



*Serving and Strengthening Our Communities*





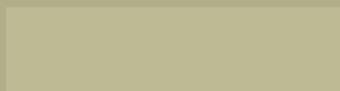
# *A letter to our communities*

*E*arly in 2006, the Minnesota Hospital Association

*Sincerely,*



Bruce J. Rueben  
President, MHA



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Chair, MHA Community Benefits Task Force



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Minnesota has more than 130 not-for-profit based hospitals that on the surface appear very different. But, in addition to providing quality health-care services, one element unifies these facilities –a commitment to give back to their communities. This report puts that commitment into words and numbers, attempting to quantify the often immeasurable impact our hospitals make on their regions, cities and small towns, day-in and day-out.

Hospitals' contributions run the gamut from caring for those who lack health insurance today to training the folks who will lead our state's work force and care for our ill and injured tomorrow.



## Community benefit

This report is the first attempt by Minnesota hospitals to uniformly track their community benefit efforts. To create more uniform reporting, Minnesota hospitals adopted standards based on national community benefit reporting guidelines created by Catholic Health Association of the United States and VHA, Inc. (CHA/VHA).

These guidelines spell out categories of programs and activities that provide community benefit and result in a financial loss for the hospital. Such categories include:

- free care,
- community services,
- research, and
- work-force education.

The financial figures that tell the story of hospitals' community benefit contributions are impressive. In 2005, Minnesota hospitals provided \$988 million, or 8.2 percent of total operating expenses, in community benefits. That figure includes categories listed above, as well as losses associated with Medicaid underfunding, cash and in-kind donations and others.

Generally, Minnesota hospitals operate as not-for-profit, tax-exempt entities. There are, however, taxes that hospitals do pay -- the MinnesotaCare Tax, for example. In 2005, hospitals paid \$146 million, which is intended to fund MinnesotaCare and other public insurance programs. Additionally, state hospital leaders elected to measure and report here similar costs that are part of a facility's contribution to its community.

When these costs, such as the shortfall that occurs when Medicare reimburses hospitals less than it costs the facility to provide services, are coupled with community benefit totals, the overall value of Minnesota hospitals' contributions to communities swells to \$2.2 billion.

## Employment, other economic impact

Another way to look at the contributions hospitals make to their communities is through their role as an employer and purchaser of goods and services. Whether the largest employer in small towns, for instance, or among a number of players that dominate the Twin Cities' economy, Minnesota hospitals dramatically improve our state's overall economic well-being, contributing \$19.5 billion annually to the state's economy.

"If you really want to understand what makes the U.S. economy tick these days, don't go to Silicon Valley, Wall Street, or Washington," wrote economics editor Michael J. Mandel in a Sept. 25, 2006 cover story titled "What's Really Propping up the Economy." "Just take a short trip to your local hospital ...

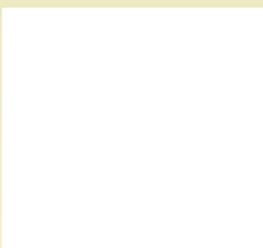
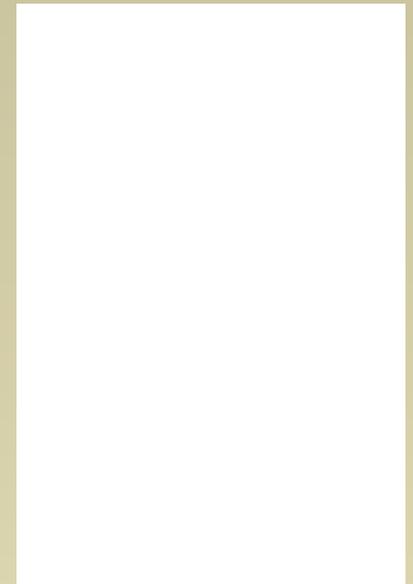
you'll have a front-row seat at the health-care economy."

