NEW YORK STATE | Department of Health

Community Benefit Report

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Community Benefit Program Overview

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COMMUNITY BENEFIT PROGRAM OVERVIEW - BACKGROUND

What is Community Benefit?

Hospital supported activities and spending intended to improve community health.

"…activities or programs, subsidized by the health care organization, carried out or supported for the express purpose of improving community health. Such services do not generate inpatient or outpatient revenue, although there may be a nominal patient fee or sliding scale fee for these services."

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COMMUNITY BENEFIT PROGRAM OVERVIEW - BACKGROUND

Why Community Benefit Matters

- Hospital community programming can improve individual and community wellbeing
- Hospitals reported investing significant resources beyond direct patient care, and community benefit reporting recognizes those investments
- Those investments can address local health needs and disparities
- Reporting helps show where resources are going and whether they align with community priorities

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COMMUNITY BENEFIT PROGRAM OVERVIEW - BACKGROUND

New York's Community Benefit Reporting Law:

WHEN:

Effective October 1, 2025

WHAT:

New York State Public Health Law Section 2805-a requires nonprofit and public hospitals to report community benefit spending and activities to the Department of Health

WHY:

- Improve transparency
- Understand how hospital resources support communities
- Look for patterns across hospitals and categories

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COMMUNITY BENEFIT PROGRAM OVERVIEW - BACKGROUND

Who Has What Role?

Hospitals	• Track and report community benefit activity and spending • Submit required information annually
New York State Department of Health	• Collects and compiles hospital data • Develops reporting tools and guidance • Publishes statewide reporting
Other State Partners / Stakeholders	• May use the information to understand trends, community needs, and policy implications

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COMMUNITY BENEFIT PROGRAM OVERVIEW - BACKGROUND

What Information Does New York Collect?
What Counts as Community Benefit Reporting*?

- Financial assistance
- Unreimbursed Medicaid / other means-tested programs
- Community health improvement services
- Health professions education
- Subsidized health services
- Research
- Cash and in-kind contributions
- Community building activities

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* This is a non-exhaustive list.

WHAT COUNTS AS COMMUNITY BENEFIT — THE CATEGORIES IN THIS SECTION

Reimbursement gaps — care that wasn't fully paid for:

- **Financial assistance at cost:** free or discounted care for patients who qualify and can't pay for all or part of their care.
- **Unreimbursed Medicaid:** care for Medicaid patients where Medicaid paid less than the care cost.
- **Unreimbursed costs from other means-tested programs:** the same gap for children's health insurance and other government programs where eligibility depends on income.
- **Subsidized health services:** services the hospital keeps running at a loss because the community needs them.

Programs:

- **Community health improvement services and operations:** activities that improve community health, plus the work of running community benefit programs.
- **Health professions education:** training for medical students, residents, nurses, and other health workers.
- **Research:** studies that create knowledge shared with the public.
- **Cash and in-kind contributions:** money, goods, or services donated to community groups for community benefit.

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COMMUNITY BENEFITS PROGRAM OVERVIEW - BACKGROUND

How Does Reporting Work?

Nonprofit hospitals	Submit most recent IRS form 990, Schedule H through Survey Management and Response Tool (SMART)
Public Hospitals	Complete NYS SMART reporting questions
New York State Department of Health	Compiles and analyzes submissions & publishes statewide annual reporting

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What Are We Learning from the Reporting Cycle?

- Community benefit investments extend well beyond financial assistance and include a wide range of healthcare and public health activities
- Reported expenses and activities vary substantially across hospitals and regions
- Measures such as **persons served, programs offered, and net expense** provide important context beyond total spending alone
- Statewide reporting establishes a baseline for identifying trends and strengthening reporting consistency over time

Community Benefit Program Overview - Background

Annual Community Benefit Reporting Timeline:

Throughout the year: Hospitals track community benefit activities and expenses

July 1: Annual hospital reporting due to New York State Department of Health

July-September: New York State Department of Health compiles and analyzes reported data

Each Fall: Statewide Community Benefit Report published

2026 marks New York's first statewide reporting cycle under the new Community Benefit reporting requirement

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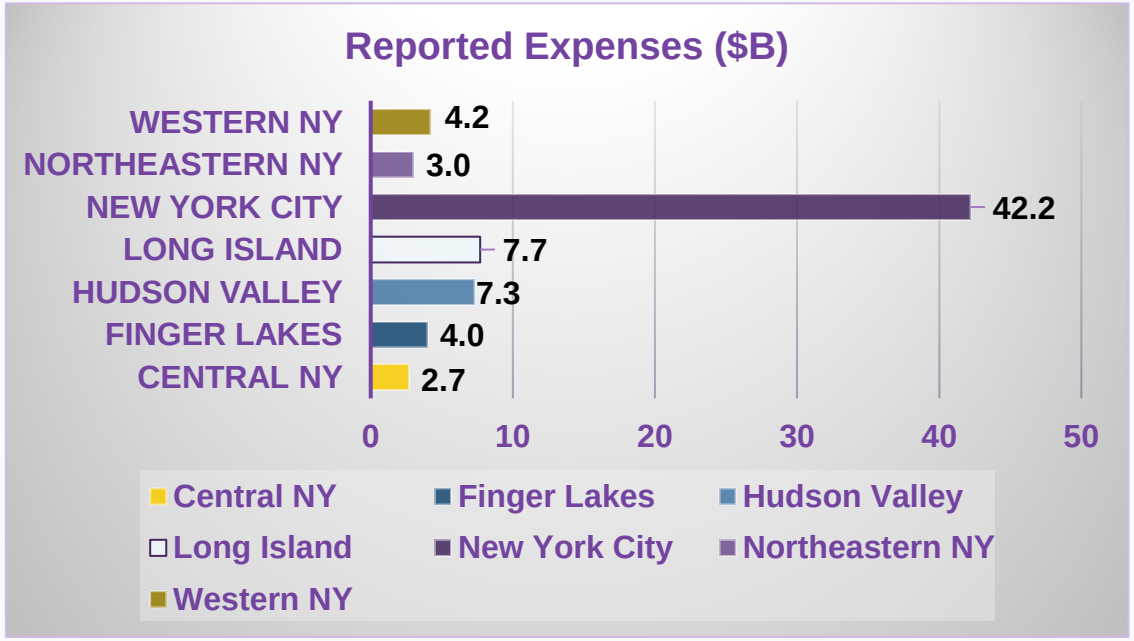
COMMUNITY BENEFIT PROGRAM OVERVIEW – KEY FINDINGS

