



**American Hospital
Association**

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NEWS RELEASE

HOSPITALS SPEND AN AVERAGE OF 11 PERCENT OF THEIR TOTAL EXPENSES ON BENEFITS TO THEIR COMMUNITIES

WASHINGTON (February 2, 2012) – A new report by Ernst & Young found that not-for-profit hospitals spend an average of 11.3 percent of their total expenses on benefits to their communities. Starting in 2009, not-for-profit hospitals were required to file Schedule H with the Internal Revenue Service to show the community benefit they provide. The AHA wanted to better understand the diverse ways hospitals serve their communities and worked with Ernst & Young to collect and analyze the data from 571 not-for-profit hospitals.

“Hospitals provide benefits in a number of ways and offering a complete picture of those benefits will ensure that everyone in the community will gain a better appreciation of the value that hospitals provide,” said AHA President and CEO Rich Umbdenstock. “But dollars alone can never tell the complete story of how communities benefit from programs and services that hospitals provide.”

The report found that direct benefits to patients in financial need, which include free care, financial assistance and spending to fill gaps in Medicare underpayments average 5.7 percent of total hospital expenses. The report compared hospitals of similar size so that communities can better understand their hospitals’ benefit to their community.

Benefits to the community include free care, Medicaid underpayments, community health improvement programs, health research and education, subsidized services, Medicare shortfalls and other community benefits and building activities.

While the Schedule H is a useful tool to help communities better understand the many ways in which they are being served by their local hospitals, the AHA will continue to advocate for improvements to make it a more effective tool.

“The AHA believes that communities themselves are in the best position to determine whether the benefits provided by their local hospitals match their needs,” concluded Umbdenstock.

The Ernst & Young report is available at <http://www.aha.org/scheduleh>

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About the AHA

The American Hospital Association (AHA) is the national organization that represents and serves all types of hospitals, health care networks, and their patients and communities. Close to 5,000 hospitals, health care systems, networks, other providers of care and 42,000 individual members come together to form the AHA. Founded in 1898, the AHA provides education for health care leaders and is a source of information on health care issues and trends. For more information, visit the AHA Web site at www.aha.org.

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