institutions for their assistance to the Committee in furnishing helpful suggestions and a considerable amount of essential information. It wishes to especially recognize the help furnished by Mr. W. L. Painter, Director of the General Welfare Division of that Department, and Mr. John L. Bruner, Chief of the Bureau of Hospitals and Homes for Adults, of that Division, and by Mr. J. Luther Glass, Legal Consultant of that Department.

Drafts of legislation for carrying out the recommendations made in this report are attached.

Respectfully submitted,

John H. Daniel, Chairman
Robert Y. Button, Vice-Chairman
C. W. Cleaton
John Warren Cooke
Harry B. Davis
Charles R. Fenwick
Tom N. Frost
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A BILL to amend and reenact § 32-294, as amended, of the Code of Virginia, relating to eligibility of persons for hospitalization under the State-Local Hospitalization program, so as to direct the Board of Welfare and Institutions to promulgate and distribute uniform eligibility standards as an aid to local authorizing agents.

Be it enacted by the General Assembly of Virginia:

1. That § 32-294, as amended, of the Code of Virginia be amended and reenacted as follows:

§ 32-294. The eligibility of persons for hospitalization to be furnished wholly or in part at public expense, shall be determined by an authorizing agent, duly designated and appointed by the governing body of each county or city, who shall be empowered by the appointing governing body to carry out the provisions of this chapter as they appear. Due notice of such appointment shall be made by the governing body to the Board. No person shall be denied hospitalization solely on the grounds that he is not otherwise eligible for public relief.

The Board shall promulgate uniform eligibility standards for hospitalization under the provisions of this chapter, and shall distribute copies of such standards to the authorizing agent of each county and city as a guide in aid of such agents in determining eligibility of persons for such hospitalization, but it shall not be mandatory upon such authorizing agents to apply such uniform eligibility standards when making such determination.

A medically indigent resident of a county or city is defined as any person domiciled in such county or city who has resided in this State for the preceding twelve months, whether gainfully employed or not and who, either by himself or by those upon whom he is dependent, is unable to pay for the hospitalization required.

A BILL to amend and reenact § 32-292, as amended, of the Code of Virginia, relating to allocation of funds to counties and cities under the State-Local Hospitalization Program, so as to delete reference to maximum per diem hospital rate fixed by Board of Welfare and Institutions and to permit reimbursement out of State funds to such localities of one-half of payment of actual costs of hospitalization, with certain limitations, and to permit use of public assistance funds for payment of hospitalization of public assistance recipients.

Be it enacted by the General Assembly of Virginia:

1. That § 32-292, as amended, of the Code of Virginia be amended and reenacted as follows:

§ 32-292. (a) The State Board of Welfare and Institutions shall allocate semiannually to the counties and cities of the Commonwealth on the basis of population as shown by the last preceding United States census, such funds as may be appropriated by the General Assembly for this purpose, such funds for services so allocated to be used by such counties and cities for meeting one-half of the cost to such localities of hospitalization and treatment, excluding outpatient service, at hospitals approved by the Board, of indigent persons residing therein, provided that * *no reimbursement shall be made out of State funds for any portion of* a per diem hospital rate in excess of the * *actual costs, excluding depreciation, of providing such hospital services.* Any funds for services allocated to a county or city which remain unused at the end of any six-

month period shall be added to and made a part of the reserve fund as provided for in paragraph (c) of this section.

(b) All payments to counties and cities out of funds appropriated to the Department of Welfare and Institutions duly allocated for use by such localities or for matching their costs in excess of such allocations under the terms of this chapter shall be made by the State Treasurer on warrants of the Comptroller issued on vouchers duly executed by the Director of the Department of Welfare and Institutions on satisfactory proof of the amounts expended by the respective localities for hospitalization and treatment of indigent persons.

(c) In addition to the funds appropriated by the General Assembly for allocation to the counties and cities of the Commonwealth as above provided, the State Board of Welfare and Institutions shall establish from funds appropriated by the General Assembly for the purpose, a reserve fund to be expended as hereinafter provided. Such reserve fund shall be expended in meeting one-half the cost incurred by counties and cities for hospitalization and treatment, excluding out-patient service, at hospitals approved by the Board, of indigent persons residing therein provided that such county or city seeking reimbursement from the reserve fund has exhausted the allocation to it under paragraph (a) of this section.

A BILL to amend and reenact § 32-293 of the Code of Virginia, relating to authorization of counties and cities to contract with hospitals under the State-Local Hospitalization Program, so as to prohibit disapproval by Board of Welfare and Institutions of contracts between such localities and hospitals for payment of actual costs of hospitalization, with certain limitations.

Be it enacted by the General Assembly of Virginia:

1. That § 32-293 of the Code of Virginia be amended and reenacted as follows:

§ 32-293. In the care and treatment of indigent persons as authorized herein the counties and cities may select and use such hospitals approved by the Board as are most suitable for the purpose, and, with the approval of the Board, may contract with such hospitals as to the minimum service to be rendered, the length of stay of patients, the cost of services rendered, and other relevant matters. *However, in approving contracts made under this chapter, the Board shall not disapprove any such contract solely upon the basis of the contract rate, provided that such rate is not in excess of the actual costs, excluding depreciation, of providing such hospital services.*

A BILL to amend and reenact § 32-293.1, as amended, of the Code of Virginia, relating to contracts with hospitals under the State-Local Hospitalization Program, so as to delete reference to per diem hospital rate fixed by Department of Welfare and Institutions, and to permit reimbursement out of State funds to localities of one-half of payment of actual costs of hospitalization, with certain limitations.

