



Minnesota Hospital Association

2550 University Ave. W., Suite 350-S
St. Paul, MN 55114-1900

phone: (651) 641-1121; fax: (651) 659-1477
toll-free: (800) 462-5393; www.mnhospitals.org

NEWS RELEASE

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Contact:

Emily R. Lowther, 651-603-3495

elowther@mnhospitals.org

Minnesota's nonprofit hospitals contribute \$5.2 billion in uncompensated care and health improvement programs to Minnesota communities

ST. PAUL – Minnesota's hospitals and health systems contributed nearly \$5.2 billion in programs and services in 2017 to benefit the health of their communities, an increase of 6.4 percent compared to 2016, according to the latest annual Community Benefit Report released by the Minnesota Hospital Association (MHA).

"Minnesota's hospitals and health systems are dedicated to their community service missions of supporting their communities by promoting health," said Lawrence Massa, president and CEO of MHA. "Much of what influences our health happens outside of the doctor's office – in our schools, workplaces and neighborhoods. Just as our care teams devote themselves to meeting the needs of patients in the hospital, our hospitals and health systems are driven to address their communities' needs."

Of the \$5.2 billion, Minnesota hospitals provided \$502 million in proactive services responding to specific community health needs, such as health screenings, health education, health fairs, immunization clinics and other community outreach, including in the areas of fitness, nutrition, weight loss, mental health and diabetes prevention.

A few examples of community programs include:

- CentraCare Health operates the Child Advocacy Center to help children who have been physically, sexually or emotionally abused. The health system invests more than \$350,000 annually for including advocacy services, facility space and staff. Since opening in 2016, the Child Advocacy Center provided care for 468 children who experienced abuse and 360 caregivers.
- Essentia Health invested over \$83,600 plus staff time in three hospital communities across northern Minnesota to help people better understand mental illnesses and help reduce the stigma felt by those who experience them. The health system has reached thousands of community members through educational materials, community events and speakers' bureaus.
- Regions Hospital supplies a full-time social worker to the St. Paul Police Department's new Mental Health Unit to help connect people in crisis with the care they need and significantly reduce mental health crisis-related arrests and repeat calls for service.

In addition to improving the health of the community, Minnesota hospitals reported providing:

- \$691 million in uncompensated care, or care provided without payment. This uncompensated care includes charity care for patients from whom there is no expectation of payment and bad debt, the result of patients who could not or did not pay their share of the hospital bill. Bad debt expense increased by 24.7 percent to \$467 million in 2017. Charity care costs increased by 9 percent to \$224 million in 2017. The proliferation of high-deductible health plans may be contributing to growth in bad debt. In addition, Minnesota's uninsured rate rose to 6.3 percent in 2017, leaving approximately 349,000 Minnesotans without health insurance coverage. With the 2017 repeal of the portion of the ACA that mandated individuals have insurance coverage, hospitals and health systems anticipate further increases in both charity care and bad debt in the future.
- \$446 million in education and workforce development, including training for doctors, nurses and other highly skilled health care professionals.
- \$258 million in research to support the development of better medical treatments and to find cures for diseases.
- \$2.7 billion in government underfunding as a result of treating Medicare and Medicaid patients and receiving government reimbursements that are less than the actual cost of providing the care. This is 10.1 percent of hospitals' operating expenses.

The 2018 Community Benefit Report reflects 2017 financial information – the most recent data available – self-reported by Minnesota's hospitals and health care systems and supplemented with data reported to the Minnesota Department of Health. The annual report comprises an analysis of categories of community contribution activities on a statewide and regional basis.

To read more about hospitals' community programs and view this or previous community benefit reports, visit www.mnhospitals.org/policy-advocacy/priority-issues/community-benefit-activities.

The Minnesota Hospital Association represents 142 hospitals and health systems, which provide quality care for their patients and meet the needs of their communities.

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