

2010 Report on Community Benefit

Duke University
Health System



Partners in Care

Thank you for letting us share with you the many ways that we have continued to invest heavily in our many communities over the past year. There is nothing more important to me than ensuring that the Duke University Health System continues to innovate in providing the highest quality health care that is accessible to everyone who has need of our services.

Last year, I reported that Duke's provision of no-cost or discounted health care services to patients in financial hardship, delivery of services beyond Medicaid reimbursement rates, monetary support to community organizations, and provision of health care professionals' education — the defined measures of Community Benefit — totaled \$141 million. This year, that figure rose to \$158 million. And, when adding unreimbursed costs associated with treating Medicare patients, and patient bad debt, our total support for uncompensated care and services to the community comes to \$252 million.

As terms like “charity care,” and “community benefit” begin to be used more broadly, it is important that they be used correctly. Hopefully, this publication can serve to further clarify these terms and their meanings.

I'm proud to say that the past year has been characterized by innovations in community service. Among many things, we added yet another neighborhood clinic with the opening of the Holton Wellness Center in Northeast-Central Durham, the third and largest Duke University Health System collaborative community-based health care program with Lincoln Community Health Center.

And, of course, this past year has seen the initiation of the Durham Health Innovations (DHI) project, a bold new community-driven effort to improve the health of people throughout Durham. Duke is playing a key supportive and facilitation role in this project and I believe DHI has great potential to have a positive impact on community health.

These projects, in addition to our continued involvement with Project Access, a program to provide specialty care for a significant number of uninsured patients in Durham and Wake counties, and our many other community and school-based clinics, projects and programs throughout

the Triangle, are evidence of the high priority we place on community engagement.

In closing, I'd like to also say that our vision of “community” extends far beyond the borders of the United States. The tragic earthquake in Haiti in January resulted in an indescribable demand for medical relief services, and I am proud to say that the Duke Medicine community responded quickly and meaningfully to this need.



Though the medical supplies, and surgical and medical teams we have sent do not fit within the formal definition of “community benefit,” we believe we have a responsibility to the people there. Additionally, I visited Haiti to meet with Haitian health officials to discuss long-term reconstitution of their decimated health care system, and Duke is committed to contributing to such an effort.

I believe the past year has served to further strengthen our ties and commitment to the community, and I am grateful to the many community leaders and residents with whom we are fortunate to work.

Victor J. Dzau, MD

Duke University Chancellor for Health Affairs
President and CEO, Duke University Health System

A summary of Duke's community benefit and community investments

Duke University Health System benefits the community daily by providing excellent patient care, educating the next generation of physician/scientists and conducting breakthrough research.

In recent years, the words "community benefit" have taken on an increasingly specific meaning in reference to nonprofit hospitals and health systems. New federal regulations more strictly define what community benefit is, how it is calculated and what specific categories of activity are to be included in that calculation.

This report describes the community benefit provided by Duke University Health System using the regulated definitions, but also clearly distinguishes those from additional investments Duke makes that are beneficial to the community but do not fall under the regulated definitions.

The combination of community benefit investments and other investments made by Duke University Health System in support of local health care delivery totaled \$252 million in the fiscal year ended June 30, 2009.

Here is a breakdown of these investments for the fiscal year ended June 30, 2009. An asterisk indicates components of community benefit as defined by the U.S. Internal Revenue Service.

Charity care* No-cost or discounted urgent or emergent health care services provided to patients who are unable to pay.	\$47.7 million
Medicaid program losses* Costs absorbed by Duke when government reimbursements don't fully meet the cost of treatment.	\$62 million
Health professions education* Training and teaching of tomorrow's health care professionals.	\$40 million
Cash and in-kind contributions to community groups* Duke's support of Lincoln Community Health Center and similar programs.	\$8.2 million
Community health assessment activities Active participation in efforts to assess health needs in our communities.	
Additional community investments \$69 million in unreimbursed costs of treating Medicare patients. \$25 million in unrecoverable patient debt.	\$94 million

Total of community benefit and community investments: \$252 million



Duke University Health System has earned a national and international reputation for excellence by delivering the highest quality patient care and, through its direct and important association with a leading school of medicine, attracting a clinical faculty comprising recognized leaders in their fields.

Duke University Health System

An overview

Though the health system is known and respected widely, its primary commitment is providing effective and compassionate health care services to the people of Durham, Wake County, the greater Triangle region and communities throughout North Carolina.

