

# UNLOCKING THE POTENTIAL OF COMMUNITY BENEFIT:

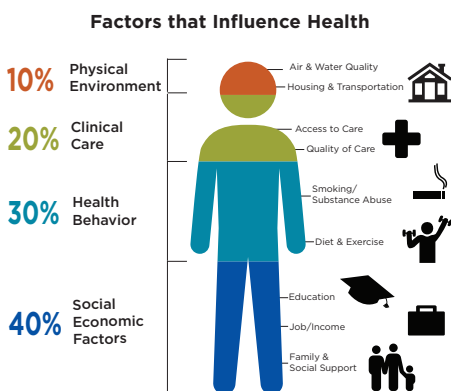
## BUILDING HEALTH IN THE CENTRAL VALLEY

### AUTHOR

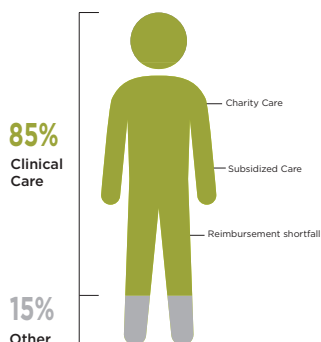
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### Health Factors and Community Benefit Funding



### Community Benefit Funding



### What is Community Benefit?

Nonprofit hospitals across California are exempted from paying billions of dollars in taxes annually. To earn this tax break, they are required to invest in the health and wellness of their communities, also known as “community benefit.” Greenlining’s research has found that we don’t know all that we should about how hospitals spend their community benefit dollars, but we do know that most funds go to charity care for low-income patients who are uninsured or underinsured.

As more people gain health coverage through the Affordable Care Act, the need for charity care will decrease. This will allow hospitals to redirect community benefit funds toward efforts that help people stay healthy, like accessible transportation, improved housing conditions, and a safe living environment. Nonprofit hospitals currently direct most community benefit spending toward clinical care, which has a limited impact on health.<sup>1</sup> We need to reform community benefit requirements so that hospitals can invest in “upstream” solutions that help people stay healthy.

### Who Provides Community Benefit?

The most prominent nonprofit hospital systems in the Central Valley include Kaiser Permanente, Dignity Health, and Adventist Health. These hospital systems operate on multi-billion dollar budgets<sup>2</sup>, and communities have the right to influence community benefit spending to better address health needs.

Greenlining analyzed the community benefit practices of the following hospitals

- Kaiser Permanente - Fresno
- Dignity Health Memorial Hospital (Bakersfield)
- Dignity Health Mercy Medical Center (Merced)
- Adventist Medical Center - Reedley
- Adventist Medical Center - Hanford
- Adventist Medical Center - Selma
- Adventist Health Central Valley General Hospital (Hanford)

# ASTHMA

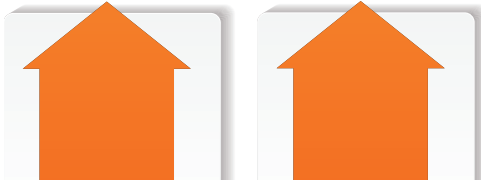
On average, Central Valley residents are 1.5 times more likely than other Californians to have asthma.  
47% of Fresno County's children suffer from asthma.

## Upstream Investment

Build affordable housing projects with adequate ventilation to improve the quality of indoor air.

## Upstream Investment

Increase programs to clean the air, including public transit and access to zero-emission vehicles.



Poor air quality and substandard conditions are most often the cause of asthma.



## Downstream Investment

Give charity care to uninsured patients with chronic asthma.

## Downstream Investment

Provide emergency treatment for people suffering from asthma attacks.

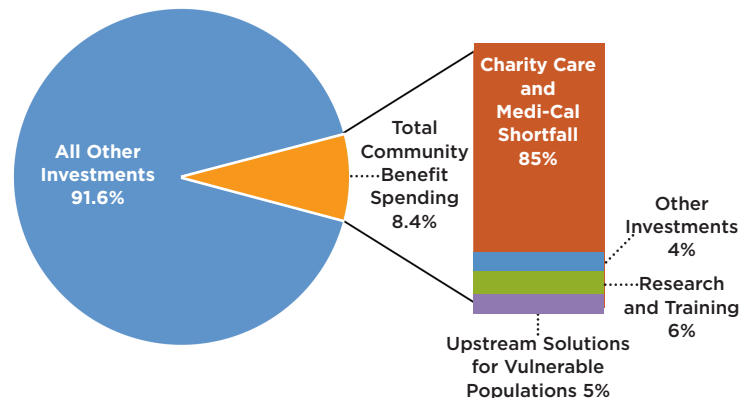
## Do Hospitals Address the Central Valley's Health Needs?

Nonprofit hospitals conduct a Community Health Needs Assessment every three years to determine the health concerns of the communities they serve, and develop a Community Benefit Plan. Unfortunately, this process has major gaps. For example, Valley residents are 1.5 times more likely than Californians overall to have asthma, a problem these plans should address.<sup>3</sup> But hospitals largely invest their community benefit in charity care and not in upstream solutions, missing a chance to address substandard housing, inadequate transportation, and other factors that contribute to asthma. We can only achieve better health for our communities when we confront the root causes of poor health, and smart community benefit investments can help to do that.

While nonprofit hospitals must produce a Community Benefit Plan providing a comprehensive overview of these efforts, there is no standardized metric to calculate community benefit spending, and our research found missing or incomplete data. However, using the available data, we found significant gaps in these hospitals' community benefit priorities:

- On average, each hospital invested only **8.4%** of their total operating budget towards community benefit, with just **0.42%** directed towards upstream solutions for vulnerable populations.
- Kaiser Permanente - Fresno and Adventist Medical Center - Reedley had missing or incomplete data, making it impossible to determine their community benefit spending. For this reason, these two hospitals were not included in these calculations.

## Central Valley Nonprofit Hospital Community Benefit Spending



## Call to Action

The Greenlining Institute seeks to reform community benefit policies in order to get the most from these resources and improve the health of low-income communities and communities of color throughout California.

- Hospitals should be required to disclose more accurate and complete data regarding their community benefit spending. Community members must demand this.
- Hospitals should improve their needs assessments to more effectively engage community members and groups in community benefit planning and implementation.
- Community members should work together to push our state legislature to require, and nonprofit hospitals to adopt, stronger, clearer transparency, accountability, and community engagement mandates.

<sup>1</sup>University of Wisconsin Population Health Institute (UWPHI). (2013). Our Approach. Retrieved from <http://www.countyhealthrankings.org/our-approach>

<sup>2</sup>Rausa, J., Fang, S., Saporta, C. (2013). Not-For-Profit Hospitals and Community Benefit: What We Don't Know Can Hurt Us. The Greenlining Institute. Retrieved from <http://greenlining.org/issues/2013/profit-hospitals-community-benefit-dont-know-can-hurt-us/>

<sup>3</sup>Rodriguez, M., Alexeeff, G., Ph.D. (2014). California Communities Environmental Health Screening Tool, Version 2.0. CalEnviroScreen 2.0 Office of Environmental Health Hazard Assessment. Retrieved from <http://www.oehha.ca.gov/ej/pdf/CES20Finalreport2014.pdf#106>

**The Greenlining Institute Bridges to Health Program** strives to improve the health of low-income communities and communities of color through targeted investments in structures that lead to good health — including access to health care, safe and clean neighborhoods, healthy foods and decent jobs.

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