

Growing pains



Resources stretched as Parkland accommodates increased demand.

The refrain is as common as a pileup on near-by Stemmons Freeway. It goes like this:

If I ever get hit by a truck, make sure they get me to Parkland.

Said in jest, perhaps, but the underlying message is earnest: Should anyone require emergency care, the basic survival instinct takes over.

Get me to Parkland!

Such is the mantle of respect reserved for Parkland Memorial Hospital, the Dallas County Hospital District facility that many say is one of the best public hospitals in the nation. Its mission is to ensure high-quality health care

for all area residents — paying and indigent alike — and it fulfills this mission so well that it has appeared on the list of *U.S. News & World Report's* Top 40 hospitals for 10 years in a row. Its Level 1 Trauma Center — among the five-busiest emergency care services in the nation — is internationally recognized. So is its burn unit, a pioneer in skin grafting and infection-control techniques.

U.S. News & World Report ranks 10 specialties at Parkland as among the nation's best: digestive disorders; ear, nose and throat; gynecology; heart and heart surgery; hormonal disorders; kidney disease; orthopaedics; psychia-

By Michael Blackman

try; respiratory disorders; and rheumatology. More babies are born at Parkland — 15,796 in 2003 — than at any other U.S. hospital; its neonatal intensive care unit cares for more critically ill infants than any other.

As the primary teaching hospital for The University of Texas Southwestern Medical Center at Dallas, Parkland relies on UT Southwestern's 800 faculty physicians, more than half of whom practice there primarily. Another thousand UT Southwestern interns, residents and fellows train there every year, and more than half of all Dallas-Fort Worth physicians have been taught at Parkland and UT Southwestern.

Simply by the numbers, Parkland's is a story of profound accomplishment.

And crushing limitation.

Patient visits last year totaled nearly 1 million at Parkland and community facilities, including the nine Community Oriented Primary Care health centers and other specialty centers, which together comprise the Parkland Health & Hospital System.

And no place in Dallas was busier than its emergency care unit, where 143,837 patients were treated in 2003. By any measure that's a lot of trauma — a lot of auto accidents, burns and falls, poisonings and dog bites, strokes and heart attacks, shootings and stabbings.

There are also a dramatically higher number of ER patients — 24,294 greater — than Parkland treated three years ago.

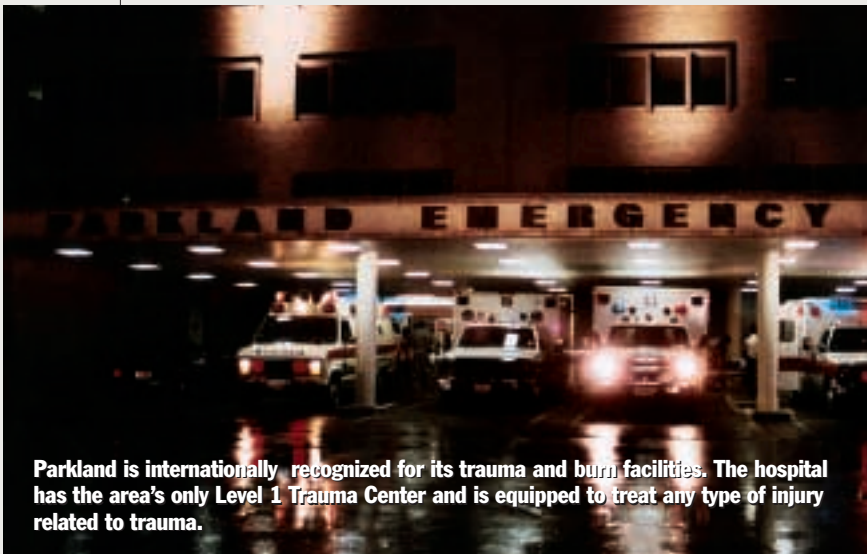
Therein lies, in part, the challenge facing the hospital system and the residents of Dallas

County today: The county is growing; Parkland's patient numbers are growing; but Parkland's capabilities, because of budgetary constraints, are not.

