ABOUT AMERICA’S ESSENTIAL HOSPITALS

America’s Essential Hospitals is the leading champion for hospitals and health systems dedicated to high-quality care for all, including the vulnerable. We support our more than 300 members with advocacy, policy development, research, and education. Communities depend on essential hospitals to provide specialized, lifesaving services; train the health care workforce; advance public health and health equity; and coordinate care. Essential hospitals innovate and adapt to lead the way to more effective and efficient care.

ABOUT ESSENTIAL HOSPITALS INSTITUTE

Essential Hospitals Institute is the research and education arm of America’s Essential Hospitals. The Institute supports the nation’s essential hospitals as they provide high-quality, equitable, and affordable care to their communities. Working with members of America’s Essential Hospitals, we identify promising practices from the field, conduct research, disseminate innovative strategies, and help our members improve their organizational performance. We do all this with an eye toward improving individual and population health, especially for vulnerable people.

AUTHORS:

Dayna Clark, MPH
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COMMITTED TO UNDERSERVED COMMUNITIES

This year, America’s Essential Hospitals celebrates 40 years of service as the nation’s foremost champion for hospitals with a mission to care for the underserved while promoting health equity. Over these past four decades, the nation’s essential hospitals—our more than 300 members—have committed to excellence and advanced solutions to serve their communities.

As essential hospitals continue to face COVID-19 and the challenge of mass vaccinations, this annual report reminds us of their vital role in the nation’s health care safety net—a role that began long before the pandemic and that will continue long after. This profile of our members’ work and of the people and communities they serve shows the indispensable care they provide for all people, regardless of financial and social circumstances, and for communities at large.

Essential Data also illustrates the social and economic hardships that can negatively influence health and disproportionately affect the people and communities our members serve. Our members’ work extends beyond clinical care, reaching outside the hospital walls to fill four key roles:

- providing specialized, lifesaving services, such as level I trauma and neonatal intensive care, emergency psychiatric services, and burn treatment;
- training the next generation of health care professionals to ensure the community’s supply of doctors, nurses, and other caregivers meets demand;
- delivering comprehensive, coordinated care across large ambulatory networks to bring services to where patients live and work; and
- meeting public health needs by improving population health and preparing for and responding to natural disasters and other crises.

Our members provide these complex and often innovative services and training while operating on margins about a third that of other hospitals nationwide. They are responsible for a disproportionate share of the nation’s uncompensated care, and a large proportion of their patients are uninsured or covered by Medicaid or Medicare. But these financial challenges do not deter them—in fact, these limited resources drive essential hospitals to increasingly create cutting-edge programs to improve the health of their communities.

While the data in this report change year to year, the message remains the same: Our hospitals are essential to millions of people and their communities. Thank you for letting us share the story of the people and communities our hospitals serve and the vital services they provide.

BRUCE SIEGEL, MD, MPH
President and CEO
America’s Essential Hospitals
A researcher works in a lab at the University of Miami Miller School of Medicine, in Miami, Fla., where innovative research is conducted that translates into clinical interventions. (Courtesy of University of Miami)
This report offers a snapshot of America’s Essential Hospitals members. The report primarily features data collected through the association’s 2019 Annual Member Characteristics Survey, which was sent to 109 health systems representing 240 member hospitals, with responses from 74 systems representing 177 hospitals. The survey excluded hospitals that joined the membership after the survey’s launch. Essential Hospitals Institute, the research and education arm of the association, provided technical support and analysis of survey results. Additional data from the American Hospital Association’s 2019 Annual Survey of Hospitals, the Centers for Medicare & Medicaid Services’ fiscal year 2019 Hospital Cost Report, the Centers for Disease Control and Prevention WONDER database, America’s Essential Hospitals 2018 Essential Hospitals Population Health Survey, as well as data from the American Community Survey, U. S. Department of Housing and Urban Development, U. S. Department of Agriculture, and U.S. Bureau of Economic Analysis were used to support this report’s findings.