Economic impact figures developed by the Minnesota Department of Employment and Economic Development provide strong support for the analysis. For example, hospitals provided almost 108,000 jobs in Minnesota in 2005. When the indirect employment generated by hospitals' presence is factored in, that figure nearly doubles to about 194,000 jobs.

Compare those numbers to Minnesota's mining industry, which employs about 5,100 workers. Similarly, Minnesota utility companies staff only approximately 13,300 positions.

Keep in mind Minnesota hospital positions generally fall into higher wage categories. Salaries and benefits paid by all hospitals in the state in 2005 totaled about \$5 billion.

In addition, Minnesota hospitals spent an estimated \$2.5 billion in 2005 on goods and services, many of them produced, delivered or maintained by Minnesota companies.



# Kid's

*reaches out to children, parents*

## Northwest Medical Center, Thief River Falls



- Bridges Medical Services, Ada
- Clearwater Health Services, Bagley
- LakeWood Health Center, Baudette
- North Country Health Services, Bemidji
- Riverview Healthcare Association, Crookston
- St. Mary's Regional Health Center, Detroit Lakes
- First Care Medical Services, Fosston
- Mahnomen Health Center
- St. Joseph's Area Health Services, Inc., Park Rapids
- Roseau Area Hospital & Homes, Inc.
- Northwest Medical Center, Thief River Falls
- North Valley Health Center, Warren

Going to the doctor — let alone the hospital — can be plenty scary, especially if you've only just mastered your ABC's or your multiplication tables.

That's why Northwest Medical Center in Thief River Falls began hosting "The Pediatrician is In" this year. The free, five-part seminar series is designed to gently introduce children to the hospital and its two pediatricians.

Under the program, offered in cooperation with the Dakota Clinic, school-aged kids get a tour of the facility and see first-hand things like how an arm cast is applied and removed. The summer session on breaks, bites, burns and scrapes even drew a local Girl Scout troop.

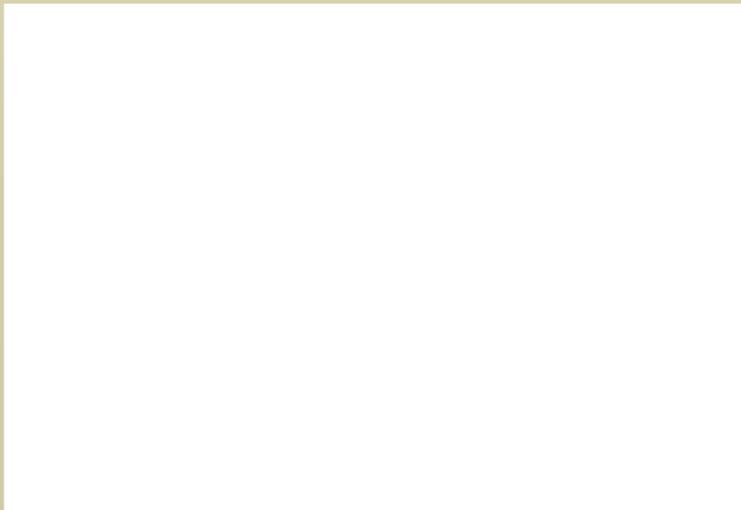
"The mission of our demonstration is to show children in a non-threatening setting, and at a time when they are not in pain, that the ER and health-care professionals are

helpful and not to be feared," said Northwest CEO Christine Harff.

Meanwhile, the children's parents, grandparents, day-care providers, teachers and other caregivers attend a 1-½ hour seminar by either of Thief River Falls' only two pediatricians, physicians Suresh Sreedharan or Justin Conley.

**Topics cover:** Attention Deficit and Hyperactivity Disorder (ADHD); flu; allergies; and breaks, bites, burns and scrapes. The recent ADHD session was standing-room only — about 40 adults attended, many of them teachers. Health-care professionals can earn one Continuing Education Unit for participating. About 35 attendees requested CEUs at a recent session.

