



Investing

2011 Community Investment Report





Meeting the needs of communities — this is the core mission of America's hospitals.

Hospitals are commonly known as places to care for all who are sick and injured, whether they arrive via ambulance, through the emergency department, scheduled admission or outpatient appointment.

But hospitals also touch the lives of individuals in the community — in neighborhoods, schools, places of worship and businesses — by providing services that improve health, increase access to care, save lives and train future caregivers. It is this role that is less commonly known and often taken for granted — the role of hospitals as essential to a community's infrastructure.

Especially in a challenging economy, hospitals understand, even more, the essential role they play in building healthy, productive communities.

Community Investment

Hospitals view their community roles — both as employer and provider of medical services — as investments. Whether they are providing charity care, mobile medical services, specialized treatment programs or secure jobs and improvements in facilities and property, the community reaps the benefit of those investments through improved health and economic stability.

For that reason, this report is divided into two sections — community benefit and economic impact.

Community Benefit

The past two years have been difficult for many Missouri families, and hospitals have been there to help. One only needs to look at the large increase in the amount of charity care provided in 2010 by the 128 Missouri hospitals reflected in this report — \$482 million — a 30 percent increase since 2008.¹

Put into perspective, \$482 million in charity care is equivalent to providing the following.²



1,742 patients with FREE emergency department care every day

(636,000 patients per year) OR



126 patients with FREE in-hospital care every day (46,000 patients per year) OR



586 days of FREE in-hospital care provided every day (214,000 days per year)

One of these patients could be your family member, friend or neighbor.

When bad debt is added to charity care, nearly \$1 billion of uncompensated care was provided to individuals who could not afford their care.

Increases in nearly all areas classified as community benefit are reflected in this year's report totaling \$2.3 billion.³

Charity Care	\$ 481,677,150
Bad Debt	\$ 486,107,291
Unpaid Costs of Treating Medicare Beneficiaries	\$ 639,658,596
Unpaid Costs of Treating Medicaid Beneficiaries	\$ 410,458,487
Donations	\$ 35,717,084
Education of Health Professionals	\$ 274,666,497
Medical Clinic Services	\$ 30,730,373

See definitions on reverse.

Economic Impact

Missouri's employment numbers make it clear that hospitals are economic engines in their communities. In 2010, Missouri hospitals added 10,000 jobs at a time when the private sector shed 13,400 jobs.

There's never been a better time for the state's educators, health care providers, technology developers and community leaders to collaborate to strengthen employment opportunities in the health care system. Many health care jobs are available, and more will become available as demand for health care services increases.

Hospitals also continually invest in improvements in their buildings and to update with the latest technology. Those capital investments provide revenue to medical equipment manufacturers and frequently result in jobs in the construction industry.

This is known as a community investment — hospital jobs supporting jobs in other sectors of the economy.

The 128 Missouri hospitals participating in this report provided jobs to 116,527 full-time equivalent employees, with salaries and benefits totaling \$7.7 billion in 2010. Capital investment totaled \$1.2 billion.

The regional impact of hospitals highlights their significance in keeping local economies strong, as seen in Missouri's 10 workforce investment areas.²

WIA	FTEs	Payroll/Benefits	Capital Investment
Northwest	4,771	\$ 351,117,417	\$ 66,078,431
Northeast	2,271	\$ 142,448,228	\$ 16,795,485
West Central	3,579	\$ 212,106,603	\$ 44,233,924
Central	13,059	\$ 744,560,384	\$ 209,840,372
Southwest	5,451	\$ 384,723,596	\$ 26,149,812
Ozark	13,340	\$ 798,313,726	\$ 121,822,399
South Central	2,817	\$ 150,248,673	\$ 9,407,881
Southeast	6,475	\$ 406,023,520	\$ 106,035,680
St. Louis	40,683	\$ 2,740,736,226	\$ 358,210,609
Kansas City	24,079	\$ 1,789,449,923	\$ 282,825,511

Seven Kansas hospitals in the metropolitan Kansas City area also participate in this report, and their total impact in the bistate Kansas City metropolitan area⁴ follows.

WIA	FTEs	Payroll/Benefits	Capital Investment
Bistate Kansas City Metro Area	34,908	\$ 2,616,549,451	\$ 66,078,431

Investing In The Future

The Patient Protection and Affordable Care Act has numerous implications for hospitals — many that don't begin until 2014. However, to be ready to care for the estimated 500,000 newly insured Missourians, hospitals have been investing in the systems, facilities and personnel that will be necessary to provide care to those who will seek access.

Missouri's citizens and residents of neighboring states, benefit from our sophisticated health care system that provides some of the best medical care in the world. **It's because of these investments — in people, access, technology, bricks and better health — that this is possible.**



¹ No report was produced using 2009 data so that the report release date could reflect more recent data.

² Data reflect the 128 Missouri hospitals that participated in this report.

³ All financial figures are reflected at cost, and may differ slightly due to rounding.

⁴ Seven Kansas hospitals and 23 Missouri hospitals.

Charity Care – Free or discounted health services provided to persons who cannot afford to pay and who meet the organization's criteria for financial assistance. A bill should be generated and recorded and the patient must demonstrate an inability to pay. Charity care does not include bad debt and should be reported in terms of cost, not charges, and net of any subsidies.

Bad Debt – The amount for which the patient is personally responsible after any and all third party payers have paid — and the contractual allowance, if any booked, if the account is unpaid and determined to be uncollectible pursuant to the hospital's collection and write-off policy.

Unpaid Costs of Medicare Beneficiaries – The cost of providing care to Medicare patients that is over those costs that are allowable in the Medicare cost report.

Unpaid Costs of Medicaid Beneficiaries – The cost of providing care to Medicaid patients that is over those costs as determined by the Medicaid cost report.

Donations – Funds and in-kind services donated to individuals and the community at large. Includes contributions

to not-for-profit community organizations, the Missouri Regional Poison Control Network, not-for-profit event sponsorships, sponsorship of charity events to not-for-profit organizations after subtracting value of participation.

Health Professions Education – The costs incurred in providing clinical or classroom settings for vocational, technical and professional education programs and/or the services provided to support those programs that lead to degrees or certifications. Includes graduate medical education programs, clinical settings for undergraduate training, internships, clerkships and residencies, and continuing medical education offered to physicians outside the medical staff on subjects for which the hospital has special expertise. Also include scholarships for professional education provided to volunteers and non-employees that are not provided as an employee benefit or that have no obligation for work repayment.

Medical Services Clinics – Costs of bad debt and free or low-cost health care to medically uninsured persons resulting from the operation of physician offices or free clinics and/or through the use of volunteer physicians and health care professionals who donate their time if the hospital incurs the cost of their salary.

Includes hospital subsidies such as grants, costs for staff time, equipment, overhead costs, lab and medication costs. Also include services provided to free clinics operated by other agencies if the hospital incurs a cost.