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May 17, 2016

The Honorable Thomas V. Mike Miller, Jr.
President of the Senate
H-101 State House
Annapolis, MD 21401-1991

The Honorable Michael E. Busch
Speaker of the House
H-107 State House
Annapolis, MD 21401-1991

The Honorable Thomas M. Middleton
Chairman, Senate Finance Committee
3 East Miller Senate Building
Annapolis, MD 21401

The Honorable Peter A. Hammen
Chairman, Health and Gov't Operations
Room 241- House Office Building
Annapolis, MD 21401

RE: Hospital Community Benefit Report
Health General Article §19-303(d)

Dear President Miller, Speaker Busch, and Chairman Middleton and Hammen;

The Health Services Cost Review Commission is pleased to submit the FY 2014 Maryland Hospital Community Benefit Report.

In addition to this aggregate report, all hospital individual community benefits reports may be found on the HSCRC's website at http://www.hscrc.maryland.gov/init_cb.cfm.

Please contact me if you any questions about this report, I may be reached at steve.ports@maryland.gov.

Sincerely,

Stephen M. Ports
Principal Deputy Director

Maryland Hospital Community Benefit Report: FY 2014

September 9, 2015

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INTRODUCTION

Each year, the Maryland Health Services Cost Review Commission (HSCRC) collects community benefit information from individual hospitals to compile into a publicly available, statewide Community Benefit Report (CBR). Current year and previous CBRs submitted by the individual hospitals are available on the HSCRC's website.

This summary report provides background information on hospital community benefits and the history of CBRs in Maryland. It is followed by an overview of the data and narrative reporting for fiscal year (FY) 2014, which includes, for the first time, reporting from Maryland specialty hospitals. It concludes with a summary of data reports from the past eleven years. Additional information regarding hospital rate support, community benefit data for each hospital, and the breakdown of costs by community benefit activity is included as attachments.

Background

Section 501(c)(3) of the Internal Revenue Code (IRC) identifies as tax-exempt, organizations that are organized and operated exclusively for specific purposes including religious, charitable, scientific, and educational purposes.[1] Nonprofit hospitals receive many benefits from their tax-exempt status. They are generally exempted from federal income and unemployment taxes, as well as state and local income, property, and sales taxes. In addition, they are allowed to raise funds through tax-deductible donations and tax-exempt bond financing.

Originally, the Internal Revenue Service (IRS) considered hospitals to be "charitable" if they provided charity care to the extent of their financial ability to do so.[2] However, in 1969, the IRS issued Revenue Ruling 69-545, which modified the "charitable" standard to focus on "community benefits" rather than "charity care."[3] Under this IRS ruling, nonprofit hospitals were required to provide benefits to the community in order to be considered charitable. This created the "community benefit standard," which is necessary for hospitals to satisfy in order to qualify for tax-exempt status.

In March 2010, Congress passed the Patient Protection and Affordable Care Act (ACA).[4] Section 9007 of the ACA established IRC §501(r), which identifies additional requirements for hospitals that seek to maintain tax-exempt status. Every §501(c)(3) hospital, whether independent or part of a hospital system, must conduct a community health needs assessment (CHNA) at least once every three years in order to maintain its tax-exempt status and avoid an annual penalty of up to $50,000.[5] The first CHNA was due by the end of FY 2013. Each assessment must incorporate

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[1] 26 U.S.C. §501(c)(3)
[2] Rev. Ruling 56-185, 1956-1 C.B. 202.
[3] Rev. Ruling 69-545, 1969-2 C.B. 117.
[4] The Patient Protection and Affordable Care Act, P.L. 111-148 (2010),as amended by the Health Care and Education Reconciliation Act of 2010, P.L. 111-152.
[5] 26 U.S.C. §501(r)(3); 26 U.S.C. §4959

input from individuals who represent the broad interests of the community served, including those with special knowledge or expertise in public health, and the assessment must be made widely available to the public.[6] An implementation strategy describing how a hospital plans to meet the community's health needs must be included, as well as a description of what the hospital has done historically to address its community's needs.[7] Furthermore, the hospital must identify any needs that have not been met by the hospital and explain why those needs have not been addressed. Tax-exempt hospitals must report this information on Schedule H of the IRS 990 forms.

The Maryland CBR process was adopted by the Maryland General Assembly in 2001,[8] with FY 2004 established as the first data collection period. Under Maryland law, the CBR must include the hospital's mission statement, a list of the hospital's initiatives, and the cost of each community benefit initiative. It must also include the objectives of each community benefit initiative, a description of efforts taken to evaluate the effectiveness of the initiatives, a description of gaps in the availability of specialist providers, and a description of the hospital's efforts to track and reduce health disparities in the community.[9]

The HSCRC worked with the Maryland Hospital Association (MHA), interested hospitals, local health departments, and health policy organizations and associations on the details and format of the CBR. In developing the format for data collection, the group drew heavily on the experience of the Voluntary Hospitals of America community benefit process, which possessed, at the time, more than ten years of voluntary hospital community benefit reporting experience across many states. The resulting data reporting spreadsheet and instructions were used by Maryland hospitals to submit the FY 2004 data to the HSCRC in January 2005. The HSCRC's first CBR, detailing FY 2004 data, was published in July 2005. The HSCRC continues to work with the MHA, public health officials, individual hospitals, and other stakeholders to further improve the reporting process and refine the definitions, as needed. The data collection process offers an opportunity for each Maryland nonprofit hospital to critically review and report the activities it has designed to benefit the community.

The FY 2014 report represents the HSCRC's eleventh year of reporting on Maryland hospital community benefit data.

Definition of Community Benefits

Maryland law defines a "community benefit" (CB) as an activity that is intended to address community needs and priorities, primarily through disease prevention and improvement of health status, including:[10]

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[6] 26 U.S.C. §501(r)(3)(B)
[7] 26 U.S.C. §501(r)(3)(A)
[8] Health-General Article §19-303 Maryland Annotated Code
[9] Health-General Article §19-303(a)(3) Maryland Annotated Code
[10] Health-General Article §19-303(c)(2) Maryland Annotated Code

- Health services provided to vulnerable and underserved populations
- Financial or in-kind support of public health programs
- Donations of funds, property, and other resources that contribute to a community priority
- Health care cost containment activities
- Health education screening and prevention services

As evidenced in the individual reports, Maryland hospitals provide a broad range of health services to meet the needs of their communities, often receiving partial or no compensation. These activities, however, are expected from Maryland's 46 acute, and 8 specialty, nonprofit hospitals in return for their tax-exempt status.

ANALYSIS

Following are highlights of the FY 2014 data reporting and narrative reporting.

FY 2014 Data Reporting Highlights

The reporting period for this CBR is July 1, 2013, through June 30, 2014. Hospitals submitted their individual CBRs to the HSCRC by December 15, 2014. Audited financial statements were used to calculate costs for each of the community benefit categories in the data reports. Of the 54 nonprofit hospitals in Maryland, 52 submitted individual data reports. Two hospital systems, University of Maryland Shore Regional Health and the University of Maryland Upper Chesapeake Health, each submitted narratives covering both hospitals in their system. Shore Health submitted a single narrative covering both the University of Maryland Shore Medical Center at Easton and the University of Maryland Shore Medical Center at Dorchester. Upper Chesapeake Health submitted a single CBR covering both the University of Maryland Upper Chesapeake Medical Center and the University of Maryland Harford Memorial Hospital.