Begun in February 2006, the one-year initiative is going over well in the town of about 9,000. Average attendance is 20 adults and 10 children.



## **REGION 1 COMMUNITY CONTRIBUTIONS**

Charity care	\$801,300
Medicaid (costs in excess of payments + surcharge)	\$8,796,042
MinnesotaCare tax	\$2,316,869
Other community benefit programs and activities	\$2,272,275
<b>Total cost of community benefits</b>	<b>\$14,186,486</b>
<small>(as defined by CHA/VHA guidelines)</small>	
Percent of total operating expenses	5.9%

Costs in excess of Medicare payments	\$6,398,565
Other care provided without compensation (bad debt)	\$7,067,882
Other community contributions	\$411,341
<b>Total value of community contributions</b>	<b>\$28,064,274</b>

## **REGION 1 ECONOMIC IMPACT**

	<b>Direct Impact</b>	<b>Total Impact</b>	<b>Employment multiplier</b>
Employment (jobs)	4,279	6,543	1.53
Wages	\$171,600,000	\$220,900,000	
Value to state's economy	\$385,200,000	\$566,000,000	

Two major employers, Digi-Key and Artic Cat, dominate the employment scene in Thief River Falls, a town of 9,000 people. Northwest Medical Center is the regional hospital, a 25-bed critical-access facility.

– Chad Broadwell, director of administrative services, Digi-Key

HIGHLIGHT FROM REGION 2

*F d th d*

*Region 2*  
CONTRIBUTING HOSPITALS

Riverwood HealthCare Center, Aitkin

White Community Hospital & C&NC,  
Aurora

Bigfork Valley Hospital

Cloquet Community Memorial Hospital

Cook Hospital & C&NC

Deer River HealthCare Center

Miller-Dwan Medical Center,  
Duluth

St. Luke's Hospital, Duluth

St. Mary's Medical Center, Duluth

Fairview University Medical Center  
– Mesabi, Hibbing

Falls Memorial Hospital,  
International Falls

Mercy Hospital & Health Care Center,  
Moose Lake

Lake View Memorial Hospital & Home,  
Two Harbors

Virginia Regional Medical Center

**St. Luke's Hospital, Duluth**

Every day, delivery trucks take a taste of St. Luke's Hospital to dozens of Duluth-area residents.

Literally.

The hospital isn't doling out medical supplies or blood-pressure tests. Instead, it's donating thousands of pounds of leftover fresh meat, fruits and vegetables and dairy items to local food shelves, soup kitchens and homeless and women's shelters.



Last year, St. Luke's contributed more than 4,300 pounds of food — or nearly 8,000 meals — to the Fresh and Perishable Food Rescue Program, which coordinates and distributes donations to 11 local organizations. Donations also make their way to Duluth's Bethany Crisis Shelter for children, the Duluth Boys and Girls Club and the Damiano Center Kids Café nutrition program for underprivileged children.

The program is part of the Second Harvest Northern Lakes Food Bank. Mark Branovan, St. Luke's director of hospitality services, also serves as a Northern Lakes board member.

The hospital was a charter member of the four-year-old initiative.

"It's a vehicle for us to give back to the community ... and it provides for a very serious need in our community," Branovan said.

St. Luke's participation makes a big difference, said Shaye Moris, executive director of the food bank.

"It certainly has a large impact on our local community and the people in need who live here," she said. "[And] our food bank is saving thousands of pounds of food from going into the local waste stream."



