



Rhode Island Senate
Special Commission to Analyze and Make Recommendations Regarding Tax
Exempt Properties in Rhode Island

CARING FOR RHODE ISLAND

HOSPITAL ASSOCIATION OF RHODE ISLAND

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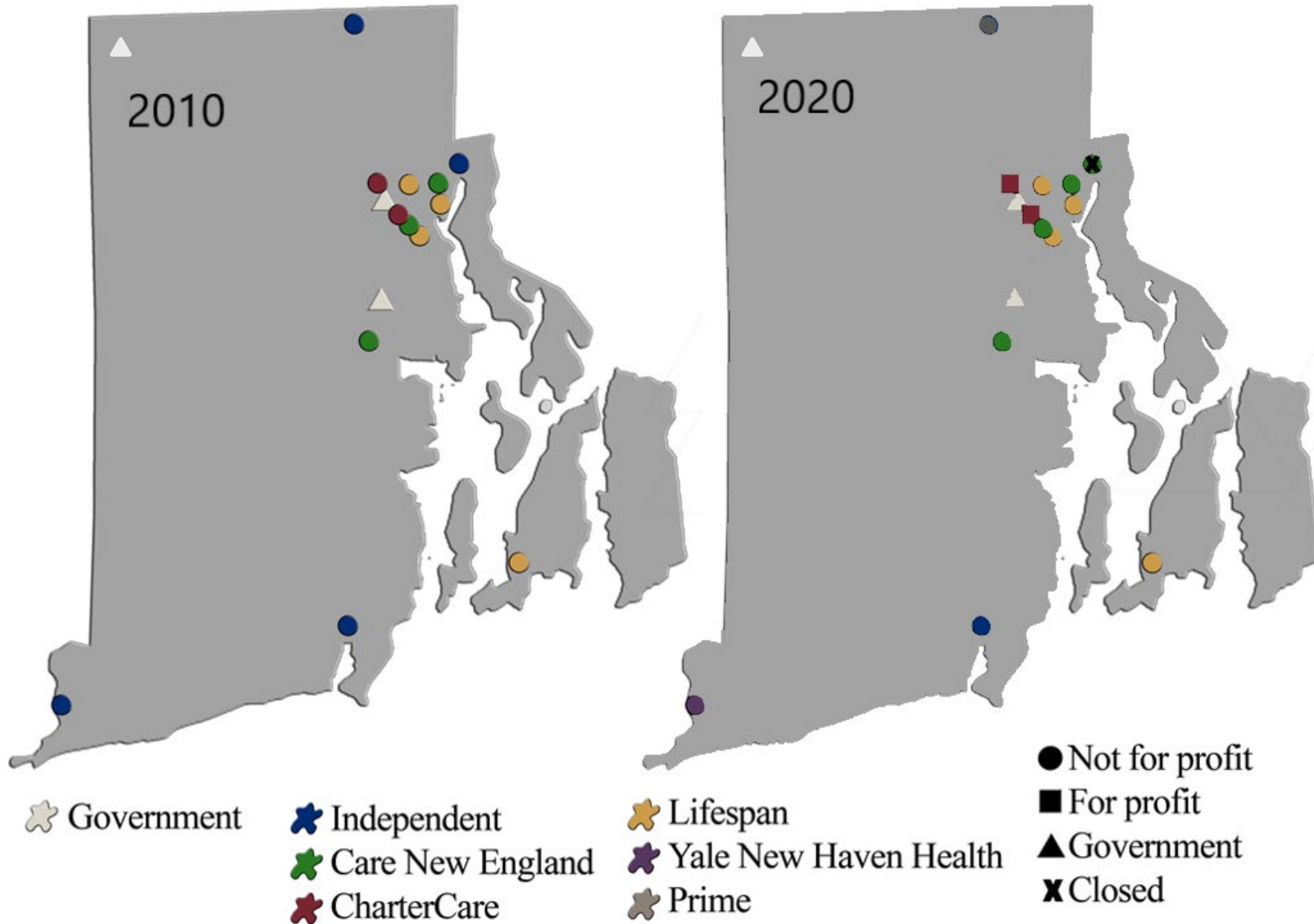
MAY 16, 2022

