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New Report Suggests Oregon Nonprofit Hospitals' Can Do More for Community Health

Pointing to a 47 percent decline in charity care spending by nonprofit hospitals over nine months, labor and community health advocates call for increased transparency, accountability and community benefits in order to maintain tax exemptions

(Portland, Ore.) – The Oregon Health Equity Alliance (OHEA), Asian Pacific American Network of Oregon ([APANO](#)) and SEIU Local 49's [Act Now for a Healthy Oregon](#) today released a report calling for increased oversight and meaningful community health investments from Oregon's nonprofit hospitals.

The report—titled [Hospital Community Benefits in Oregon: Our Hospital, Our Benefit?](#)— notes that nonprofit hospitals have significantly decreased the amount of charitable care they provide since the passage of the Affordable Care Act (“ACA”), and calls for increased accountability and oversight to ensure that nonprofit hospitals are continuing to provide enough community benefit to justify the substantial tax benefits they receive.

“Hospitals and their neighborhood clinics are the backbone for meeting many of our community health needs,” said Rev. Joseph Santos-Lyons, Executive Director of APANO and Co-Chair of OHEA. “With the Affordable Care Act dramatically shifting the landscape by expanding coverage and reducing uncompensated care, it’s time for a critical look at how Oregon’s nonprofit hospitals can improve longstanding health inequities and better provide quality, affordable care to those who need it most.”

(more)

The report contains an analysis of Oregon nonprofit hospitals' tax filings and federally-reported grant recipient lists from 2012 forward. The analysis found wide variation in the activities hospitals are claiming as "community benefit." For example, Asante gave money to the Jacksonville Britt Festival and the Oregon Shakespeare Festival, and Tuality Healthcare spent \$6,500 to sponsor the Oregon International Airshow.

"Hospitals were first granted tax exemptions in the early 1900s, when they primarily provided last-resort care and shelter for poor and homeless people – but a lot has changed since then," said Meg Niemi, President of SEIU Local 49. "Today, while many patients and workers in Oregon struggle to afford high-deductible healthcare, hospitals are providing less and less charity care—and earning more profits. If hospitals are going to continue to claim significant tax breaks, they need to be accountable for significant charitable benefit."

Other key findings of the report include:

- From the first nine months of 2013 (prior to the rollout of the ACA) to the first nine months of 2014 (after the ACA) there was a decline of **47 percent** in hospital charity spending.
- During the same nine-month period, operating profits at nonprofit Oregon hospitals increased by more than **117 percent**.
- While hospitals report general dollar figures related to community benefits, there is little oversight or regulation of what constitutes "community benefit."

"Earlier this year, the Oregon Association of Hospitals and Health Systems received positive press coverage for their voluntary pledge to keep community benefit spending at or above levels from previous years – but as our analysis shows, unless we define exactly what hospitals can report as 'community benefit,' and how they engage Oregonians who are struggling to afford their care, this pledge is meaningless," continued Niemi. "We need to demand a return on investment for hospital community benefit programs that is transparent, measurable, and effectively addresses critical health needs in our communities."

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