



## Mobile hospitals disagree on how to split more than \$11 million

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By **Casandra Andrews, Press-Register**

**MOBILE, Alabama** -- Three months after the state Supreme Court dismissed a case regarding how to pay Mobile hospitals nearly \$11.5 million for indigent care, the parties in the litigation remain unable to resolve the matter.

Jay Ross, the attorney for Mobile County, said he's been in talks with Mobile Infirmiry, the University of South Alabama Medical Center and AltaPointe Health Systems to devise a way to distribute the funds "so all three could be satisfied."

"We've not been able to come to an agreement as of today for all three entities to agree," Ross said Thursday. "USA and Mobile Infirmiry have reached an agreement between themselves, but AltaPointe won't agree.

"I think it's likely it's going to go back to court," Ross said.

In December, the high court dismissed an appeal by University of South Alabama hospitals about how to award millions of dollars in oil and gas tax revenues to cover indigent care costs locally. The court said it had no jurisdiction in the case and instructed the Mobile County Circuit Court to vacate a previous judgment by Judge Rusty Johnston.

Johnston's 55-page judgment would have changed the way that the Mobile County Indigent Care Board reimburses hospitals and clinics for treating patients who are unable to pay.

Now, reimbursement is awarded only for care of patients who stay overnight. Under Johnston's directive, outpatient care would have been eligible, also.

"We certainly feel entitled to it to help it offset our indigent cost in the past, as well as going forward," said Tuerk Scheslinger, CEO of AltaPoint. "We can't continue to be the safety net without some kind of supplemental funding for the high rate of indigent care."

The Legislature in 1982 created the indigent board, whose members are the three county commissioners. No funds have been distributed since 2007, when disputes about payouts began.

As of late March, more than \$11 million was available to the board, all derived from oil and gas taxes. Ross has said that the dispute began when Infirmiry and USA hospitals were unable to strike an agreement with the indigent board on fund disbursements and other issues.

"The concern is trying to find a solution that will address the money we already have deposited — based on their provision of indigent care — and then to figure out how we go forward," said County Commissioner Merceria Ludgood.

"At the time the legislation was enacted, there was only one provider of indigent care: USA," Ludgood said. "Because there is more than one provider now, how to apply the provision is part of what creates the difficulties."

Ludgood's fear, she said, is that a short-term solution might lead back to the same impasse that the board faces now.

In 2009, the board requested that the courts decide how to settle various arguments about the disbursements. Ross sued on the county's behalf, seeking a court-sanctioned interpretation of the 1982 act.

Historically, USA's hospitals have received most of the indigent funding. About five years ago, Infirmiry Health, owner of Mobile Infirmiry, leased Knollwood Park Hospital from USA for 99 years. Infirmiry subsequently argued that it merited a greater share of the indigent funds.

In 2008, according to Nix, Mobile Infirmiry and Knollwood — renamed Infirmiry West — recorded \$67 million in uncompensated charges. He said that was slightly less than 10 percent of total billings.

In 2008, uncompensated charges for USA's two hospitals were about \$72 million, a spokesman said. The figure amounted to more than 18 percent of total billings. Â□

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