

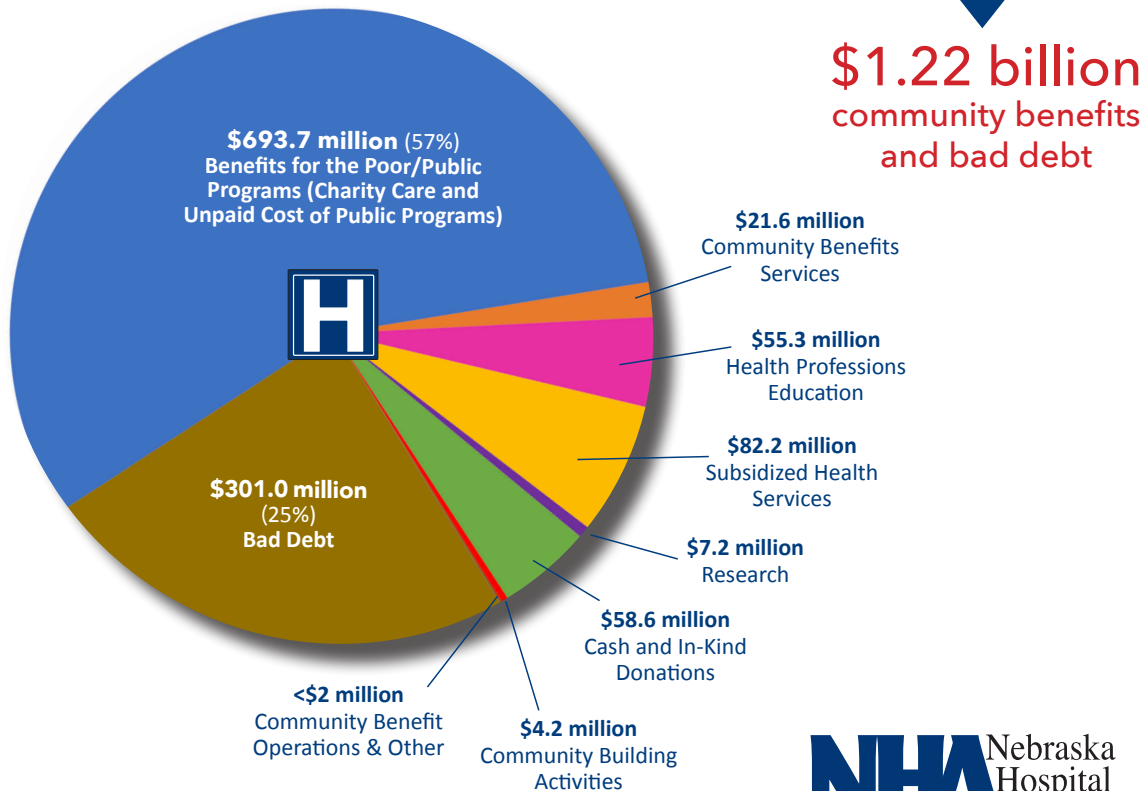
Community benefits provided by Nebraska hospitals for 2015

Each year, Nebraska hospitals make a significant investment in the health of communities across the state. The Nebraska Hospital Association conducts an annual survey of its member hospitals to measure the amount of community benefits that have been provided statewide. This document provides a snapshot of the community benefits provided by Nebraska hospitals during fiscal year (FY) 2015.

However, what do the numbers really mean? The fact is that the impact of the community benefits that are provided by Nebraska's hospitals goes far beyond the numbers. The true impact of these programs is personal and positively impacts the lives of individuals across the state.

Nebraska's hospitals serve as the safety net in each of their communities and strive to improve the health and wellness of their patients.

In FY 2015, Nebraska hospitals contributed more than \$1.2 billion (\$301 million of that in bad debt) to support programs that benefited their communities. These programs included providing free care to individuals that were unable to pay, absorbing the unpaid costs of public programs such as Medicare and Medicaid, offering community education and outreach, providing scholarships and residencies for health professionals, subsidizing health services that are reimbursed at amounts below the cost of providing the care, conducting research, and incurring bad debt from individuals that choose not to pay their bills.



NHA Nebraska
Hospital
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What are Community Benefits?

Community benefits are programs or activities that provide treatment and/or promote health and healing as a response to identified community needs.

