
Background

The Missouri Hospital Association has updated the community benefit data on its consumer-focused data site, [FocusOnHospitals.com](https://www.focusonhospitals.com). The data include the categories listed below, and provide hospital-specific and statewide totals for participating hospitals. **In 2023, Missouri's hospitals provided more than \$1 billion in uncompensated care and more than \$2.7 billion in overall community benefit**

Community Benefit

All hospitals share certain responsibilities when it comes to benefiting the community, such as the provision of charity care. However, each community has different needs, and hospitals meet their community obligations in different ways. This is known as community benefit.

For the hospitals participating in this voluntary report, seven common elements for community benefit are displayed. These include the following.

- uncompensated care, including charity care and bad debt
- unpaid costs of Medicare beneficiaries
- unpaid costs of Medicaid beneficiaries
- donations
- health professions education

All financial information is from 2023 and is reported in terms of the cost of providing the care — not what hospitals may have billed.

All insurers, whether government or private, pay hospitals different rates for providing care. For example, Medicare pays hospitals an established amount for a procedure or illness regardless of whether it covers the hospital's actual cost of providing that care.

The amount of taxes paid by a hospital depends on its organizational structure. Most hospitals in Missouri are not-for-profit, tax-exempt organizations. However, there are several government or municipally affiliated hospitals and numerous investor-owned hospitals that are not eligible for tax exemption. Nonetheless, all Missouri hospitals pay taxes on employee payroll.

For a hospital to receive a tax exemption, it must be organized as a not-for-profit corporation, which means that any profits generated by the organization are reinvested for the community's benefit. Tax-exempt hospitals also must provide care to patients without charge or at a discount as a prerequisite to obtaining an exemption, and must implement and promote such a policy. Tax-exempt hospitals must not only be organized to provide a charitable health care service, but also must operationally engage in activities consistent with the purpose for which they were organized.

Because of their organization as for-profit corporations, investor-owned hospitals cannot receive a tax exemption because their profits benefit the company's shareholders. Therefore, they must pay all taxes, such as sales and income taxes.

Economic Impact

Communities with comprehensive, high-quality health care services provide an attractive home for businesses wanting to relocate or expand. When hospitals invest in their services and employees, it promotes growth in the economy through job creation and increased purchases of goods and services.

The total dollar amount of salaries, benefits and capital facility investment provided by hospitals and health systems, as outlined in this report, is impressive. It demonstrates hospitals' importance as a rewarding, stable employer and community-supporting institution.

In 2023, hospitals paid \$771,717,887 in taxes various, invested \$1.7 billion in capital improvements, and spent nearly \$13.7 on wages and benefits for 152,362 full-time equivalent employees.

For the hospitals participating in this voluntary report, six common elements for economic impact are displayed.

- total operating expenses
- taxes paid
- capital investment
- payroll and benefits
- full-time equivalent employees
- net revenue

If Your Hospital Is Not Participating In This Report

Participation in this report is voluntary. Because of the significant time involved in gathering data, some hospitals were unable to submit data by the deadline.

Some hospitals, such as federally funded veteran's hospitals, treat limited types of patients. As a result, they do not have costs related to some of these categories to report.

If You Are A Tax-Exempt Organization

All hospitals participating in this report have reported taxes paid, even if they are tax-exempt, because all hospitals remit payroll taxes for their employees. Some hospitals also pay property taxes in their communities to help provide support to local schools and other tax-funded programs.

If Your Hospital Reports A "0" In The "Unpaid Costs Of Medicaid Or Medicare Program Beneficiaries" Categories

A change in how MHA collects and reports this data resulted in a larger share of hospitals not reporting in this category this year. At the same time, some hospitals' subsidies and reimbursements result in no unpaid costs for Medicare or Medicaid beneficiaries. In these cases, a "0" is reflected in that category.