# P h d h



- Albany Area Hospital and Medical Center
- Douglas County Hospital, Alexandria
- St. Joseph's Medical Center, Brainerd
- St. Francis Medical Center, Breckenridge
- Buffalo Hospital
- Cambridge Medical Center
- Lake Region Healthcare Corporation, Fergus Falls
- St. Gabriel's Hospital, Little Falls
- Long Prairie Memorial Hospital & Home
- Melrose Area Hospital – CentraCare
- Monticello-Big Lake Hospital
- Kanabec Hospital, Mora
- Stevens Community Medical Center, Morris
- Paynesville Area Health Care System
- Perham Memorial Hospital and Home
- Fairview Northland Medical Center, Princeton
- St. Cloud Hospital
- Pine Medical Center, Sandstone
- St. Michael's Hospital & Nursing Home, Sauk Centre
- Lakewood Health System, Staples
- Tri-County Hospital, Wadena
- Wheaton Community Hospital
- Fairview Lakes Health Services, Wyoming

## Perham Memorial Hospital and Home

Until several years ago, 99-year-old Emma Greiff was still able to get everywhere she needed to go on her own. The grocery store, bank, cleaners and even the senior nutrition center were within walking distance in her town of 2,700 residents in north-central Minnesota.

About five years ago, though, the former greenhouse and farm trucking business co-owner started needing help and a walker just to go a short ways. A widow with no family nearby, Greiff turned to the Perham Memorial Hospital and Home's \$1 van transportation service for seniors and disabled residents. The organization founded the public service, which in October switched hands to a private company, after starting it as an informal ride program for patients.



"I sure love it," said Greiff (which rhymes with "life" – don't leave off the second "f" lest you be left with "grief," she jokes). "I'd have had to stay home, ya know, otherwise."

Before PMHH started the service, the community had no transportation service, said Jim Rieber, PMHH director of Emergency Medical Services/Info Systems.

"With our hospital being a community-based facility, with nobody else stepping up to the plate to do it, there was a feeling we had to," he said.

The health-care provider subsidized the costs of the in-city rides and eventually partnered with the local Lion's Club and Veterans of Foreign Wars to make rides for seniors to the nutrition center completely free. That move helped the nutrition center boost attendance and avoid closure.

Before the transition to private operation, the hospital and home provided thousands of rides and subsidized the service to the tune of \$30,000 per year. In the quarter ending in June 2006, for example, PMHH provided about 4,400 rides in 600 hours of service. Today, anyone can ride Transit Alternatives' OttertailExpress to destinations throughout Ottertail County.

Greiff, for her part, has no plans to give up her window seat.

"I was 99 on August ninth," she pointed out. "I hope to make it to 100. I've got three months behind me now. Then we'll have a big party again at the nutrition center."

## **REGION 3 COMMUNITY CONTRIBUTIONS**

Charity care	\$6,459,745
Medicaid (costs in excess of payments + surcharge)	\$34,614,847
MinnesotaCare tax	\$9,745,964
Other community benefit programs and activities	\$17,248,174
<b>Total cost of community benefits</b>	<b>\$68,068,730</b>
<small>(as defined by CHA/VHA guidelines)</small>	
Percent of total operating expenses	7.9%

Costs in excess of Medicare payments	\$83,687,091
Other care provided without compensation (bad debt)	\$12,934,470
Other community contributions	\$3,118,249
<b>Total value of community contributions</b>	<b>\$167,808,540</b>

## **REGION 3 ECONOMIC IMPACT**

	<b>Direct Impact</b>	<b>Total Impact</b>	<b>Employment multiplier</b>
Employment (jobs)	14,302	23,333	1.63
Wages	\$587,700,000	\$807,900,000	
Value to state's economy	\$1,307,700,000	\$2,040,300,000	

CentraCare Health System, St. Cloud, is the largest employer among members of the St. Cloud Area Chamber of Commerce.