Prominent in news reports has been its care for uninsured or low-income patients — including undocumented workers — and out-of-county residents. The local debate has played out against a national backdrop of immigrant rights while concern increases over the lack of a fair and efficient infrastructure for regional healthcare.

“Parkland [nationally] is considered the gold standard as a safety-net hospital,” said Margaret Jordan, executive vice president of Texas Health Resources and president of the non-profit Dallas Medical Resource (DMR), a group of local civic leaders and health professionals formed by the Greater Dallas Chamber of Commerce to promote Dallas as a vigorous and expanding medical hub.

Members of DMR include top executives of Dallas' leading business and medical institutions. Its chairman is Ray Hunt, president and chief executive officer of Hunt Consolidated Inc. and Hunt Oil Co. Among the board's 24 members are Paul Bass, chairman of Southwestern Medical Foundation; Dr. Kern Wildenthal, president of UT Southwestern; and Dr. John McConnell, executive vice



Parkland is internationally recognized for its trauma and burn facilities. The hospital has the area's only Level 1 Trauma Center and is equipped to treat any type of injury related to trauma.

In 2003 an average of 815 surgeries was performed in each of the hospital's 18 operating rooms — the same number of rooms it had five decades ago. Today a patient may have to wait as long as three to five months for scheduled surgery.

“This [815] is an amazing number, very high — nearly 50 percent higher compared to some hospitals,” said John Gavras, president of the Dallas-Fort Worth Hospital Council, a health-care advocacy association that collects patient data from dozens of North Texas hospitals. “It tells me they're keeping up with the population growth, but eventually you have to question quality control. The word that comes to mind is ‘exhaustion.’ Say the population grows at 10 percent a year; you can't just keep adding more surgeries per room.”

Parkland's mission is to ensure high-quality health care for all area residents — paying and indigent alike — and it fulfills this mission so well it has appeared on the list of *U.S. News & World Report's* Top 40 hospitals for 10 years in a row. Its Level 1 Trauma Center — among the five-busiest emergency care services in the nation — is internationally recognized. So is its burn unit, a pioneer in skin grafting and infection-control techniques.

president for health system affairs at UT Southwestern and chief executive officer of University Medical Center, Inc., the holding company for Zale Lipshy and St. Paul University hospitals.

●
ENTERING THE CURRENT budget year with a projected \$76 million deficit in an \$820 million operating budget, Parkland finds itself at what President and Chief Executive Officer Dr. Ron Anderson calls “the crossroads.”

The hospital's \$1.2 billion plan for expansion and renovation, including two new centers for day surgery and for women and infant services, has been put on hold by Dallas County commissioners, who set the tax rate for the hospital district and approve the budget for Parkland. In recent months they have heightened their scrutiny of Parkland's budget and operations.

“They have the fiduciary responsibility; they have every right to take a close look at Parkland,” said Dr. Anderson, a professor of internal medicine at UT Southwestern.

He likens the institution he has managed since 1982 to a small city, complex and diverse, whose 7,100 employees are directly involved not only in patient care but also in all it takes to provide it — from insurance specialists to engineers, architects and laundry room personnel.

In such a complex environment, managing cutbacks can be a considerable challenge, said Dr. Anderson.

“What we don't want is to be cut back to the bare bones of the 1970s,” he said, referring to a time when he says the hospital's budget was stagnated by the court's refusal to provide adequate funding. “It's taken us 25 years to recover.”

Dallas County Judge Margaret Keliher, who presides over the five-member court, does not foresee a cutback in services. Commissioners

just want “Parkland to be a terrific provider with its terrific trauma and burn centers — and run overall as efficiently [as the centers are],” she said.

As for the delayed plans for expansion, she said, “We need more information. There are so many issues that need to be addressed, and we need more citizen input.”

For these reasons, the court has requested proposals from health-care consultants for long-range planning and policy analysis for the hospital district that would help chart Parkland's role in the community — not only how it serves its patients but also its cooperative relationship with other hospitals and the medical school.

