

Being a Not-For-Profit Hospital Goes Far Beyond Charity Care

By Joe Damore, Mission President and CEO

In recent months, policymakers in Washington and across the country have been questioning whether America's not-for-profit hospitals are doing enough for their communities to justify being exempt from taxes.

This scrutiny comes at a time when the number of Americans without health insurance stands at 46 million and growing.

As we grapple with the uninsured problem, the long-standing role of not-for-profit hospitals in providing charity care to those in need has never been more critical.

Against this national backdrop, it's reasonable for our citizens here in western North Carolina to ask what Mission Hospitals is doing to live up to its responsibilities as our region's largest not-for-profit hospital and health system.

I can report to you that Mission is not only fulfilling its duty to provide charity care, but going far beyond that basic responsibility and providing community benefits that last year exceeded the value of our tax exemption by an estimated \$58 million.

Here are a few of the statistics that document how Mission is delivering on its not-for-profit responsibilities:

- In fiscal year 2005, the value of Mission's tax exemption totaled \$36.9 million, including foregone taxes, the value of tax-exempt bond financing and charitable contributions we would not have received if we were a for-profit entity.
- In that same year, the value of the benefits we provided to the community totaled \$94.9 million – more than two and-a-half times the value of the tax exemption.
- Those community benefits included free and charity care totaling \$30.5 million, reflecting the growing number of our patients who are indigent, uninsured or underinsured. Here in Buncombe County alone, 40,000 of our citizens lack health insurance. When they are sick or injured, Mission's emergency department and clinics function as their medical safety net. In addition to providing free or deeply discounted care, based on the patient's income level, we also employ a team of financial counselors who work with uninsured patients, helping them apply for government assistance and other aid that may be available to them.
- Other community benefits provided last year included \$51.9 million in un-reimbursed costs for treating Medicare and Medicaid patients (the government's funding doesn't begin to cover our costs). We subsidized education and research programs totaling \$8.9 million. Donations to community programs added another \$1.5 million.

Numbers like these are helpful in demonstrating our commitment, but it's the people behind those numbers that really tell the story of Mission's impact.

Like the employee who attends one of our many free health screenings, learns he has a medical problem and is able to get help before it becomes a health emergency that would keep him out of work. Or the parents of a premature baby, who know that Mission's Neonatal Intensive Care Unit. will have the high tech equipment and expert staff to care for their newborn – despite the fact that NICU care consistently operates at a loss because insurers and the government pay for only a fraction of its cost.

In fact, many of our most critical services lose money, including trauma care and mental health. Only an organization with a community not-for-profit mission would consider continuing to offer them. We do so because people in Western NC need them. That commitment, too, is a measure of how we give back to the community in return for tax-exempt status.

Remaining true to our not-for-profit mission is not the only responsibility Mission shoulders. We must also be responsive to the business community, keeping our costs as low as possible to ease their burden in providing health benefits for their employees. We must be attentive to the needs of our own 5,000- plus employees, providing competitive wages and benefits, as well as opportunities for professional growth. And we must continue to be a good corporate citizen and neighbor.

But at the core of what we do is our mission of advancing health, easing suffering and treating disease. Addressing these essential human needs is the reason why not-for-profit healthcare exists.

It's why Mission was founded more than 120 years ago. It's why our nurses, technicians, physicians and support staff show up for work each day with a passion to help others. It's why Mission is so determined to remain financially strong, cost efficient and on the leading edge of medicine while providing quality, compassionate care that meets the growing needs of our region.