Note: Because some images in this document predate the onset of COVID-19 in the United States, they might not portray the use of personal protective equipment.
Through the Medical University of South Carolina’s school-based telehealth program, a physician or nurse practitioner examines students with the assistance of the school nurse to increase access to care. (Courtesy of Medical University of South Carolina)
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## ESSENTIAL COMMUNITIES

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ESSENTIAL HOSPITALS
The University of Vermont Medical Center’s Miller Building includes centralized care stations, giving staff a place to collaborate and do their work with a focus on patient-centered care. (Courtesy of University of Vermont Medical Center)
Essential hospitals focus on culturally appropriate care, making them the providers of choice for patients of virtually every ethnicity and language. Racial and ethnic minorities made up 51 percent of member discharges in 2019. Three-quarters of essential hospitals’ patients in 2019 were uninsured or covered by Medicaid or Medicare; nearly 15 percent were eligible for both Medicaid and Medicare. Just one in five inpatient discharges and one in four outpatient visits at essential hospitals that year were covered by commercial insurance.

In 2019, the American Hospital Association (AHA) estimates U.S. hospitals received nearly $75.8 billion less than the cost of the care they provided to Medicare and Medicaid beneficiaries.1 Our member hospitals face severe financial challenges due to the disparity between payments for commercially insured patients and those covered by public programs—or not covered at all. As a result, these hospitals cannot offset the losses from public program underpayments and charity care with commercial payments, which typically are closer to costs. Proposals that threaten Medicaid funding and policy changes in the private insurance market can compound this problem, threatening to increase uninsured rates and erode essential hospital support. A growing uninsured population paired with less support puts health care access at risk for patients across the country.

**FIGURE 1**

_Inpatient Discharges by Race and Ethnicity_
*Members of America’s Essential Hospitals, 2019*

**RACE**

- 57.5% WHITE
- 24.0% BLACK
- 13.3% OTHER
- 2.6% UNKNOWN
- 2.6% ASIAN

**ETHNICITY**

- 67.1% NON-HISPANIC
- 23.0% HISPANIC
- 9.8% UNKNOWN

*Note: Numbers might not add up to 100 percent due to rounding*
**FIGURE 2**

**Dual Eligibles**
*Members of America’s Essential Hospitals, 2019*

14.9%

Of discharges from essential hospitals are dually eligible

5.1%

Of outpatient visits are dually eligible

“We believe that every person that comes to see us deserves world-class care.”

**PAUL GORSKI, MPH**
Senior Director of Clinical Services, Integration and Operations Officer
UI Health

**FIGURE 3**

**Inpatient and Outpatient Utilization by Payer Mix**
*Members of America’s Essential Hospitals, 2019*

INPATIENT

- 3.9% Other
- 13.0% Medicare Managed Care
- 6.7% Self-Pay
- 23.0% Medicare Fee-For-Service
- 20.4% Commercial Insurance
- 21.0% Medicaid Managed Care
- 12.1% Medicaid Fee-For-Service

OUTPATIENT

- 7.4% Other
- 9.8% Medicare Managed Care
- 11.0% Self-Pay
- 19.0% Medicare Fee-For-Service
- 28.4% Commercial Insurance
- 18.5% Medicaid Managed Care
- 5.9% Medicaid Fee-For-Service

*Note: Numbers might not add up to 100 percent due to rounding*
COMMitted TO UNDERSERVED COMMUNITIES

Essential hospitals are the primary sources of both routine care and lifesaving services for underrepresented patients and underserved communities across the country. Many are the only facilities offering level I trauma care, burn units, and neonatal intensive care services in a given area. Our members make up the foundation of their communities because of this unique relationship with people and populations in need. To meet their mission of access for all people, including those facing severe financial challenges, essential hospitals provide high levels of uncompensated care. Many face financial challenges because they provide a disproportionate share of uncompensated care; in 2019, our members provided nearly $6.9 billion in uncompensated care—or nearly 16.5 percent of all uncompensated care provided at hospitals nationwide. Of this total, $6.7 billion represents care provided under formal charity care policies. Further, more than half of essential hospitals support a charitable foundation.

In 2019, members of America’s Essential Hospitals continued to operate with margins significantly lower than the rest of the hospital industry. Essential hospitals had an average aggregate margin of 2.9 percent—a third of the 8.8 percent margin for all hospitals nationwide. Without Medicaid disproportionate share hospital (DSH) payments, overall member margins would have sunk to a 1.5 percent loss.