Meanwhile, Parkland has already begun dealing with its deficit, including outsourcing 200 jobs and trimming 500 positions. With these savings and other operating efficiencies, “we have a current run rate of \$65 million in savings — so the gap is down to \$11 million,” Dr. Anderson said. “However, 2005 inflation, increase in pharmacy costs, etc., will create a \$24 million deficit we'll need to cover with cuts and enhanced revenue.”

The reduction of state and federal funding through Medicaid, about \$35 million — as well as inflation, the rising cost of pharmaceuticals and more uninsured patients — largely contributed to the hospital budget shortfall. The ensuing cutbacks have raised questions and concerns among the public, and, in particular, in the Dallas business and medical community.

If any of the hospital's services were to be diminished or eliminated, how would UT Southwestern's education and research programs, recruitment of top students and doctors, and grant requests be affected? What would be the immediate impact on area hospitals if more patients — and more expense — were shifted to them? How would a diminished Parkland impact the general quality of

“Our partnership with Parkland is vital in many ways to our success as a medical school. An outstanding public hospital makes it possible for us to bring leaders in medical science to Dallas to train the next generation of top doctors and scientists and to play a key role in maintaining the health of all members of our community.” — Dr. Kern Wildenthal, president, UT Southwestern

public health in Dallas?

As for the possible impact on UT Southwestern, Dr. Wildenthal said:

“Our partnership with Parkland is vital in many ways to our success as a medical school. An outstanding public hospital makes it possible for us to bring leaders in medical science to Dallas to train the next generation of top doctors and scientists and to play a key role in maintaining the health of all members of our community.

“Parkland always has been and always will be exceptionally important to us. And today its resources are inadequate both for maintaining sufficient staffing by physicians and other healthcare workers and for ensuring good care for the patients.”

Dr. McConnell said Dallas residents likely do not realize that “Parkland has been an amazing vehicle for the training of physicians who went on to provide immeasurable benefit to the local community. Many of the physician leaders in Dallas, individuals who serve as chiefs of staff and medical directors in area hospitals, received their training there.”

The impact of this training resonates even more emotionally when people realize that “children in the community have a six in 10 chance that their pediatrician trained at Children’s and Parkland,” said Christopher J. Durovich, president and chief executive officer of Children’s Medical Center Dallas.

“Moreover,” he said, “pediatric and adult residents and fellows obtain broad clinical experience with the opportunity to participate in the pursuit, discovery and application of new knowledge that enhances their training experience and prepares them for their future practice.”

●
DR. DONALD SELDIN, a revered figure at UT Southwestern and in Dallas medicine, has

a unique perspective on the relationship between Parkland and Southwestern Medical School. Recruited from Yale University School of Medicine in 1951, Dr. Seldin was chairman of internal medicine at UT Southwestern from 1952 to 1988 and director of medical services/internal medicine at Parkland.

“Parkland is perhaps the finest public hospital in the United States,” said Dr. Seldin, who has trained thousands of medical students and residents and now serves Southwestern Medical Foundation as vice president for medical center relations.

“The high quality of general medical care afforded by the hospital is one part of Parkland’s unique contribution,” he said, “and the finest interns and residents from all over the country serve on its wards and clinics.

“Advanced research there allows for the application of the latest diagnostic and therapeutic modalities to be applied to all patients, and the teaching program has an enormous impact on the entire medical community by providing lectures, seminars and other activities on the latest progress in medical care.”

Studies conducted by Drs. Michael Brown and Joseph Goldstein, who discovered the underlying mechanisms of cholesterol metabolism and shared the Nobel Prize in physiology or medicine in 1985, illustrate Parkland’s value to biomedical research. Much of their work was done there.

●
NOTHING GETS THE ATTENTION of the medical community like budgetary stress at a major neighboring hospital, in particular a large county hospital like Parkland.

“We all know what happened when they closed D.C. General Hospital in Washington,” said Ms. Jordan of DMR. “Patients were outsourced to a community hospital that couldn’t handle the load. Thousands of indigent

patients then had to seek treatment at other area hospitals, and many of them were severely impacted financially.”

Dr. Anderson said, “How Parkland goes, so go all the other hospitals: Baylor, Presbyterian, Methodist, Children’s Medical Center, Medical City — all of them.”

