

# PROFITEERING NONPROFIT HOSPITALS: CRISIS IN THE COMMUNITY HEALTH CARE SYSTEM

***Approximately 80% of America's hospitals call themselves nonprofit. However, many of these hospital systems and their hospitals are breaching their government-mandated obligation to provide charity care to the uninsured. These hospitals are hoarding billions of dollars while charging people who can't afford health insurance significantly more than people who can buy insurance, or Medicaid and Medicare patients.***

## **Some facts you should know about America's nonprofit hospitals...**

- Many nonprofit hospitals are intentionally failing to fulfill their government-mandated obligation to provide charitable care to the uninsured in exchange for tax-exemption;
- The uninsured are typically charged sticker prices for emergency healthcare -- 100% to 230% more than other patient group;
- Many of these hospitals pursue predatory and humiliating collection techniques, endangering the financial stability of uninsured patients recovering from serious illness or injury. In fact, medical bills are the most common reason for personal bankruptcy after unemployment.
- As a result of the enormous benefits of not paying taxes, these hospitals are retaining hundreds of millions of dollars in annual profit, often paying their "CEOs" million-dollar inflated salaries; investing huge sums into for-profit subsidiaries unrelated to the services of the hospital; and stashing large amounts of cash in offshore account havens commonly associated with tax avoidance schemes and secrecy.
- Many of these hospitals use "creative" accounting to grossly distort the small amount of charity care they provide, frequently, for example, classifying uncollected billings as both bad debt and charity care.
- Many hospitals' boards of trustees have interlocking conflicts of interest with their hospitals, profiting directly from the hospital and using the hospital to serve their personal best interests.
- The nonprofit hospital industry has become big business and, lacking clear cut oversight, is engaging in practices that violate their government mandated obligations, flout transparency with respect to disclosure, and raise issues of legality and corruption.
- The American Hospital Association (AHA) is a major conspirator in these schemes, providing coordination and advice to the hospitals on their practices and spearheading aggressive lobbying and public relations campaigns to disseminate misinformation about the true objectives and state of the hospitals.

## **Sample questions to ask your community hospital administrator...**

- How much more do you charge the uninsured than patients with HMOs, Medicare, Medicaid?
- What is your hospital's cost-to-charge ratio?
- Do you have any system in place to evaluate an uninsured patients' ability to pay before you send them a bill?
- What is your collections policy? Do you use collection agencies? How long do you wait before deploying them?
- Do you sue patients that can't afford to pay their bills?
- How much cash and marketable securities are sitting on the hospital's balance sheet? Why?
- Do you classify uncollected billing as both bad debt and charity care?
- Does the hospital have off-shore accounts? Why?
- Are there for-profit businesses and medical practices operating within the nonprofit hospital?
- How much is the nonprofit hospital CEO receiving in pay?  
Do you have any policies in place to ensure proper board governance?

## **Important resources for finding out if your community hospital is guilty of profiteering:**

- [www.nfplitigation.com](http://www.nfplitigation.com) --information about litigation against nonprofit hospitals
- [www.guidestar.com](http://www.guidestar.com) -- detailed financial analysis of nonprofit hospitals
- [www.hospitalmonitor.org](http://www.hospitalmonitor.org)

## **Attention Victims of Nonprofit Hospitals:**

Class action litigation has been filed by uninsured patients against hospitals and hospital systems failing to provide government-required charity healthcare. If you have been victimized by a hospital as an uninsured patient, you can call **1-662-281-1212** about becoming a member of the class.

## Class Action Lawsuits

***There are 46 class action lawsuits in 22 states filed by uninsured patients against hospital systems and hospitals around the nation attempting to oblige hospitals to fulfill their responsibility to provide charity care to the uninsured. They include:***

- Alabama:**      • Baptist Health Systems, Inc.
- Arizona:**     • Banner Health
- California:**   • Sutter Health
- Colorado:**    • Centura Health Corporation  
                    • Catholic Health Initiatives; Catholic Health Initiatives Colorado  
                    • PorterCare Adventist Health System
- Florida:**      • Lee Memorial Health Systems  
                    • Florida Hospital Healthcare System, Inc., d/b/a Florida Hospital and Adventist Health Systems  
                    • Baptist Hospital of Miami, Inc.; Baptist Health South Florida, Inc.  
                    • Orlando Regional Healthcare System, Inc.  
                    • Sacred Heart Health System, Ascension Health  
                    • Baptist Hospital
- Georgia:**      • The Medical College of Georgia  
                    • Phoebe Putney Health Systems, Inc.; Phoebe Putney Memorial Hospital, Inc.  
                    • Wellstar Health Systems, Inc.; Douglas Hospital, Inc.; Kennestone Hospital, Inc.; Cobb Hospital.  
                    • Medical Center of Central Georgia, Inc., Central Georgia Health Systems, Inc., Medcen  
                    Community Health Foundation, Inc.  
                    • Athens Regional Health Services Inc., Athens Regional Medical Center Inc.
- Illinois:**      • Resurrection Medical Center and Resurrection Health Care  
                    • Advocate Health Care Network and Advocate Health and Hospitals Corporation  
                    • Provena Health and Provena Hospitals  
                    • Protestant Memorial Medical Center  
                    • St. Elizabeth's Hospital Sisters of the Third Order of St. Francis
- Louisiana:**    • Ochsner Clinic Foundation  
                    • Christus Health, Christus Health Southwestern Louisiana, Christus St. Patrick Hospital
- Massachusetts** • Baystate Medical Center and Baystate Health System Inc.
- Michigan:**     • Trinity Health-Michigan, Inc. and Trinity Health Corporation  
                    • William Beaumont Hospital and Beaumont Properties
- Minnesota:**   • Fairview Health Systems  
                    • Allina Health System
- Mississippi:**   • St. Dominic Health Services, Inc., St. Dominic-Jackson Memorial Hospital  
                    • Mississippi Baptist Medical Center
- Missouri:**     • BJC Health System dba BJC Healthcare
- New Jersey:**   • Saint Barnabas
- New Mexico:**   • Presbyterian Healthcare Services
- New York:**     • New York Presbyterian Hospital System  
                    • Long Island Jewish Medical Center, North Shore University Hospital in Manhasset, North  
                    Shore-Long Island Jewish Health System
- Ohio:**         • Catholic Healthcare Partners, Community Health Partners, Community Health Partners Hospital  
                    and Surgical Center  
                    • Cleveland Clinic Foundation (CCF), Cleveland Clinic Health System  
                    • Promedica Health System
- Pennsylvania:** • Albert Einstein Medical Center, Albert Einstein Healthcare Network, Jefferson Health System  
                    • The Hospital of the University of Pennsylvania  
                    • Children's Hospital of Philadelphia
- Oklahoma:**    • Integris Health Systems, Inc.
- Tennessee:**   • St. Thomas Hospital, Inc.
- Texas:**         • Baylor Health Care System, Baylor University Medical Center;  
                    • East Texas Medical Center Regional Healthcare System East Texas Medical Center  
                    Jacksonville, East Texas Medical Center
- Virginia:**     • Inova Health Care Services, Inova Health Care Foundation