

Not-for-Profit Hospitals Provide More Services to Patients and Communities, Data Show

In recent months, questions have been raised, particularly by Federal policymakers, about the differences between services provided by not-for-profit hospitals and their for-profit counterparts. Most recently, on May 26, 2005, the U.S. House Ways and Means Committee held a hearing to explore this issue. In this issue of *In-Depth*, we present data showing that not-for-profit hospitals are much more likely to provide services that benefit patients, families, and their communities—known as “mission-based services”—but that are often performed at a financial loss to the institution. For every category of mission-based services, a higher share of not-for-profit hospitals consistently provide those services compared with for-profit hospitals.

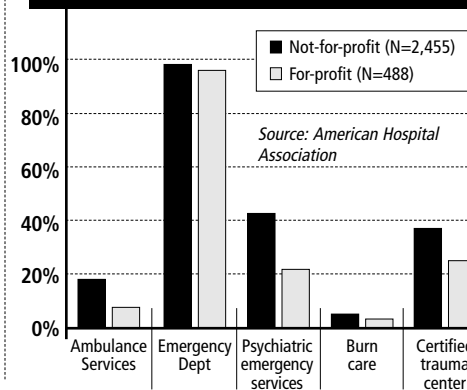
Hospitals provide a variety of services that can be classified as mission-based. These services are provided for the benefit of patients, families, and communities, but often at a financial loss to the hospital. The American Hospital Association (AHA) surveys hospitals annually regarding a number of characteristics, including whether they provide a host of mission-based and other services. The Health Economics and Outcomes Research Institute (THEORI) at GNYHA classified these services into the categories presented in Table 1.

A higher share of not-for-profit hospitals than for-profit hospitals provided each individual mission-based service, although the disparity varied widely among the services. Furthermore, not-for-profit hospitals pro-

vided a much wider range of mission-based services than for-profit hospitals.

Emergency and Trauma Care: Figure 1 pro-

FIGURE 1. PERCENT OF PRIVATE NOT-FOR-PROFIT AND FOR-PROFIT HOSPITALS PROVIDING EMERGENCY AND TRAUMA CARE, BY SERVICE TYPE, 2003



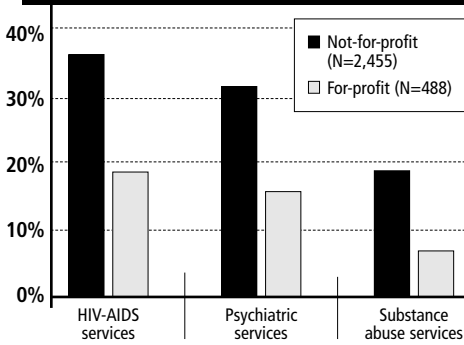
vides the percentage of hospitals that provided emergency and trauma care in 2003. In the aggregate, 40% of not-for-profit hospitals provided emergency and trauma care, which is 30% higher than the percentage (31%) of for-profit hospitals that provided these services. Among emergency services only, the not-for-profit share was 26% higher than the for-profit share (53% versus 42%), while among trauma services, the not-for-profit share was 49% higher (21% versus 14%). Individual services with the greatest disparities in delivery between not-for-profit and for-profit hospitals were ambulance services (18% versus 8%, respectively) and psychiatric emergency services (43% versus 22%, respectively).

continues on reverse

TABLE 1. MISSION-BASED SERVICE CATEGORIES AND COMPONENTS

CATEGORY	SERVICE
<i>Emergency & Trauma Care</i>	
Emergency	Ambulance services, emergency department, psychiatric emergency services
Trauma	Burn care, certified trauma center
<i>Programs for Special Populations</i>	
HIV/AIDS	HIV/AIDS services
Psychiatric	Psychiatric care, psychiatric child/adolescent services, psychiatric education services, psychiatric geriatric services, psychiatric outpatient services, psychiatric partial hospitalization program
Substance Abuse	Alcohol/drug abuse or dependency inpatient care, alcohol/drug abuse or dependency outpatient services
<i>Special Programs for Patients, Families, and Communities</i>	
Patient support services	Chaplaincy/pastoral care services, enrollment assistance program, linguistic/translation services, patient representative services, psychiatric consultation/liaison services, social work services
Family support services	Adult day care program, Alzheimer Center, crisis prevention, enabling services, geriatric services, Meals on Wheels, support groups
Community support services	Community outreach, health fair, health information center, patient education center, breast cancer screening/mammograms, child wellness program, health screenings, nutrition programs

FIGURE 2. PERCENT OF PRIVATE NOT-FOR-PROFIT AND FOR-PROFIT HOSPITALS PROVIDING PROGRAMS FOR SPECIAL POPULATIONS, BY SERVICE TYPE, 2003



Source: American Hospital Association.

Special Populations: Figure 2 shows the percentage of hospitals that provided programs for special populations in 2003. The special populations were patients with HIV/AIDS, psychiatric illnesses, or addictions. In the aggregate, 29% of not-for-profit hospitals provided those services, which is 104% higher than the percentage (14%) of for-profit hospitals that provided them. Among HIV/AIDS services, the not-for-profit share was 87% higher than the for-profit share (36% versus 19%, respectively). Among psychiatric services, the not-for-profit share was 98% higher (31% versus 16%, respectively). Finally, among addiction (substance abuse) services, the not-for-profit share was 169% higher (19% versus 7%, respectively). Individual services with the greatest disparities were psychiatric services for children and adolescents (22% versus 5%), psychiatric outpatient services (33% versus 10%), and alcoholism/substance abuse outpatient services (23% versus 7%).

