



Healthy Hospitals | Healthy Lives

SCHA 2008 Hospital Community Benefits Report



There is a strong cause and effect relationship between your hospital and your community's health. Put simply, our state must have healthy hospitals in order for our people to be physically and fiscally healthy.



We rely on our local hospital to take care of us when we are sick or hurt and to help protect us against threats to our health. Hospitals are where we begin our lives and where many of us end our lives. South Carolina's hospitals provide compassionate care for all, regardless of an individual's ability to pay. They serve as the safety net for the uninsured and underinsured. It is their mission to help save lives and improve the quality of life in our state.

More than 700,000 South Carolinians have no health insurance and no ability to pay their hospital bills when they need care. Many avoid care until seriously ill, and most turn to the hospital emergency department when they can delay no longer.

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In 2007, South Carolina hospitals provided \$1.3 billion in "free" hospital care to uninsured and underinsured patients. Of that \$439 million was for individuals who could not or did not pay. Hospitals also subsidized other health services to South Carolinians to the tune of \$86.7 million.

While government programs such as Medicaid and Medicare partner with hospitals to help cover the cost of care for the poor, elderly and disabled, these programs do not cover all of the costs of caring for those who qualify for assistance. Last year hospitals subsidized more than \$798 million in government payment shortfalls even after receiving additional payments from the Disproportionate Share Hospital Program created to help make up the difference between costs and payment.

In addition to traditional hospital care, hospitals provide an array of community-based services, many for free or at much reduced rates, to reach citizens who might otherwise not have access to care. Among these services

are health screenings, nutritious meals, transportation to medical appointments, primary care clinics, immunizations, and precriptions.

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Last year the state's hospitals reached out to 5 million participants, providing another \$113 million worth of community-based services for which the hospitals did not charge.

Obviously, these activities are a powerful indication of the value that financially healthy hospitals do contribute to the good health of their communities. Each dollar invested to help people in need advances the health of the community.



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Although these services are often provided at no charge or at very reduced fees to those receiving them, the hospital dedicates the staff and resources required to make the services possible. Decisions about how a hospital uses its resources are overseen by local members of the community who serve on the hospital's board. Each hospital must be financially healthy in order to fulfill its mission to the community. That means that it must make a profit or margin in order to reinvest in the community by caring for the uninsured and providing other community benefits, purchasing new lifesaving technologies, updating aging facilities, and maintaining a strong and caring workforce.

WHAT ARE COMMUNITY BENEFITS?

Hospital community benefits are programs and services that meet one or more of the following criteria:

- Supports the hospital's community-based mission
- Targets the problems of the poor or medically underserved
- Impacts the health status of the identified community
- Reduces community health costs
- Is accessible to the entire community regardless of ability to pay
- Would likely be discontinued if decisions were made on a purely financial basis
- Stimulates external community partnerships

Hospitals provide two types of community benefits: traditional and nontraditional.

Traditional community benefits refer to a hospital's commitment to provide needed health care services to all regardless of their ability to pay. These "traditional" benefits reflect the services and financial assistance or charity care provided to patients who can't pay for their care.

South Carolina hospitals also offer nontraditional community benefits with little or no compensation—both on the hospital campus and beyond the hospital walls—to improve health status, increase access to care, and enhance the quality of their communities' lives.



2008 STATEWIDE SUMMARY

Voluntary Community Benefit Services and Programs	Citizens Served	Loss/Cost
Community Health Education	4,328,790	\$12,832,122
Self Help	17,422	\$580,511
Support Groups	49,241	\$392,842
Health Screening	145,509	\$3,238,711
Immunization	14,488	\$43,551
Non-Billed/Reduced Fee Clinics	40,673	\$4,737,256
All Other Health Care Support Services	27,630	\$565,587
Counseling	43,086	\$362,888
Family Support Services	36,678	\$3,318,446
Free or Discounted Prescriptions/Supplies to Patients	37,751	\$1,090,335
In Home Services	4,639	\$68,761
Meals / Nutrition Services	87,386	\$372,581
Transportation Services	10,658	\$1,073,444
Total Community Health Improvement Services	4,843,951	\$28,677,035

Other Voluntary Community Benefit Activities	Citizens Served	Loss/Cost
Loss on Health Professions Education	9,651	\$61,877,989
Loss on Research (community health and clinical)	0	\$7,063,691
Financial and In-Kind Contributions	107,652	\$8,934,042
Community Building Activities	65,822	\$3,513,501
Community Benefit Operations	0	\$3,309,259
Total Other Community Benefit	183,125	\$84,698,482

Community Benefit Resulting from Unpaid Costs of Patient Care	Loss/Cost
Uncompensated Care at Cost <i>Bad Debt and Charity Care</i>	\$ 438,919,614
Unreimbursed Costs of Government Programs <i>Medicaid, Medicare and Other Public Programs</i>	\$ 798,230,933
Subsidized Health Services and Hospital-Based Nursing Home Losses	\$ 86,728,453
Total Unpaid Costs of Patient Care	\$1,323,879,000

TOTAL COMMUNITY BENEFIT

\$1,437,254,517

Based on fiscal year 2007 data submitted by 65 hospitals in the South Carolina Hospital Association 2008 Community Benefits Survey.

**Medicaid and Medicare Payment Shortfall based on payments less estimated cost of providing care to patients.*

For more information on hospital community benefits, including specific programs and services, go to www.schacommunitybenefits.org or contact your local hospital.



South Carolina Hospital Association
1000 Center Point Road | Columbia, SC 29210
P 803.796.3080 | F 803.796.2938
www.scha.org