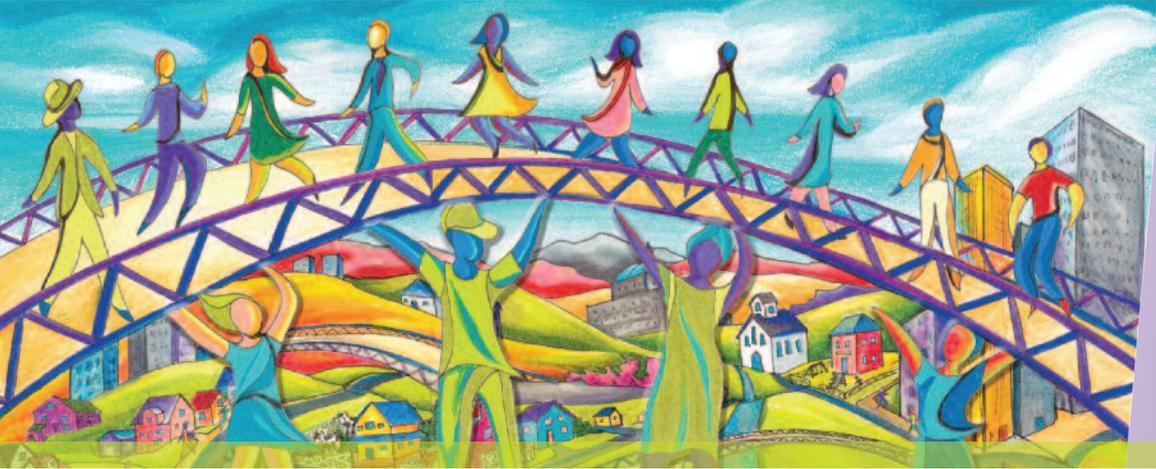


Community Benefit Report 2016



\$1.1 billion
in community benefit
and financial assistance
provided to our
communities

A Measured and Collaborative Approach

Community benefit is, and always has been, essential to the mission of Catholic Health Initiatives. CHI's emphasis on human dignity and social justice goes along with providing health-related benefits, including charity care, to its communities. Our planned, organized and measured approach to community benefit does not make assumptions about the best way to serve a community. CHI and our local organizations reach out and collaborate with others — civic leaders, charitable organizations, educational institutions, community residents and more — to identify the greatest needs and the best solutions.

Many Forms in Many Settings

At CHI, community benefit takes many forms in many settings. Inside our facilities, CHI provides care at no or reduced charge to people who don't have health insurance and can't afford to pay, or whose insurance does not cover the full cost of care. Out in our communities, CHI provides a variety of free or discounted services to people who are poor or have special needs, as well as to entire communities. CHI also makes donations and in-kind contributions to organizations that help people who are poor or underserved.

More than \$1 Billion in Assistance

CHI provides community benefit in each community it serves. During fiscal year 2016, the total cost of community benefit was \$1.1 billion, an increase of almost 13% from fiscal year 2015. Community benefit includes the cost of supplies and labor related to free clinics, donations and other services provided to the poor and to meet community needs. Community benefit also includes the cost of services in excess of reimbursement for Medicaid patients, but does not include unpaid costs of the Medicare program, consistent with guidance issued in 2006 by the Catholic Health Association of the United States. Including the unpaid costs of Medicare, the total figure reaches just over \$2 billion — a nearly 25% increase over the 2015 fiscal year.

Community Health Needs Assessment

During 2013, all licensed hospitals within CHI conducted comprehensive community health needs assessments and developed strategies to meet identified priority needs. The assessments are posted prominently on the hospitals' websites and the strategies, approved by the hospitals' governing bodies, are now being implemented. This process complies with regulations in the Patient Protection and Affordable Care Act that require licensed, tax-exempt hospitals to conduct these assessments every three years. This legislation also expanded health insurance availability for millions of Americans. CHI facilities use educational materials and other resources to inform people about the opportunity to be covered by health insurance and the process for enrollment.

Community Benefit Financial Report 2016

Benefit to the poor and broader community

	As of June 30	
	2016	2015
Cost of Community Benefit		
Cost of financial assistance provided <i>(Free or reduced-cost health services for people who cannot afford to pay)</i>	\$ 219,671	\$ 211,860
Unpaid cost of public programs, Medicaid and other indigent care programs <i>(Cost of services in excess of government reimbursement)</i>	577,485	537,296
Nonbilled services <i>(Clinics, meal programs, etc., provided free or at low cost)</i>	35,739	31,875
Cash and in-kind donations <i>(Donations of food, equipment, supplies, etc., to address the needs of people who are poor or underserved)</i>	29,080	4,031
Education and research <i>(Cancer prevention workshops, stop-smoking programs, heart disease programs, etc.)</i>	116,656	110,319
Other benefit	126,141	73,256
Total cost of community benefit from continuing operations	1,104,772	968,637
Total cost of community benefit from discontinued operations	0	12,026
Total Cost of Community Benefit	1,104,772	980,663
Unpaid cost of Medicare from continuing operations	956,725	721,141
Unpaid cost of Medicare from discontinued operations <i>(Cost of services in excess of government reimbursement)</i>	0	24,760
Total Unpaid Cost of Medicare	956,725	745,901
Total Cost of Community Benefit and the Unpaid Cost of Medicare	\$ 2,061,497	\$ 1,726,564

