

# Report says residents, hospitals are sickly

By Pei Pei  
 Staffer

Many residents — and the hospitals that serve them — are less healthy than the national average, according to a new report.

Thoutheast Michigan Hospital Consortium stated that Michigan residents exceed national averages for life expectancy at a time when midwestern hospitals are struggling financially.

Thoutheast report is designed to present picture of Michigan hospitals — the kinds of patients they serve, Donald Potter, president of the Southfield-based hospitals consortium.

"The people will be more healthy," Potter said. "The same is true of hospitals."

Potter's higher-than-average deaths from stroke, heart disease, diabetes and other diseases reported by the Centers for Disease Control, has already been noted.

NOTED was a report from Moody's Investment Services showing one-third of Michigan hospitals low financial ratings, more than the national average.

Thoutheast's report showed that 34 out of Michigan hospitals had bonded Baa and Baa- — among the company's lowest ratings —

while only 16 percent of all hospitals nationally shared those below-average ratings.

According to Moody's, however, most struggling hospitals are in Detroit or outstate. Most hospitals serving Oakland and suburban Wayne County residents are on firm financial footing, according to the financial service.

University of Michigan Hospitals was upgraded during the spring 1990 report, while another, Sinai of Detroit, has subsequently been downgraded.

U-M Hospitals rose from A1 to the Aa rating, which it now shares with two of the region's other giants — Henry Ford Health Care Corp. and William Beaumont Hospital, Royal Oak and Troy.

Among other hospitals, Detroit Medical Center received the A rating, DMC's new name for the former Harper Grace and Huron Valley Hospitals, leads the region in annual admissions with more than 79,000. While Moody's praised the unit's "well-qualified physician staff" and "strong utilization," concerns about restructuring led to a slightly lower rating from the A1 held by the company in 1985.

Criticism, Rochester also received the A rating.

Criticism was praised for its "strong historical financial performance," but Moody's noted concerns about the hospital's highly competi-

tive service area. The hospital also received the A rating during its last evaluation in 1983.

Sinai bonds had been rated A one year ago, but were dropped to Baa this year.

Moody's noted its decrease in patient volume due to "increased pressure from competitors."

The Mercy Health system, with 10 statewide hospitals, also received the A rating. Mercy's area affiliates includes the Sisters of Mercy Hospital, Farmington Hills, Catherine McAuley Health system, Ann Arbor and Mount Carmel Medical and Samaritan hospitals, Detroit.

The region's lowest rated hospital bonds belong to Pontiac General. The city-owned hospital received the Baa rating. Moody's, however, said the hospital's "strong liquidity position helps to mitigate some concerns related to a weak source area economy."

Moody's primary investment-grade bond ratings, from highest to lowest, are Aa, A1, A, Below investment-grade ratings, for riskier bond issues, are Baa1, Baa, Baa1 and Baa, from highest to lowest.

In issuing the report, Moody's noted the wide differences in financial strength of Michigan hospitals,

calling it one of the widest in the nation.

Five Michigan hospitals closed or consolidated since 1985, Potter said. Uncompensated care is the biggest financial problem facing hospitals, according to the report. Figures weren't provided for individual hospitals, though some regional break downs were provided.

Unpaid bills at metro Detroit hospitals rose by 15-25 percent a year from 1985-88, the report said. While figures have leveled since then, southeastern Michigan hospitals provided \$223 million in uncompensated services in 1989, the last year for which figures were available.

While most of that is linked to indigent care, hospital council chairman Ralph LaGiro said seniors and many working people also have trouble paying their bills.

You have to take into account people who have no insurance and elderly people without Medicaid/private, extended coverage for Medicare recipients," he said.

A recent federal General Accounting Office survey indicated Michigan had the fewest number of uninsured people among any of the 15 largest states. The survey, however, indicated an estimated 646,000 Michigan

residents lacked health insurance.

SOME HOSPITALS are "swallowing their equity," LaGiro said, to offset losses. Despite the rising number of Michigan residents without health insurance, LaGiro acknowledged hospitals may be to blame for some of their own problems.

"I'm not here to say every hospital is as well run as it should be," he said.

Not all the news is bad, officials said. The good news is that area hospitals have kept emergency rooms open, officials said, avoiding the kind of emergency care crises that has erupted in Chicago and Miami.

While Michigan residents appear highly susceptible to many diseases, AIDS isn't the problem here it is in

other large metropolitan areas.

Drug abuse, however, remains a major problem, with the Detroit area exceeding New York, Chicago and Philadelphia in emergency room visits related to cocaine or heroin abuse.

The problem is not limited to the city.

Potter said he heard a report 30 percent of applicants for one group of entry-level jobs posted at a suburban supermarket failed drug screening tests.

In other news, the current recession might not be felt by the hospital industry for several years, LaGiro said.

Because Big 3 (automotive) contract, run for three years, we probably won't feel the recession for a while, LaGiro said.

## OCC's engineers' open house

To commemorate National Engineers Week that begins Monday, Oakland Community College next week will host an Engineering Open House at its Auburn Hills Campus.

The open house is 1-9 p.m. Wednesday, Feb. 20, featuring access to practicing engineers as well as academic advisers. The event also features tours showing the school's

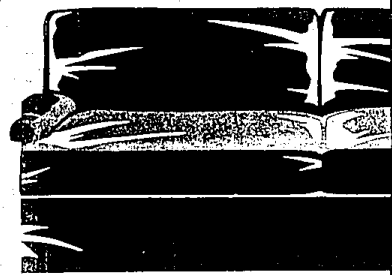
state-of-the-art technology and video presentation, as well as various fields of engineering.

An events take place in Building 1, with free parking available. The charge is \$2.00. Fairview Road, about two miles west of the Pontiac Silverdome. Additional information is available at 346-6346.

## EXPRESSIONS

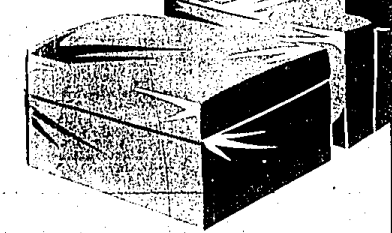
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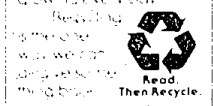


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