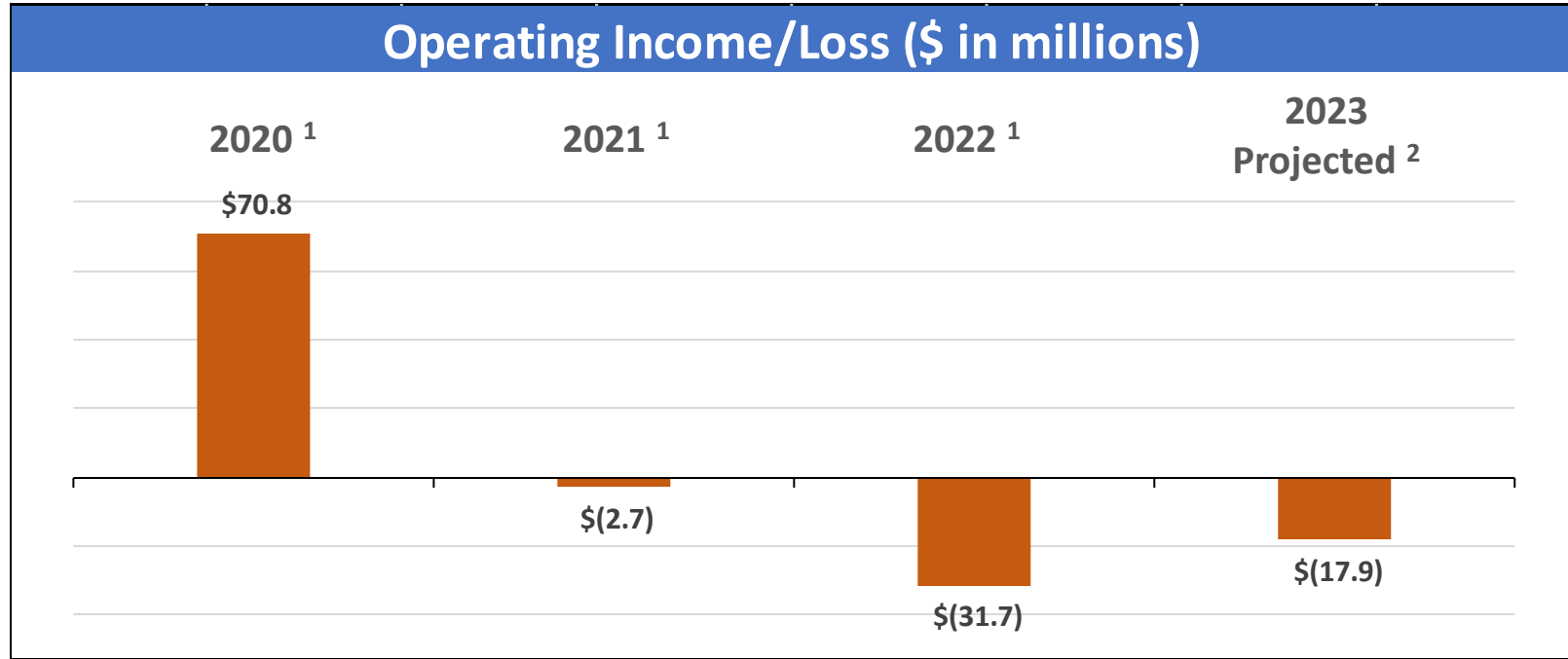


Denver Health

2024 City Council Presentation

