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Health care costs for metropolitan counties rise dramatically: Survey shows increases of over \$5 million for some counties

Washington, D.C.-Costs to county governments for uncompensated health care continue to rise, in some cases dramatically, and counties are being forced to pay for the increases with general fund monies, according to a survey released today by the National Association of Counties (NACo).

The survey of 49 counties, of varying populations from 24 states, found that 30 counties of that group have responsibility for financing uncompensated health care. All 30 of these counties said their costs for uncompensated care have increased over the past two years.

The survey showed that 27 percent of the counties responding had increases of \$1 million to \$5 million. For 30 percent of the counties, the increases were more than \$5 million.

Large metropolitan counties are being hit hardest by the increased costs. Most of the counties with increases of more than \$5 million have populations over 1 million.

"The survey shows that the issue of uncompensated health care has become a national crisis," said Maricopa County (Ariz.) Supervisor Don Stapley. "More and more the national trend is to allow metropolitan counties to shoulder the burden of treating the uninsured, under insured and illegal immigrants with little or no help from anyone. A sad reminder of this can be seen in emergency rooms that now serve as the primary care facilities for many individuals."

Stapley, who chairs NACo's Large Urban County Caucus, is leading a group of metropolitan county officials who will be meeting with key members of Congress and the White House over the next two days to discuss legislation that could ease the strain of these increased costs.

He said the county officials will be seeking support for five measures: S. 138, a bill to temporarily increase the Federal Medical Assistance Percentage for the Medicaid program; H.R. 328, the Access to Hospitals Act of 2003; S. 204, the Medicaid Safety Hospital Improvement Act of 2003; reintroduction of S. 3013, the Local Emergency Health Services Reimbursement Act of 2002; and language clarifying that the 340B

prescription drug discount program should apply to inpatient as well as outpatient prescriptions.

"Counties are suffering from budget cuts at the state level and a struggling economy," Stapley said. "These factors plus the increased costs of health care are pushing counties and their public health systems to their limit. County governments can no longer absorb additional increases."

The survey showed that the majority of counties (80 percent) are paying for the increased cost for health care by using general funds-funds primarily raised through property taxes. Thirty-seven percent are using county designated funds, while 30 percent are using state funds to finance these increases.

The amount of the increases varies. Sixty-three percent report increases between 5 and 25 percent; 23 percent report increases between 25 and 50 percent.

More than half of the counties (53 percent) said that recent immigration, both legal and illegal, was a factor that caused the costs to rise. The major groups of people that were factors in creating the increase were uninsured workers, under insured workers and the unemployed.

Counties expect the increases to continue. Thirty-four of the 49 responding counties (69) estimate that they will have uncompensated health care expenses in Fiscal Year 2003 ranging from \$10,000 to \$5 million.

There were nine counties with populations of more than 1 million that responded to the survey. Fifteen counties responded with populations of 500,000 - 999,999. Other counties that responded: nine with populations of 50,000 - 99,999; nine with 100,000 - 249,000; and seven with 250,000 - 499,999.

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*NACo is the only national organization representing county governments in the country.
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