In Fort Worth, for example, the spillover from cutbacks at John Peter Smith, the county hospital, has affected Harris Methodist Fort Worth Hospital.

“We’ve seen a significant impact when tax-supported institutions begin to reduce their services to a growing population,” said Douglas Hawthorne, president and chief executive officer of Texas Health Resources, corporate parent of Harris Methodist Fort Worth and 12 other hospitals in the Dallas-Fort Worth area, including Presbyterian Hospital of Dallas and Arlington Memorial Hospital.

Officials of other area hospital systems are quick to acknowledge the crucial role Parkland plays in North Texas healthcare.

“Parkland’s continued operation is imperative to the health of millions of North Texans,” said Joel Allison, president and chief executive officer of Baylor Health Care System, a major healthcare provider in North Texas comprising more than a dozen hospitals as well as other specialty centers. “Our safety net is strained but intact today only through the combined efforts of public and private not-for-profit providers.”

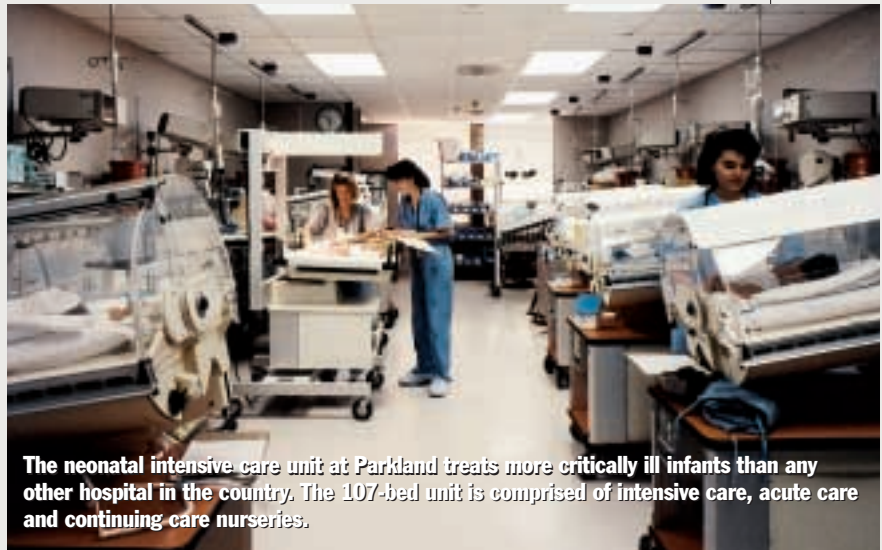
Mr. Durovich, CEO of Children’s, noted that the Parkland-Children’s partnership provides care to “hundreds of thousands of children” in Dallas and the region through daily collaboration in a number of areas.

Among these, he said, are surgical services provided to newborns in the Parkland neonatal intensive care unit by the Children’s medical staff, the treatment of child burn victims at Parkland, trauma care for all children and young adults, and primary care through Parkland’s Community Oriented Primary Care program, which augments the capabili-

ty of Children’s.

“As the pediatric population of our region continues to grow at a rate of three times the national average, it is vital that we support our relationship with Parkland,” Mr. Durovich said. “Otherwise, these services will have to be provided by other community resources. This relationship enables Children’s to conduct clinical research — for new drugs, new treatments and new technology — benefiting children in the community and children throughout the world.”

But the rise in unreimbursable expenses — exacerbated by a reduction in state and federal funds from Medicaid and the Children’s Health Insurance Program — could imperil the quality of care and training at Parkland and



The neonatal intensive care unit at Parkland treats more critically ill infants than any other hospital in the country. The 107-bed unit is comprised of intensive care, acute care and continuing care nurseries.

other area hospitals.

In fiscal 2003, for instance, Texas Health Resources’ Harris Methodist Fort Worth Hospital budgeted \$44 million for charity care, but its actual cost was \$56 million; bad debt expense came in at \$33 million, about \$10 million over budget. In Dallas, Presbyterian Hospital budgeted \$36 million for charity care, but its actual cost was \$39 million. Bad debt was “a little less than budgeted but still worse than last year,” said Ron Bourland, chief financial officer for its parent, Texas Health Resources.