As shown in Table 1, Maryland hospitals provided approximately $1.5 billion dollars in total community benefit activities in FY 2014 (the same total as in FY 2013). This total comprises $483.8 million in charity care, $420.5 million in health professions education, $393.6 million in mission-driven health care services (subsidized health services), $86.3 million in community health services, $59.3 million in unreimbursed Medicaid cost, $17.5 million in community-building activities, $16.5 million in financial contributions, $10 million in research activities, $8.5 million in community benefit operations, and $2.1 million in foundation-funded community benefits (see Table 1). These totals include hospital reported indirect costs, which vary by hospital and by category from a fixed dollar amount to a calculated percentage of the hospital's reported direct costs.

Table 1. Total Community Benefits

Community Benefit Category	Number of Staff Hours	Number of Encounters	Net Community Benefit Expenses	Percentage of Total Community Benefit Expenditures	Net Community Benefit Expense Less Rate Support	Percentage of Total Community Benefit Expenditures without Rate Support
Charity Care *	0	0	$483,833,108	32.3%	$19,924,270	2.7%
Health Professions Education *	6,594,984	225,260	$420,486,081	28.1%	$110,938,100	15.3%
Mission-Driven Health Services	2,553,469	858,131	$393,614,096	26.3%	$393,614,096	54.3%
Community Health Services	1,012,490	13,494,384	$86,287,120	5.8%	$86,287,120	11.9%
Unreimbursed Medicaid Cost	0	0	$59,270,451	4.0%	$59,270,451	8.2%
Community Building	177,077	583,447	$17,530,347	1.2%	$17,530,347	2.4%
Financial Contributions	46,548	178,978	$16,484,643	1.1%	$16,484,643	2.3%
Research	128,704	4,440	$9,998,833	0.7%	$9,998,833	1.4%
Community Benefit Operations	78,722	1,561	$8,529,825	0.6%	$8,529,825	1.2%
Foundation-Funded Community Benefits	40,924	13,702	$2,090,806	0.1%	$2,090,806	0.3%
Total	**10,632,917**	**15,359,902**	**$1,498,125,311**	**100.0%**	**$724,668,492**	**100.0%**

(*) Indicates category adjusted for rate support (direct medical education, Nurse Support Program I, and charity care)

In Maryland, the costs of uncompensated care (including charity care and bad debt) and graduate medical education are built into the rates for which hospitals are reimbursed by all payers, including Medicare and Medicaid. Additionally, the HSCRC rates include amounts for nurse support programs provided at Maryland hospitals. These costs are, in essence, “passed-through”

to the purchasers and payers of hospital care. To comply with IRS form 990 requirements and avoid accounting confusion among programs that are not funded by hospital rate setting, the HSCRC requests that hospitals not submit revenue included in rates as offsetting revenue on the CBR worksheet. Attachment I details the amounts that are included in rates and funded by all payers for charity care, direct graduate medical education, and nurse support programs in FY 2014.

As noted, the HSCRC includes a provision in hospital rates for uncompensated care; this includes charity care, which is a considered to be a community benefit. It also includes bad debt, which is not considered to be a community benefit. Attachment I shows that $463.9 million in charity care was provided through Maryland hospital rates in FY 2014, which was funded by all payers. When offset by the $483.8 million in charity care reported by hospitals, the net amount of charity care provided by the hospitals was $19.9 million.

Another social cost funded through Maryland's rate-setting system is the cost of graduate medical education, generally for interns and residents who are trained in Maryland hospitals. Included in graduate medical education costs are the direct costs (direct medical education, DME), which include the residents' and interns' wages and benefits, faculty supervisory expenses, and allocated overhead. The HSCRC's annual cost report quantifies the DME costs of physician training programs at Maryland hospitals. In FY 2014, DME costs totaled $294.4 million.

The HSCRC's Nurse Support Program I (NSPI) is aimed at addressing the short- and long-term nursing shortage impacting Maryland hospitals. In FY 2014, $15.1 million was provided in hospital rate adjustments for NSPI. See Attachment I for detailed information about funding provided to specific hospitals.

When the reported community benefit costs for Maryland hospitals are offset by rate support, the net community benefits provided in FY 2014 totaled $724.7 million, or 5.14 percent of total hospital operating expenses.[11] This is an increase from the $712.4 million in net benefits provided in FY 2013, which totaled 5.2 percent of hospital operating expenses (see Attachment II for additional detail).

Table 2 shows the breakdown of staff hours, number of encounters, and expenditures for health professions education by activity. The education of physicians and medical students comprises the majority of expenses in the category of health professions education, totaling $362.4 million. The second most expensive is the education of nurses and nursing students at $31.8 million and the third is the education of other health professionals, with $19.7 million.

[11] FY 2014 includes 5 additional specialty hospitals versus FY 2013.

Table 2. Health Professions Education Activities

Health Professions Education	Number of Staff Hours	Number of Encounters	Net Community Benefit with Indirect Cost
Physicians and Medical Students	5,597,736	32,558	$ 362,397,942
Nurses and Nursing Students	552,129	99,058	$ 31,826,084
Other Health Professionals	337,606	63,913	$ 19,662,486
Other	96,404	28,748	$ 3,838,063
Scholarships and Funding for Professional Education	11,110	947	$ 2,761,506
Total	**6,594,984**	**225,260**	**$ 420,486,081**

Table 3 provides a breakdown of staff hours, number of encounters, and expenditures for community health services by activity. Health care support services comprise the largest portion of expenses in the category of community health services, with $33.3 million. Community health education is the second most expensive with $23.1 million, and community-based clinical services is the third most expensive with $10.5 million.

For additional detail and a description of subcategories of the remaining community benefit categories, see Attachment III – FY 2014 Hospital Community Benefit Aggregate Data.

