

## **WYPR Commentary**

### **May 7, 2013**

If you don't work in a hospital, you probably know someone who does. In every Maryland community, the hospital is the largest, or one of the largest employers. One hundred thousand people work in Maryland's hospitals, most in good-paying jobs with benefits.

How many of those jobs can your local economy afford to lose? The answer is zero. But job loss is exactly what's going to happen if the financial health of Maryland's hospitals gets worse.

All hospitals in Maryland are not-for-profit organizations, like churches and universities. That means that any money left over after the bills are paid goes right back into health care, not into some owner or investor's pocket. But to provide care, 24 hours a day, 7 days a week, Maryland's hospitals have to be financially strong. And, to put it bluntly, hospitals today are taking it on the chin, financially.

How did we get to this point? Maryland is the only place in the United States where the state decides how much hospitals can charge for care. Over the past 40 years, we've lowered the cost of hospital care dramatically in Maryland compared to the nation, from a starting point of 25 percent above the national average, to hospital costs that are now 4 percent below the national average. That's the Maryland Miracle.

But the system today is failing hospitals. For four straight years, the rates hospitals are allowed to charge have fallen far below what it actually costs to take care of people. Overall, hospitals in Maryland are barely breaking even, and 42 percent of hospitals in the state are operating in the red, actually losing money treating patients. The state commission that sets hospital rates, in just a few weeks, will make their annual decision as to what hospitals can charge for their services, and if those rates again fail to keep up with the cost of care, hospital workers' salaries will be frozen, and jobs will be cut.

After years of looking elsewhere in response to inadequate funding, there is simply no place left to cut, but jobs and services. We'll work to fight these cuts, and you should too. The state should pay Maryland's hospitals fairly and, at a minimum, that means keeping pace with inflation — so that hospitals and the people who work there can keep pace with the rising cost, of caring for you.

I'm Carmela Coyle, President & CEO of the Maryland Hospital Association for WYPR, your NPR news station.