Last year, UT Southwestern physicians and residents provided \$282 million in unreimbursed patient care throughout the metropolitan area, almost all of it at Parkland. The county hospital itself provided \$427 million in

unreimbursed services in 2002, the last year for which figures are available.

As these expenses generally trend upward, they provide considerable frustration for administrators.

“We can’t catch up to it,” said Mr. Bourland. “We can’t catch the tiger.”



PAUL BASS HAS A personal affinity for Parkland. In December 1983, he suffered a stroke and was rushed there by ambulance to undergo surgery. Mr. Bass, then a member of Parkland’s board of managers, tells people that at the time, Parkland would not have been his “hospital of choice,” since he

on infrastructure to make the area grow and become more viable,” he said, “and now it’s grown and become more viable, and we’ve got more people, so why shouldn’t Parkland expect to have more patients?”

“In some way, we all have to pay for it.”

Taxpayers fund about 40 percent of Parkland’s annual operating budget, with the balance coming primarily via patient payment, including Medicaid, Medicare and private insurance. The Hospital District tax rate is 25.4 cents per \$100 valuation on property. A person whose home, after the 20 percent homestead exemption, is assessed at \$120,000, pays about \$310 a year in Parkland taxes. Commissioners did not raise the rate last fall.



THE PUBLIC DEBATE attending Parkland’s budget challenge centers on two areas: providing care for undocumented immigrants and deciding whether it is the responsibility of the taxpayers to pay for that care, and extending uncompensated care to residents of neighboring counties.

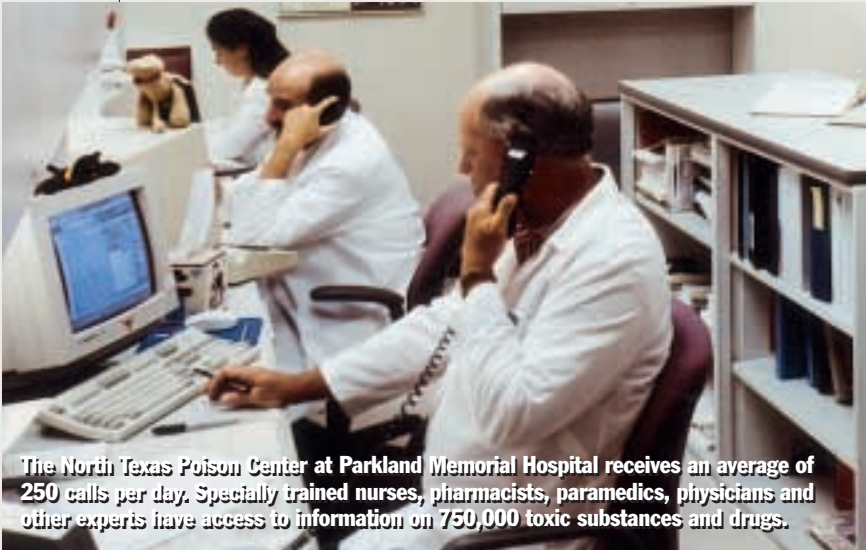
Most of the undocumented immigrants who come through Parkland’s doors are Mexican nation-

als — some 285,000 reside in Dallas County, according to the 2000 U.S. census estimate — and most don’t have insurance or a doctor. (A 2003 study by Parkland Health & Hospital System reported that 59 percent of the Texas Hispanic population is uninsured; overall, 39.9 percent of all Texans between the ages of 18 and 65 are likely to be uninsured at any given time, according to figures from 2001-2002.)

For many immigrants, “their obvious choice is to go to Parkland and its clinics,” said Mr. Bass.

There are two perspectives to this, he said. “Some [people] believe if they’re sick, they should be cared for. That is more or less the humanistic approach. The other is: They can’t pay for it; they don’t pay taxes; therefore, they shouldn’t be cared for.