Be it enacted by the General Assembly of Virginia:

1. That § 32-293.1, as amended, of the Code of Virginia be amended and reenacted as follows:

§ 32-293.1. All contracts made for hospitalization, care and treatment hereunder shall provide that in the event the patient requires hospitalization beyond the length of stay as initially authorized by the county or city, and in the further event that before the expiration of the length of stay as initially authorized, the county or city from which such patient is sent is notified by the hospital attending physician that additional hospitalization is required, such stay shall be at the expense of the county or city sending such patient; provided that one-half of such costs, but not exceeding one-half of the * *actual costs, excluding depreciation, of providing such hospital services,* shall be defrayed by the State as above provided. In no case shall any county or city be liable for the care of treatment of any patient retained for teaching purposes, and in such event the cost of such care and treatment shall be borne by the retaining hospital.

APPENDIX A

Name of Hospital	No. Beds	No. Patients Under SLH for Whom not Fully Reimbursed	Total Revenue Loss on Such Cases	No. of These for Over Two Weeks	Total Revenue Loss on These Cases	No. of Charity Patients for Whom no Reimbursement Made
De Paul Hospital Norfolk	306	1263	$ 98,924.96	—	—	922
Clinch Valley Clinic Hospital Richlands	150	Quite a Number	—	Some stayed over a Month	—	—
Appalachia Genl. Hospital Appalachia	7	No SLH Contract	(2 from Local Welfare $16.00)	—	—	No. Charity Patients
Richmond Eye Hospital, Inc. Richmond	40	1	20.85	—0—	—0—	45
Louise Obici Memorial Hosp. Suffolk	154	173	16,744.68	48	8,183.08	40
Norfolk City Union of Kings Daughters, Norfolk	35	578	17,911.33	—	—	632
Franklin Memorial Hospital, Rocky Mount	52	7	1,546.10	3	1,010.20	—
Memorial Hospital Danville	275	81	4,007.28	4	366.50	—
Winchester Memorial Hospital Winchester	254	—	6,129.18	—	—	—
Park Avenue Hospital, Inc. Norton	60	—0—	—0—	—0—	—0—	100
Rockingham Memorial Hospital Harrisburg	232	136	1,130.97	20	214.17	27
Retreat For Sick Richmond	89	—	—	—	—	540
Medical College of Virginia Richmond	1,168	192	99,574.68	139	90,790.00	25,965
Shenandoah Memorial Hospital Inc., Woodstock	50	40	4,448.15	37	4,015.65	27
Jefferson Hospital Inc., Roanoke	151	—	11,751.27	—	—	(785 Days)
Alexandria Hosp. Alexandria	185	1447±	44,641.46±	144±	—	372±
Medical Center Clinic Williamsburg	14	—0—	—0—	—0—	—0—	—0—

Total Revenue Loss on Such Cases	No. Admitted as Pay Patients who Failed to pay all or part of the Bill	Total Revenue Loss on Such Cases	No. Who Failed to Pay any Part of Bill	Total Revenue Loss on Such Cases	No. Who Paid Part of Bill	Total Amount Paid	Total Amount Unpaid
$109,223.12	649	$146,441.85	—	—	—	—	—
150,000±	1500±	180,000.00±	700±	—	800±	—	—
—	46	3,082.40	17	1,344.90	29	2,410.85	1,737.50
991.25	—	—	—	—	—	—	—
4,501.05	—	—	—	—	—	—	—
17,911.33	All Classified Medically Indigent	—	—	—	—	—	—
30,980.24±	—	—	—	—	—	—	—
—	825	90,000.00±	60%±	—	40%±	—	118,715.60(?)
29,861.71±	—	—	—	—	—	—	—
10,800.00	—	16,400.00	75±	7,500.00	—	—	—
3,583.66	798	66,399.60	411	26,443.77	387	34,397.85	39,955.83
34,832.01	300	15,715.72	—	—	—	—	—
2,265,162.00	996	34,169.00	—	—	996	199,200.00	34,169.00
6,330.05	242	29,491.30	80	12,671.95	161	19,448.74	16,801.55
11,598.66	(2129 Days	42,819.86	—	—	—	—	—
103,053.29±	—	34,403.48±	—	—	—	—	—
—0—	22	2,075.61	5	948	17	1,186.14	1,127.61

APPENDIX A—(Continued)

Name of Hospital	No. Beds	No. Patients Under SLH for Whom not Fully Reimbursed	Total Revenue Loss on Such Cases	No. of These for Over Two Weeks	Total Revenue Loss on These Cases	No. of Charity Patients for Whom no Reimbursement Made
St. Mary's Hospital Norton	58	33	4,341.35	7	2,843.10	87
Whittaker Memorial Hospital Newport News	81	41	2,161.13	9	1,101.24	18
Green Valley Clinic Bergton	5	1	0.00(?)	—0—	—0—	—
Virginia Beach Hospital Inc., Virginia Beach	41	15	3,816.30	5	3,287.85	—
Raiford Memorial Hospital Franklin	70	(Not fully Reimbursed for any	6,364.68	—	—	—
Gordonsville Community Hosp. Gordonsville	32	No S L H Contracts				20
Community House Hospital Hot Springs	27	—0—	—0—	—	—	11
Norton Community Hospital Norton	75	22	1,659.85	3	366.90	56
University of Va. Hospital Charlottesville	485	50%±	288,604.00*	—	—	—

* Note: Same figures in columns 4 and 8.

