

FY2016 Community Benefit Report



Community benefits are programs and services designed to improve health in communities and increase access to health care.

They are integral to the mission of Catholic and not-for-profit health care organizations, and are the basis of tax exemption.

-Catholic Health Association



Community Benefits include:

- **Charity care/financial assistance**
- **Unpaid cost of Medicaid**
- **Subsidized health services**
- **Community health improvement services**
- **Health professions education**
- **Research**
- **Cash and in-kind donations to community**
- **Community-building activities**
- **Community benefit operations**

Community Benefits do not include:

- **Unpaid cost of Medicare**
- **Bad debt**
- **Contractual allowances**
- **“Cost of doing business”**

Programs/activities should not be reported if:

- **Provided for marketing purposes**
- **Restricted to hospital employees and physicians**
- **Required of all health care providers by rules or standards**
- **Unrelated to health or the mission of the organization**

Trends in community benefits programs

- **Increasingly accountable to their communities, boards, employees and to organizations granting tax-exemption**
- **More public health oriented, using tools and expertise from professional and academic public health**
- **Strategic focus on a few issues where a hospital is likely to make an impact**
- **Work with a wide range of community partners to improve community health and increase access to services**

Community Benefits Reporting

- **Since 2008, tax-exempt hospitals have been required to report community benefit and tax-exemption information on IRS Form 990 Schedule H (quantitative & qualitative)**
- **The Affordable Care Act, passed in 2010, added new requirements for tax-exempt hospitals regarding:**
 - **Community health needs assessment and planning**
 - **Financial assistance**
 - **Charges**
 - **Billing and collections**

Mercy Community Benefit FY2016

• Traditional Charity Care	\$	1,477,288
• Unpaid Cost: Medicaid		3,529,888
• Unpaid cost: SCHIP		8,378
• Subsidized Health Services		190,555
• Community Programs		441,184
• Total Community Benefit	\$	5,667,293

Community Benefits FY2016