FIGURE 4

Average Uncompensated Care
Members of America’s Essential Hospitals versus All Hospitals Nationwide, 2019

$56,192,189 ESSENTIAL HOSPITALS

$8,093,756 U.S. HOSPITALS

Share of National Uncompensated Care
Members of America’s Essential Hospitals, 2019

$6.9B = 16.5% IN UNCOMPENSATED CARE

$6.7B = 24.9% IN CHARITY CARE

OF ALL UNCOMPENSATED CARE NATIONWIDE

OF ALL CHARITY CARE NATIONWIDE
“As an essential hospital, to say we’re going to invest in an unconventional way to take care of trauma and conventional health issues, it’s a real nod to the … fighting passion to make things better with limited resources.”

SARAH HENDRICKSON, MEd
COMMUNITY TRAUMA INSTITUTE DIRECTOR
THE METROHEALTH SYSTEM

FIGURE 5
Bad Debt
Members of America’s Essential Hospitals, 2019

$255M = 12.8% IN MEDICARE BAD DEBT
OF ALL MEDICARE BAD DEBT

$1.3 MILLION AVERAGE MEDICARE BAD DEBT PER HOSPITAL COMPARED WITH $618,000 AT OTHER HOSPITALS

FIGURE 6
National Operating Margins
Members of America’s Essential Hospitals versus All Hospitals Nationwide, 2019
MEETING PATIENTS WHERE THEY ARE

Essential hospitals reach outside their walls and into the community, expanding access to care areas would otherwise lack. In 2019, members of America’s Essential Hospitals provided nonemergency outpatient care to 85 million patients and treated 14.6 million patients in their emergency departments. Our members have a median of 11 ambulatory care locations, half of which are off campus. On the inpatient side, they averaged more than 18,000 discharges per hospital—nearly three times more than the inpatient volume of other acute-care hospitals nationwide. About half our members participate in accountable care organizations (ACOs), agreeing to be accountable for the quality, cost, and overall care of beneficiaries assigned to them. The high rate of participation in this model shows essential hospitals’ strong commitment to coordinating care among providers to improve quality and lower costs.

The COVID-19 pandemic has revealed the value of telehealth services to improve care and expand access. Even before the pandemic, essential hospitals made significant investments in this technology, offering routine and specialized care via telehealth, remote patient monitoring after discharge, and remote chronic care management at rates about double that of other acute-care hospitals.

FIGURE 7

Beyond Their Walls
Members of America’s Essential Hospitals, 2019

ESSENTIAL HOSPITALS OPERATE A MEDIAN OF 11 AMBULATORY CARE LOCATIONS PER HOSPITAL

OUTPATIENT VISITS
on-campus versus off-campus visits

54.0% ON-CAMPUS
46.0% OFF-CAMPUS

AMBULATORY CARE LOCATIONS
on-campus versus off-campus visits

54.2% ON-CAMPUS
45.8% OFF-CAMPUS
We look forward to virtual medicine supporting close partnership between our patients and providers for years to come.

KELLY SUMMERS
SENIOR VICE PRESIDENT AND CHIEF INFORMATION OFFICER
VALLEYWISE HEALTH

FIGURE 8
Average Inpatient and Outpatient Utilization
Members of America’s Essential Hospitals versus Acute-Care Hospitals Nationwide, 2019

EMERGENCY DEPARTMENT VISITS PER HOSPITAL

NONEMERGENCY OUTPATIENT VISITS PER HOSPITAL

INPATIENT DISCHARGES PER HOSPITAL
Samantha Tam, MD, an otolaryngologist at Henry Ford Health System, in Detroit, conducts a telemedicine visit. Tam and her colleagues authored a study on how socioeconomic factors affect the way patient populations use technology for accessing health care. (Courtesy of Henry Ford Health System)
FIGURE 9
Availability of Consultation and Office Visits via Telehealth
Members of America’s Essential Hospitals versus Acute-Care Hospitals Nationwide, 2019