– Teresa Bohnen, St. Cloud Area Chamber of Commerce president and St. Cloud Hospital board member

*Region 4*  
CONTRIBUTING HOSPITALS

- Fairview Ridges Hospital, Burnsville
- Mercy Hospital, Coon Rapids
- Fairview Southdale Hospital, Edina
- Unity Hospital, Fridley
- Regency Hospital of Minneapolis,  
Golden Valley
- Regina Medical Center, Hastings
- St. John's Hospital, Maplewood
- Abbott Northwestern Hospital, Minneapolis
- Children's Hospitals and Clinics of  
Minnesota, Minneapolis
- Hennepin County Medical Center,  
Minneapolis
- Phillips Eye Institute, Minneapolis
- University of Minnesota Medical Center,  
Fairview, Minneapolis
- North Memorial Medical Center,  
Robbinsdale
- Methodist Hospital Park Nicollet Health  
Services, St. Louis Park
- Bethesda Rehabilitation Hospital, St. Paul
- Children's Hospitals and Clinics of  
Minnesota, St. Paul
- Gillette Children's Specialty Healthcare,  
St. Paul
- Regions Hospital, St. Paul
- St. Joseph's Hospital, St. Paul
- United Hospital, St. Paul
- St. Francis Regional Medical Center,  
Shakopee
- Lakeview Hospital, Stillwater
- Ridgeview Medical Center, Waconia
- Woodwinds Health Campus, Woodbury

*R h t*

*uninsured, underinsured*

**Park Nicollet Health Services, Minneapolis**

A large part of the challenge of caring for the uninsured involves communication, some say.

That's because people who lack health coverage often haven't heard the message that they might qualify for free or reduced-rate health services. That is, not until their problem becomes serious and, consequently, more costly.

That's where Park Nicollet Health Services of Minneapolis comes in. Since 1998, the organization has provided free care to those groups via collaboration with St. Mary's Health Clinics of St. Paul, a ministry of the Sisters of St. Joseph of Carondelet. The initiative works with community religious institutions, schools, law enforcement, government agencies and social services organizations to let people know they can call St. Mary's to find out whether they're eligible. St. Mary's then refers

qualified patients to participating health-care providers, including seven of Park Nicollet's primary-care clinics, its specialty departments and its Methodist Hospital. Park Nicollet also provides free medications to its patients in the program.

In 2005, St. Mary's Health Clinics at Park Nicollet provided 3,900 separate services to 900 patients at a cost of \$970,000. And Park Nicollet estimates its costs in 2006 will be more than \$1.5 million, says Dr. Chris J. Johnson, medical director of development for the Park Nicollet Foundation, which helps organize the initiative.

The program often treats those who don't qualify for publicly subsidized health-care programs but who can't afford their own insurance, Johnson explained.

"You see the gratitude that people have to be able to receive health care," he said. "You see patients with diabetes or hypertension that may have become significantly out of control, and you see those people being able to achieve control over their chronic illnesses."

As of late 2006, Park Nicollet's participating clinics were in: Brooklyn Center, Chanhassen, Maple Grove, Minnetonka, Plymouth, St. Louis Park and Wayzata.

## **REGION 4 COMMUNITY CONTRIBUTIONS**

Charity care	\$95,064,561
Medicaid (costs in excess of payments + surcharge)	\$244,523,477
MinnesotaCare tax	\$99,636,885
Other community benefit programs and activities	\$233,838,227
<b>Total cost of community benefits</b>	<b>\$673,063,150</b>
<small>(as defined by CHA/VHA guidelines)</small>	
Percent of total operating expenses	8.7%

Costs in excess of Medicare payments	\$386,062,549
Other care provided without compensation (bad debt)	\$148,124,211
Other community contributions	\$52,555,554
<b>Total value of community contributions</b>	<b>\$1,259,805,464</b>

## **REGION 4 ECONOMIC IMPACT**

	<b>Direct Impact</b>	<b>Total Impact</b>	<b>Employment multiplier</b>
Employment (jobs)	55,262	98,711	1.79
Wages	\$2,674,300,000	\$4,183,600,000	
Value to state's economy	\$5,446,800,000	\$10,189,600,000	

Allina Hospitals & Clinics of Minneapolis brought 1,500 employees to a South Minneapolis neighborhood recently when the health system located in the newly refurbished Midtown Exchange building. The project served as a catalyst for additional development on the East Lake Street corridor, which is near Abbott Northwestern Hospital.



