



There to Care BUILDING A HEALTHY ARIZONA

 The Arizona Hospital and Healthcare Association's Community Benefits Initiative

F A C T S H E E T

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The Facts About Arizona Hospital Community Benefit Contributions

Arizona's health systems and hospitals have a history of providing programs and sponsoring services that go above and beyond traditional healthcare delivery. However, many remain largely unaware of hospitals' community benefit contributions. This fact sheet outlines key data pertaining to the Arizona Hospital and Healthcare Association's (AzHHA's) 2007 Community Benefits Study and how Arizona hospitals serve their communities beyond essential medical services.

Hospitals Go Far Beyond Essential Medical Treatment in Caring for their Communities

- Hospitals deliver community benefits based on the unique health needs of their respective service areas, regardless of source or availability of payment. These programs and services are intended to improve access to healthcare, health status and the use of healthcare resources.¹
- Arizona's hospitals provided more than \$1 billion in community benefits in FY 2006², including:
 - more than \$280 million in uncompensated care (charity care services and bad debt provided at the actual cost to the hospitals)*;
 - more than \$30 million in community health improvement services (e.g., non-billed reduced-fee clinics/other community-based clinical services, free/discounted prescriptions/supplies for patients, community health education programs, health screening and an array of other programs);
 - approximately \$98 million into programs that prepare physicians, nurses and other health professionals desperately needed throughout Arizona;
 - more than \$17 million to clinical, community health and healthcare delivery research;
 - nearly \$11 million into programs that address the root causes of health problems (e.g., hunger, poverty);
 - nearly \$5 million in financial and in-kind contributions to support organizations with like-minded health improvement goals; and
 - approximately \$49 million to ensure numerous publicly funded healthcare programs, and their beneficiaries, received necessary medical services.

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- Hospitals provided community health improvement programs—non-billed/reduced fee clinics, discounted prescriptions/supplies, health screenings, immunizations, counseling/family support services, meals/nutrition services, transportation services and other programs—that reached more than 1.5 million Arizonans, or about one-quarter of Arizona’s total population, in FY 2006.³

Arizona Residents Who Benefit from These Programs Represent a Growing Population

- More than 1 million Arizonans—including more than 260,000 children—do not have health insurance, placing the state near the bottom of U.S. health coverage rankings. Arizona’s uninsured population has been increasing since 2002.⁴
- The number of underinsured—people who have health insurance but not the ability to afford adequate medical care—has risen dramatically in the U.S., up 60 percent from 2003.⁵
- The costs associated with treating the uninsured/underinsured are rapidly increasing. In 2006, Arizona hospitals provided a total of \$312 million in healthcare services for which they were not reimbursed*, up from \$182 million in 2001.⁶

Arizona’s Hospitals Deliver Community Health Improvement Programs Designed to Address Un-Met Healthcare Needs

- According to AzHHA’s 2007 *Community Benefits Study*, hospitals provided \$30 million to community health improvement programs that serve significant numbers of poor, medically underserved and uninsured Arizonans as well as other residents, including:
 - more than \$4 million for non-billed/reduced fee clinics, community-based clinical services and free/discounted prescriptions and supplies (*more than 69,000 Arizona residents benefitted*);
 - nearly \$4 million for health screenings and immunizations (*more than 176,000 Arizona residents benefitted*);
 - approximately \$12 million for community health education programs (*more than 1 million Arizona residents benefitted*);
 - more than \$7 million for support/self help groups as well as counseling and family support services (*nearly 112,000 Arizona residents benefitted*);
 - more than \$1 million for in-home, meals/nutrition and transportation services (*more than 75,000 Arizona residents benefitted*); and
 - more than \$1 million for other healthcare support services (*more than 34,000 Arizona residents benefitted*).

**The Arizona Department of Health Services reports hospitals FY 2006 uncompensated care cost as approximately \$312 million. That figure includes uncompensated care cost from all Arizona hospitals for FY 2006. AzHHA’s voluntary community benefits study—which represents a total of 86 percent of Arizona’s inpatient acute care/community, behavioral health and rehabilitation hospital beds—reports more than \$280 million in uncompensated care during that same time.*

Hospitals Deliver Health Services the Government Does Not Provide

- Huge numbers of Arizonans—nearly 25 percent of the population—would not have access to a variety of healthcare services and information if hospitals stopped providing these programs. These programs may cease to exist as no government entity or other provider group would be available to address these community health needs.⁷
- Arizona hospitals absorbed more than \$30 million delivering community health improvement services in FY 2006. These services either are not billed or are offered at a reduced charge to the poor, medically underserved and/or broader community.⁸
- Examples of community health improvement programs include education services, support groups, health fairs, free or discounted medicines, child safety equipment, immunizations, meals, transportation and in-home services.

Government-Funded Programs Do Not Cover the Cost of Care

- Federal and state programs such as Medicare, Medicaid and KidsCare don't cover hospitals' costs of caring for patients.
- The Arizona Health Care Cost Containment System (AHCCCS) pays hospitals 85 cents on the dollar for services provided to Medicaid patients.⁹
- Medicare pays Arizona hospitals 94 cents for every dollar of care provided to those patients.¹⁰
- Arizona hospitals lost \$278 million providing care to Medicaid patients, and \$284 million providing care to Medicare patients, in FY 2006.¹¹
- Losses on government payments for care to patient on other public programs (i.e. KidsCare, TriWest, Sec. 1011) totaled \$49 million in FY 2006.¹²

Arizona's Hospital Community Is Broadly Represented in AzHHA's 2007 *Community Benefits Study*

- AzHHA's voluntary 2007 *Community Benefits Study*—the first of its kind in Arizona—represents a total of 86 percent of Arizona's inpatient acute care/community, behavioral health and rehabilitation hospital beds.
- The study includes 12 of Arizona's 15 counties focusing on programs and services known as community benefits.
- Greenlee County has no hospitals. Hospitals from Apache and Pinal Counties that did not participate in the community benefits study are either USPHS Indian Health Service facilities and therefore have a different care model than private hospitals or they are private hospitals that did not have the resources at the time to complete the community benefits survey. (*See media release for a list of participating organizations.*)

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Fact Sheet Sources:

1. *Community Benefit Reporting: Guidelines and Standard Definitions for the Community Benefit Inventory for Social Accountability*, Catholic Health Association of the United States (CHAUSA)/VHA, 2006
2. *There to Care: Building A Healthy Arizona*, AzHHA's 2007 *Community Benefits Study*, 2008
3. Ibid.
4. State Health Access Data Assistance Center, University of Minnesota (using data from the U.S. Census Bureau 2004-2006 Current Population Surveys)
5. *How Many Are Underinsured? Trends Among U.S. Adults, 2003 And 2007*, The Commonwealth Fund, 2008
6. Arizona Department of Health Services
7. AzHHA, 2008
8. Ibid.
9. Milliman, Inc., 2006 study of reimbursement on behalf of AHCCCS
10. American Hospital Association (AHA), 2005
11. AzHHA, 2008
12. AzHHA, 2008