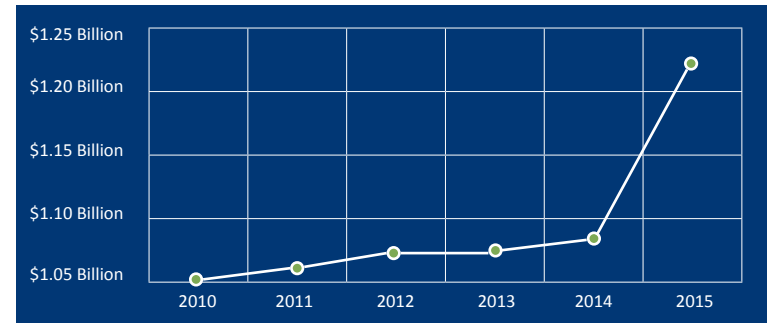
What is Charity Care?

Charity care is free or discounted health services provided to persons who cannot afford to pay and who meet the organization's financial assistance policy criteria. Charity care is reported in terms of costs, not charges.

What is Bad Debt?

Bad debt is uncollectible charges, excluding contractual adjustments, arising from the failure to pay by patients whose health care has not been classified as charity care.

Community Benefits & Bad Debt 2010-15



Bad Debt 2010-15



Questions? Contact Jennifer Rathman, director of communications, at (402) 742-8151 or jrathman@nebraskahospitals.org.

Programs & services

FY 2015 net
community benefit

Benefits for the poor/public programs	\$ 693,748,360
Traditional charity care	120,367,001
Unpaid cost of public programs:	
Medicare	392,955,131
Medicaid	175,886,470
Other public programs	4,539,757
Community benefits services	\$ 21,607,317
Community health education and outreach	12,896,722
Community-based clinical services	3,494,450
Health care support services	5,216,145
Health professions education	\$ 55,339,013
Scholarships/funding for health professions	2,179,339
Residencies and internships	51,841,860
Other	1,317,814
Subsidized health services	\$ 82,182,379
Emergency and trauma care	4,950,864
Community clinics	2,968,691
Hospital outpatient services	22,924,406
Women's and children's services	2,782,439
Subsidized continuing care	10,216,639
Behavioral health services	6,091,090
Other subsidized health services	32,248,250
Research	\$ 7,206,315
Cash and in-kind donations	58,649,737
Community building activities	4,168,340
Physical improvements and housing	408,776
Economic development	159,886
Community support	1,066,012
Environmental improvements	10,480
Leadership development/training	11,770
Coalition building	141,646
Advocacy for community issues	23,522
Workforce development	2,346,248
Community benefit operations	1,006,454
Other	424,338
TOTAL COMMUNITY BENEFITS	\$ 924,332,253
BAD DEBT	\$ 300,952,200
TOTAL CONTRIBUTIONS	\$1,225,284,453

Cuts Enacted (2010-2025): Legislative	
ACA Marketbasket Cuts	(\$1,155,199,900)
Sequestration	(\$404,705,100)
Medicare DSH Cuts	(\$196,540,300)
Coding Cuts	(\$90,847,800)
Post Acute Marketbasket Cut	(\$7,319,700)
Bad Debt Reduction to 65%	(\$6,926,600)
Total Legislative Cuts	(\$1,861,539,400)
Cuts Enacted (2010-2025): Regulatory	
Coding Cuts	(\$682,031,500)
LTCH Site Neutral Adjustment	(\$75,341,000)
Two-Midnight Offset	(\$18,673,000)
Total Regulatory Cuts	(\$776,045,500)
Quality Based Payment Reform (2010-2025)	
Quality Based Payment Reforms	(\$55,676,900)
Total Cuts Enacted	(\$2,693,261,800)
Cuts Under Consideration (2016-2025)	
Rural Cuts (CAH & SCH)	(\$2,447,458,300)
Outpatient Dept. Payment Cuts	(\$201,068,000)
IME/DGME Cuts	(\$10,334,300)
Post Acute Cuts	(\$55,613,600)
Bad Debt Elimination	(\$17,790,200)
Total Cuts Under Consideration	(\$2,732,264,400)

Nebraska's hospitals serve as health and wellness cornerstones and as economic engines in their communities (often serving as the largest employer.)

Nebraska hospitals are substantial contributors to the state's economy by employing nearly 41,000 Nebraskans and creating the demand for an additional 29,000 jobs due to hospitals buying goods and services from other local businesses.

Hospitals also support local markets by engaging in economic and workforce development.

Since the adoption of the Affordable Care Act (ACA) in 2010, Nebraska hospitals have experienced significant reimbursement cuts through both legislative and regulatory actions at the federal level.

From 2010-2025, **Nebraska hospitals will incur nearly \$2.7 billion in cuts to Medicare payments.** Additional cuts of more than \$2.7 billion are also under consideration.

Nebraska's hospitals continue to rise above the financial challenges that exist to provide critical programs to their communities. Reimbursement cuts and financial challenges are making this more difficult. Hospitals will remain dedicated to ensuring that high quality health care services are available for Nebraska's most vulnerable residents.



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