Total Revenue Loss on Such Cases	No. Admitted as Pay Patients who Failed to pay all or part of the Bill	Total Revenue Loss on Such Cases	No. Who Failed to Pay any Part of Bill	Total Revenue Loss on Such Cases	No. Who Paid Part of Bill	Total Amount Paid	Total Amount Unpaid
8,281.31	90	8,164.64	23	2,316.28	67	3,143.16	2,705.20(?)
3,358.19	265	17,996.85	81	7,876.08	185	15,829.94	10,117.77
—	39	2,847.58	32	2,577.10	7	141.57	270.48
—	260	18,556.18	75	7,403.55	185	15,712.47	11,152.63
—	720	31,981.25	—	—	—	—	—
3,595.82	63	10,787.46	22	4,068.95	41	3,977.25	6,748.51
937.40	—	5,239.19	—	4,115.10(?)	—	1,124.09	4,115.10(?)
6,946.53	220	21,948.95	111	14,030.92	109	10,482.85	7,918.03
88,604.00*	—	67,523.00	—	—	—	—	—

APPENDIX B

DEPARTMENT OF WELFARE AND INSTITUTIONS

HOSPITALIZATION OF THE INDIGENT AND MEDICALLY INDIGENT

Statement of State Funds Allotted to the Counties and Cities and State Funds Unused Each Six Months Period; Reserve Fund Allotments and the Additional Amount of State Funds Needed to Provide Full Reimbursement on Expenditures of the Counties and Cities For the Fiscal Year Ended June 30, 1958

	Basic	For the Six Months Ending Dec. 31, 1957				For the Six Months Ending June 30, 1958					
	Annual	Basic		Reserve Fund		Basic		Reserve Fund		Total State Funds	
COUNTIES	Allotment	Allotment	Unused	Allotment	Deficiency	Allotment	Unused	Allotment	Deficiency	Expended	Deficiency
Accomack	$ 7,136	$ 3,568	$ 0	$ 1,596	$ 691	$ 3,568	$ 0	$ 2,471	$ 1,604	$ 11,203	$ 2,295
Albemarle	5,624	2,812	0	0	0	2,812	0	0	0	5,624	0
Alleghany	2,444	1,222	422	0	0	1,222	0	442	286	2,464	286
Amelia	1,668	834	4	0	0	834	0	18	12	1,682	12
Amherst	4,288	2,144	0	54	23	2,144	1,132	0	0	3,210	23
Appomattox	1,848	924	0	795	344	924	0	469	304	3,112	648
Arlington	28,570	14,285	3,908	0	0	14,285	4,525	0	0	20,137	0
Augusta	7,192	3,596	0	2,273	984	3,596	0	4,532	2,941	13,997	3,925
Bath	1,328	664	0	0	0	664	164	0	0	1,162	0
Bedford	6,248	3,124	0	0	0	3,124	1,304	0	0	4,944	0
Bland	1,358	679	456	0	0	679	377	0	0	525	0
Botetourt	3,326	1,663	88	0	0	1,663	0	221	144	3,461	144
Brunswick	4,246	2,123	1,690	0	0	2,123	1,466	0	0	1,090	0
Buchanan	7,540	3,770	1,818	0	0	3,770	1,689	0	0	4,033	0
Buckingham	2,592	1,296	279	0	0	1,296	359	0	0	1,954	0
Campbell	6,092	3,046	473	0	0	3,046	372	0	0	5,247	0
Caroline	2,630	1,315	0	135	59	1,315	463	0	0	2,302	59
Carroll	5,082	2,541	0	0	0	2,541	179	0	0	4,903	0
Charles City	986	493	203	0	0	493	107	0	0	676	0
Charlotte	2,964	1,482	0	0	0	1,482	818	0	0	2,146	0
Chesterfield	8,522	4,261	2,406	0	0	4,261	0	196	127	6,310	127
Clarke	1,492	746	138	0	0	746	0	38	24	1,392	24
Craig	728	364	210	0	0	364	258	0	0	260	0
Culpeper	2,792	1,396	390	0	0	1,396	199	0	0	2,203	0
Cumberland	1,530	765	0	0	0	765	154	0	0	1,376	0