At Duke University Health System, the patient is at the center of everything we do, and maximizing the patient experience is at the top of our highest priorities. Importantly, Duke also serves the needs of patients through its commitment to translate the discoveries made by basic science and clinical researchers into new treatments.

Commitment to clinical quality

The health system has been recognized for its rigorous efforts to make the most effective use of patient care resources, while improving the quality of care provided.

Duke University Hospital has been named one of the 10 best in the nation for 20 years by *U.S. News & World Report*. In 2008, the Dartmouth Atlas of Health Care specifically cited Duke University Hospital as a place where Medicare and Medicaid patients receive outstanding, high quality care at costs significantly less than peer academic medical centers.

In 2009, Duke University Hospital received the Citation of Merit, making it one of three U.S. hospitals to be recognized for leadership and innovation in quality, safety and commitment to patient care as part of the American Hospital Association-McKesson Quest for Quality Prize awards.

In private and government surveys, patients have consistently rated their satisfaction with Duke health care above state and national averages.

Duke University Health System at a glance



Duke University Hospital



Durham Regional Hospital



Duke Raleigh Hospital

Duke University Health System is a world-class provider of health care services headquartered in Durham, NC, but with an impact in Durham and Wake counties, the Greater Triangle region and across North Carolina. It includes:

Duke University Hospital

A tertiary and quaternary care hospital located on the campus of Duke University Medical Center in Durham, NC, that is consistently rated as one of the nation's best.

Duke Clinic

Located on the campus of Duke University Medical Center and adjacent to the Duke University School of Medicine and Duke University Hospital, Duke Clinic houses many of Duke's renowned specialty outpatient clinics.

Durham Regional Hospital

A hospital in Durham serving the health care needs of Durham, Orange, Person and Granville counties, and surrounding communities.

Duke Raleigh Hospital

A hospital in Raleigh, NC, that provides an array of medical care services to patients in Wake County.

Duke Primary Care

A network of community-based primary care physicians, physician assistants and nurse practitioners that work in more than 20 clinics located in Durham, Wake and five other central North Carolina counties.

Davis Ambulatory Surgical Center

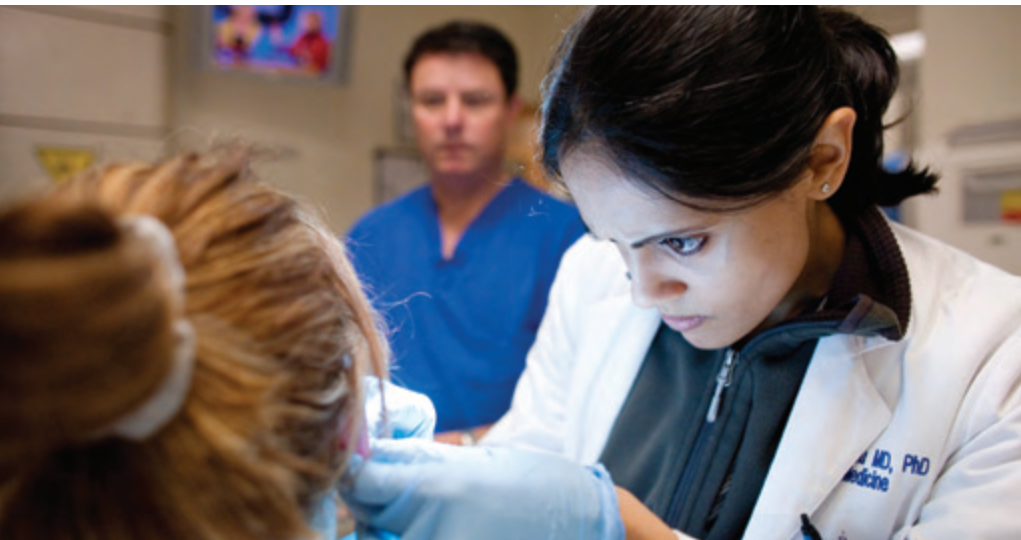
A multi-specialty outpatient facility in Durham that performs over 7,300 surgeries annually.

Duke HomeCare & Hospice

A provider of hospice services in Orange, Durham, Granville, Wake, Person, Chatham, Alamance and Vance counties. It offers infusion services throughout North Carolina, South Carolina and Virginia. Pharmacy services are provided throughout the United States.