“It’s difficult for me to envision a community



The North Texas Poison Center at Parkland Memorial Hospital receives an average of 250 calls per day. Specially trained nurses, pharmacists, paramedics, physicians and other experts have access to information on 750,000 toxic substances and drugs.

always thought of it as “a public hospital for the medically underserved.” But after treatment by UT Southwestern doctors at Parkland preserved his speech and mobility, he came away impressed by his care and later served four years as the hospital’s board chairman.

Today, Mr. Bass, vice chairman of First Southwest Co., champions Parkland’s cause, most notably its symbiotic and highly enriching relationship with UT Southwestern.

“Parkland has helped elevate the medical school to where it is today,” said Mr. Bass.

The residency program, the high quality of teaching and the millions of dollars in grants obtained for research conducted at the hospital could be severely impacted should Parkland be allowed to atrophy, he said.

“We spend millions of dollars on an airport, millions of dollars on toll roads, millions more

“We spend millions of dollars on an airport, millions of dollars on toll roads, millions more on infrastructure to make the area grow and become more viable,” he said, “and now it’s grown and become more viable, and we’ve got more people, so why shouldn’t Parkland expect to have more patients?”

— Paul M. Bass, chairman, Southwestern Medical Foundation

that would let sick people die in the streets or deliver children in the alleys. I just don’t see it as humane or the way most of us were raised — to care for other people less fortunate.”

He also noted the economic benefit of providing prenatal care to immigrants. National studies bear him out: “Every dollar spent on prenatal care yields between \$1.70 and \$3.38 in savings by reducing neonatal complications,” reported the National Academy of Sciences’ Institute of Medicine.

“I also don’t believe it’s Parkland’s issue to set immigration policy,” Mr. Bass said. “That is a federal and state issue that should be dealt with at the border.”

On the last point Judge Keliher agrees: “Nobody should ever think that we’re going to practice border patrol at Parkland.”

By law, Parkland must treat anyone who comes to the hospital with emergency needs.

“The cost of treating charity patients from neighboring counties with no insurance is \$15 million,” said Dr. Anderson.

Cynthia Comparin, former chairwoman of Parkland’s board of managers, said, “We just need to knock on other counties’ doors and work this out. It’s just not fair to put that burden on Dallas County taxpayers.”

Most officials agree with Ms. Comparin that a change in state law is needed to facilitate a more regional approach to providing health-care — and for institutions like Parkland to be fairly paid.

“The most important thing,” Dr. Anderson said, “is for adjacent counties to build their own infrastructure and create their own local network for their needy residents and help Parkland pay for providing tertiary-care service, perhaps on a per-capita basis, since access to trauma, burn, neonatal care and other complicated referral needs is really not just an indigent-care issue. It is a public-health concern for all residents of the region.

“I suspect it will require the state to develop regional funding mechanisms, since counties without hospital districts still want to be free from healthcare financing for their own indigent residents.”

Dr. Anderson also strongly believes that the federal government must do more. He notes the study by the Institute of Medicine that reported the United States “reaped a \$51 billion surplus from taxes paid by immigrants to all levels of government in 1997.” Those monies include income taxes, Social Security taxes, Medicare taxes and unemployment insurance. Some of these funds could be distributed to hospitals like Parkland that significantly serve the immigrant population, Dr. Anderson said.

Judge Keliher said she already has been in contact with state legislators about the neighboring-county issue, and their response thus far has been favorable.

As for raising the hospital district’s tax rate, she said, “People don’t mind raising taxes if they think they’re getting the best-run organization, taking out the fat and mismanagement. But there’s just so much you can cut.

“I’ve got people madder at me over cuts than the prospect of raising taxes.”



MR. HUNT OF DMR REMINDS people that the measure of a great society “is the quality of care it affords its aged and infirm.”

As a lifelong citizen of Dallas, he says the Parkland-UT Southwestern team is one of the “two or three most important assets of our community, absolutely. If you damage one, you damage the other.

“If you damage Parkland, people are still going to get sick and overload the remainder of the healthcare system.

“If you put all that together, it is of critical importance that the problems confronting Parkland be resolved.” ■