CONSULTATION AND OFFICE VISITS

<table>
<thead>
<tr>
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<th>America’s Essential Hospitals</th>
<th>Other Acute-Care Hospitals Nationwide</th>
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</thead>
<tbody>
<tr>
<td>Consultation and Office Visits</td>
<td>54.5%</td>
<td>36.5%</td>
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STROKE CARE

<table>
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<tr>
<th>Service</th>
<th>America’s Essential Hospitals</th>
<th>Other Acute-Care Hospitals Nationwide</th>
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<tbody>
<tr>
<td>Stroke Care</td>
<td>48.7%</td>
<td>33.6%</td>
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PSYCHIATRIC AND ADDICTION TREATMENT

<table>
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<th>Service</th>
<th>America’s Essential Hospitals</th>
<th>Other Acute-Care Hospitals Nationwide</th>
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<tbody>
<tr>
<td>eICU</td>
<td>36.1%</td>
<td>19.2%</td>
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REMOTE PATIENT MONITORING, POST-DISCHARGE

<table>
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<th>Service</th>
<th>America’s Essential Hospitals</th>
<th>Other Acute-Care Hospitals Nationwide</th>
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<tbody>
<tr>
<td>Remote Patient Monitoring, Post-Discharge</td>
<td>27.7%</td>
<td>10.7%</td>
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REMOTE PATIENT MONITORING, CHRONIC CARE MANAGEMENT

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<th>Other Acute-Care Hospitals Nationwide</th>
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<tbody>
<tr>
<td>Remote Patient Monitoring, Chronic Care Management</td>
<td>28.3%</td>
<td>15.4%</td>
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As a central tenant of their shared mission, essential hospitals are dedicated to training the next generation of health care professionals. About eight in 10 essential hospitals are teaching institutions.\(^2\) On average, essential hospitals trained nearly three times as many physicians as other U.S. teaching hospitals. Our members also trained 33 percent more physicians beyond their federal funding cap than other U.S. teaching hospitals.\(^3,4\) Further, nearly one in 10 allied health professionals trained in an acute care facility received their training at a member hospital.\(^5\) Allied health professionals—such as medical technologists, occupational and physical therapists, radiographers, and speech language pathologists—use evidence-based practices to diagnose and treat acute and chronic diseases; promote preventive medicine and wellness; and support health care systems in various setting.

**FIGURE 10**

**Number of Physicians Trained**  
*Members of America’s Essential Hospitals versus Other Acute-Care Hospitals, 2019*

- **81.6%** of members are teaching institutions as defined by the Accreditation Council for Graduate Medical Education\(^*\)
- **33.3%** of members are academic medical centers as defined by the Council of Teaching Hospitals and Health Systems\(^**\)

* (9.3% of all teaching institutions as defined by ACGME; 36.5% of nonmembers are teaching institutions as defined by ACGME)  
** (25.4% of all academic medical centers as defined by COTH; 4.5% of nonmembers are academic medical centers as defined by COTH)
FIGURE 11
Number of Physicians Trained Above Federal Funding Cap
Members of America’s Essential Hospitals versus Other Acute-Care Hospitals, 2019

Of the 240 physicians, 59 were trained beyond supported federal graduate medical education (GME) funding.

Other U.S. teaching hospitals trained less than one third of that number—17 were trained beyond supported federal GME funding.

Carolinas College of Health Sciences, part of association member Atrium Health, in Charlotte, N.C., offers nursing and allied health education to help prepare the next generation of health care practitioners. (Courtesy of Carolinas College of Health Sciences)
COVID-19 swept the nation in 2020 and changed the health care landscape, but essential hospitals have always faced a myriad of natural disasters and other crises on a regular basis. In 2019, our members were on the front lines responding to disasters across the country, from severe storms and flooding across much of the country to the mass shooting in El Paso and other emergencies. As community resources for highly specialized emergency and intensive care, communities rely on the trauma services essential hospitals provide, including burn, psychiatric, pediatric, and neonatal intensive care. Essential hospitals account for a third of the nation’s level I trauma centers, designed to care for every aspect of severe injury and lead trauma research and education. In addition, emergency psychiatric services are available at almost three-quarters of our members, compared with about a third of nonmembers that provide such care.²

FIGURE 12

Specialty Care Services
Members of America’s Essential Hospitals, 2019

- 39.5% of the nation’s burn care beds are operated by essential hospitals.
- 33.5% of the nation’s level I trauma centers are at essential hospitals.
- 25.4% of pediatric intensive care beds are at essential hospitals.