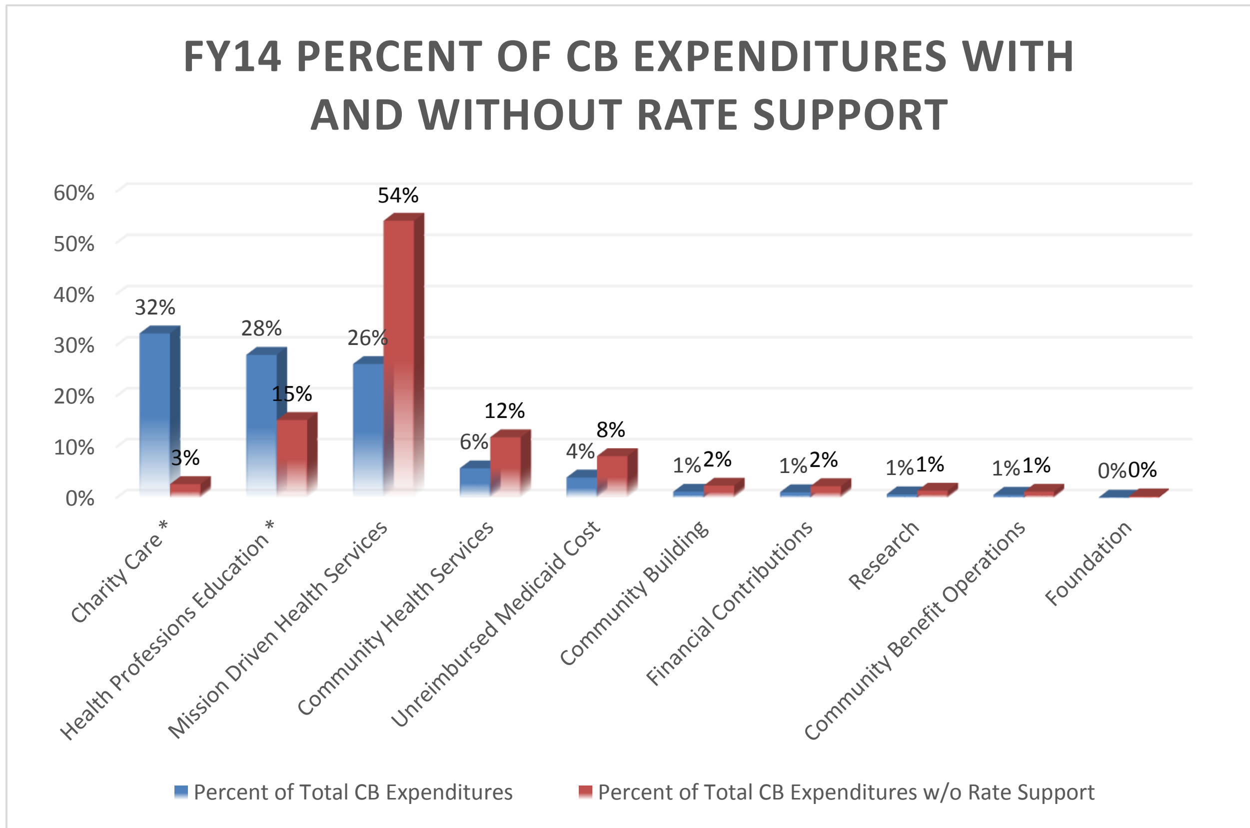
Table 3. Community Health Services Activities

Community Health Services	Number of Staff Hours	Number of Encounters	Net Community Benefit Expense
Health Care Support Services	233,587	193,063	$ 33,298,581
Community Health Education	275,495	12,608,953	$ 23,083,885
Community-Based Clinical Services	294,224	367,537	$ 10,537,173
Other	73,023	58,416	$ 8,011,395
Free Clinics	33,733	58,062	$ 5,141,824
Screenings	32,692	80,129	$ 2,293,163
Self-Help	25,129	68,568	$ 1,625,214
Support Groups	12,852	30,068	$ 1,043,498
Mobile Units	28,262	10,104	$ 873,520
One-Time and Occasionally Held Clinics	3,494	19,484	$ 378,865
Total	**1,012,490**	**13,494,384**	**$ 86,287,120**

The distribution of expenses by category is significantly impacted by rate offsetting. Figure 1 shows expenditures in each community benefit category as a percentage of total expenditures. Charity care, health professions education, and mission-driven health services represent the majority of the expenses, at 32 percent, 28 percent, and 26 percent, respectively. Figure 1 also shows the percentage of expenditures by category without rate support, which changes the configuration significantly: Mission-driven health services becomes the category with the highest

percentage of expenditures, at 54 percent. Health professions education follows with 15 percent of expenditures, and community health services comprises 12 percent of expenditures.

Figure 1. Percentage of Community Benefit Expenditures by Category with and without Rate Support



*Rate supported expenditures

Utilizing the data reported, Attachment II - FY 2014 Community Benefit Analysis compares hospitals on the total amount of community benefits reported, the amount of community benefits recovered through HSCRC-approved rate supports (charity care, direct medical education, and nurse support), and the number of staff and staff hours dedicated to community benefit operations. On average, in FY 2014, 1,514 staff hours were dedicated to community benefit operations, a decrease of 19 percent from 1,848 staff hours in FY 2013. Seven hospitals reported zero staff hours dedicated to community benefit operations, compared with four hospitals reporting zero staff hours during FY 2013. The HSCRC continues to encourage hospitals to incorporate community benefit operations into their overall strategic planning.

The total amount of community benefit expenditures as a percentage of total operating expenses ranges from 2.61 percent to 27.46 percent, with an average percentage of 10.47. This is a decrease from an average of 11.12 percent in FY 2013. Twenty-two hospitals report providing benefits in excess of 10 percent of their operating expenses, compared with 23 hospitals in FY

2013. In addition, 17 hospitals report providing benefits between 7.5 percent and 10 percent of their operating expenses, compared with 15 hospitals in FY 2013.

FY 2014 Narrative Reporting Highlights

In FY 2014, hospitals were again asked to answer narrative questions regarding their community benefit programs. The questions were developed, in part, to create a standard reporting format for all hospitals. This uniformity provided readers of the individual hospital reports with more information than was previously available and allowed for comparisons across hospitals. When possible, the narrative guidelines were aligned with IRS form 990, schedule H, in an effort to provide as much consistency as is practicable in reporting at the state and federal levels.

The HSCRC also considers the narrative guidelines to be a mechanism for assisting hospitals in critically reviewing their community benefit programs. Examination of the effectiveness of major program initiatives enables hospitals to better determine which programs are achieving the desired results and which are not. The point scoring system used previously to evaluate community benefit narrative reports was eliminated for FY 2014, and a new evaluation tool was created that increases the level of detail in the evaluations provided to each hospital. It is expected that this change will allow hospitals to improve future reports and increase consistency among all hospital reports in the future.

Fifty-two hospitals provided their CHNAs, but they varied significantly in length and the content and quality of the descriptions provided. The CHNA covers six topics: community served, information gaps, CHNA process and methods, prioritized needs, third-party collaboration, and facilities and resources available. For example, 44 hospitals provided clear descriptions of their community served and how it was determined, whereas eight hospitals did not provide clear descriptions or definitions. Only 15 hospitals clearly described information gaps that affect the hospitals' ability to assess the health needs of their community. Sixteen hospitals identified a gap within one area of data collection, but did not provide a detailed description of the information gaps. Twenty-one hospitals did not make any reference to information gaps.

Only 13 hospitals provided clear descriptions of the process and methods used to conduct their CHNAs and included sources, dates of data, and other information. Thirty-nine hospitals failed to include the names and titles of input providers, dates of data collection, or data from primary data collection methods. Only one hospital provided a prioritized description of all of the community health needs and the process and criteria used in prioritizing the needs. Seventeen hospitals provided a prioritized description of the top needs selected for implementation of initiatives, but not all identified needs. Thirty-four hospitals failed to provide their identified needs in any priority order or failed to describe the process used in prioritizing their needs. Most hospitals contracted with a third party to assist with the CHNA and clearly described the qualifications of the third party, whereas 21 hospitals did not contract with a third party. Twenty-one hospitals provided a description of existing health care facilities and other resources within the community to meet needs identified through the CHNA, whereas the remaining hospitals only provided part of this information.