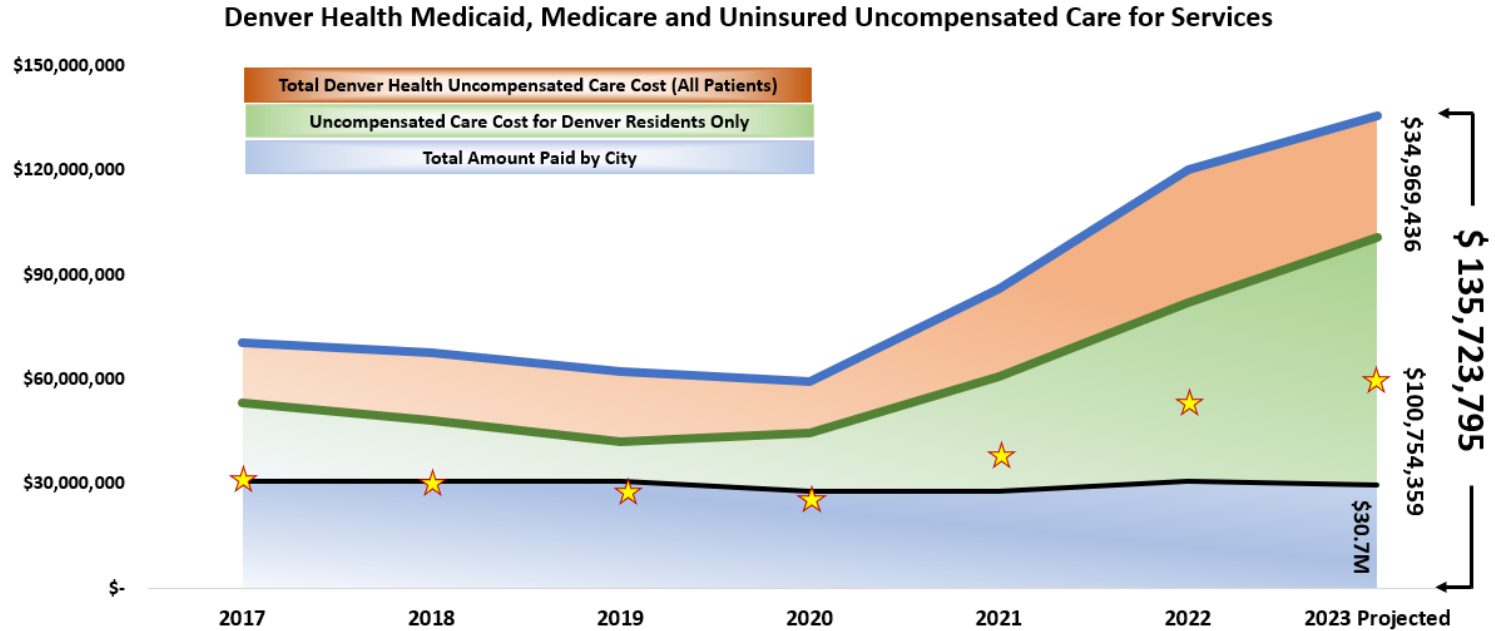
Denver Health Historical Operating Margin