Affiliated programs

Duke University Health System maintains many collaborations and affiliations with numerous hospitals and health care facilities. Among these are the Duke Heart Network and Duke Oncology Network.



Duke University Health System provides health care to patients who meet the criteria of its charity care policy without charge or at a discount.

Charity care

Providing for those in need

Typically, patients eligible for charity care are uninsured or underinsured, and not otherwise covered through a government program such as Medicaid or Medicare. In the fiscal year ended June 30, 2009, Duke provided no-cost and discounted care valued at \$47.7 million.

During that year, 5.4 percent of all adult discharges and 35.1 percent of total emergency department visits reflected some level of charity care.

Duke is also committed to communicating with patients proactively, clearly and respectfully with regard to financial responsibility for their care. The health system has had success with a program in which financial counselors work energetically with patients to complete applications for Medicaid or other government payment program eligibility, or apply for care under the health

system's charity care policy, if applicable.

Additionally, any patient, whether covered by insurance or not, may meet with a health system representative and receive financial counseling. Duke representatives can proactively share with patients estimates of their expenses prior to undergoing significant medical procedures. Patients also have access to a toll-free number to speak with customer service representatives during the business day.

A summary of our charity care policy:

- The health system provides qualifying urgent or emergent services without charge for patients with adjusted gross incomes equal to or less than 200 percent of federal poverty guidelines.

- For patients with adjusted gross incomes between 200 percent and 300 percent of the poverty guidelines, a sliding scale discount is applied in percentage increments, depending upon adjusted gross income and family size.
- If a patient's household income exceeds 300 percent of the poverty guidelines, a patient may still receive charity care services if the payment of those medical services would result in an inability to meet basic living expenses.
- To qualify for a charity care discount, a patient must provide the necessary information and documentation to determine whether any form of outside financial assistance is available.
- Complete details are available at www.dukehealth.org

Duke University Hospital's Emergency Department



“We made a commitment, as a group, to be the best part of a patient’s worst day.”

MICHAEL HOCKER, MD

Two and a half years ago, Duke University Hospital began an intensive, institution-wide effort to provide better service to patients. First up was emergency medicine.

“We made a commitment, as a group, to be the best part of a patient’s worst day,” says Michael Hocker, MD, chief of the hospital’s Division of Emergency Services. “It was inspiring to see how quickly we were able, as a team, to consistently deliver outstanding care and service with a smile.”

The Emergency Department is dedicated to providing every person who seeks treatment with excellent customer service, regardless of a patient’s ability to pay.

“Our faculty and staff don’t know patients’ insurance status when they are treated,” Hocker said. “Everyone receives high-quality medical care.”

The main objective is to reduce waiting times. A nurse first is posted at the reception desk to ensure patients are seen rapidly. Patient advocates answer patients’ concerns. Improved bedside reporting at shift change, as well as wall boards that list nurse and physician names, phone numbers, and plans also help.

The work has paid off. In 2009, the benchmarking organization Press Ganey commended Duke University Hospital emergency department staff for improving patient satisfaction to the 90th percentile. Staff morale increased as well.

On track to serve more than 70,000 patients a year, the Duke Hospital ED has transfer relationships with Duke University Health System’s Durham Regional Hospital and Duke Raleigh Hospital, which also operate emergency departments that serve the greater Triangle community. Both of those hospitals have consulted with Duke University Hospital to improve service and satisfaction.

“We think of ourselves as a community service in Durham and our surrounding community,” Hocker said. “We provide immediate services to everyone, just like police and fire-rescue.”



In addition to making up the difference when Medicaid payments for services and care do not fully cover associated costs, Duke also plays a significant leadership role in a statewide program that manages Medicaid costs even as it works to ensure beneficiaries' access to quality care.

Medicaid

Partnering with patients and local governments

In the fiscal year ended June 30, 2009, Duke covered more than \$62 million in unreimbursed Medicaid costs, among the highest totals for North Carolina hospitals participating in the Medicaid program. Duke saw 239,900 visits from patients with Medicaid benefits in 2009.

At the same time, Duke also helps control costs and ensure quality care through its regional leadership role in a statewide primary-care case management program called Community Care of North Carolina.

CCNC has saved state and federal taxpayers more than \$100 million annually since 2003, reducing inpatient expenses while improving health outcomes by making sure

patients have access to the medical and social services their health care provider prescribes.