ESSENTIAL HOSPITALS OPERATE MORE THAN 5,800 PSYCHIATRIC CARE BEDS AND 3,300 NICU BEDS

100 PSYCHIATRIC CARE BEDS
100 NICU BEDS
Tufts Medical Center, in downtown Boston, operates a full service emergency department and level I adult and pediatric trauma centers, among other services. (Courtesy of Tufts Medical Center)

FIGURE 13
Hospitals Providing Emergency Psychiatric Services
Members of America’s Essential Hospitals versus Other Acute-Care Hospitals Nationwide, 2019

71.6%
38.3%

“With communities that have deep trauma connected to the medical system and deep trauma connected to life ... we have to be really careful to be trust builders.”

JANICE JOHN, MHS, MHCDS
MEDICAL DIRECTOR, RESPIRATORY CLINIC, CAMBRIDGE HEALTH ALLIANCE
MEETING SOCIAL NEEDS

In communities served by essential hospitals, an estimated 22.3 million individuals live below the federal poverty line, and more than 14.4 million are uninsured.\textsuperscript{5,6} Without our members’ commitment to these patients, many would have nowhere to turn for critical health care needs. Essential hospitals serve communities in which more than 370,000 individuals struggle with homelessness, predisposing them to worse health outcomes.\textsuperscript{7} To mitigate this social risk factor, many of our members offer medical respite or permanent housing assistance programs critical to improving the health of people experiencing homelessness. In addition, 9.9 million people in our members’ communities in 2019 had only limited access to healthy food; inadequate access to nutritious food is linked to poor physical and mental health outcomes.\textsuperscript{8} To combat food insecurity, essential hospitals often partner with community organizations to open food pantries, create community gardens, and develop meal delivery services.

FIGURE 14
Social Needs in Essential Communities
Members of America’s Essential Hospitals, 2019

370,000
OUR COMMUNITIES HAVE MORE THAN 370,000 HOMELESS INDIVIDUALS

9.9 MILLION
PEOPLE SERVED BY ESSENTIAL HOSPITALS HAVE LIMITED ACCESS TO HEALTHY FOOD

FIGURE 15
Economic Needs in Essential Communities
Members of America’s Essential Hospitals, 2019

22.3 MILLION
MORE THAN 22.3 MILLION INDIVIDUALS BELOW THE POVERTY LINE

14.4 MILLION
14.4 MILLION INDIVIDUALS WITHOUT HEALTH INSURANCE
“Particularly with social determinants of health ... I think essential hospitals are at the crossroads of work on those issues. They represent teaching hospitals, represent hospitals that have traditionally been engaged in the community, traditionally been working on social determinants of health, often with no support from other agencies and little support sometimes with the government.”

KIM HOLLON, MSHHA
PRESIDENT AND CEO
SIGNATURE HEALTHCARE BROCKTON HOSPITAL

Our hospitals’ patients are essential—to their family, friends, and community—regardless of their social or financial status. Many Americans have a relationship with our member hospitals from the very beginning of their lives—one in 10 U.S. residents are born at an essential hospital, and Medicaid covers more than half of live-birth deliveries at these hospitals. The populations essential hospitals serve face disproportionate challenges to healthy births.

Between 1999 and 2019, our member hospitals serve counties in which maternal mortality rates can reach 45 maternal deaths per 100,000 live births, compared with 16 deaths per 100,000 nationally, and infant mortality rates can reach 16 infant deaths per 1,000 live births, compared with 6.4 per 1,000 nationwide. To beat these staggering odds, essential hospitals invest in programs to mitigate social risk factors and help pregnant women, new mothers, and infants.

