



Hospital Community Benefit



What Is Community Benefit?

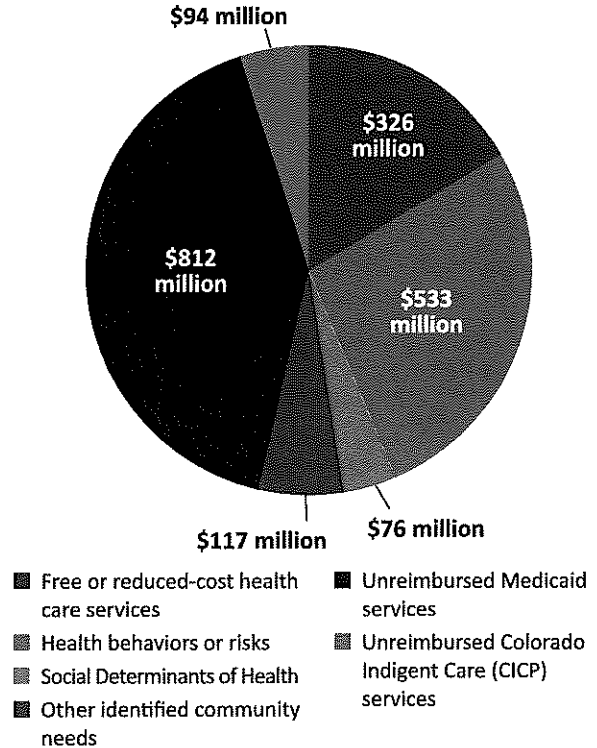
Most hospitals in the United States operate as non-profit organizations and, as such, are exempt from most federal, state, and local taxes. This exemption is intended to be an acknowledgement of the “community benefit” provided by these institutions. As such, there are federal requirements, managed by the IRS, for how hospitals provide and account for community benefit. It should be noted that tax-paying hospitals also invest significantly in their communities despite not being subject to the same federal requirements.

Historically, the vast majority of community benefit spending by hospitals has been related to charity care – that is, providing patient care services for free or at a reduced charge. That holds true to today, but the scope of community benefit services has been expanded over the years by federal policymakers to now include:

- Free and discounted care to those unable to pay
- Care to Medicaid beneficiaries and other low-income care programs
- Services to improve community health and improve access to health care services
- Programs to advance medical and/or health knowledge
- Initiatives to relieve/reduce the burdens of government agencies

Hospitals Invest Substantially in their Communities

In 2021, Colorado hospitals directly invested more than \$1.9 billion into the health and wellbeing of their communities.



Colorado Hospitals Exceed the National Average for Community Benefit Spending

As a proportion of total hospital expenses, Colorado hospitals are above average nationally. Notably, due to the impacts of the pandemic, Colorado hospitals reported a reduction in charity care in 2020 due to lower patient visits and federal provider relief funding. Charity care as a percent of expense for Colorado has trended lower than U.S. average, but initial data following the implementation of Hospital Discounted Care in September 2022 indicates that charity care will increase in 2022 and beyond. Under reimbursement for Medicaid services has outpaced the national average. This is likely to Colorado’s lower uninsured rate and expanded eligibility for Medicaid coverage.

Item (reported as % of total hospital expenses) 2021	CO Total	U.S. Average
Charity Care/ Free or Discounted Services	1.8%	2.7%
Unreimbursed costs from Medicaid	5.3%	2.9%
Health Behaviors, SDoH, and Other Community Investments	4.8%	4.1%
Total	11.9%	9.7%

For more information, contact Joshua Ewing, CHA vice president, government affairs, at Joshua.Ewing@cha.com or 720.635.3493.

Elicia Bunch
HB23-1243 Hospital Community Benefit
Testimony in OPPOSITION
House Public & Behavioral Health & Human Services Committee
Madame Chair, Representative Michaelson-Jenet
March 24, 2023

Madame Chair and members of the committee - thank you for the opportunity to share my written testimony.

My name is Elicia Bunch, and I am vice president of behavioral health at UHealth. I am submitting this written testimony to share my concerns with HB23-1243. As introduced, the bill would put at risk the investments nonprofit hospitals make in charity care, life-saving research, and workforce training and recruitment – all critical investments that benefit the communities we serve.

In October 2019, UHealth announced a \$150M investment to make behavioral health more accessible to patients. Since 2019, UHealth has expanded behavioral health patient capacity in our communities by **more than 400%** by integrating behavioral health services into communities we serve, including co-responder programs which pair a behavioral health professional with a law enforcement officer, launching virtual behavioral health services and expanding overall community outpatient clinic capacity. In order to expand access to care, UHealth has made a tremendous investment in developing the behavioral health workforce.

These are the programs and services that are funded in part through community benefit dollars. As introduced, this bill would significantly narrow the definition of what qualifies as a community benefit, compromising these investments in behavioral health services and the recruitment, training, and development of professionals to deliver care.

