

# AFFORDABLE CARE ACT OPENS HOSPITAL DOORS TO COMMUNITY BUILDING



Shifting dollars from direct care to other community benefit activities creates healthy communities



The IRS requires nonprofit hospitals to provide **community benefits** to remain tax-exempt



THE AVERAGE NONPROFIT HOSPITAL SPENDS **7.5%** OF ITS BUDGET ON COMMUNITY BENEFITS

Here's how hospitals currently distribute their community benefit funds:



**85%**  
Subsidized direct care



**8%**  
Community health improvements and contributions



**7%**  
Health professionals' education and research

## ACA WILL FREE UP RESOURCES AT SOME HOSPITALS

INCREASED INSURANCE COVERAGE



## COMMUNITY HEALTH NEEDS ASSESSMENTS (CHNAs)



will now be used to identify **priorities** for community benefit activities

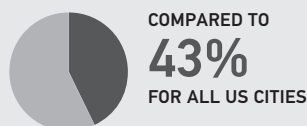
ACA incentivizes hospitals to invest in **community building activities** that include...



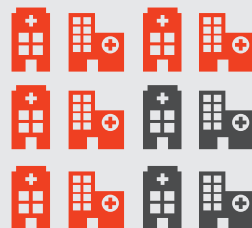
...to address social determinants of health

**EMPLOYMENT HOUSING & TRANSIT**  
**strong local economies**

## Spotlight on INNER CITY BALTIMORE



**8** OUT OF BALTIMORE'S **12** NONPROFIT HOSPITALS ARE IN ITS INNER CITY



MORE THAN ANY OTHER US INNER CITY

Together, they annually spend **\$556 MILLION** on community benefits

Inner city Baltimore nonprofit hospitals

**\$283 MILLION** on subsidized direct care

**\$7 MILLION** on community health improvements and contributions

Inner City in Focus 2014.3. ICIC, May 2014. Note: Large hospitals are defined as having 1,000 or more employees. Subsidized direct care includes Medicare costs, charity care and subsidized health services. Sources: American Community Survey 2008-2012 5-year estimates; American Hospital Association annual survey 2012; The Maryland Health Services Cost Review Commission, Community Benefits Data Report FY 2012; Young, Gary, J. et al., "Provision of Community Benefits by Tax-Exempt U.S. Hospitals," New England Journal of Medicine, April 2013; <http://www.countyhealthrankings.org/our-approach>; ICIC's SICE database; ICIC analysis.