



American Hospital Association®

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NEWS RELEASE

HOSPITALS SPEND AN AVERAGE OF 12 PERCENT OF THEIR TOTAL EXPENSES ON BENEFITS TO THEIR COMMUNITIES

WASHINGTON (September 17, 2014) – A new report by Ernst & Young found that not-for-profit hospitals spent an average of 12.3 percent of their total expenses on benefits to their communities in 2011, an increase from 11.5 percent in 2010. Not-for-profit hospitals are 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 587 not-for-profit hospitals.

“The increase in benefits shows how hospitals are responding to the growing health needs of their communities,” said AHA President and CEO Rich Umbdenstock. “This report offers a complete picture of how hospitals serve their patients and communities in addition to providing care inside the hospital. Hospitals are a key partner in building stronger, healthier communities.”

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 6.1 percent of total hospital expenses. The report results are based on Schedule Hs from hospital and health care systems and single hospitals of varying size.

In addition to direct benefits to patients in financial need, benefits to the community include Medicaid underpayments, community health improvement programs, health research and education, subsidized services and other community benefits and building activities.

“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 AHA is a not-for-profit association of health care provider organizations and individuals that are committed to the improvement of health in their communities. The AHA is the national advocate for its members, which include nearly 5,000 hospitals, health care systems, networks and other providers of care. 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 website at www.aha.org.

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