

Community Benefits



Disasters sometimes bring out the best in us.

When earthquakes rocked Haiti and Chile, Minnesota hospitals responded. Reaching beyond their geographic service area, our state's hospitals donated truckloads of medical supplies and provided life-saving personnel. Hospital doctors, nurses and others lent their skills and offered their compassion to help victims.

Such emergency response — both close to home and around the world — is just one role hospitals fill as critical safety nets for their communities.

FEDERAL ACTION REQUESTED:

Minnesota hospitals urge federal lawmakers to continue to support hospitals' tax-exempt status. Without it, hospitals could not continue to provide vital community services.

— a 10-percent increase over the previous year. Those contributions also came in the form of programs like free health screenings and immunization clinics.

Minnesota hospitals and health systems also act as valued members of their cities and towns whenever they treat patients on Medicare or Medicaid. Those federal and state government health care programs do not reimburse hospitals the full cost of the care.

Hospitals and health systems also act as safety nets for their communities by conducting clinical research, training tomorrow's caregivers and caring for the uninsured and those without means.

In 2008, the most recent year for which statistics are available, Minnesota hospitals' community contributions totaled \$3.2 billion

In 2008, such government underfunding to Minnesota hospitals exceeded \$1.6 billion, or nearly 9 percent of the hospitals' operating expenses.

A breakdown of Minnesota hospitals' expenses and contributions related to community health, development and support can be found below.

Minnesota hospitals provide fair pricing for the uninsured

Five years ago Minnesota hospitals set a new national standard of fair treatment for uninsured patients. Under the groundbreaking standard, every hospital in the state voluntarily committed to providing uninsured patients the same discounted price that the hospital bills to its largest private insurer for the same service. That agreement has since been emulated by other states' hospitals. And in 2007, Minnesota hospitals voluntarily renewed the agreement for another five years.

Minnesota hospitals' 2008 community contributions

Uncompensated care (charity care + bad debt) — \$476.2 million

Minnesota hospitals provided \$476.2 million in care to patients who didn't have health insurance or the means to pay.

Services responding to specific community needs — \$110.1 million

Health screenings, immunization clinics, subsidized health services and other community outreach programs fall under this category, which totaled \$110.1 million in 2008.

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Education and work-force development — \$221.4 million

Minnesota hospitals help train doctors, nurses and a wide variety of other highly skilled health care professionals. In 2008, those efforts cost hospitals a combined \$221.4 million.

Research — \$171.8 million

Because of the research done at Minnesota hospitals, beyond any research funded through grants or other industries, new treatments and cures for diseases are constantly being developed. Hospitals spent \$171.8 million on such efforts in 2008.

Government underfunding — \$1.6 billion

When hospitals treat patients on Medicare or Medicaid, hospitals lose money. That's because those government health care programs do not reimburse hospitals the full amount it costs the hospitals to provide the care. In 2008, such government underfunding to Minnesota hospitals exceeded \$1.6 billion, or nearly 9 percent of the hospitals' operating expenses.



Minnesota hospitals continue to do much more than care for the sick and injured among us. They also continue their often unheralded but perhaps equally important efforts to better their communities.



Community Benefit Report

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