COUNTIES	Basic Annual Allotment	For the Six Months Ending Dec. 31, 1957 Basic Allotment	Basic Unused	Reserve Fund Allotment	Reserve Fund Deficiency	For the Six Months Ending June 30, 1958 Basic Allotment	Basic Unused	Reserve Fund Allotment	Reserve Fund Deficiency	Total State Funds Expended	Total State Funds Deficiency
Dickinson	4,934	2,467	1,772	0	0	$ 2,467	$ 1,894	$ 0	$ 0	$ 1,268	$ 0
Dinwiddie	3,974	1,987	887	0	0	1,987	1,415	0	0	1,672	0
Essex	1,376	688	129	0	0	688	73	0	0	1,175	0
Fairfax	19,712	9,856	0	2,062	893	9,856	0	7,622	4,947	29,395	5,840
Fauquier	4,482	2,241	35	0	0	2,241	164	0	0	4,283	0
Floyd	2,394	1,197	0	0	0	1,197	266	0	0	2,128	0
Fluvanna	1,502	751	0	0	0	751	14	0	0	1,488	0
Franklin	5,180	2,590	91	0	0	2,590	0	606	393	5,695	393
Frederick	3,700	1,850	0	72	31	1,850	0	417	271	4,189	302
Giles	3,998	1,999	0	964	417	1,999	0	975	633	5,937	1,050
Gloucester	2,180	1,090	63	0	0	1,090	133	0	0	1,984	0
Goochland	1,884	942	514	0	0	942	470	0	0	899	0
Grayson	3,952	1,976	428	0	0	1,976	349	0	0	3,175	0
Greene	1,002	501	0	5	2	501	0	0	0	1,007	2
Greensville	3,442	1,721	228	0	0	1,721	194	0	0	3,021	0
Halifax	8,740	4,370	0	0	0	4,370	808	0	0	7,932	0
Hanover	4,638	2,319	1,653	0	0	2,319	1,201	0	0	1,784	0
Henrico	12,094	6,047	4,178	0	0	6,047	4,185	0	0	3,731	0
Henry	6,584	3,292	933	0	0	3,292	770	0	0	4,882	0
Highland	858	429	184	0	0	429	0	0	0	674	0
Isle of Wight	3,144	1,572	0	0	0	1,572	0	81	52	3,224	52
James City	1,332	666	341	0	0	666	25	0	0	966	0
King George	1,414	707	172	0	0	707	135	0	0	107	0
King and Queen	1,328	664	135	0	0	664	620	0	0	573	0
King William	1,602	801	543	0	0	801	590	0	0	469	0
Lancaster	1,822	911	342	0	0	911	480	0	0	1,000	0
Lee	7,616	3,808	6	0	0	3,808	12	0	0	7,598	0
Loudoun	4,460	2,230	0	146	63	2,230	32	0	0	4,575	63
Louisa	2,704	1,352	45	0	0	1,352	1,166	0	0	1,493	0
Lunenburg	2,978	1,489	546	0	0	1,489	98	0	0	2,334	0

COUNTIES	Basic Annual Allotment	For the Six Months Ending Dec. 31, 1957 Basic Allotment	Basic Unused	Reserve Fund Allotment	Reserve Fund Deficiency	For the Six Months Ending June 30, 1958 Basic Allotment	Basic Unused	Reserve Fund Allotment	Reserve Fund Deficiency	Total State Funds Expended	Total State Funds Deficiency
Madison	1,744	872	335	0	0	872	0	26	17	1,435	17
Mathews	1,508	754	169	0	0	754	355	0	0	984	0
Mecklenburg	7,066	3,533	967	0	0	3,533	1,068	0	0	5,031	0
Middlesex	1,416	708	10	0	0	708	430	0	0	976	0
Montgomery	6,280	3,140	13	0	0	3,140	224	0	0	6,043	0
Nansemond	$ 5,322	$ 2,661	$ 0	$ 0	$ 0	$ 2,661	$ 0	$ 1,445	$ 938	$ 6,767	$ 938
Nelson	2,962	1,481	275	0	0	1,481	476	0	0	2,211	0
New Kent	844	422	13	0	0	422	132	0	0	700	0
Norfolk	10,622	5,311	0	1,278	553	5,311	0	3,791	2,461	15,690	3,014
Northampton	3,648	1,824	0	1,872	810	1,824	0	2,651	1,721	8,171	2,531
Northumberland	2,112	1,056	436	0	0	1,056	182	0	0	1,494	0
Nottoway	3,266	1,633	79	0	0	1,633	30	0	0	3,157	0
Orange	2,690	1,345	0	98	42	1,345	0	172	111	2,960	153
Page	3,196	1,598	0	924	400	1,598	0	884	574	5,004	974
Patrick	3,298	1,649	1,052	0	0	1,649	1,209	0	0	1,037	0
Pittsylvania	11,918	5,959	2,799	0	0	5,959	4,741	0	0	4,378	0
Powhatan	1,196	598	598	0	0	598	598	0	0	0	0
Prince Edward	3,248	1,624	883	0	0	1,624	508	0	0	1,857	0
Prince George	3,148	1,574	162	0	0	1,574	986	0	0	2,000	0
Prince William	4,768	2,384	0	1,232	533	2,384	0	1,027	667	7,027	1,200
Princess Anne	7,780	3,890	1,274	0	0	3,890	3	0	0	6,503	0
Pulaski	5,856	2,928	0	196	85	2,928	0	884	574	6,936	659
Rappahannock	1,288	644	0	0	0	644	0	18	12	1,306	12
Richmond	1,304	652	0	0	0	652	0	0	0	1,304	0
Roanoke	8,750	4,375	0	3,821	1,654	4,375	0	372	242	12,943	1,896
Rockbridge	4,928	2,464	291	0	0	2,464	0	637	414	5,275	414
Rockingham	7,398	3,699	0	778	337	3,699	0	2,134	1,385	10,310	1,722
Russell	5,656	2,828	426	0	0	2,828	124	0	0	5,106	0
Scott	5,830	2,915	0	190	82	2,915	1,322	0	0	4,698	82
Shenandoah	4,466	2,233	172	0	0	2,233	0	548	356	4,842	356