Fifty-one hospitals provided an implementation strategy that clearly described how the hospital plans to meet the identified needs, although two of these hospitals' implementation strategies did not match the needs outlined in their community benefit narrative report. Thirty-eight hospitals identified and justified their unmet needs, whereas five hospitals did not provide explanations for all of their unmet needs. Two hospitals did not clearly define their unmet needs, and one hospital reported that it had no unmet needs. Similar to the CHNAs, the quality and level of detail in the hospitals' community benefit initiatives varied greatly.

FY 2004 – FY 2014 ELEVEN-YEAR SUMMARY

FY 2014 marks the eleventh year since the inception of the CBR. In FY 2004, community benefit expenses represented $586.5 million, or 6.9 percent of operating expenses. In FY 2014, these expenses represented $1.5 billion, or 10.6 percent of operating expenses. As Maryland hospitals have increasingly focused on implementation of cost- and quality-improvement strategies, an increasing percentage of operating expenses has been directed toward community benefit initiatives.

The reporting requirement for revenue offsets and rate support has changed since the inception of the CBR in FY 2004. For consistency purposes, the following figures illustrate community benefit expenses from FY 2008 through FY 2014. Figures 2A and 2B show the trend of community benefit expenses with and without rate support. On average, approximately 50 percent of the expenses have been reimbursed through the rate setting system.

Figure 2A. FY 2008 – FY 2014 Community Benefit Expenses with and without Rate Support

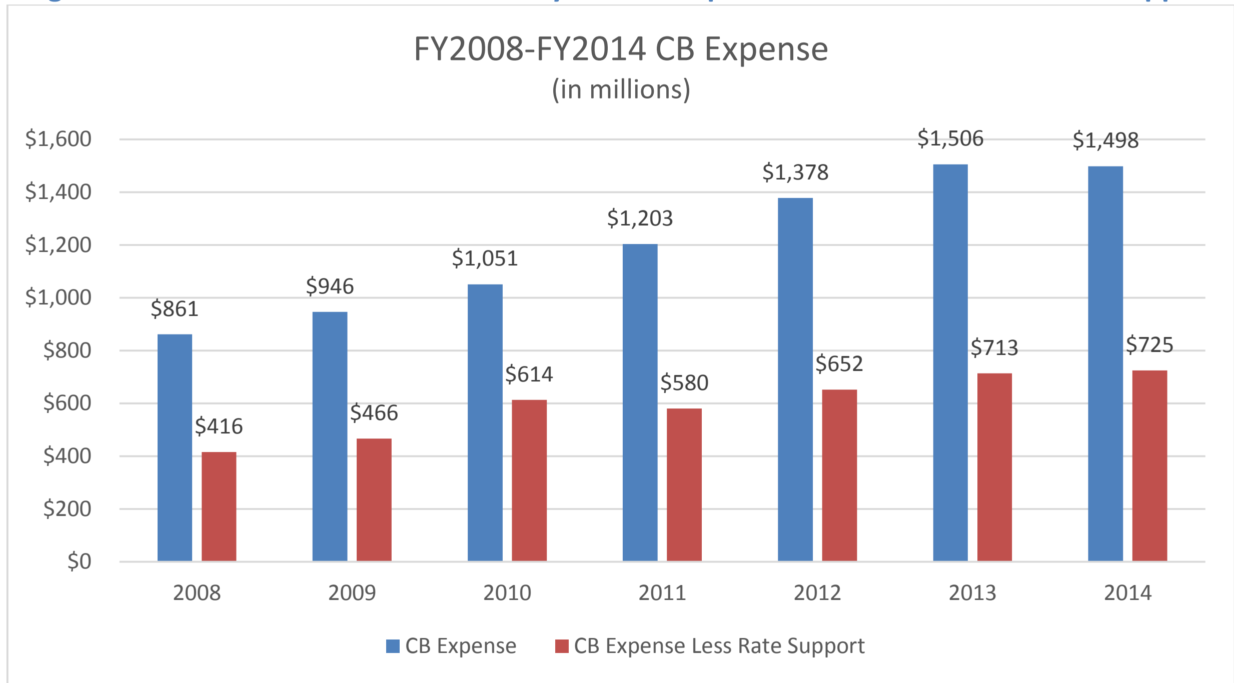
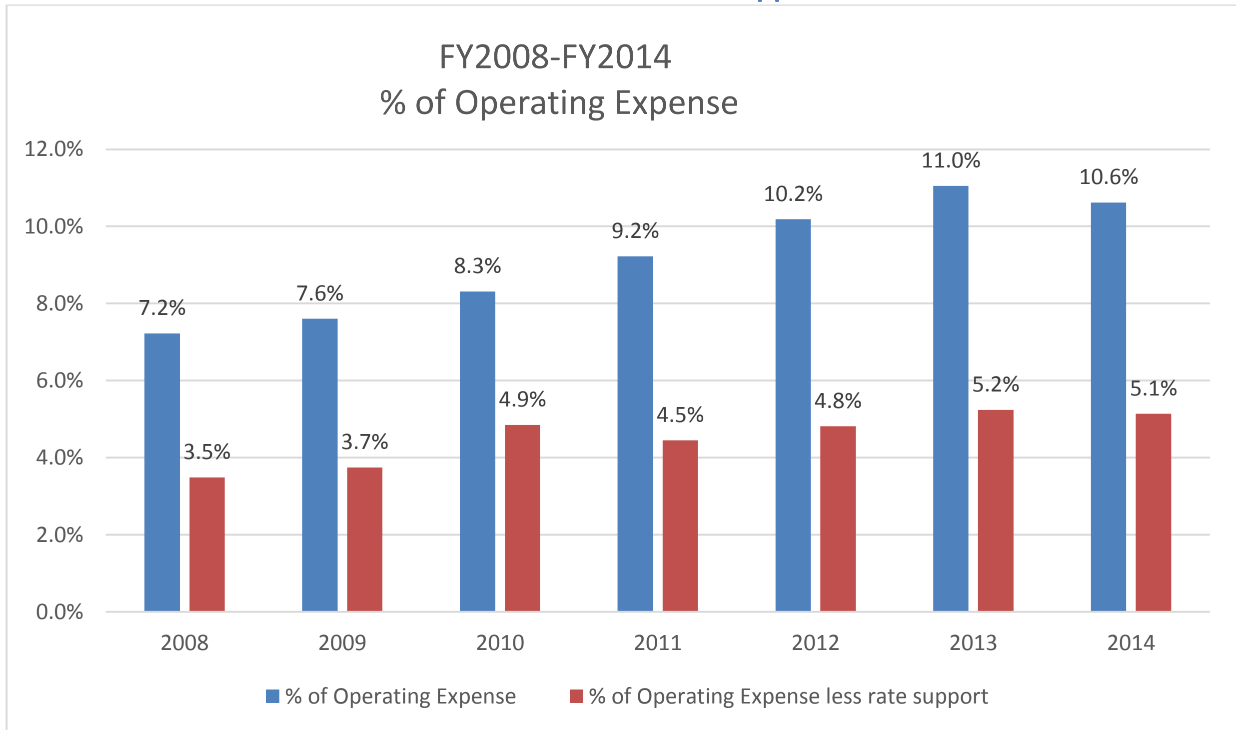


