

## **Health Care: A History of Caring and Healing**

*This is part one of a five part series running in the Ukiah Daily Journal about health care issues locally and nationally. Tomorrow's story: "A Gallon of Milk and Health Care." You can find the entire series of health care articles on Ukiah Valley Medical Center's website: [www.uvmc.org](http://www.uvmc.org) then click the "Publication" link.*

If you lived in the early 1800s and got sick, the last place you wanted to go to was a hospital. They were dreary places, filled mainly with destitute people, where a doctor might drop by a few times a week. Even after hospitals grew and served more people, they often turned the sickest away in favor of those with a better chance of being cured.

That's a far cry from today, when there are more than 36 million hospital admissions in the United States each year. Hospitals range from tiny facilities with just a few doctors and nurses to enormous complexes with more than a thousand beds serving many thousands of patients each year.

An industry this big is sure to be complex. For example, there are hospitals that specialize in treating just cancer, burns or childhood diseases. Some hospitals are affiliated with religious organizations, and some are community or university facilities.

Another way to define hospitals is whether they are for-profit or not-for-profit. It's a definition based on corporate structure and tax status. According to Rick Wade, senior vice president for the American Hospital Association, the not-for-profits were established first. "Ben Franklin founded the first one in this country," said Wade. "He went around and gathered money from his friends and started a hospital."

In principle, that's how many not-for-profits started – a community saw a need and sold bonds or solicited donations. Religious organizations have operated nonprofit hospitals as part of their ministries for more than 150 years.

For-profit hospitals, on the other hand, are relatively new. "Some earlier hospitals were owned by physicians, but the modern investor-owned hospital came about in the last 40 years," said Wade.

According to the National Center for Health Statistics and other experts, for-profit and not-for-profit hospitals differ in several ways.

Not-for profits:

- Are operated by a church or other nonprofit organization.
- Can make a profit, but they may not pay it out to investors.
- Must reinvest profits – for example in research, improvements or charity care.
- Are exempt from paying most taxes.

For-profits:

- Are operated by individuals, partnerships or corporations.

- Can sell stock and pay out profits to investors.
- Must pay taxes.
- May also provide charity care.

Roughly 85 percent of U.S. hospitals are not-for-profit, according to Wade.

“Trust is one thing that hospitals value, regardless of their corporate structure. They often become more than just places to go when you’re sick. “They offer health education, meeting rooms for support groups, places where people can get together and feel safe,” said Wade. “They can be part of what draws a community together.”

Locally, Ukiah Valley Medical Center is a not-for-profit hospital where all profits made go back into the facility to pay for new equipment and buildings instead of shareholders.

“The idea of a community, not-for-profit hospital is truly the spirit of how our healthcare system started in the United States,” said UVMC President/CEO Mark E. LaRose.

“Hospitals are here to meet community needs and care for all who come in our door.”

“As a not-for-profit hospital, we rely heavily on the community to help us through their philanthropic support,” said LaRose. “Thanks to the generosity of our community, we raised over \$120,000 last year that went into funding programs, equipment and services.”

The hospital’s governing board approved a 50-year site plan in 2002 which calls for several new additions to the campus.

“We are in the process of partnering with local physicians to building a new medical office building,” said LaRose. “This will not only help the physicians in our community, but will greatly increase the ease of access for patients to various types of services.”

A new emergency department is the next big project at the hospital.

According to LaRose, the hospital needs a new emergency department by 2010. “We need to expand our emergency facility to meet the community demand,” said LaRose. “Only through large-scale community support will we be able to achieve a new emergency department, but I know how generous this community is and know this task is achievable.”

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