COUNTIES	Basic Annual Allotment	For the Six Months Ending Dec. 31, 1957 Basic Allotment	Basic Unused	Reserve Fund Allotment	Reserve Fund Deficiency	For the Six Months Ending June 30, 1958 Basic Allotment	Basic Unused	Reserve Fund Allotment	Reserve Fund Deficiency	Total State Funds Expended	Total State Funds Deficiency
Smyth	6,366	3,183	0	2	1	3,183	113	0	0	6,256	1
Southampton	5,594	2,797	676	0	0	2,797	9	0	0	4,910	0
Spotsylvania	2,270	1,135	184	0	0	1,135	294	0	0	1,792	0
Stafford	2,510	1,255	427	0	0	1,255	393	0	0	1,690	0
Surry	1,312	656	0	0	0	656	360	0	0	953	0
Sussex	$ 2,698	$ 1,349	$ 319	$ 0	$ 0	$ 1,349	$ 384	$ 0	$ 0	$ 1,995	$ 0
Tazewell	10,020	5,010	1,319	0	0	5,010	2,514	0	0	6,187	0
Warren	3,122	1,561	6	0	0	1,561	0	1	1	3,117	1
Washington	7,916	3,958	0	348	151	3,958	0	808	525	9,072	676
Westmoreland	2,140	1,070	756	0	0	1,070	0	0	0	1,384	0
Wise	10,782	5,391	0	0	0	5,391	1,584	0	0	9,198	0
Wythe	4,920	2,460	0	814	352	2,460	0	1,847	1,200	7,581	1,552
York	2,478	1,239	426	0	0	1,239	910	0	0	1,142	0
Total	$438,888	$219,444	$39,775	$19,655	$8,507	$219,444	$47,610	$35,330	$22,936	$406,493	$31,443
CITIES											
Alexandria	$ 14,108	$ 7,054	$ 0	$ 3,853	$ 1,668	$ 7,054	$ 0	$ 9,778	$ 6,347	$ 27,739	$ 8,015
Bristol	3,364	1,682	0	1,308	566	1,682	0	1,166	757	5,839	1,323
Buena Vista	1,100	550	489	0	0	550	31	0	0	580	0
Charlottesville	5,478	2,739	0	335	145	2,739	0	493	319	6,305	464
Clifton Forge	1,222	611	321	0	0	611	130	0	0	771	0
Colonial Heights	1,282	641	314	0	0	641	0	109	71	1,076	71
Covington	2,436	1,218	942	0	0	1,218	1,025	0	0	469	0
Danville	9,420	4,710	0	1,669	723	4,710	0	2,161	1,403	13,251	2,126
Falls Church	1,588	794	776	0	0	794	609	0	0	202	0
Fredericksburg	2,808	1,404	0	0	0	1,404	11	0	0	2,797	0
Galax	1,100	554	0	0	0	554	130	0	0	978	0
Hampton	12,864	6,432	0	0	0	6,432	1,567	0	0	11,297	0
Harrisonburg	2,280	1,140	0	696	301	1,140	0	109	71	3,085	372
Hopewell	3,160	1,580	0	72	31	1,580	173	0	0	3,059	31
Lynchburg	10,066	5,033	0	4,909	2,125	5,033	0	7,256	4,709	22,231	6,834

CITIES	Basic Annual Allotment	For the Six Months Ending Dec. 31, 1957 Basic Allotment	Basic Unused	Reserve Fund Allotment	Reserve Fund Deficiency	For the Six Months Ending June 30, 1958 Basic Allotment	Basic Unused	Reserve Fund Allotment	Reserve Fund Deficiency	Total State Funds Expended	Total State Funds Deficiency
Martinsville	3,638	1,819	287	0	0	1,819	371	0	0	2,979	0
Newport News	8,934	4,467	0	4,392	1,901	4,467	0	5,841	3,791	19,167	5,692
Norfolk	53,282	26,641	0	44,615	19,312	26,641	0	33,052	21,453	130,949	40,765
Norton	1,100	550	0	0	0	550	119	0	0	981	0
Petersburg	7,394	3,697	0	11,391	4,931	3,697	0	6,351	4,122	25,135	9,053
Portsmouth	$ 16,882	$ 8,441	$ 0	$ 3,530	$ 1,528	$ 8,441	$ 0	$ 2,609	$ 1,694	$ 23,022	$ 3,222
Radford	1,904	952	8	0	0	952	2	0	0	1,893	0
Richmond	48,578	24,289	0	20,457	8,856	24,289	0	16,093	10,445	85,128	19,301
Roanoke	19,388	9,694	0	11,634	5,036	9,694	0	11,739	7,619	42,761	12,655
South Norfolk	4,414	2,207	0	1,503	651	2,207	0	1,296	841	7,213	1,492
Staunton	4,216	2,108	0	1,741	754	2,108	0	3,566	2,315	9,523	3,069
Suffolk	2,602	1,301	0	0	0	1,301	0	119	77	2,721	77
Virginia Beach	1,138	569	537	0	0	569	501	0	0	101	0
Waynesboro	2,606	1,303	59	0	0	1,303	107	0	0	2,439	0
Williamsburg	1,420	710	710	0	0	710	464	0	0	246	0
Winchester	2,920	1,460	0	0	0	1,460	0	709	460	3,629	460
Warwick	8,412	4,206	2,704	0	0	4,206	293	0	0	5,416	0
TOTAL CITIES	261,112	130,556	7,147	112,105	48,528	130,556	5,533	102,447	66,494	462,983	115,022
TOTAL COUNTIES	438,888	219,444	39,775	19,655	8,507	219,444	47,610	35,333	22,936	406,493	31,443
GRAND TOTAL	$700,000	$350,000	$46,922	$131,760	$57,035	$350,000	$53,143	$137,780	$89,430	$869,476	$146,465