Additionally, Duke manages a portion of CCNC called Northern Piedmont Community Care program, which has more than 49,000 enrollees in Franklin, Granville, Person, Vance, Warren and Durham counties.

Also, Northern Piedmont Community Care's Durham County arm, the Durham Community Health Network, provides in-home chronic-disease management, patient support, health education, and patient advocacy to patients enrolled at eight Duke and community primary care practices.

Northern Piedmont Community Care includes 16 private practices, 10 government agencies, five hospitals, three federally qualified health centers and five rural health centers.

Northern Piedmont Community Care Network



“Duke is a leader in technology. Community Care of North Carolina has taken notice.”

JAY KENNEDY

With 22,000 Medicaid enrollees to keep track of in five rural North Carolina counties, Jay Kennedy appreciates the importance of effective computer technology.

Kennedy also appreciates Duke’s role in making that happen for Community Care Partners, the Medicaid managed-care system he directs covering Person, Granville, Vance, Warren and Franklin counties.

Duke manages Northern Piedmont Community Care under a contract with the state of North Carolina. NPCC is an umbrella organization covering CCP and a similar program in Durham County. Together, they handle nearly 49,000 Medicaid enrollees in six counties.

As one example of the benefits of the computer software supported by Duke information technologists, Kennedy says CCP gets e-mail alerts when a Medicaid enrollee visits an emergency department.

“When we get an e-mail alert about someone going to an emergency department for a runny nose when they should see their primary care physician, we go out and coach and educate,” Kennedy says. “We can’t touch 22,000 people. Duke’s IT support helps us zero in on the people we really need to touch.”

Such efficiency translates into significant savings for taxpayers as it works to ensure Medicaid enrollees’ access to quality care. CCP and North Carolina’s 13 other Community Care networks have shown savings of more than \$100 million every year since 2003.

“Duke is a leader in technology,” Kennedy says. “Community Care of North Carolina [the statewide umbrella agency] has taken notice. Some of the concepts may be applied across North Carolina in the future.”

An information-based but patient-focused approach is central to ensuring quality care and effectively managing costs both now and in the future, says Fred Johnson, MBA, deputy director of Duke’s Division of Community Health, who oversees the NPCC program for Duke.

“We’re very pleased with the success of Northern Piedmont Community Care, and believe it is a highly useful model for other areas,” Johnson says.



Duke's highly respected graduate medical education program and innovative programs for nurses, nurse practitioners and physician assistants train students to deliver high quality care as dedicated partners in an increasingly community-focused health care landscape.

Health professions education

Training tomorrow's health care providers

In addition to the experience students gain in Duke's three hospitals, Duke health professions education includes mandatory student rotations in community clinics, school wellness centers and in-home care programs for elderly or homebound people.

The training recognizes that health care professionals will provide patient care in an emerging variety of non-traditional settings. It prepares students to engage the community in new ways by applying innovative models of care that promote community-focused health, wellness and individual self-care.

To ensure that community-delivered programs are appropriate and follow state and national standards, Duke created the Community Health Credentialing

training and approval process for health care providers — the first of its kind in the country. CHC certifies providers to design and lead community health programs, many of which focus on preventive and educational programs.

Other health professions education projects include:

Interprofessional team training

This innovative academic effort brings students from across the spectrum of health professions education — physicians, nurses, physician assistants and physical therapists — together to build skills in coordinating patient care and communication.

Learning Together

Medical students provide health-related community service by

providing health education lessons to elementary school children, helping underserved frail seniors apply for food services, and holding community workshops on how to communicate effectively with your physician.

Family medical residents program

The program focuses on disease prevention and management, teams and leadership training — all in outpatient, community settings.

One-year fellowship

In this program, primary care physicians gain experience working in a community health setting. Fellows join the clinical practice that provides care at two Durham community clinics, among other sites.

Community-based training



“Going to underserved areas seems like the place I can make the most difference in somebody’s life.”

MICHELLE MURPHY

Michelle Murphy chose Duke’s Physician Assistant Program because of its sterling reputation. The look in a mother’s eye told Murphy she took the right path.

It happened at Pembroke Pediatrics, a clinic in rural Robeson County, NC, where Murphy was on one of her required four-week rotations working in a medically underserved community.