Figure 2B. FY 2008 – FY 2014 Percentage of Community Benefit Operating Expenses with and without Rate Support



CHANGES TO FY 2015 REPORTING REQUIREMENTS

The changes to Maryland's hospital narrative reporting requirements have resulted in more detailed narrative reports. For FY 2015, the community benefit administration section requires detailed explanations for each question rather than a "yes" or "no" response. A community benefit external collaboration section was also added to address hospital collaboration with external organizations, such as community-based organizations and local health departments, to perform activities to improve their community's health and conduct the CHNA. These changes and the elimination of the point scoring system will allow the HSCRC to send more detailed evaluations to hospitals, which in turn will assist them in submitting more consistent community benefit reports in the future. The HSCRC will continue to modify the community benefit reporting requirements to enhance consistency and improve evaluations.

Attachment I - Hospitals FY 2014 Funding for Nurse Support Program I, Direct Medical Education, and Charity Care

Hospital Name	Nurse Support Program I (NSPI)	Direct Medical Education (DMI)	Charity Care in Rates	Total Rate Support
Meritus Medical Center	$ 295,465	-	$ 7,505,016	$ 7,800,481
UMMC*	$ 1,420,398	$ 91,440,450	$ 73,498,009	$ 166,358,857
Dimensions Prince Georges Hospital Center	$ 255,904	$ 3,988,330	$ 17,544,927	$ 21,789,161
Holy Cross Hospital	$ 453,732	$ 2,757,760	$ 25,676,243	$ 28,887,735
Frederick Memorial	$ 334,410	-	$ 11,690,942	$ 12,025,352
UM Harford Memorial	$ 104,451	-	$ 3,046,391	$ 3,150,843
Mercy Medical Center	$ 459,266	$ 4,675,330	$ 21,375,445	$ 26,510,041
Johns Hopkins Hospital	$ 1,851,352	$ 103,050,920	$ 34,749,786	$ 139,652,057
UM Shore Medical Dorchester	$ 59,360	-	$ 1,760,573	$ 1,819,933
St. Agnes	$ 401,564	$ 6,888,070	$ 9,860,633	$ 17,150,268
LifeBridge Sinai	$ 676,603	$ 15,265,590	$ 12,231,834	$ 28,174,027
Bon Secours	$ 130,652	-	$ 11,914,216	$ 12,044,868
MedStar Franklin Square	$ 477,082	$ 7,574,040	$ 17,181,539	$ 25,232,661
Adventist Washington Adventist	$ 260,716	-	$ 12,237,739	$ 12,498,455
Garrett County Hospital	$ 42,710	-	$ 3,045,380	$ 3,088,090
MedStar Montgomery General	$ 165,915	-	$ 5,404,355	$ 5,570,270
Peninsula Regional	$ 414,766	-	$ 11,675,563	$ 12,090,329
Suburban Hospital	$ 272,892	$ 314,920	$ 4,354,574	$ 4,942,386
Anne Arundel Medical Center	$ 523,717	-	$ 4,779,088	$ 5,302,805
MedStar Union Memorial	$ 422,531	$ 11,238,490	$ 13,694,623	$ 25,355,644
Western Maryland Health System	$ 308,556	-	$ 10,507,545	$ 10,816,101
MedStar St. Mary's Hospital	$ 151,897	-	$ 4,606,886	$ 4,758,783
Johns Hopkins Bayview Medical Center	$ 584,860	$ 21,979,800	$ 19,315,954	$ 41,880,614
UM Shore Medical Chestertown	$ 65,052	-	$ 1,619,812	$ 1,684,863
Union Hospital of Cecil County	$ 148,428	-	$ 3,466,914	$ 3,615,342
Carroll Hospital Center	$ 243,424	-	$ 3,885,617	$ 4,129,042
MedStar Harbor Hospital	$ 209,694	$ 4,402,330	$ 10,513,303	$ 15,125,328
UM Charles Regional Medical Center	$ 126,394	-	$ 2,019,045	$ 2,145,439
UM Shore Medical Easton	$ 184,648	-	$ 4,330,984	$ 4,515,632
UM Midtown	$ 185,438	$ 4,245,770	$ 12,068,847	$ 16,500,055
Calvert Hospital	$ 135,741	-	$ 6,787,442	$ 6,923,183
Lifebridge Northwest Hospital	$ 238,730	-	$ 5,797,834	$ 6,036,564

Hospital Name	Nurse Support Program I (NSPI)	Direct Medical Education (DMI)	Charity Care in Rates	Total Rate Support
UM Baltimore Washington	$ 381,065	$ 421,820	$ 10,211,355	$ 11,014,241
GBMC	$ 426,432	$ 5,078,600	$ 4,352,953	$ 9,857,986
McCready	$ 17,710	-	$ 647,065	$ 664,775
Howard County Hospital	$ 275,202	-	$ 7,117,813	$ 7,393,015
UM Upper Chesapeake	$ 283,588	-	$ 5,072,096	$ 5,355,684
Doctors Community	$ 214,285	-	$ 12,025,485	$ 12,239,770
Dimensions Laurel Regional Hospital	$ 118,724	-	$ 4,544,597	$ 4,663,321
Fort Washington Medical Center	$ 46,176	-	$ 3,281,075	$ 3,327,251
Atlantic General	$ 95,474	-	$ 2,452,495	$ 2,547,970
MedStar Southern Maryland	$ 249,258	-	$ 3,383,194	$ 3,632,453
UM St. Joseph	$ 354,786	-	$ 4,751,548	$ 5,106,334
UM Rehabilitation and Ortho Institute	$ 117,995	$ 3,801,620	$ 863,428	$ 4,783,044
MedStar Good Samaritan	$ 311,855	$ 4,767,170	$ 7,018,282	$ 12,097,308
Adventist Shady Grove Hospital	$ 348,706	-	$ 10,040,391	$ 10,389,097
Lifebridge Levindale	$ 52,499	-	-	$ 52,499
Adventist Rehab of Maryland	$ 51,233	-	-	$ 51,233
Adventist Behavioral Health at Eastern Shore	-	-	-	$ -
Sheppard Pratt	$ 140,136	$ 2,436,050	-	$ 2,576,186
Adventist Behavioral Health Rockville	-	$ 80,000	-	$ 80,000
Mt. Washington Pediatrics	$ 49,447	-	-	$ 49,447
Total	$ 15,140,921	$ 294,407,060	$ 463,908,838	$ 773,456,820

