



MICHIGAN HEALTH & HOSPITAL ASSOCIATION

Advocating for hospitals and the patients they serve.

FOR IMMEDIATE RELEASE
Sept. 15, 2008

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Michigan Nonprofit Hospitals Provide Nearly \$2.6 Billion in Community Benefits Statewide

Nonprofit impact evident as hospitals continue to serve as health care safety net

LANSING, Mich. — Michigan’s nonprofit community hospitals provided a value of nearly \$2.6 billion¹ in direct patient care services and targeted outreach to those who could not afford it in fiscal year (FY) 2007, according to a report released today by the Michigan Health & Hospital Association (MHA).

“When Michigan residents are injured or sick, they turn to nonprofit community hospitals — day and night, day in and day out — for quality medical care,” said Spencer Johnson, president of the MHA. “This report demonstrates how nonprofit hospitals go above and beyond their mission to deliver essential health care services. Nonprofit hospitals are working tirelessly to keep residents healthier and to meet community needs.”

Michigan hospitals provide care to those who cannot afford it and administer countless health, education and transportation programs to address the specific needs of local communities across the state. These services are often provided at no cost to residents, as they are essential to the well-being of the community and an integral part of nonprofit hospitals’ tax-exempt purpose. The *MHA 2008 Hospital Community Benefits Report* represents the voluntary efforts of 132 of Michigan’s 146 nonprofit community hospitals that responded² to the most recent community benefit survey. Other data includes:

- Michigan nonprofit hospitals provided **more than \$2.1 billion in unreimbursed medical care** to Michigan residents. This includes **more than \$209 million in charity care³**, **more than \$605 million in bad debt⁴** and **more than \$1.2 billion in unreimbursed cost of health care services**

¹ This number also reflects costs absorbed by hospitals when payments do not cover the full costs of direct patient care (charity care, bad debt, and payment shortfalls from Medicaid, Medicare and other government programs).

² Most hospitals that did not participate cited the extent of the survey being the main reason, noting that it would have required too much time and staff resources to complete.

³ Charity care: Health services that were never expected to result in cash inflows. Charity care results from a provider’s policy to provide health care services free of charge to individuals who meet certain financial criteria.

⁴ Bad debt: Actual or expected uncollectible funds resulting from the extension of credit.

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SPENCER JOHNSON, PRESIDENT

provided to individuals covered by Medicaid, Medicare and other government-sponsored programs.

- Nonprofit hospitals provided more than 224,000 visits to free **hospital- and community-based clinics**. This care represented a contribution of nearly \$35 million by these hospitals in the communities they serve.
- Nonprofit hospitals provided nearly 5,900 free community **health-screening** opportunities, serving more than 222,000 individuals at a hospital investment of more than \$3 million.
- Nonprofit hospitals provided nearly 44,000 **free immunizations** to their communities, representing a contribution of more than \$305,000.
- Michigan residents participated in more than 31,900 **health education and outreach programs** and activities provided by nonprofit hospitals. More than 3.1 million individuals benefited from these programs, with an investment by nonprofit hospitals of nearly \$22 million in their communities.
- More than 291,000 individuals received free **family support services**.
- Michigan nonprofit hospitals helped more than 60,000 people through **free or reduced-fee counseling** services, investing nearly \$2.9 million in their communities.
- In 2007, more than 140,000 individuals benefited from **free or discounted prescriptions** and medical supplies provided by nonprofit hospitals at a hospital investment of more than \$3.8 million.
- **In-home services, respite care, meals on wheels and food donations** served nearly 179,000 individuals at an investment of nearly \$3.6 million in community contributions by nonprofit hospitals.

“As the state struggles through the growing pains of a changing economy, Michigan residents are faced with increasing uncertainties,” Johnson said. “While Michigan continues to have the highest unemployment rate in the nation, residents should not have to forgo a regular checkup, a necessary medical procedure or lifesaving prescription drugs.”

To view the full statewide community benefits report, visit www.MHA.org. The MHA is a state association, based in Lansing, that represents and supports Michigan hospitals, health systems and health care providers through education, advocacy and communication.

Editor’s Note: A new eight-minute DVD video is available at www.MHA.org featuring some of the innovative community outreach and direct patient care programs being provided in communities throughout the state, as well as interviews of the Michigan citizens and families receiving the benefits of these programs.