1. Includes Federal CARES/FEMA funding

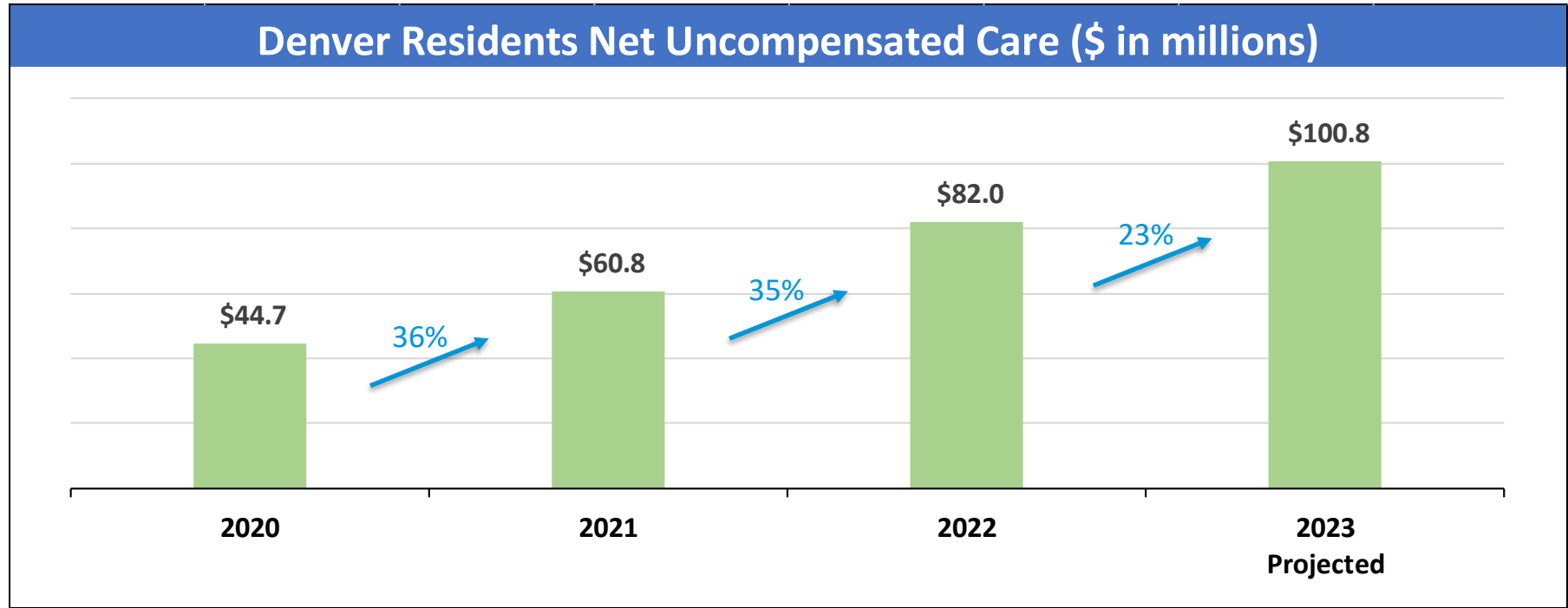
2. Excludes 2023 one-time items and DERP impact

Net Uncompensated Care Costs



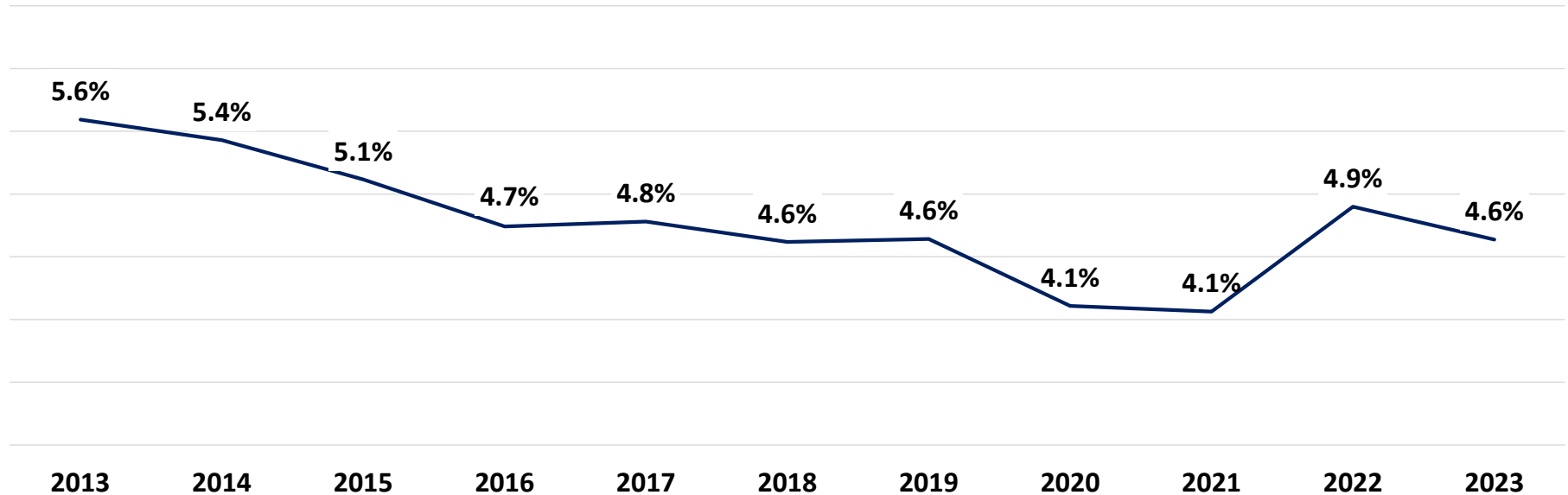
★ In 2017, the MI payment from the City of Denver was \$30,770,300 (43.7% of net cost). While the net cost for uncompensated care has significantly increased over the years, the MI payment has remained effectively unchanged. The stars above represent a funding level of 43.7% of the net cost of uncompensated care.