HOSPITALS IN RHODE ISLAND

System Affiliation	Acute Care Hospitals	Acute Care Specialty Hospitals	Number of Hospitals
Independent Hospitals	1		1
Multi-Hospital Systems	8	4	12
State	1		1
Federal	1		1
Statewide Total	11	4	15

Acute Care: a level of health care in which a patient is treated for a brief but severe episode of illness, for conditions that are the result of disease or trauma, and during recovery from surgery.

Specialty: a hospital that provides a limited range of services for specific medical conditions or patient populations such as women, children or psychiatric services



Care New England	Butler Hospital Kent Hospital Women & Infants
CharterCare	Roger Williams Medical Center Fatima Hospital
Lifespan	Bradley Hospital The Miriam Hospital Newport Hospital Rhode Island Hospital
Yale New Haven Health	Westerly Hospital
Prime Health	Landmark Medical Center Rehabilitation Hospital of RI
Independent	South County Hospital
State	Eleanor Slater Hospital
Federal	VA Medical Center

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In The Hospital

Hospital Name	System	Licensed Beds Total *	Licensed ED Beds	Behavioral Health Beds and Type
Butler Hospital	Care New England	143	5	143 Adult, Geriatric Adolescent and Detox level 3.7
Kent Hospital	Care New England	359	57	0
Women & Infants	Care New England	167 Adult 80 NICU	14	0
Fatima Hospital	CharterCARE	312	28	71 Adult, Geriatric and Long-term
Roger Williams Medical Center	CharterCARE	220	24	39 Adult, Geriatric and Detox level 4
South County Hospital	Independent	100	15	0
Bradley Hospital	Lifespan	70	0	70 Pediatric
Hasbro Children's Hospital div RIH	Lifespan	87	35	16 Pediatric
Newport Hospital	Lifespan	129	17	15 Adult
Rhode Island Hospital	Lifespan	632	99	56 Adult and Geriatric
The Miriam Hospital	Lifespan	247	61	0
Landmark medical Center	Prime	214	26	18 Adult and Geriatric
Westerly Hospital	Yale New Haven Health	125	15	18 Geriatric

ECONOMIC IMPACT OF HOSPITALS IN RHODE ISLAND



Economic Anchor

\$8.4 billion contributed to local economy



Support Job Growth in Healthcare & Beyond

63,173



Promoter of Local Economic Development

\$4.2 billion spent on local goods & services



Hospitals Empower Employees

\$2.5 billion Employee Wages & Benefits



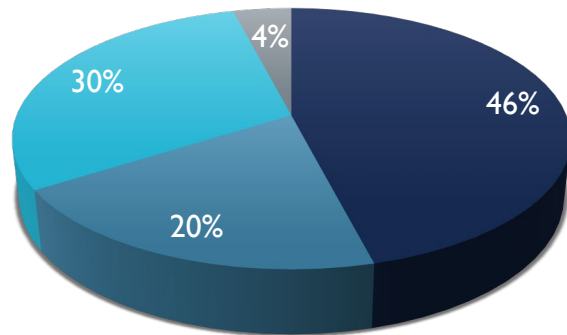
Source: 2019 Hospital Data Discharge

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2019 Aggregate Payor Mix Comparison