Behavioral health needs have grown exponentially in Colorado and are over-taxing systems of care. The demand for mental health services has increased and continues to rise, with some estimates that anxiety and depression symptoms are as much as 3 times the rate seen a few years ago. At the same time, staffing, treatment, and bed capacity are not keeping up with demand. Several organizations have determined that the behavioral health workforce is in a state and national crisis, with insufficient behavioral health professionals and services to meet the demand for care.

Mental Health America recently published the 2022 national adult mental health ranking with states ranked based on volume of adults with mental health conditions and their access to care. **Colorado ranked last in the nation based on high rates of adults with behavioral health conditions and unmet needs.** Adding this to the fact that nearly half of Coloradans live in Mental Health Professional Shortage Areas, it is critical that we prioritize building a professional behavioral health workforce.

Now, more than ever, UHealth's investment in a comprehensive strategy to meet the behavioral health professional workforce needs of Coloradans is critical. Workforce development is necessary to support the vision of delivering high quality, evidence based

behavioral health services to Coloradans through the development of new services to support patients and families within healing environments. UCHHealth recognizes that behavioral health conditions are highly prevalent within the medical healthcare system and has a vision for integrating whole person, trauma informed care into the care environment, treating behavioral health as essential medical care, removing barriers and reducing stigma for patients and their families. This will not happen without a sufficient workforce to deliver these critical services.

As introduced, this bill would have unintended consequences, compromising investments in Colorado's behavioral health workforce. Without sufficient workforce development resources and programs, Coloradans will not receive life-saving behavioral health services when and where they are desperately needed. With behavioral health services, professionals, and resources already insufficient to meet the needs of Coloradans, cuts to this funding will be devastating. For the future of Coloradans, I urge you to oppose this bill or amend it to protect nonprofit hospitals critical community benefit investments in free and discounted care, research, training and provider recruitment.

Stephanie Williams
HB23-1243 Hospital Community Benefit
Testimony in OPPOSITION
House Public & Behavioral Health & Human Services Committee
Madame Chair, Representative Michaelson-Jenet
March 24, 2023

Madame Chair and members of the committee - thank you for the opportunity to share written testimony with you.

My name is Stephanie Williams, and I am the program supervisor for UCHHealth co-responders in northern Colorado. Today I'd like to discuss my concerns with HB23-1243. As introduced, the bill would put at risk the investments nonprofit hospitals make in charity care, life-saving research, and workforce training and recruitment – all critical investments that benefit the communities we serve.

I understand there are amendments that would remove language in the bill that narrows the definition of community benefit and imposes a minimum threshold of spending on community health needs. I'm here today to ask you to support those amendments and share with you what is at risk if the bill is passed as introduced.

I work as a co-responder, meaning I am the behavioral health provider who responds with officers when my fellow community members are experiencing some of their darkest and most crucial moments. What happens in a behavioral health crisis significantly influences the trajectory of their life, and others, often for years to come. Co-response is a service UCHHealth offers at no charge because it is the right thing to do, especially in a society in which healthcare resources and funding have already been cut back, necessitating community benefit programs such as coresponse in which the primary goal is to divert people from inappropriate care and/or incarceration to more appropriate levels and types of care, often on an outpatient basis.

One community member immediately came to mind when I read about this bill. His name is Dallas and he struggled with addiction and homelessness for decades that led to near daily, if not more than daily, rides to the emergency department. The coresponse team at Fort Collins Police Services was able to work with community partners to fill the existing gaps caused by past healthcare cuts to not only help him get sober, but also secure stable housing. He's now a peer support to others with similar struggles, and those of us around him get to enjoy him for who he really is – an articulate, funny, caring member of the Fort Collins community. To support a bill that further marginalizes already vulnerable community members like Dallas under the guise of providing them "better care" is prevarication at best and deadly at worst.

This work is personal for me - I have family members with mental health and substance use needs the already underfunded healthcare system failed. I've lost three family members in the last three years to suicide. The system failed them as a result of lack of resources, lack of access to resources, and lack of support in connecting to appropriate resources. I'm not willing to lose another family member – or member of my community – to legislation that puts funding before families, politics before patients, or edicts before ethics.

Colorado nonprofit hospitals have demonstrated time and again that they are committed to doing their fair share.

This bill must be amended to include Medicaid shortfall, research, training, physician recruitment and behavioral health services in the definition of community benefits. If these categories are not included, hospitals will be forced to shift support away from these essential services.

As introduced, House Bill 23-1243 will force cuts to programs serving the most vulnerable populations and investments in workforce/research/training. Medicaid patients will lose access to the care they need. Innovative research will be cut. Fewer training options will be available for healthcare workers. Fewer nationally recognized physicians and researchers will be recruiting to come to our state.

I urge you to oppose the bill unless amended.

Thank you for consideration,
Stephanie Williams