FIGURE 16
Births
Members of America’s Essential Hospitals, 2019

382,304
TOTAL BIRTHS AT ESSENTIAL HOSPITALS
BUILDING HEALTHY COMMUNITIES

Essential hospitals are anchors in their communities—central sources of care, jobs, and services. As such, they can influence patients’ social, economic, and environmental circumstances. These factors can account for up to half of what determines their health. Essential hospitals use their innovative population health programs to change the course of upstream factors, improving the overall health of a population. About 45 percent of our members have a formal relationship with a local health department—that is, a relationship in which state or local government operates or is closely affiliated with the hospital. Further, some essential hospitals are the health department in their community. An additional 52 percent of our members informally meet or share information with a health department through advisory committees, planning groups, or other mechanisms. Given their diverse patient populations, essential hospitals prioritize the collection of race, ethnicity, and language information during care delivery and use this data to reduce health disparities. Nine of 10 member hospitals offer linguistic services.² Patients at essential hospitals rely on the culturally and linguistically appropriate care that only our members can provide.

FIGURE 17
Relationships with Local Health Departments
Members of America’s Essential Hospitals, 2019

96.1%
OF MEMBERS HAVE A RELATIONSHIP WITH THEIR LOCAL HEALTH DEPARTMENT

FIGURE 18
Data Sharing for Population Health Improvement Purposes
Members of America’s Essential Hospitals, 2019

82.5%
OF MEMBER HOSPITALS SHARE DATA WITH PUBLIC HEALTH DEPARTMENTS FOR THE PURPOSE OF POPULATION HEALTH IMPROVEMENT
None of this will work without the coordination of the health care sector, particularly the safety net health care sector, and local public health departments, with the homeless services sector. Neither can act appropriately without the other.

MARGOT KUSHEL, MD
PROFESSOR OF MEDICINE AT UNIVERSITY OF CALIFORNIA SAN FRANCISCO, UCSF
Even as they struggle with financial challenges, essential hospitals continue to build up their local economies. Our member hospitals serve communities with higher rates of unemployment—6 percent on average—than nonmember hospitals. The average essential hospital employed 3,173 people in 2019. Together, our members accounted for 707,595 jobs nationwide and contributed to $124.7 billion in economic activity. On average, member hospitals report $564.4 million in yearly expenditures, stimulating nearly $1.2 billion in economic activity in their respective states.

**FIGURE 20**

Employment and Economic Impact
Members of America’s Essential Hospitals, 2019

<table>
<thead>
<tr>
<th>Total Employed by Essential Hospitals</th>
<th>707,595</th>
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<tbody>
<tr>
<td>Average Employed by Each Essential Hospital</td>
<td>3,173</td>
</tr>
<tr>
<td>Contribution to Total Jobs in State Economies</td>
<td>1,606,221</td>
</tr>
<tr>
<td>Average Contribution to Total Jobs in State Economies Per Hospital</td>
<td>7,203</td>
</tr>
<tr>
<td>Total Expenditures by Essential Hospitals</td>
<td>$124.7 Billion</td>
</tr>
<tr>
<td>Average Expenditures in State Economies Per Essential Hospital</td>
<td>$564.4 Million</td>
</tr>
</tbody>
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FIGURE 21
Investment in Local Community
Members of America’s Essential Hospitals, 2019

22.2%
OF MEMBERS REQUIRE THEIR INVESTMENT PORTFOLIOS TO TARGET THEIR LOCAL COMMUNITIES

61.1%
OF MEMBERS HAVE POLICIES TO INVEST IN LOCAL SUPPLY CHAIN PROCUREMENT

75.0%
OF MEMBERS HAVE POLICIES TO INVEST IN LOCAL HIRING AND WORKFORCE DEVELOPMENT

Newark Beth Israel Medical Center, in Newark, New Jersey, partners with local employers and other hospitals to promote local hiring and workforce development through job fairs, training initiatives, and other efforts. (Courtesy of Newark Beth Israel Medical Center)
Almost all of our members—97.6 percent—partner with other hospitals or health systems, or with an external federally qualified health center, community health center, or free clinic. In addition, nearly 86 percent partner with external behavioral health clinics, 70 percent have relationships with an external respite care facility, and more than half partner with retail clinics, such as CVS, Walgreens, and Rite Aid. In addition, nearly 70 percent of essential hospitals participate in a state initiative to mitigate social determinants of health, including health literacy and food insecurity, and promote healthy behaviors.

