

Where Care Meets Community:

Massachusetts Hospitals' \$900 Million Investment

In addition to the lifesaving care they provide, Massachusetts hospitals are devoting more than \$900 million to support people's everyday health in the communities where they live, work, and play.

These investments – known as “community benefit” programs – are seen in public schools and senior centers. They permeate neighborhoods in mobile health vans and farmer's markets, through job fairs, and in programs that address substance use disorder, violence, and support LGBTQ rights.

Hospitals' community benefits programs work to address health concerns and disparities identified in collaboration with trusted partners within the community, ranging from faith-based organizations to local businesses. Programs are provided at no cost to the individuals and communities being served and are not reimbursed by government entities or insurance companies.

“This year's reports underscore the continued investment of our health care system to foster healthy communities across the Commonwealth. Through these community benefits, our hospitals and HMOs strengthen diverse community programs to address community health needs, particularly in the areas of mental health and substance use disorder.”

- Attorney General Andrea Campbell,
October 2023

In the latest year of reporting to the Attorney General – 2022, while the effects of the pandemic were still roiling hospital employment and capacity – Massachusetts hospitals reported \$904 million in community benefit expenditures. The IRS allows hospitals to count financial losses related to care provided to Medicaid recipients, along with medical education costs and other metrics. Based on the latest available data, which is from 2021, Massachusetts hospitals reported community benefits at more than \$2.3 billion to the IRS.

A Pillar of the Massachusetts Experience

The commonwealth's hospitals are a critical component of the Massachusetts experience. They are responsible for our state's reputation of medical excellence, while serving as a backbone of its economic vitality. The healthcare sector is the largest employment sector in the state, employing 477,704 people, according to the Executive Office of Labor and Workforce Development. Hospitals employ more than a third of workers in that sector and are often the largest charitable partners and economic engines in their service areas.

Massachusetts hospitals are also linked closely to our state's exceptional institutes of higher education, helping to coordinate the inflow of billions in research dollars to the commonwealth. They are an integral part of the state's life science sector that brings to market the new drugs that help alleviate disease.

Although our state enjoys a very high rate of insured individuals, each year Massachusetts hospitals contribute more than \$200 million to the “Health Safety Net” fund that pays for care provided to the uninsured. Any annual shortfall in safety net funding is borne entirely by hospitals; the Health Safety Net funding shortfall is expected to exceed \$200 million this year.

In short, much of what sets the Commonwealth of Massachusetts apart from other states and has ensured our stability during turbulent economic times is the strength of our healthcare system in which hospitals play an essential role.

Click here to see what your local hospital is doing.



COMMUNITY BENEFITS: BY THE NUMBERS

Hospitals in Massachusetts report their community benefit spending to two entities – the Massachusetts Attorney General’s Office (AGO) and to the IRS. The Massachusetts AGO only allows reporting on expenditures tied directly to specific needs identified in the Community Health Needs Assessment and targeting specific populations. In contrast, the IRS considers a broader range of expenditures on community benefits, including health education, research, and community building activities that might not directly correspond to the targeted needs defined within the AGO guidelines.



\$660 Million

in Health Professions Education

Educational programs that are available to physicians, medical students, interns, residents, nurses and nursing students, and other health professionals that are not available exclusively to the hospital’s employees.



\$504 Million

in Research

Clinical and community health research, as well as studies on healthcare delivery that are shared outside the hospital.



\$642 Million

in Subsidized Health Services

Clinical service lines that would not be available in the community if the hospital stopped providing them. This includes things like air ambulance, neonatal intensive care, burn units, mobile units, and hospice and palliative care.



\$331 Million

in Charity Care

Free or discounted health services provided to people who cannot afford to pay and who meet the eligibility criteria of the hospital’s financial assistance policy.



\$118 Million

in Community Health Improvement Services & Community Benefit Operations

Activities that improve community health based on an identified community need. They include support groups, self-help programs, health screenings, and health fairs, and also include the costs associated with staffing and coordinating the hospital’s community benefit activities.



\$54 Million

in Cash and In-Kind Contributions

Funds and services donated to the community, including contributions to non-profit community organizations, grants, and meeting room space for non-profit organizations.

Data From: IRS Form 990, Schedule H, Non-Profit Massachusetts Hospitals Mass DPH Determination of Need Program