Net Uncompensated Care Costs – Denver Residents



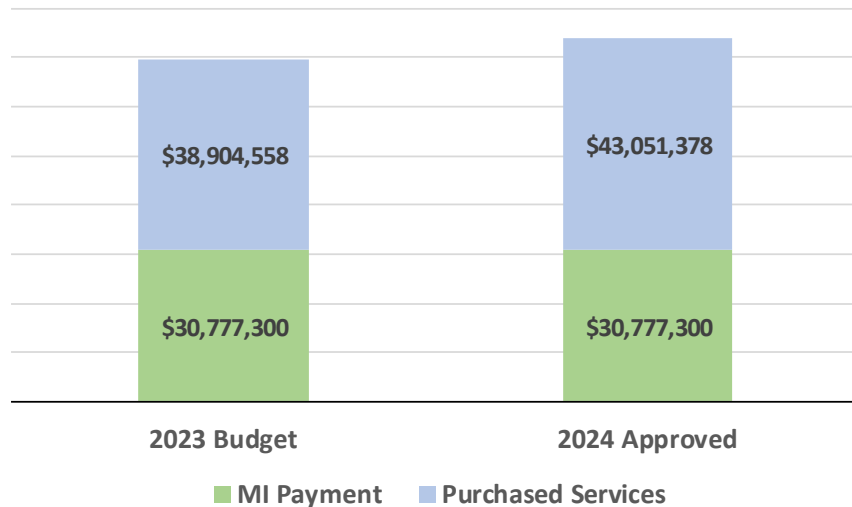
DHHA Budget vs General Fund

Denver Health Operating Agreement budget as % of total City General Fund has decreased from 5.6% to 4.6% while services have increased



Operating Agreement: 2023 vs 2024 Approved Budget

2023 Budget and 2024 Approved Budget



Medically Indigent (MI) Payment

No Increase: City funding to reimburse Denver Health for quality care to the under and uninsured, homeless, immigrant, migrant, and other vulnerable populations

Purchased Services

Annual Increase / Market: Services Denver Health provides to City; includes public health clinics, medical and mental health care in correctional facilities, Denver CARES, EMS at airport, etc

Alignment with City Council Priorities

Affordable Housing

- 655 Broadway project (96 total beds, 14 Denver Health beds in 2024)

Homelessness

- \$15.7M of uncompensated care from homeless population in 2022
- Unhoused patients in Denver Health beds stay 2x longer
- 20% of hospital patients experiencing homelessness (point in time survey)
- Respite beds at Stout St. (15 beds)

Public Safety

- Paramedics
- Medical and mental health care in correctional facilities
- SAFE Center
- Denver CARES
- At-risk Intervention and Mentoring (AIM)
- Treatment on Demand
- Sexual Assault Nurse Examiner (SANE)

Customer Service

- High quality patient care for most vulnerable populations
- Public Health Clinics
- COSH (Center for Occupational Safety and Health) for City Employees
- NurseLine
- Poison control center

Critical Service Impacts

- Services to Homeless population
 - Inpatient care
 - Housing sites
- Mental Health services
- Substance Misuse services
- Capacity limitations
- Bed closures
- Ability to meet market wage increases