DEPARTMENT OF WELFARE AND INSTITUTIONS

HOSPITALIZATION OF THE INDIGENT AND MEDICALLY INDIGENT

Statutory Provision for Allocation and Payment of Funds for Hospitalization Title 32, Chapter 15, Code of Virginia

§ 32-292. Allocation and payment of funds to counties and cities—

(a) The State Board of Welfare and Institutions shall allocate semi-annually to the counties and cities of the Commonwealth on the basis of population as shown by the last preceding United States census, such funds as may be appropriated by the General Assembly for this purpose, such funds for services so allocated to be used by such counties and cities for meeting one-half of the cost to such localities of hospitalization and treatment, excluding out-patient service, at hospitals approved by the Board, of indigent persons residing therein, provided that localities may expend out of their local funds at a per diem hospital rate in excess of the maximum rate fixed by the State Board, but no reimbursement of such excess shall be made from State funds. Any funds for services allocated to a county or city which remain unused at the end of any six-month period shall be added to and made a part of the reserve fund as provided for in paragraph (c) of this section.

(b) All payments to counties and cities out of funds appropriated to the Department of Welfare and Institutions and duly allocated for use by such localities or for matching their costs in excess of such allocations under the terms of this charter shall be made by the State Treasurer on warrants of the Comptroller issued on vouchers duly executed by the Director of the Department of Welfare and Institutions on satisfactory proof of the amounts expended by the respective localities for hospitalization and treatment of indigent persons.

(c) In addition to the funds appropriated by the General Assembly for allocation to the counties and cities of the Commonwealth as above provided, the State Board of Welfare and Institutions shall establish from funds appropriated by the General Assembly for the purpose, a reserve fund to be expended as hereinafter provided. Such reserve fund shall be expended in meeting one-half the cost incurred by counties and cities for hospitalization and treatment, excluding out-patient service, at hospitals approved by the Board, of indigent persons residing therein provided that such county or city seeking reimbursement from the reserve fund has exhausted the allocation to it under paragraph (a) of this section.