Rhode Island

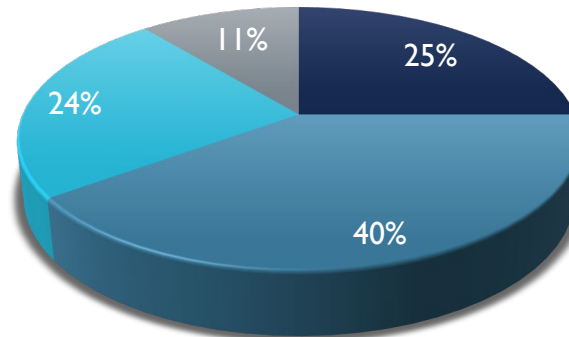
State Payor Mix



■ Commercial ■ Medicare
■ Medicaid ■ Uninsured

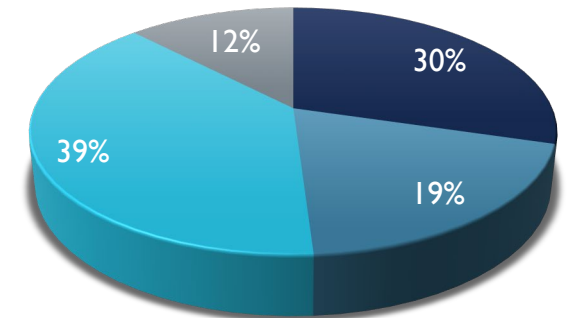
Hospitals*

Inpatient Payor Mix



■ Commercial ■ Medicare
■ Medicaid ■ Self/Charity

Outpatient Payor Mix



■ Commercial ■ Medicare ■ Medicaid ■ Self/Charity

*Source: 2019 Rhode Island Hospital Data Discharge

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Hospitals' Benefit to the Community

In tax year 2019, exempt hospitals spent on average 10% of their total annual expense on benefits to the community

- Hospitals in Rhode Island offer programs and activities to
 - Improve community and population health by addressing social determinants of health
 - Underwrite medical research and health professions education
 - Financially subsidize essential health services
- Provide financial assistance and absorb underpayments from means tested government programs
- Incur losses due to unreimbursed Medicare expenses

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Community Benefit Expenditure

- Part I on financial assistance and certain other community benefits
- Part II on community building activities
- Part III on Medicare shortfall

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Community Benefit

Community Health Needs Assessment (CHNA)

Section 9007 of the ACA revised the conditions that nonprofit hospitals must satisfy in order to qualify for federal tax-exempt status. In Rhode Island ALL hospitals including for-profit participate in the CHNA

The qualifying conditions include:

- A formal triennial CHNA process, whose purpose is to increase the relationship between the health needs experienced by communities and the community benefit investments made by nonprofit hospitals as a condition of tax exemption.

- The CHNA process consists of **two** distinct phases:
 - **Phase One** - a formal community health needs assessment
 - Include input from persons who represent the broad interests of the community and those with expertise in public health

 - **Phase Two** - an implementation strategy that
 - describes how the hospital is addressing the needs identified in each community health needs assessment
 - provide reasoning for needs not being addressed.



CARING FOR RHODE ISLAND BENEFITS TO THE COMMUNITY

Financial Assistance	\$ 190 million
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Other Community Benefits	\$ 240 million
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Health Professions Education	\$ 149 million
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Subsidized Health Services	\$ 65 million
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Other	\$ 26 million
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Medicare Shortfall	\$ 40 million
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Net Benefit to the Community:	\$ 470 million
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*Source: 2020 990 tax filing Schedule H

CARING FOR RHODE ISLAND PROVIDER TAX

Provider Tax/Hospital License Fee: a tax charged to hospitals at a percentage of net patient revenue

Current tax: \$180 million

State policy leverages a portion of the provider tax to fund federal Medicaid Supplemental Payments:

- Disproportionate Share Hospital Payments
- Upper Payment Limits

Remainder supports the state general fund

Current state net: \$99 million



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Benefit to the Community

990 Schedule H Net Benefit to the Community	\$ 470.0 million
Hospital Provider Tax 2022	\$ 180.0 million
Pilot Payments 2022	\$ 1.5 million
Community Benefit:	\$ 651.5 million



QUESTIONS?