*Contains both UMMC and Shock Trauma

Attachment II – FY 2014 Community Benefit Analysis

Hospital Name	Number of Employees	Number of Staff Hours for CB Operations	Total Hospital Operating Expense	Net CB Expense	Total CB as % of Total Operating Expense	Total in Rates for Charity Care, DME, and NSPI*	Net CB minus Charity Care, DME, NSPI in Rates	Net CB (minus charity Care, DME, NSPI in Rates) as % of Total Operating Expense	CB Reported Charity Care
Meritus Medical Center	0	828	$292,347,127	$23,844,610	8.16%	$7,800,481	$16,044,128	5.49%	$7,993,597
UMMC	8,288	1,164	$1,305,636,000	$201,474,942	15.43%	$166,358,857	$35,116,085	2.69%	$55,444,257
Dimensions Prince Georges Hospital Center	1,678	160	$217,477,100	$59,720,405	27.46%	$21,789,161	$37,931,244	17.44%	$15,861,400
Holy Cross Hospital	3,293	5,776	$390,575,586	$55,856,400	14.30%	$28,887,735	$26,968,665	6.90%	$30,739,060
Frederick Memorial	2,110	0	$319,313,000	$30,580,563	9.58%	$12,025,352	$18,555,211	5.81%	$14,227,000
UM Harford Memorial	875	941	$80,416,000	$8,026,523	9.98%	$3,150,843	$4,875,680	6.06%	$3,428,179
Mercy Medical Center	3920	2,785	$426,907,600	$61,821,825	14.48%	$26,510,041	$35,311,784	8.27%	$24,885,600
Johns Hopkins Hospital	0	7,063	$1,928,280,000	$188,270,622	9.76%	$139,652,057	$48,618,565	2.52%	$32,721,000
UM Shore Medical Dorchester	627	375	$39,674,000	$5,394,100	13.60%	$1,819,933	$3,574,167	9.01%	$2,305,000
St. Agnes	2,690	0	$392,471,132	$26,869,027	6.85%	$17,150,268	$9,718,760	2.48%	$11,750,468
LifeBridge Sinai	4,612	5,971	$669,579,000	$58,776,319	8.78%	$28,174,027	$30,602,292	4.57%	$12,880,700
Bon Secours	785	0	$119,439,002	$22,271,852	18.65%	$12,044,868	$10,226,984	8.56%	$12,073,632
MedStar Franklin Square	3,309	3,360	$469,241,214	$35,491,348	7.56%	$25,232,661	$10,258,687	2.19%	$13,581,700
Adventist Washington Adventist*	1389	1,432	$217,791,712	$38,552,255	17.70%	$12,498,455	$26,053,799	11.96%	$14,404,325
Garrett County Hospital	344	80	$38,194,377	$4,687,445	12.27%	$3,088,090	$1,599,356	4.19%	$3,225,760
MedStar Montgomery General	1,166	0	$141,655,632	$9,749,053	6.88%	$5,570,270	$4,178,783	2.95%	$4,722,141
Peninsula Regional	2,538	184	$368,170,415	$35,900,136	9.75%	$12,090,329	$23,809,807	6.47%	$13,261,500
Suburban Hospital	1,753	1,797	$225,204,531	$21,432,492	9.52%	$4,942,386	$16,490,105	7.32%	$4,501,300
Anne Arundel Medical Center	4,136	1,440	$514,545,000	$36,050,991	7.01%	$5,302,805	$30,748,186	5.98%	$5,688,100
MedStar Union Memorial	2,256	0	$394,669,299	$42,190,902	10.69%	$25,355,644	$16,835,258	4.27%	$13,169,128
Western Maryland Health System	2,141	324	$282,308,921	$36,523,850	12.94%	$10,816,101	$25,707,749	9.11%	$14,413,981
MedStar St. Mary's Hospital	1,277	9,370	$131,503,457	$10,240,708	7.79%	$4,758,783	$5,481,925	4.17%	$3,430,456
Johns Hopkins Bayview Medical Center	3,367	1,256	$530,603,000	$58,159,948	10.96%	$41,880,614	$16,279,333	3.07%	$22,183,000

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Hospital Name	Number of Employees	Number of Staff Hours for CB Operations	Total Hospital Operating Expense	Net CB Expense	Total CB as % of Total Operating Expense	Total in Rates for Charity Care, DME, and NSPI*	Net CB minus Charity Care, DME, NSPI in Rates	Net CB (minus charity Care, DME, NSPI in Rates) as % of Total Operating Expense	CB Reported Charity Care
UM Shore Medical Chestertown	374	500	$47,354,000	$7,895,987	16.67%	$1,684,863	$6,211,124	13.12%	$2,067,000
Union Hospital of Cecil County	1,109	2,179	$146,635,757	$10,648,111	7.26%	$3,615,342	$7,032,769	4.80%	$3,064,396
Carroll Hospital Center	2,027	2,080	$209,384,000	$16,040,970	7.66%	$4,129,042	$11,911,928	5.69%	$3,355,681
MedStar Harbor Hospital	1,241	177	$189,700,114	$22,372,526	11.79%	$15,125,328	$7,247,198	3.82%	$6,997,842
UM Charles Regional Medical Center	0	1,622	$108,755,000	$9,583,933	8.81%	$2,145,439	$7,438,494	6.84%	$1,864,000
UM Shore Medical Easton	1,292	820	$160,829,000	$15,078,264	9.38%	$4,515,632	$10,562,633	6.57%	$5,828,000
UM Midtown	1,120	1,188	$178,869,000	$35,810,878	20.02%	$16,500,055	$19,310,823	10.80%	$14,755,634
Calvert Hospital	1,400	183	$119,481,772	$19,895,054	16.65%	$6,923,183	$12,971,872	10.86%	$7,010,751
Lifebridge Northwest Hospital	1,607	583	$212,164,000	$17,551,055	8.27%	$6,036,564	$11,514,492	5.43%	$6,203,971
UM Baltimore Washington	2,909	104	$319,031,000	$31,234,487	9.79%	$11,014,241	$20,220,246	6.34%	$13,307,038
GBMC	2,559	4,370	$381,697,000	$18,320,492	4.80%	$9,857,986	$8,462,507	2.22%	$4,337,420
McCready	250	30	$14,682,491	$758,175	5.16%	$664,775	$93,400	0.64%	$572,384
Howard County Hospital	1,671	803	$231,080,000	$21,136,745	9.15%	$7,393,015	$13,743,730	5.95%	$6,010,720
UM Upper Chesapeake	2,037	2,197	$236,718,000	$15,009,652	6.34%	$5,355,684	$9,653,968	4.08%	$4,956,053
Doctors Community	1,466	2,200	$176,796,204	$18,627,103	10.54%	$12,239,770	$6,387,333	3.61%	$14,726,686
Dimensions Laurel Regional Hospital	743	160	$104,245,600	$15,661,030	15.02%	$4,663,321	$10,997,709	10.55%	$4,507,400
Ft. Washington	417	0	$38,620,727	$2,222,903	5.76%	$3,327,251	-$1,104,348	-2.86%	$1,614,129
Atlantic General	835	158	$101,574,098	$14,249,336	14.03%	$2,547,970	$11,701,367	11.52%	$3,594,293
MedStar Southern Maryland	1,638	7,807	$219,466,790	$10,833,218	4.94%	$3,632,453	$7,200,765	3.28%	$3,582,453
UM St. Joseph	2,332	0	$310,933,000	$35,667,680	11.47%	$5,106,334	$30,561,346	9.83%	$7,375,769
Lifebridge Levindale	832	520	$74,832,811	$1,955,388	2.61%	$52,499	$1,902,889	2.54%	$767,401
UM Rehabilitation and Ortho Institute	686	728	$102,736,500	$11,513,710	11.21%	$4,783,044	$6,730,666	6.55%	$841,000
MedStar Good Samaritan	0	1,788	$303,307,419	$24,043,260	7.93%	$12,097,308	$11,945,952	3.94%	$7,581,945