APPROPRIATION ACT

Biennium 1956-1958

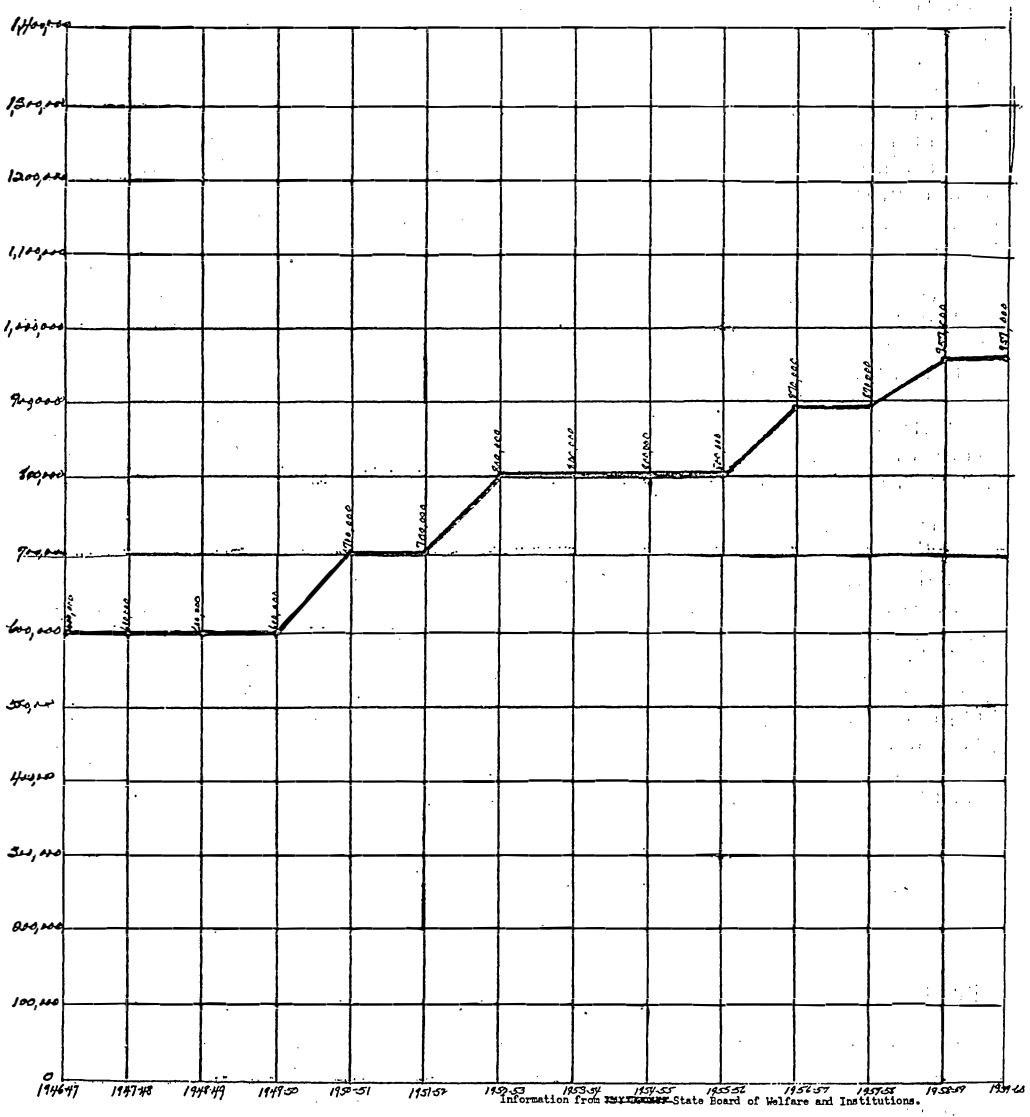
ITEM 383

For hospitalization of the indigent and medically indigent.

This appropriation of $870,000 each year shall be expended in accordance with the provisions of Chapter 15 of Title 32 of the Code of Virginia, as amended. Seven hundred thousand ($700,000) dollars shall be allocated to the counties and cities on the basis of population and the remainder shall be set aside as a reserve fund for expenditure as provided in said Chapter.

APPENDIX C CHART NO. 1

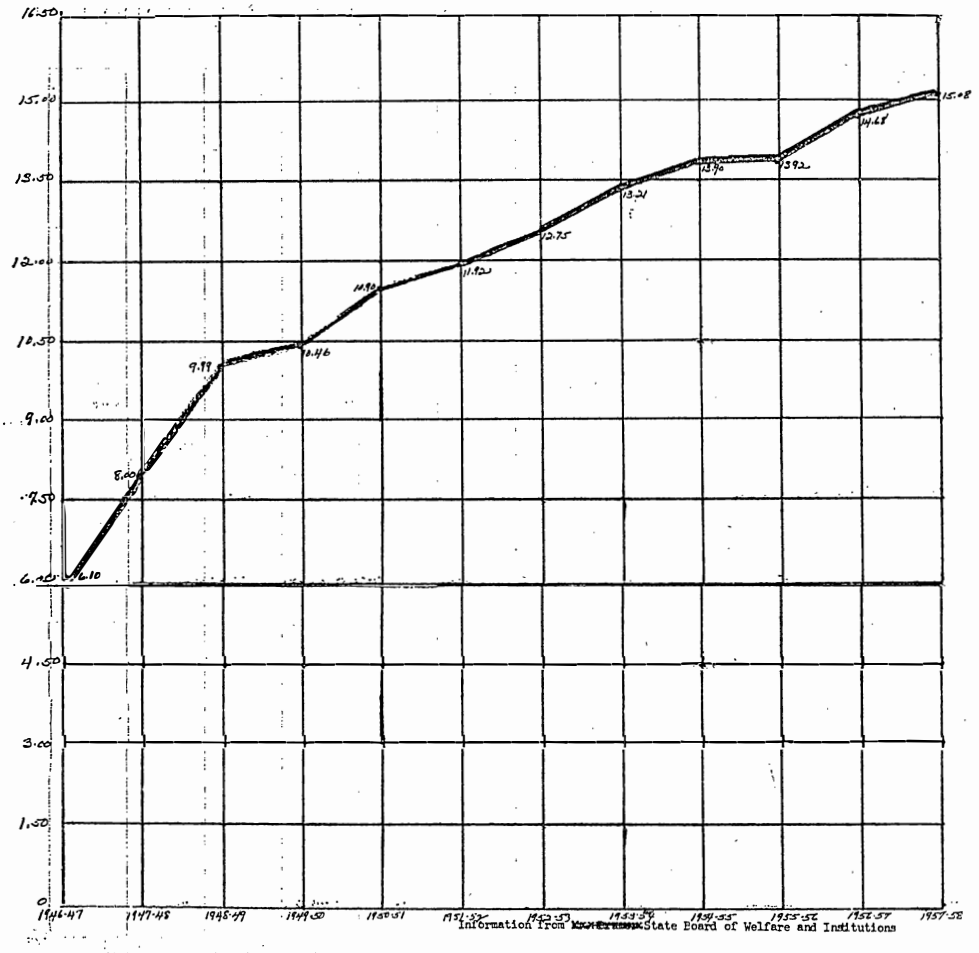
STATE APPROPRIATION FOR HOSPITALIZATION OF THE INDIGENT AND MEDICALLY INDIGENT UNDER THE S.L.H. PROGRAM FROM 1946 THROUGH 1960.



