



St. Claire Regional Medical Center

 St. Claire Regional
Medical Center

 St. Claire Regional
OUTPATIENT CENTER

 Cave Run
Surgical Specialists
A member of St. Claire Regional Medical Center

 St. Claire Regional
Family Medicine

 St. Claire HomeCare
Home Health • Hospice • Home Medical Equipment



2009 Community Benefits Report



A Framework of Community Benefits

Community benefits programs are an integral part of a not-for-profit hospital's mission and vision. Community benefit activities focus on collaboration and improving the health and well-being of the community in ways that go above and beyond what would be expected of any hospital or medical care provider. Generally, community benefits respond to a community need and meet at least one of the following criteria:

- ◆ Generate a low or negative margin
- ◆ Respond to needs of special populations, such as the underinsured or uninsured, the elderly or minorities
- ◆ Involve education or research
- ◆ Supply services or programs that would likely be discontinued if the decision were made on a purely financial basis

St. Claire Regional uses community benefit guidelines and standard definitions adopted by the Catholic Health Association. This allows for equitable comparisons of community benefits among healthcare institutions. We track community benefits in the following categories:

- ◆ **Care for the Uninsured/Underinsured** — This includes traditional charity care costs and the unpaid costs of care to Medicaid recipients.
- ◆ **Community Health Services** — Including health education, community-based clinical services and health care support services.
- ◆ **Health Professions Education** — To assist students and the St. Claire Regional staff in honing their skills in order to provide better healthcare.
- ◆ **Subsidized Health Services** — These are patient care services that are provided despite a negative margin because they are needed in the community and they would otherwise not be available to meet patient need.
- ◆ **Research** — This could include clinical or community health research.
- ◆ **Donations/Contributions** — Both cash and in-kind.
- ◆ **Community-Building Activities** — Including economic development, coalition building and community health improvement advocacy.

Because of the tax exemption we receive, the Internal Revenue Service requires not-for-profit hospitals like St. Claire Regional to report on our community benefit activities.

St. Claire Regional provided nearly *\$24.7 million* in net community benefits during the Fiscal Year Ended June 30, 2009.



A Summary of Community Benefits

In recognizing the importance of community outreach in ensuring a high quality of life for the residents of Northeast Kentucky, SCR offered support in a variety of ways during the Fiscal Year ended June 30, 2009:

Benefits for the Medically Uninsured/Underinsured

\$6.9 Million

To help meet the medical needs of patients who have no healthcare coverage and cannot afford to pay for health services, SCR provided approximately \$4.6 million in charity care (at cost) last year. Further, SCR routinely treats patients who receive Medicaid benefits, and last year's reimbursement fell \$2.3 million short of the actual cost of care for Medicaid patients.

Benefits for the Broader Community

\$6.8 Million

Community Support and Partnerships

\$2,019,400

These benefits encompass activities and programs provided to improve our community's health, including health fairs and screenings, support groups for patients and families and partnerships to advocate the enhancement of community health, such as significant involvement in the development and construction of the Regional Center for Health, Education and Research.

Health Professions Education

\$2,793,900

The educational development and professional training of medical personnel is a key component in improving our community's health. Programs included in this category are physician and medical student training, nurse development and professional medical education, along with scholarship support for students pursuing health-careers degree programs.

Subsidized Health Services

\$1,855,200

These are patient care services that are provided despite a negative margin because they are needed in the community and they would otherwise not be available to meet patient need. These include some physician family medicine services, as well as home health. SCR's HomeCare staff travels approximately a million miles a year to care for patients in an eight-county area.

Donations

\$99,500

Cash donations and in-kind gifts that SCR made directly to programs, organizations and foundations serving our region.

Medicare Shortfall and Uncompensated Care *

\$11.0 Million

Last year's Medicare shortfall represented \$5 million of unpaid costs when federal reimbursement fell short of the actual cost of care. Uncompensated care, which totaled \$6 million, was the cost of SCR services to individuals who were unable or unwilling to pay and did not officially meet guidelines for traditional charity care.

Total Benefits to the Community

\$24.7 Million

* This category is recognized as a community benefit by the American Hospital Association, although it is not included as a community benefit under the Catholic Health Association's guidelines.

Significance of Community Benefits

St. Claire Regional's Mission is *to proclaim God's goodness through a healing ministry to the people of Eastern Kentucky*. We are invested in this community and region far beyond traditional health care. In the end, it is not only about saving lives through medical procedures, but perhaps through other means, such as community health fairs, support groups, informative radio programs, or some other community benefit initiative.

Beginning with the 2009 tax year, tax-exempt hospitals like SCR must demonstrate compliance with the Internal Revenue Service's community benefit standard by completing the IRS's revised Form 990 and new Schedule H. After receiving hundreds of comments from the hospital community and Congress, the IRS elected to include Medicare underpayment and uncompensated care on the revised community benefit reporting form.

"Hospitals are strongly committed to transparency and accountability. The improvements that IRS made to Schedule H will help communities throughout the nation better understand the incredible range of programs, services and activities that hospitals provide to those they serve every day," American Hospital Association President Rich Umbdenstock said.

Behind the significant financial numbers in this report are real people — perhaps even you — who are touched by SCR's staff, physicians and volunteers. Our programs and services provide health care and so many other benefits to the poor, the underserved and those who simply want to live healthier lives. SCR's community benefits initiatives are more than an attempt to meet a federal standard. They are an integral part of our efforts to fulfill our Mission.

If you have questions or comments about this report, please contact Tom Lewis, SCR director of development, at (606) 783-6511 or telewis@st-claire.org.



222 Medical Circle
Morehead, KY 40351

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