Patients, Families, and Communities: Figure 3 shows the percentage of hospitals that provided special programs for patients, families, and communities in 2003. Patient support services include pastoral care, assistance in applying for public insurance coverage, interpreter and translation services, patient representative services, and social work services. Family support services include adult day care, Alzheimer care, crisis prevention, transportation (“enabling”), and geriatric services, along with “meals on wheels” and support

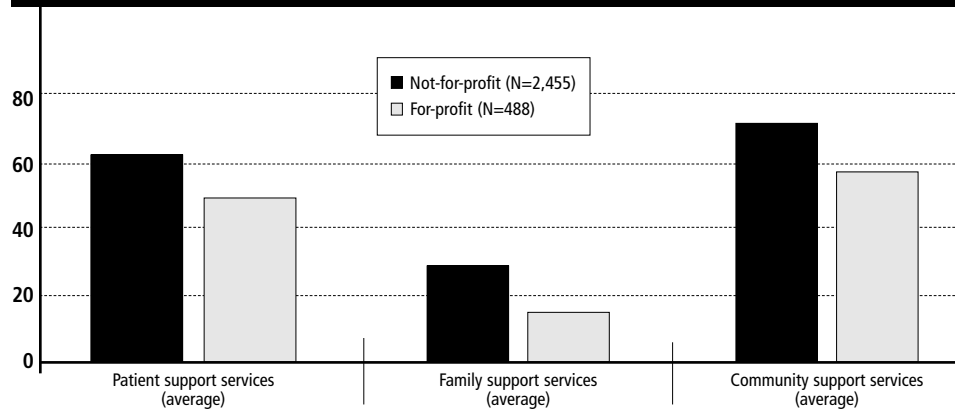
groups. Community support programs include education, outreach, and screening programs.

In the aggregate, 55% of not-for-profit hospitals provided those services, which is 31% higher than the percentage (42%) of for-profit hospitals that provided them. Among patient support services, the not-for-profit share (64%) was 27% higher than the for-profit share (50%). Among family support services, the not-for-profit share was 76% higher (30% versus 17%, respectively). Among community support services, the not-for-profit share was 23% higher (72% versus 58%, respectively).

Depth of Mission-based Service Delivery:

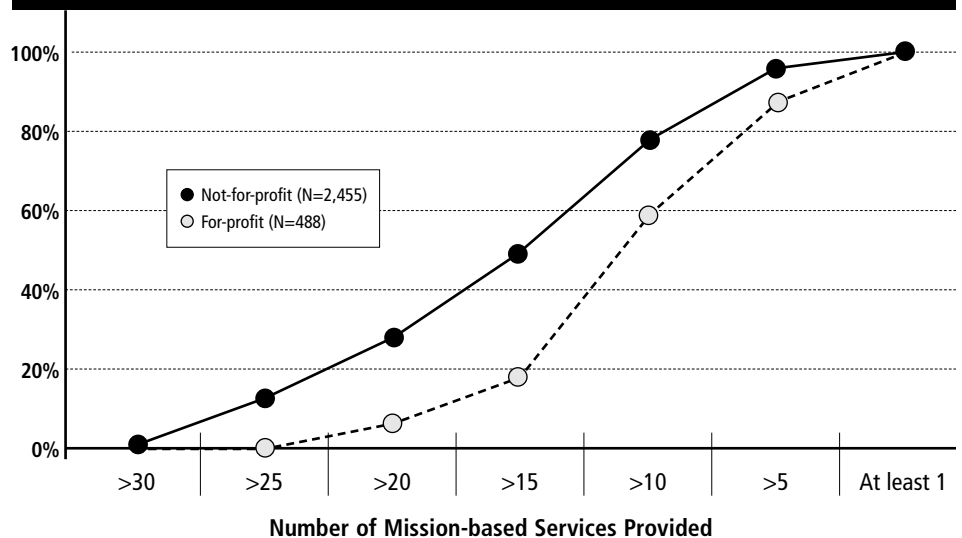
Figure 4 compares the depth of mission-based services provided by not-for-profit and for-profit hospitals. A much higher proportion of not-for-profit hospitals provide a wide range of services than do for-profit hospitals. The AHA survey queries hospitals about 35 different mission-based services. Half of all not-for-profit hospitals provide more than 15 such services, compared with 19% of for-profit hospitals. Furthermore, 28% of not-for-profit hospitals provide more than 20 services and 13% of not-for-profit hospitals provide more than 25 services, compared with 7% and 2% of for-profit hospitals, respectively. ■

FIGURE 3. PERCENT OF PRIVATE NOT-FOR-PROFIT AND FOR-PROFIT HOSPITALS PROVIDING SPECIAL PROGRAMS FOR PATIENTS, FAMILIES, AND COMMUNITIES, 2003



Source: American Hospital Association.

FIGURE 4. DEPTH OF MISSION-BASED SERVICES PROVIDED AT NOT-FOR-PROFIT AND FOR-PROFIT HOSPITALS, 2003



Source: American Hospital Association.