Information from [illegible] State Board of Welfare and Institutions.

APPENDIX C CHART NO. 2

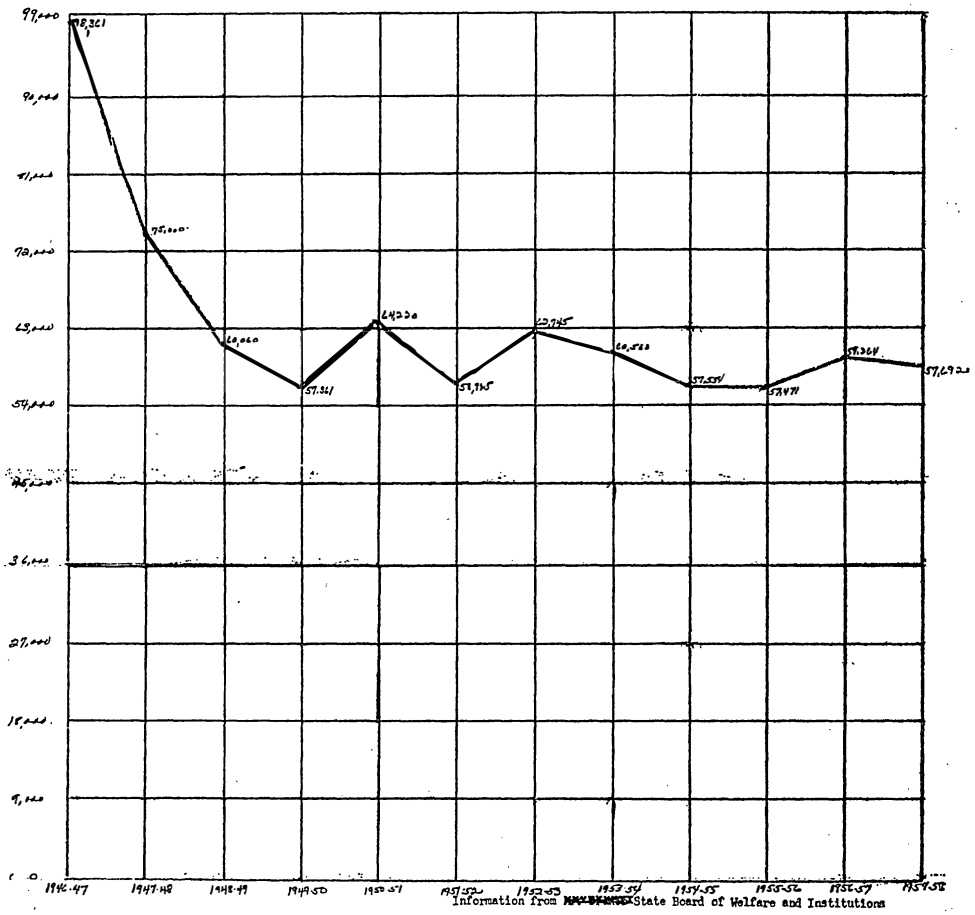
PER DIEM PAYMENTS TO HOSPITALS UNDER S.L.H. PROGRAM FROM 1946 THROUGH 1958.



Information from [illegible] State Board of Welfare and Institutions

APPENDIX C CHART NO. 3

NUMBER OF PATIENT DAYS STATE APPROPRIATIONS WOULD HAVE PURCHASED BASED ON AVERAGE PER DIEM PAYMENTS MADE BY STATE DEPARTMENT OF WELFARE AND INSTITUTIONS TO HOSPITALS UNDER S.L.H. PROGRAM FROM 1946 THROUGH 1958.



Information from [redacted] State Board of Welfare and Institutions

APPENDIX D

HOUSE JOINT RESOLUTION NO. 30

Requesting the Virginia Commission on the Aging to study and report to the Governor and the General Assembly on certain facilities for aged and incapacitated persons.

Whereas, the population of Virginia sixty-five years of age and over is increasing by eight thousand to nine thousand each year, a significant number of whom require care outside their own homes; and

Whereas, there is an increasing need for homes for the aged and nursing homes located so as to make such facilities available to all areas within a reasonable distance; and

Whereas, there appears to be a need for additional institutional facilities for the care of aged persons, especially on a district or area basis; and

Whereas, costly hospital care is frequently extended because of a lack of appropriate nursing or domiciliary facilities for the aged and infirm for whom appropriate care is not available in their own homes; now therefore, be it

Resolved, by the House of Delegates, the Senate concurring, that the Virginia Commission on the Aging is hereby requested to make a study of the present institutional facilities in the State operated by counties and cities, or combinations thereof, or under private auspices for aged and incapacitated persons to determine whether present needs are being met and, if not, the areas in which additional facilities are needed. The Commission is further requested to consider how additional facilities, if found to be needed, can best be provided. The Commission shall conclude this study and make a report thereon to the Governor and the General Assembly not later than August 1, 1959.