



MISSOURI

December 18, 2008

Robert Stein, Ph.D.  
Commissioner  
Missouri Department of Higher Education  
3515 Amazonas Dr.  
Jefferson City, MO 65109-5717

Re: FY 2010 Budget Reduction Impact Statement: University of Missouri  
Hospitals and Clinics and Missouri Rehabilitation Center

Dear Commissioner Stein:

Attached please find the FY 2010 Budget Reduction Impact Statement for the University of Missouri Hospitals and Clinics and Missouri Rehabilitation Center.

As the safety net hospital for mid-Missouri and the long-term care facility for the state, the patient care we provide is critical. In addition, the hospitals and clinics are a core component of our academic medical center which trains doctors, nurses and health care professionals for the citizens of Missouri.

While our focus will always be on maintaining quality health care, the challenges will be great under any of the budget cut scenarios.

Sincerely,

Gary D. Forsee  
President

NK:mb

Attachment

c: Paul Wagner, Deputy Commissioner

December 18, 2008

To: Paul Wagner, Deputy Commissioner  
Missouri Department of Higher Education

From: James Ross, Chief Executive Officer  
University of Missouri Health Care

Re: Hospitals and Clinics and Missouri Rehabilitation Center  
Impact Statement – FY2010

After three years with over \$40 million in total deficits for FY 2000, FY 2001, and FY 2002, University of Missouri Health Care (UMHC) currently has a positive bottom line. As the safety net hospital for mid Missouri and an academic medical center, reductions in the range of 15% to 25% will significantly limit the hospital's ability to provide the faculty, employees, programs, and technology needed for our community. UMHc provides more than \$40 million in uncompensated care annually and with the current economy we believe this amount will increase.

A 15% to 25% appropriation reduction will significantly impact UMHc. We believe these reductions will have the following impact:

- A 15% reduction in appropriations will mean a \$3.7 million total UMHc reduction with \$1.7 million for the Missouri Rehabilitation Center (MRC). The impact on UMHc will be significant and include program limitations, program cuts, and related decreases in work force. At MRC, this reduction will result in staff reductions and limits on programs such as the assisted technology service.
- A 20% reduction in appropriations will mean a \$5 million reduction (\$2.3 million for MRC). With this material reduction in funding, UMHc will consider closing programs and facilities along with the related reductions in workforce. Portions of the Facility Plan to replace our +50 year old facilities will be downsized. For MRC, staff reductions will need to be increased, moving the tuberculosis program may be necessary, and further program reductions will be required. Closing of the assisted technology service may be required. It is anticipated the average patient census at MRC will be reduced from 45 to 40 patients.
- A 25% reduction in appropriations will mean a \$6.2 million reduction (\$2.9 million for MRC). This level of reduction will have major impacts on the ability of UMHc to continue operations in all facilities and potentially eliminate portions of the Master Facility Plan. Relative to MRC, greater staff and programmatic reductions will be required. In addition, limitations on indigent care may be needed together with reductions in core programs such as the head injury service. With these changes, it is currently estimated the average patient census at MRC would be reduced from 45 to 30 patients. At the 30 patient level, continued operations of MRC may not be able to be sustained. For UMHc, this level of reduction will have a significant impact on future health care delivery as a safety net, academic hospital.

Although the impact on program and patients increases with the different reduction levels, all of these reductions will have a significant impact on health delivery and medical education in Missouri.