**FIGURE 22**

**Social Determinants**  
*Members of America’s Essential Hospitals, 2019*

- 69.3% of essential hospitals participate in a state initiative to address social determinants of health.
- 52.9% of essential hospitals address health literacy through state initiatives.
- 57.1% of essential hospitals mitigate food insecurity through state initiatives.
- 62.9% of essential hospitals promote healthy behaviors through state initiatives.
FIGURE 23
Relationships with External Partners
Members of America’s Essential Hospitals, 2019

EXTERNAL FEDERALLY QUALIFIED HEALTH CENTER, COMMUNITY HEALTH CENTER, OR FREE CLINIC

- 2.4% NONE
- 14.6% NETWORKING
- 9.8% COORDINATION
- 19.5% COOPERATION
- 53.7% COLLABORATION

EXTERNAL RESPITE CARE FACILITY

- 30.0% NONE
- 15.0% NETWORKING
- 30.0% COORDINATION
- 12.5% COLLABORATION
- 12.5% COOPERATION

RETAIL CLINICS (E.G. WALGREENS, CVS, RITE AID)

- 41.5% NONE
- 24.4% NETWORKING
- 12.2% COORDINATION
- 4.9% COOPERATION
- 17.1% COLLABORATION

EXTERNAL BEHAVIORAL HEALTH FACILITY

- 14.3% NONE
- 11.9% NETWORKING
- 16.7% COORDINATION
- 14.3% COOPERATION
- 42.9% COLLABORATION

OTHER HOSPITALS OR HEALTH SYSTEMS

- 2.4% NONE
- 21.4% NETWORKING
- 16.7% COORDINATION
- 33.3% COLLABORATION
- 26.2% COOPERATION
GLOSSARY

**Bad Debt**: Financial toll of services for which hospitals anticipated but did not receive payment.

**Charity Care**: The amount of care provided under hospital-defined policies to offer services at no cost to individuals who meet predetermined financial criteria and are unable to pay.

**Collaboration**: The exchange of information, altering of activities, sharing of resources, and enhancement of capacity of another organization for mutual benefit and to achieve a common purpose.

**Cooperation**: The exchange of information, altering of activities, and sharing of resources for mutual benefit and to achieve a common purpose.

**Coordination**: The exchange of information and altering of activities for mutual benefit and to achieve a common purpose.

**Disproportionate Share Hospital (DSH) Payments**: Payments made by Medicare or a state’s Medicaid Program to hospitals that serve a disproportionate share of low-income patients. These payments are in addition to the regular payments such hospitals receive for providing care to Medicare and Medicaid beneficiaries. Medicare DSH payments are based on a federal statutory qualifying formula and payment methodology. Medicaid DSH payments are based on certain minimum federal criteria, but qualifying formulas and payment methodologies are largely determined by states.

**Dual Eligibility**: Beneficiaries enrolled in both Medicare and Medicaid. Dually eligible individuals are enrolled in Medicare Part A (hospital insurance) or Part B (medical insurance), as well as full Medicaid benefits or Medicare Savings Programs administered by a state.

**Economic Impact**: The economic impact analysis measures the effect of essential hospital spending and employment on their local and state communities. Using Bureau of Economic Analysis economic multipliers, we measure how every dollar spent by an essential hospital and every employee results in additional spending and employment in local and state economies.

**Hospital Operating Margin**: A measure of the financial condition of a hospital. It is calculated as the difference between the total operating revenues and total expenses divided by total operating revenue.

**Medicaid**: A program jointly funded by the federal and state governments to provide health coverage to those who qualify on the basis of income and eligibility, e.g., low-income families with children, low-income elderly, and people with disabilities. Many states also extend coverage to groups that meet higher income limits or to certain medically needy populations. Through waivers, some states have expanded coverage even further. In 2010, the Affordable Care Act gave states the additional option to expand their Medicaid program to residents at or below 138 percent of the federal poverty level.

