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Minnesota hospitals' 2006 community benefits reach \$1.37 billion

ST. PAUL, Minn. (Dec. 10, 2007) — Minnesota hospitals contributed \$1.37 billion to their communities in 2006 in the form of reduced-cost and free care for the uninsured, medical research and other initiatives.

The \$1.37 billion in community benefit activities, reported following national standards set by the Catholic Health Association (CHA) and VHA, represent 9.2 percent of Minnesota hospitals' operating expense. That's an increase over the total benefits in 2005, which equaled 8.2 percent of operating expenses that year.

These figures are detailed in a report released today by the Minnesota Hospital Association. The second-annual, 2007 community benefit report illustrates the myriad ways Minnesota hospitals improve the quality of life and economy here in Minnesota, said MHA President Bruce Rueben.

A total of 131 of Minnesota's acute-care, nonprofit hospitals contributed information to "Minnesota Hospitals: Serving and Strengthening our Communities."

The report includes other contributions hospitals made to their communities. With reimbursement rates set by the federal government, Medicare payments to Minnesota hospitals are below what it costs to provide services. The gap between the cost of care and payment was \$917 million in 2006.

While nonprofit hospitals are exempt from paying most taxes, there are some taxes assessed to Minnesota hospitals. One example is the MinnesotaCare tax, which is intended to fund public health insurance programs. "Minnesota hospitals paid \$181 million in MinnesotaCare tax in 2006 to provide health insurance to lower-income Minnesotans who might otherwise be uninsured," said Rueben.

When those and other contributions by Minnesota hospitals are considered, Minnesota hospitals' 2006 community contributions total \$2.7 billion. "This impressive figure, which represents an increase over last year, is the result of strong participation by hospitals in the reporting process and better tracking of community benefits," said Rueben.

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The Minnesota Hospital Association represents Minnesota's nonprofit hospitals and health systems. MHA works to support the hospital community's efforts to deliver safe, high-quality care.