A mother brought in her child. Like many who visit the clinic, they were Lumbee Indians. The mother asked Murphy if she liked the area, located about 130 miles south of Durham. When Murphy said she did, the mother was moved.

“That’s great,” she said, “because we really need some good health care providers down here.”

“The look on her face was so heartfelt,” said Murphy, a second-year PA student. “You could tell it meant a lot to her that we liked her community and that we cared about what we were doing there.”

For Murphy, that’s what being a PA is all about — the opportunity to help people as a genuine partner in their care. “Going to underserved areas seems like the place I can make the most difference in somebody’s life,” she said. “My experience at the clinic is taking me more in that direction.”

She might not have known that direction even existed had she not enrolled at Duke, whose health professions education curriculum includes mandatory assignment in community clinics where students treat medically underserved, and often uninsured populations.

“The Duke way exposes you to different situations and allows you to see things you otherwise might not encounter in your training,” said Murphy, who plans to remain in North Carolina after graduation and work in a medically underserved area. “You really see the need.”



Despite a year of national economic uncertainty in 2009, Duke University Health System continued to expand its network of community collaborations to improve access and reduce health disparities.

Aid to community groups

Partners in improving community health

In its home community of Durham, for example, Duke again partnered with Lincoln Community Health Center (LCHC) to open the third and largest LCHC satellite clinic, the Holton Wellness Center, in Northeast Central Durham, one of the city's most challenged areas.

The Holton Wellness Center joins Duke-LCHC operated primary-care neighborhood clinics in the Walltown and Lyon Park areas, as well as the Just For Us program, which provides in-home care to older high-risk adults living in 10 Durham public or subsidized housing communities. Each program offers residents access to a comprehensive variety of health care services, and no one is turned away for inability to pay. The Duke commitment includes financial support, clinical and support staffing and administrative oversight for the programs.

The neighborhood clinics and Just For Us had more than 12,000

patients in fiscal year 2009. Duke also operates four school-based health centers enrolling about 2,500 students from families with marginal or no health insurance. The school centers saw more than 3,600 patient visits in fiscal 2009.

Duke community programs include:

Lincoln Community Health Center in Durham, which serves an overwhelmingly poor, uninsured patient population. Duke provided \$2.48 million in direct support and \$3.24 million in in-kind support to Lincoln, plus \$1.85 million in support for Durham's EMS operation. Duke medical, nursing and physician assistant students train at LCHC, and Duke supports on-site laboratory, X-ray and pharmacy services.

Project Access, in which Duke faculty physicians and Duke's three hospitals join community peers in providing no-cost access to

specialty care for uninsured people in Durham and Wake counties.

In the Durham County program's first full fiscal year, ended June 30, 2009, Duke specialists donated 979 episodes of specialty care valued at more than \$1.8 million. More than 500 episodes of care, valued at more than \$930,000, were donated to the Wake County program.

LATCH (Local Access to Coordinated Health care), provides a system of care for nearly 14,500 uninsured Durham residents, nearly 96 percent of whom are Latino with few to no English skills and no knowledge of the health care system.

Open Door Clinic in Raleigh, which provides free comprehensive medical, pharmacy, and ancillary care to uninsured and indigent people. Duke Raleigh Hospital doctors donated services valued at more than \$1.13 million in fiscal year 2009.

Holton Wellness Center



“Having the center in a low-wealth area brings access to health care closer to where the individuals live.”

GAYLE HARRIS, MPH
Durham County health director

The Rev. Melvin Whitley remembers when the former Holton School was an east Durham eyesore symbolizing a dying neighborhood without a single doctor’s office.

Reborn in 2009 as the Holton Career and Resource Center, the building houses a Duke-operated wellness center that is a satellite of Lincoln Community Health Center.

Whitley, a member of the Northeast Central Durham Leadership Council, says Duke made a powerful statement by teaming up with the city and county governments, the public schools and LCHC.

“Before Duke made this decision, there was not a doctor’s office anywhere in eastern Durham,” he says. “This investment says a lot about the vision of Duke.”

The Duke-supported Holton Wellness Center is the largest of the three Duke-Lincoln neighborhood clinics. Medical care is provided without regard to ability to pay.

Designed with the help of multiple community members, the Wellness Center provides services for all members of the family, from infants to older adults.

