

## **Grady Memorial Health System (GMHS), Atlanta, GA**

### **Legal Structure, Governance, and Mission**

Ownership: Fulton-DeKalb Hospital Authority

- The Fulton-DeKalb Hospital Authority (FDHA) was created to oversee the operations of Grady Health System.
- Consists of 10 members. The Fulton County Board of Commissioners appoints seven members and the DeKalb County Board of Commissioners appoints three members.<sup>1</sup>
- Term: Staggered terms of four years

Governance: Private nonprofit corporation (Grady Memorial Hospital Corporation)

Operation: Grady Memorial Hospital Corporation Board of Directors

- In January 2008, a coalition of state and community leaders agreed to create the Grady Memorial Hospital Corporation, a nonprofit corporation charged with administering the hospital; members of a new seventeen-member board were announced in March 2008.
- In response to the board's fund-raising campaign to raise \$100 million for the hospital, the Robert W. Woodruff Foundation pledged \$200 million over four years, and the medical insurance company Kaiser Permanente pledged \$5 million.

Governance change:

- Originally owned by the two Georgia counties: Fulton and DeKalb.
- In January 2008, a coalition of state and community leaders agreed to create the Grady Memorial Hospital Corporation, a nonprofit corporation charged with administering the hospital, and in March members of a new seventeen-member board were announced.
- In response to the board's fund-raising campaign to raise \$100 million for the hospital, the Robert W. Woodruff Foundation pledged \$200 million over four years, and the medical insurance company Kaiser Permanente pledged \$5 million.
- Grady Memorial Hospital Corporation (GMHC) is a nonprofit corporation established to oversee the operations of Grady Health System under a 40 year lease.

Mission:

- Grady improves the health of the community by providing quality, comprehensive healthcare in a compassionate, culturally competent, ethical and fiscally responsible manner.
- Grady maintains its commitment to the underserved of Fulton and DeKalb counties, while also providing care for residents of metro Atlanta and Georgia. Grady leads through its clinical excellence, innovative research and progressive medical education and training.
- Excellence — Grady Health System strives for the highest quality in all that we do. The art and science of health require a commitment to lifelong learning and professionalism.
- Customer Service — Grady Health System is motivated by a sincere concern for the well-being of all people and we will strive to serve everyone with dignity, respect and compassion.
- Ethics — Grady Health System will maintain the highest ethical standards through its actions and decision.
- Teamwork — Grady Health System cultivates an environment of communication, respect, trust and collaboration.
- Commitment — Grady Health System is motivated by pride and dedication, determined to achieve goals of the organization and willing to give our best efforts at all times.

Beds: 953

Employees: 4,850 (excluding Physicians)

Physicians: 1,100 (including residents)

Neighborhood Health Centers: 8

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<sup>1</sup> Source: Fulton-DeKalb Hospital Authority website, <http://www.gradyhealth.org/fdha.html>

## **Grady Memorial Health System (GMHS), Atlanta, GA**

### **Sunshine and Sovereign Immunity**

Sunshine: Yes                      Sovereign Immunity: No

### **Hospital or Health System:** Healthcare system

- Grady Health System is one of the largest public health systems in the United States. Grady consists of the 953-bed Grady Memorial Hospital, eight neighborhood health centers, Crestview Health & Rehabilitation Center - and Children's Healthcare of Atlanta at Hughes Spalding, which is operated as a Children's affiliate.

### **Board Selection and Autonomy**

- Consists of 17 members.
- Staggered terms of one to three years.
- Selection from a pool of candidates from nomination committee and serving Board Members.

### **Financial Relationship with County/City**

GMHS is on 40-year leasehold interest from Fulton-DeKalb Hospital Authority.

- GMHS is a Private Nonprofit.
- Percentage of operating funds from County:
- FY 2009                      FY 2010
- \$56.8. Million              \$52.9 million
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### **Budget Approval**

- Independent of the County.

### **Assets:**

- Owned by the county. Sales or subleasing requires approval from County.
- GMHS capital assets are on 40-year leasehold from Fulton County

### **Teaching Hospital:** Yes

- Grady is an internationally recognized teaching hospital staffed exclusively by doctors from Emory University and Morehouse schools of medicine.

### **Independence:**

- No labor unions.
- Contracting Authority for Goods and Services: GMHS Board of Directors

### **Medical Staff**

- Physicians are staff of Emory University and Morehouse schools of medicine.
- Nurses are GMHS employees.
- Physicians' compensation for indigent care.(Handled by the Group Billings)
- GMHS has yearly contractual amount it pays to the medical schools that enables the physicians to provides services to GMHS Patients whether insure or not.
- Physicians' compensation for teaching is handled by the medical schools
- GMHS contracts with the medical schools that covers yearly pay(an agreed contractual amount)

**Unions:** No

## Grady Memorial Health System (GMHS), Atlanta, GA

### **Unfunded Care**

- How funded, percent funded, & limits:
- Contract with local government to fund indigent care: The two counties, Fulton and DeKalb, provide some funding; in 2010: Fulton \$68 million & DeKalb \$18 million.
- Federal- Disproportionate share hospital funds DSH Fund
- State funding: No.

### **Payor Mix**

	<u>FY 2009</u>	<u>FY 2010</u>
– Medicare	16.6%	17.2%
– Medicaid	33.0%	32.4%
– Insurance	16.8%	?
– Uninsured	33.6%	34.4%

### **Revenues**

	<u>FY 2009</u>	<u>FY 2010</u>
– Net Non Operating revenue	\$17.8 million	10.9 million
– Net Patient service Revenue-	\$270.2 million	\$293.6 million
– Total Operating Revenues -	\$387.6 million	\$420.5 million
– Indigent Care Trust Fund Rev.	\$54.2 million	\$60.1 million
– Grant & Other revenue-	\$63.2 million	\$68.8 million
– County Support	\$56.8 million	\$52.9 million

### **Expenses**

	<u>FY 2009</u>	<u>FY 2010</u>
– Salary and Wages	\$297.4 million	?
– Contractual Payments	\$3.4 million	\$4.1 million
– Total Operating Expenses	\$473.8 million	\$478.4 million

### **Loss from Operations**

	<u>FY 2009</u>
– Loss	\$11.5 million