- Swift County-Benson Hospital
- Sioux Valley Canby Campus
- Johnson Memorial Health Services, Dawson
- Graceville Health Center
- Granite Falls Municipal Hospital & Manor
- Hendricks Community Hospital Association
- Hutchinson Area Health Care
- Sioux Valley Luverne Hospital
- Avera Marshall Regional Medical Center, Marshall
- Chippewa County-Montevideo Hospital
- Renville County Hospital, Olivia
- Ortonville Area Health Services
- Redwood Area Hospital, Redwood Falls
- St. James Health Services
- Murray County Memorial Hospital, Slayton
- Sleepy Eye Municipal Hospital
- Springfield Medical Center – Mayo Health System
- Sioux Valley Tracy Medical Center
- Westbrook Health Center
- Rice Memorial Hospital, Willmar
- Windom Area Hospital
- Worthington Regional Hospital

# *T* *th* *Hospital helps rural area combat*

## Rice Memorial Hospital, Willmar

Rice Memorial Hospital in Willmar is doing what it can to steadily chip away at a problem all too common in small towns across Minnesota and the country — too few health-care workers.

To help fill the need for trained professionals to care for the community’s residents, Rice has developed or participated in several programs to recruit or train groups as diverse as high school students, new immigrants and nurses returning to the work force.

Following are just two examples of such programs at Rice:

### **Area Health Education Center (AHEC) collaboration with the University of Minnesota**

The 26-county Minnesota AHEC, based at Rice, brings health-care students to southwestern Minnesota for training in medicine, nursing, dentistry, pharmacy,

public health, veterinary medicine and other health professions. Three Rice employees, who coordinate the initiative, also work to foster interest in health-care careers in kindergarten through 12th graders.

### **Job shadowing**

Rice has created unpaid individual job shadowing programs for high school and college students that last for a day, a week or a month. In 2005 a total of 125 students observed Rice staff in a selected health-care area of interest. An “immensely popular” program, Rice is inundated with applications to participate each year.

Other Rice health-care training efforts encompass: funding of college internships; coordination of government higher education grants to long-term care employees; initiatives for promotion of multi-cultural awareness among staff; high school career fairs; and organizational support to parish nursing groups.

## **REGION 5 COMMUNITY CONTRIBUTIONS**

Charity care	\$1,656,573
Medicaid (costs in excess of payments + surcharge)	\$22,234,913
MinnesotaCare tax	\$6,583,460
Other community benefit programs and activities	\$14,430,639
<b>Total cost of community benefits</b>	<b>\$ 44,905,585</b>
<small>(as defined by CHA/VHA guidelines)</small>	
Percent of total operating expenses	7.5%

Costs in excess of Medicare payments	\$46,089,469
Other care provided without compensation (bad debt)	\$11,002,427
Other community contributions	\$1,918,365
<b>Total value of community contributions</b>	<b>\$103,915,846</b>

## **REGION 5 ECONOMIC IMPACT**

	<b>Direct Impact</b>	<b>Total Impact</b>	<b>Employment multiplier</b>
Employment (jobs)	3,874	5,745	1.48
Wages	\$118,400,000	\$205,900,000	
Value to state's economy	\$310,200,000	\$467,800,000	

The Upper Minnesota Valley Regional Development Commission serves a five-county area in Southwest Minnesota.

# *H lth h b t*



- Albert Lea Medical Center –  
Mayo Health System
- Sibley Medical Center, Arlington
- Austin Medical Center –  
Mayo Health System
- Cannon Falls Medical Center –  
Mayo Health System
- Fairmont Medical Center –  
Mayo Health System
- District One Hospital, Faribault
- Lake City Medical Center –  
Mayo Health System
- Immanuel St. Joseph’s –  
Mayo Health System, Mankato
- Queen of Peace Hospital, New Prague
- New Ulm Medical Center
- Northfield Hospital
- Owatonna Hospital
- Fairview Red Wing Medical Center
- Olmsted Medical Center, Rochester
- Rochester Methodist Hospital
- Saint Marys Hospital, Rochester
- Saint Elizabeth’s Medical Center, Wabasha
- Waseca Medical Center –  
Mayo Health System
- Community Memorial Hospital, Winona

## District One Hospital, Faribault

Folks aiming to shape up, eat right and otherwise do as their mothers always said got a boost from District One Hospital this year.