2024 Budget Considerations



Uncompensated Care for Underserved Population

Increased homeless, migrant, and immigrant population; commercial insurance makes up only 15% of gross revenue for Denver Health compared to the 30%+ average for Colorado hospitals

Labor Market Challenges

Recruiting and retention of clinical staff continues to be difficult; increased compensation needed for clinical roles in order to keep up with market

Denver Health Focus on Financial Stewardship and Additional Funding

Denver Health received \$5M from the State and expects to receive \$10M from Kaiser in 2023, however these one-time payments don't provide long-term sustainability (provide funding for less than a week of expenses)

Financial Stewardship / Additional Funding

- **Philanthropy:** Anticipated to receive \$10M from Kaiser in 2023 (one-time philanthropy)
- **State**
 - Received \$5M one-time allocation from Joint Budget Committee due to 2023 crisis
 - Upper Payment Limit (UPL): Worked with State on Ambulance UPL; pay into Nursing Home UPL to help patient flow
- **Federal:** Working on federal regulations to achieve additional DSH (Disproportionate Share Hospital) payments
- **Local:** Denver Health is reducing the care it provides to non-Denver residents who are uninsured and can get care in their local communities

Denver Health 2023 Financial Summary

- Forecasted 2023 operating loss of \$3M – which would be \$18M loss without Kaiser and State funding
- Nearly flat city funding compromises our ability to provide care to all, to respond to market pressures for wage increases, and to invest in Denver Health infrastructure
- 2023 Uncompensated Care (\$136M) projected to be higher than prior year
- End of Public Health Emergency (PHE) and elimination of continuous Medicaid coverage could increase the number of uninsured

Addressing Inequities

Equity Strategy

- Denver Health cares for the needs of special populations in Denver such as the poor, uninsured, pregnant teens, persons addicted to alcohol and other substances, victims of violence, and the homeless - regardless of the ability to pay
- The Lown Institute placed Denver Health on the honor roll for socially responsible US hospitals, leading the nation in equity, value, and patient outcomes
- Denver Health Values are Respect, Belonging, Accountability, and Transparency
- Denver Health values DEIB and has 21 different initiatives to advance equity for our staff, our patients, and our community

Appendix

Denver Sheriff Approved Expansion

| Expenditures | FTE | Duration |
|--------------|-----|-----------|
| \$120,307 | 0.9 | Permanent |

This request is to operationalize a MAT (Medication Assisted Treatment) RN that is currently funded by a JBBS (Jail Based Behavioral Health Services) grant. The Opioid epidemic continues to be a challenge in the city of Denver and the Denver Jails. This RN position enables the continuation of MAT services which primarily includes the administration for MAT medications.

Budget Equity Framework Summary

This request will support Citywide Access to Health Care. This request will assist people with disabilities, individuals with chronic medical conditions, and historically marginalized communities within the Jails.

Denver Health Partnership with City of Denver

- Treatment at Denver County Jail, Downtown Detention Center, and healthcare services for arrestees, pretrial detainees, and inmates at Denver Health
 - Partnership to convert two units at County Jail for psychiatric treatment
 - Additional funding needed for staff and medications; other considerations such as licensure and accreditations
- Public Health Clinics (Immunization, Infectious Disease, STD/HIV, and Tuberculosis) bring in approximately \$9M annually in patient revenue and grants to offset reimbursed costs from City
- Emergency service patrol (ESP) responds to requests from the community, Denver Police, and Denver Fire, for assistance where they pick up individuals suffering from inebriation throughout the City and safely transport them to Denver CARES

Denver Health Partnership with City of Denver

- At-risk Intervention and Mentoring (AIM) program provides a trauma-informed care model of intervening with youth when they present to the emergency department for care related to violence
- Treatment on Demand provides supporting therapist teams for Opioid Medication Assisted Treatment and alcohol and other drug assessment
- Sexual Assault Nurse Examiner (SANE) works with law enforcement for evidence collection
- NurseLine provides 24/7 medical triage services and resource referrals to City residents
- SAFE Center provides medical services for children with concerns of maltreatment