Hospital Name	Number of Employees	Number of Staff Hours for CB Operations	Total Hospital Operating Expense	Net CB Expense	Total CB as % of Total Operating Expense	Total in Rates for Charity Care, DME, and NSPI*	Net CB minus Charity Care, DME, NSPI in Rates	Net CB (minus charity Care, DME, NSPI in Rates) as % of Total Operating Expense	CB Reported Charity Care
Adventist Rehab of Maryland*	414	170	$33,160,122	$1,792,947	5.41%	$51,233	$1,741,714	5.25%	$756,000
Adventist Behavioral Health at Eastern Shore*	131	42	$9,317,745	$1,084,396	11.64%	-	$1,084,396	11.64%	$161,347
Sheppard Pratt	2,485	395	$198,270,704	$12,705,185	6.41%	$2,576,186	$10,128,999	5.11%	$8,367,519
Adventist Behavioral Health Rockville*	395	146	$33,990,541	$4,309,098	12.68%	$80,000	$4,229,098	12.44%	$2,546,393
Mt. Washington Pediatrics	650	1,677	$50,042,312	$1,567,465	3.13%	$49,447	$1,518,018	3.03%	$173,338
Shady Grove*	2027	1,790	$295,844,877	$28,669,946	9.69%	$10,389,097	$18,280,849	6.18%	$10,015,261
Totals	**77,805**	**78,722**	**$14,105,523,690**	**$1,498,125,311**	**10.62%**	**$773,456,820**	**$724,668,492**	**5.14%**	**$483,833,108**
Averages	**1,729**	**1,514**			**10.47%**			**6.18%**	

* The Adventist Hospital System has requested and received permission to report their community benefit activities on a calendar year basis to allow them to more accurately reflect their true activities during the community benefit cycle. The numbers listed in the "Total in Rates for Charity Care, DME, and NSPI*" column reflect the HSCRC's activities for FY 2014 and therefore are different from the numbers reported by the Adventist Hospitals.

Attachment III - FY 2014 Hospital Community Benefit Aggregate Data

	Type of Activity	Number of Staff Hours	Number of Encounters	Direct Cost ($)	Indirect Cost ($)	Offsetting Revenue	Net Community Benefit with Indirect Cost	Net Community Benefit without Indirect Cost
	Unreimbursed Medicaid Cost							
T00	Medicaid Costs							
T99	**Medicaid Assessments**	**0**	**0**	**$ 373,183,714**	**$ 1,225,750**	**$ 315,139,013**	**$ 59,270,451**	**$ 58,044,701**
	Community Health Services							
A10	Community Health Education	275,495	12,608,953	$ 16,009,920	$ 8,928,580	$ 1,854,615	$ 23,083,885	$ 14,155,305
A11	Support Groups	12,852	30,068	$ 697,438	$ 357,667	$ 11,607	$ 1,043,498	$ 685,831
A12	Self-Help	25,129	68,568	$ 1,560,401	$ 843,538	$ 778,726	$ 1,625,214	$ 781,675
A20	Community-Based Clinical Services	294,224	367,537	$ 13,456,136	$ 4,105,502	$ 7,024,464	$ 10,537,173	$ 6,431,672
A21	Screenings	32,692	80,129	$ 1,604,903	$ 897,952	$ 209,692	$ 2,293,163	$ 1,395,211
A22	One-Time and Occasionally Held Clinics	3,494	19,484	$ 338,809	$ 101,124	$ 61,067	$ 378,865	$ 277,742
A23	Free Clinics	33,733	58,062	$ 4,419,729	$ 2,191,789	$ 1,469,694	$ 5,141,824	$ 2,950,035
A24	Mobile Units	28,262	10,104	$ 1,298,417	$ 498,561	$ 923,458	$ 873,520	$ 374,959
A30	Health Care Support Services	233,587	193,063	$ 23,848,131	$ 11,398,249	$ 1,947,798	$ 33,298,581	$ 21,900,333
A40	Other	27,191	47,462	$ 3,367,343	$ 1,422,320	$ 62,631	$ 4,727,032	$ 3,304,712
A41	Other	43,752	8,045	$ 2,985,269	$ 81,657	-	$ 3,066,926	$ 2,985,269
A42	Other	2,080	2,909	$ 133,479	$ 83,958	-	$ 217,437	$ 133,479
A99	**Total**	**1,012,490**	**13,494,384**	**$ 69,719,974**	**$ 30,910,898**	**$ 14,343,752**	**$ 86,287,120**	**$ 55,376,222**
	Health Professions Education							
B1	Physicians and Medical Students	5,597,736	32,558	$ 292,186,105	$ 70,211,837	$ -	$ 362,397,942	$ 292,186,105
B2	Nurses and Nursing Students	552,129	99,058	$ 25,911,056	$ 6,226,543	$ 311,515	$ 31,826,084	$ 25,599,541
B3	Other Health Professionals	337,606	63,913	$ 16,015,672	$ 3,990,109	$ 343,295	$ 19,662,486	$ 15,672,377