**Medicare**: A federal program that provides health coverage for individuals 65 and older, for certain disabled individuals younger than 65, and for people with end-stage renal disease. Medicare has four main components. Medicare Part A provides payments for inpatient hospital care, skilled nursing care, some home-health services, and hospice care. Medicare Part B provides payments for physician services, outpatient hospital care, and other medical services not covered by Part A. Medicare Part A and Part B together are known as “original Medicare.” Medicare Part C, also known as Medicare Advantage, is offered by private health care organizations. Medicare Advantage plans cover all services under Parts A and B and usually offer additional benefits. Medicare Part D provides payments for prescription drugs and is offered by private health care organizations. Medicare Part C plans often include coverage for Medicare Part D.

**Networking**: The exchange of information for mutual benefit.

**Outpatient Visits**: Can include emergency department visits, clinic visits, outpatient surgery, and ancillary visits, such as labs and radiology.

**Uncompensated Care Charges**: The sum of charity care charges and bad debt.

**Uncompensated Care Costs**: Losses on patient care. Uncompensated care costs are calculated by multiplying the uncompensated care charges by the cost-to-charge ratio.
ENDNOTES


4. Physicians is defined as U.S. medical and dental residents; Teaching hospitals are defined as having at least one resident in training.


FIGURE SOURCES.

**Figure 1:** America’s Essential Hospitals. *2019 America’s Essential Hospitals Characteristics Survey.* 2021.

**Figure 2:** America’s Essential Hospitals. *2019 America’s Essential Hospitals Characteristics Survey.* 2021.

**Figure 3:** America’s Essential Hospitals. *2019 America’s Essential Hospitals Characteristics Survey.* 2021.

**Figure 4:** American Hospital Association. *2019 AHA Annual Survey.* Health Forum LLC. 2020.


**Figure 5:** Centers for Medicare & Medicaid Services. *Healthcare Cost Report Information System, Hospital 2552-10 Cost Report Data Files FY2019.* 2021.

**Figure 6:** American Hospital Association. *2019 AHA Annual Survey.* Health Forum LLC. 2020.


**Figure 7:** America’s Essential Hospitals. *2019 America’s Essential Hospitals Characteristics Survey.* 2021.

**Figure 8:** American Hospital Association. *2019 AHA Annual Survey.* Health Forum LLC. 2020.


**Figure 9:** American Hospital Association. *2019 AHA Annual Survey.* Health Forum LLC. 2020.

**Figure 10:** American Hospital Association. *2019 AHA Annual Survey.* Health Forum LLC. 2020.


**Figure 11:** Centers for Medicare & Medicaid Services. *Healthcare Cost Report Information System, Hospital 2552-10 Cost Report Data Files FY2019.* 2020.

**Figure 12:** American Hospital Association. *2019 AHA Annual Survey.* Health Forum LLC. 2020.

**Figure 13:** American Hospital Association. *2019 AHA Annual Survey.* Health Forum LLC. 2020.


Limited access to healthy food was defined as low-income individuals who live more than one mile from a supermarket in urban areas and more than 10 miles in rural areas.

**Figure 15:** U.S. Census Bureau. *Poverty Status in the Past 12 Months. 2015-2019 American Community Survey 5-year Estimates.* 2020.


A community is defined using data from the 2018 CMS Hospital Service Area File as ZIP codes in which approximately 80 percent of a hospital’s Medicare cases reside.

**Figure 16:** American Hospital Association. *2019 AHA Annual Survey.* Health Forum LLC. 2020.

**Figure 17:** America’s Essential Hospitals. *2019 America’s Essential Hospitals Characteristics Survey.* 2021.

**Figure 18:** America’s Essential Hospitals. *2019 Essential Hospitals Population Health Survey.* 2019.

**Figure 19:** American Hospital Association. *2019 AHA Annual Survey.* Health Forum LLC. 2020.

**Figure 20:** 2018 BEA RIMS-II multipliers for hospitals, applied to 2019 American Hospital Association Annual Survey Data and 2019 Medicare Cost Report Data.

**Figure 21:** America’s Essential Hospitals. *2019 Essential Hospitals Population Health Survey.* 2019.
The radiology department at Tampa General Hospital, in Tampa, Fla., provides state-of-the-art imaging for a variety of conditions and interventional treatments that might be alternatives to more invasive surgeries. (Courtesy of Tampa General Hospital)