The organization, in partnership with Allina Medical Clinic-Faribault; Cannon Valley Clinic-Mayo Health System; and Orthopaedic and Fracture Clinic in Faribault, sponsored Health Quest 2006 to promote healthy lifestyles. The program’s motto was “Exercise + Good Nutrition = A Healthy Weight.”

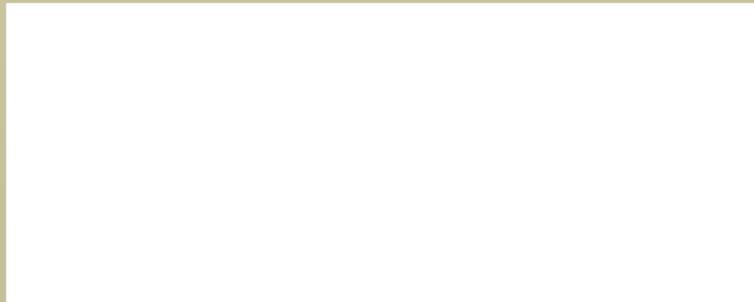
As part of the initiative, more than 400 area residents attended the program’s kick-off event in the soccer dome at Shattuck-St. Mary’s School. There, about 100 walkers took part in a one-day simulated “Walk to the Twins Training Camp in Florida.” The cumulative distance covered by the walkers eclipsed the goal for the group to travel 1,687 miles — the distance between Faribault and Fort Meyers, Fla.

Simultaneously, 80 four-person teams — more than triple the number expected — weighed in for the slim-down part of the competition, sponsored by the . Through better diet and exercise, contestants lost an average of eight pounds each, or 2,500 pounds total, in three months.

In addition, Health Quest sponsors donated 200 Minnesota Twins tickets and two grocery carts full of nutritious foods. Sponsors also underwrote most of the costs of high-quality pedometers.

Overall, the new collaborative program made a significant contribution to the health and wellness of Faribault residents, District One CEO James Wolf said.

“There is no question that Health Quest really helped increase the level of awareness and participation in healthy exercise and eating habits,” he said.



## **REGION 6 COMMUNITY CONTRIBUTIONS**

Charity care	\$8,699,820
Medicaid (costs in excess of payments + surcharge)	\$67,513,840
MinnesotaCare tax	\$15,970,842
Other community benefit programs and activities	\$5,723,663
<b>Total cost of community benefits</b>	<b>\$97,908,165</b>
<small>(as defined by CHA/VHA guidelines)</small>	
Percent of total operating expenses	7.4%

Costs in excess of Medicare payments	\$300,238,622
Other care provided without compensation (bad debt)	\$21,395,422
Other community contributions	\$1,008,140
<b>Total value of community contributions</b>	<b>\$420,550,349</b>

## **REGION 6 ECONOMIC IMPACT**

	<b>Direct Impact</b>	<b>Total Impact</b>	<b>Employment multiplier</b>
Employment (jobs)	18,136	30,141	1.66
Wages	\$876,600,000	\$1,167,100,000	
Value to state's economy	\$1,787,000,000	\$2,783,500,000	

Albert Lea Medical Center- Mayo Health System serves 55,000 residents of the Freeborn County area and is the county's largest employer.

– Marge Hamersly, long-time community member, retired teacher and former leader of Freeborn County United Way and Albert Lea Chamber of Commerce.