Durham County Health Director Gayle Harris says the Wellness Center improves access to health care, shifts the focus to disease prevention and health promotion, manages costs and provides a way to monitor outcomes.

“Having the center in a low-wealth area brings access to health care closer to where the individuals live,” Harris says. “It signifies Duke’s commitment to improving health outcomes in this community.”

Earl Phillips, Durham’s assistant director for community engagement, says health care access plays a key role in revitalizing communities.

“The Wellness Center is empowering neighborhoods and helping them to repower through a health initiative,” he says. “People are comfortable coming to the Wellness Center, knowing that they are going to get first-rate services.”

The Holton project was the brainchild of Durham Mayor Bill Bell, who approached Duke about partnering on a health care component.

“The community loves the facility,” says Corliss Gallaway, the Wellness Center’s clinical coordinator for community health.

Assessing community health

Partners in identifying needs

Duke University Health System is deeply engaged in its communities to improve the lives of families across North Carolina by providing compassionate and innovative care.

A key feature of that engagement is the collaboration between Duke and its community partners to identify and understand the health care needs in those communities.

Duke is a leader in finding new ways to engage meaningfully and effectively with communities to improve health. In Durham County, Duke contributes expertise and leadership to the Partnership for a Healthy Durham, a coalition of 60 organizations, led by the Durham County Health Department. The partnership regularly assesses the health of the community through

a survey and an examination of public health data. Duke's commitment to Project Access rose out of collaborative work with this organization.

After an examination of primary care needs in Wake County, Duke opened primary care practices in north Raleigh, Morrisville and Knightdale.



PHOTO BY ABBY LADYBUG

Duke Center for Geospatial Medicine

Recent advances in information and mapping technologies hold the potential to deliver on the promise to truly personalize medicine and, in so doing, minimize health disparities.

Duke's Center for Geospatial Medicine has demonstrated the ability to produce sophisticated computerized maps loaded with clinical data that may ultimately become an important tool in improving health care delivery and health outcomes for individuals and communities.

This technique, known as geospatial mapping, plots locations, such as the placement of health care facilities, the incidence of disease and known disease risk factors, to develop highly detailed maps of community health factors in Durham.

The technique reveals patterns not readily seen in more traditional analyses, and holds great promise as a powerful new community health tool. It is hoped that, armed with that information, patients, community leaders, researchers and patient care providers will be able to develop effective plans to combat disease and improve the overall health of the community.

Community-focused research

Bringing science into the partnership

Duke and the communities it serves are increasingly partnering in patient-focused research that identifies opportunities to translate discoveries into action.

Just one example of Duke's community-focused research is the African-American Health Improvement Partnership, a community-based participatory research project in Durham whose first initiative focuses on helping 250 people manage their Type II diabetes via individual and family educational sessions, individual

sessions with community health educators and peer-based social support groups. A community advisory board works hand-in-hand with the research team, and an external team evaluates the collaboration between the researchers and the board.

Setting a new pace for community engagement is Durham Health Innovations, a unique partnership between Duke and the Durham community that was launched in April 2009 with the ambitious goal of improving the health of

the entire population of Durham County. This project continues to progress and move forward toward an implementation phase.

The impact of Duke research on disease processes and treatment helps the national and global community as well. Duke Clinical Research Institute is the world's largest academic research organization, conducting studies at about 4,000 sites in 64 countries. It has more than 5,000 investigators worldwide, and has enrolled more than 600,000 patients.

Duke Center for Community Research



Central to Duke's effort to help community groups find solutions and gain a deeper understanding of their health concerns is the Duke Center for Community Research (DCCR).

DCCR builds on existing programs that have created a mutually beneficial Duke-community research relationship in exploring new models of improving health, which in turn further facilitates Duke's ability to work cooperatively in effective, community-centered projects.

At the same time, DCCR explores ways to move proven technologies and therapies more quickly into community practice. The approach is based on the shared goal of improving community health by systematically involving the community in research training, priority setting, participation and follow-up — while fostering mutual trust and respect.

More than 100 groups in Durham are involved in assessing, planning, implementing and evaluating solutions to community health problems. As the interactive arm between Duke and the communities it serves, DCCR is designed to be accountable to both. DCCR operates under the guidance of a community advisory board and under a set of principles of engagement.



Benefiting communities beyond our borders

Duke University Health System also benefits communities far beyond the borders of the United States, including providing medical relief in earthquake-stricken Haiti.



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