	Type of Activity	Number of Staff Hours	Number of Encounters	Direct Cost ($)	Indirect Cost ($)	Offsetting Revenue	Net Community Benefit with Indirect Cost	Net Community Benefit without Indirect Cost
B4	Scholarships and Funding for Professional Education	11,110	947	$ 2,700,403	$ 61,103	-	$ 2,761,506	$ 2,700,403
B50	Other	90,291	25,219	$ 3,193,463	$ 324,381	$ 11,938	$ 3,505,906	$ 3,181,525
B51	Other	1,089	483	$ 1,835,855	$ 242,032	$ 2,029,982	$ 47,905	$ (194,127)
B52	Other	2,384	3,016	$ 158,637	$ 43,289	$ 96,984	$ 104,942	$ 61,653
B53	Other	2,640	66	$ 111,069	$ 68,241	-	$ 179,310	$ 111,069
B99	**Total**	**6,594,984**	**225,260**	**$ 342,112,260**	**$ 81,167,535**	**$ 2,793,714**	**$ 420,486,081**	**$ 339,318,546**
	Mission-Driven Health Services							
C.	**Mission-Driven Health Services Total**	**30,377**	**15,680**	**$ 6,168,660**	**$ 1,953,170**	**$ 1,933,811**	**$ 6,188,019**	**$ 4,234,849**
	Research							
D1	Clinical Research	85,220	4,423	$ 10,853,505	$ 2,741,850	$ 6,694,353	$ 6,901,002	$ 4,159,152
D2	Community Health Research	8,082	17	$ 644,356	$ 301,510	$ 14,000	$ 931,866	$ 630,356
D3	Other	35,402	0	$ 1,754,352	$ 411,612	$ -	$ 2,165,964	$ 1,754,352
D99	**Total**	**128,704**	**4,440**	**$ 13,252,213**	**$ 3,454,973**	**$ 6,708,353**	**$ 9,998,833**	**$ 6,543,860**
	Financial Contributions							
E1	Cash Donations	1,558	30,176	$ 9,789,828	$ 31,011	$ 7,996	$ 9,812,843	$ 9,781,832
E2	Grants	45	53	$ 580,060	$ 68,105	$ 259,435	$ 388,730	$ 320,625
E3	In-Kind Donations	39,574	143,639	$ 5,515,496	$ 323,566	$ 211,206	$ 5,627,856	$ 5,304,290
E4	Cost of Fund Raising for Community Programs	5,372	5,110	$ 520,723	$ 134,491	-	$ 655,214	$ 520,723
E99	**Total**	**46,548**	**178,978**	**$ 16,406,108**	**$ 557,173**	**$ 478,637**	**$ 16,484,643**	**$ 15,927,471**
	Community Building Activities							
F1	Physical Improvements and Housing	7,917	307,927	$ 3,584,407	$ 199,302	$ 2,690,625	$ 1,093,083	$ 893,782

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	Type of Activity	Number of Staff Hours	Number of Encounters	Direct Cost ($)	Indirect Cost ($)	Offsetting Revenue	Net Community Benefit with Indirect Cost	Net Community Benefit without Indirect Cost
F2	Economic Development	2,099	4,824	$ 690,819	$ 411,177	$ 361,691	$ 740,305	$ 329,128
F3	Support System Enhancements	66,859	23,704	$ 3,628,701	$ 1,787,213	$ 648,463	$ 4,767,451	$ 2,980,238
F4	Environmental Improvements	6,176	601	$ 913,922	$ 535,969	$ 1,500	$ 1,448,392	$ 912,422
F5	Leadership Development and Training for Community Members	5,979	2,868	$ 234,184	$ 139,434	$ -	$ 373,618	$ 234,184
F6	Coalition Building	18,055	16,841	$ 1,341,048	$ 749,249	$ 19,065	$ 2,071,232	$ 1,321,983
F7	Community Health Improvement Advocacy	11,536	4,314	$ 1,352,464	$ 741,594	$ 6,356	$ 2,087,702	$ 1,346,107
F8	Workforce Enhancement	45,936	56,556	$ 2,490,081	$ 1,459,469	$ 373,262	$ 3,576,288	$ 2,116,819
F9	Other	11,320	165,763	$ 876,146	$ 417,685	$ 4,352	$ 1,289,479	$ 871,794
F10	Other	1,200	48	$ 54,000	$ 28,798	$ -	$ 82,798	$ 54,000
	Total	**177,077**	**583,447**	**15,165,772**	**6,469,890**	**4,105,314**	**17,530,347**	**11,060,458**
	Community Benefit Operations							
G1	Dedicated Staff	74,157	1,166	$ 4,872,178	$ 2,366,265	$ 20,811	$ 7,217,632	$ 4,851,367
G2	Community health and health assets assessments	2,811	202	$ 223,424	$ 103,979	$ 21,406	$ 305,997	$ 202,018
G3	Other Resources	1,747	193	$ 623,540	$ 243,684	$ 44	$ 867,180	$ 623,496
G4	Other	7	0	$ 144	$ 91	-	$ 235	$ 144
G5	Other	0	0	$ 85,194	$ 53,587	-	$ 138,781	$ 85,194
	Total	**78,722**	**1,561**	**5,804,480**	**2,767,606**	**42,261**	**8,529,825**	**5,762,219**
	Charity Care							
H	**Charity Care (report total only)**							**$483,833,108**
	Foundation-Funded Community Benefits							
J1	Community Services	3,805	2,349	$ 1,038,696	$ 69,066	$ 592,644	$ 515,118	$ 446,052
J2	Community Building	37,119	11,353	$ 1,594,158	$ 17,358	$ 46,091	$ 1,565,425	$ 1,548,067
J3	Other	0	0	$ 10,264	-	-	$ 10,264	$ 10,264

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	Type of Activity	Number of Staff Hours	Number of Encounters	Direct Cost ($)	Indirect Cost ($)	Offsetting Revenue	Net Community Benefit with Indirect Cost	Net Community Benefit without Indirect Cost
J99	**Total**	**40,924**	**13,702**	**$2,643,118**	**$86,424**	**$638,735**	**$2,090,806**	**$2,004,383**
	Total Hospital Community Benefit							
T99	Medicaid Assessments	0	0	$ 373,183,714	$ 1,225,750	$ 315,139,013	$ 59,270,451	$ 58,044,701
A	Community Health Services	1,012,490	13,494,384	$ 69,719,974	$ 30,910,898	$ 14,343,752	$ 86,287,120	$ 55,376,222
B	Health Professions Education	6,594,984	225,260	$ 342,112,260	$ 81,167,535	$ 2,793,714	$ 420,486,081	$ 339,318,546
C	Mission-Driven Health Services	2,553,469	858,131	$ 465,107,383	$ 105,386,289	$ 176,879,576	$ 393,614,096	$ 288,227,807
D	Research	128,704	4,440	$ 13,252,213	$ 3,454,973	$ 6,708,353	$ 9,998,833	$ 6,543,860
E	Financial Contributions	46,548	178,978	$ 16,406,108	$ 557,173	$ 478,637	$ 16,484,643	$ 15,927,471
F	Community Building	177,077	583,447	$ 15,165,772	$ 6,469,890	$ 4,105,314	$ 17,530,347	$ 11,060,458
G	Community Benefit Operations	78,722	1,561	$ 5,804,480	$ 2,767,606	$ 42,261	$ 8,529,825	$ 5,762,219
H	Charity Care	0	0	$ 483,833,108	-	-	$ 483,833,108	$ 483,833,108
J	Foundation-Funded Community Benefits	40,924	13,702	$ 2,643,118	$ 86,424	$ 638,735	$ 2,090,806	$ 2,004,383
K99	**Community Hospital Benefit Total**	**10,632,917**	**15,359,902**	**$ 1,787,228,131**	**$ 232,026,537**	**$ 521,129,356**	**$1,498,125,311**	**$ 1,266,098,774**
	Total Operating Expenses	**$14,105,523,690**						
	Percentage of Operating Expenses with Indirect Cost	**10.62%**						
	Percentage of Operating Expenses without Indirect Cost	**8.98%**						