## **Minnesota Hospitals' Community Contributions**

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Charity care	\$ 122,160,845
Costs in excess of Medicaid payments	\$ 331,159,642
Medicaid surcharge	\$ 89,841,992
MinnesotaCare tax	\$ 146,355,012
Other costs in excess of public program payments	\$ 10,431,188
Community services	\$ 36,637,834
Subsidized health services	\$ 92,854,337
Education and work force development	\$ 117,754,642
Research	\$ 22,842,605
Cash and in-kind donations	\$ 13,575,091
Community building	\$ 2,724,132
Other community benefit costs	\$ 1,751,347
<b>Total cost of community benefits</b> <small>(as defined by CHA/VHA guidelines)</small>	<b>\$ 988,088,667</b>
<b>Percent of total operating expenses</b>	<b>8.23%</b>
Costs in excess of Medicare payments	\$ 916,838,300
Other care provided without compensation (bad debt)	\$ 230,147,813
Discounts offered to uninsured patients	\$ 45,924,986
Taxes & fees	\$ 19,614,402
<b>Total value of community contributions</b>	<b>\$ 2,200,614,168</b>

## **Minnesota Hospitals' Economic Impact**

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	<b>Direct Impact</b>	<b>Total Impact</b>	<b>Employment multiplier</b>
Employment (jobs)	107,661	193,842	1.80
Wages	\$4,957,500,000	\$7,651,500,000	
Value to state's economy	\$10,371,600,000	\$19,505,300,000	

# Glossary

Money, food, equipment, supplies or services donated by the hospital to individuals, other nonprofits or the community at large.

Organizations that help the poor or underprivileged, advance education or science, lessen the burdens of government, decrease neighborhood tensions, or combat community deterioration.

The cost incurred by a hospital in providing free or discounted health care to low-income people who qualify according to the hospital's policies.

**Community benefits:** Programs or activities that provide treatment and/or promote health and healing and tend to generate little profit or lose money; respond to needs of low income or underserved people; provide services that would not be provided or would need to be provided by the government or other nonprofits if the decision was based on financial terms; respond to public health needs; or involve education or research that furthers community health.

Costs that the hospital incurs to support programs or activities intended to improve the overall community's strength and security. Typical activities include addressing homelessness and poverty, supporting economic development or environmental protection efforts, or improving public spaces through revitalization, art, streets or lighting, or graffiti removal.

Services such as community health education, support groups, transportation, smoking or weight-loss programs that are provided by a hospital for little or no fees to improve community health.

The financial loss suffered by hospitals resulting from the difference between payments received from Medicaid and the cost of care provided to low-income and medically indigent Medicaid enrollees.

The financial loss suffered by hospitals resulting from the difference between payments received from Medicare and the cost of care provided to Medicare enrollees.

Discounts from charges for hospital services provided to uninsured Minnesota residents who earn less than \$125,000 per year.

Unpaid costs associated with providing clinical training, internships, residencies and scholarships for tomorrow's health-care work force.

A tax paid by hospitals to the State of Minnesota to help pay for Medicaid coverage for low-income and medically indigent residents.

A tax on all hospital services paid to the State of Minnesota to help pay for MinnesotaCare insurance coverage for low-income and medically indigent residents.

Charges for care provided to patients who neither pay their share of the hospital bill nor complete the steps necessary to receive charity care or public insurance.

**Other community benefit costs:** Administrative costs, including staff, for implementing, managing and documenting community benefit activities and programs.

The financial loss suffered by hospitals resulting from the difference between payments received from public programs for those in need of support and the cost of care provided to those enrollees.

Unreimbursed costs associated with clinical and community health research, including reducing disparities in health care and preventing illness, which results in knowledge that is shared beyond the hospital.

Health care, such as emergency and trauma, behavioral health or renal dialysis services, provided at a financial loss because they meet community needs or, if not provided by the hospital, would be unavailable in the community or would become the responsibility of government or another nonprofit.

Property taxes, fees in lieu of taxes and other fees or surcharges paid by hospitals to local or state government.