Statewide, Hospitals Reported $71.2 Billion in Community Benefit Expenses

$71.2B

Total Community benefit expenses reported statewide

New York City hospitals reported $42.2B of the total; the other regions reported approximately $29.0B combined. New York City also accounts for most of the state's population, hospital beds, and hospital spending.



$582K-$7.02B

Hospital-level reporting spans a wide range, reflecting major differences in hospital scale and activity.

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COMMUNITY BENEFIT PROGRAM OVERVIEW – KEY FINDINGS

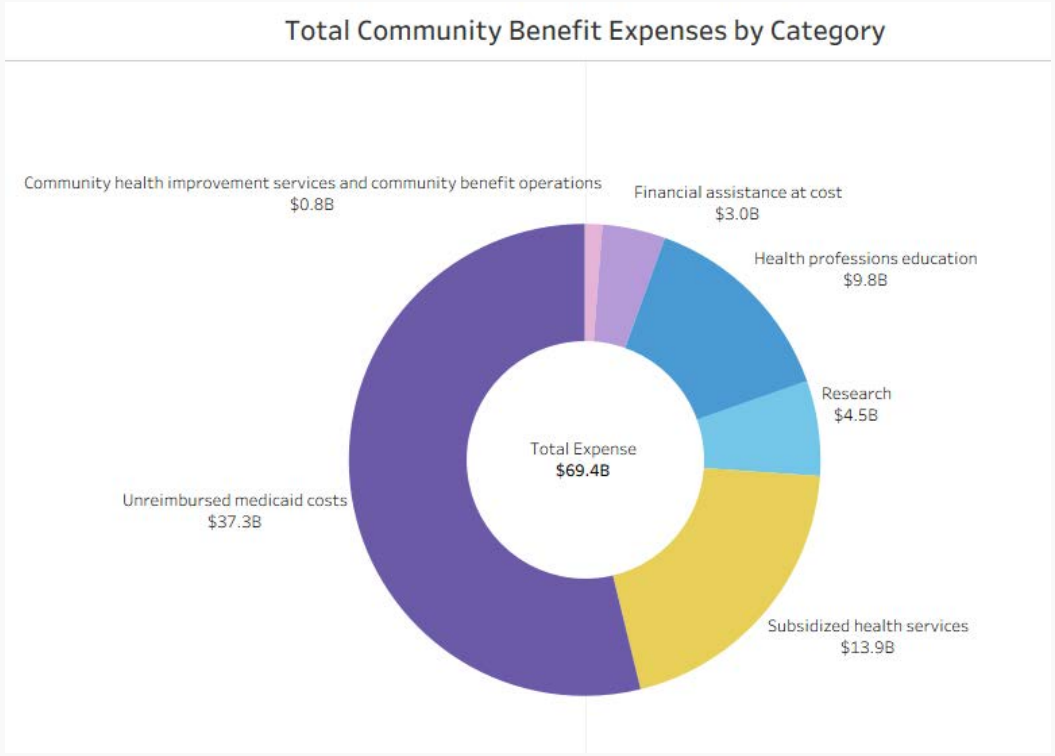
Community Benefit Spending and Unreimbursed Costs
The Largest Reported Categories Reflect Coverage Gaps and Core Capacity

$3.0B – Financial assistance
Total Reported expense for free or discounted care provided to eligible patients.

$11.0B – Unreimbursed Medicaid Costs
Net expense remaining after direct Medicaid reimbursement.

$4.8B – Subsidized health services – Net expense
Expense remaining after direct offsetting revenue, compared with $13.9B in total expense

Regional Summary
The average hospital-reported share of total expenses devoted to subsidized health services was highest in the Finger Lakes (6.5%), followed by the Hudson Valley (5.2%), providing a size adjusted view of this category across regions.



The chart above shows total expenses before direct offsetting revenue; net expenses deduct this revenue. Regional percentages are unweighted hospital averages. All data are hospital-reported.

Note: Some figures require context. New York City's ~$209M for other means-tested programs reflects the net-expense calculation when offsetting revenue was reported without corresponding expenses; it does not necessarily represent a financial gain. The Department is working with hospitals to strengthen consistency in future reporting.

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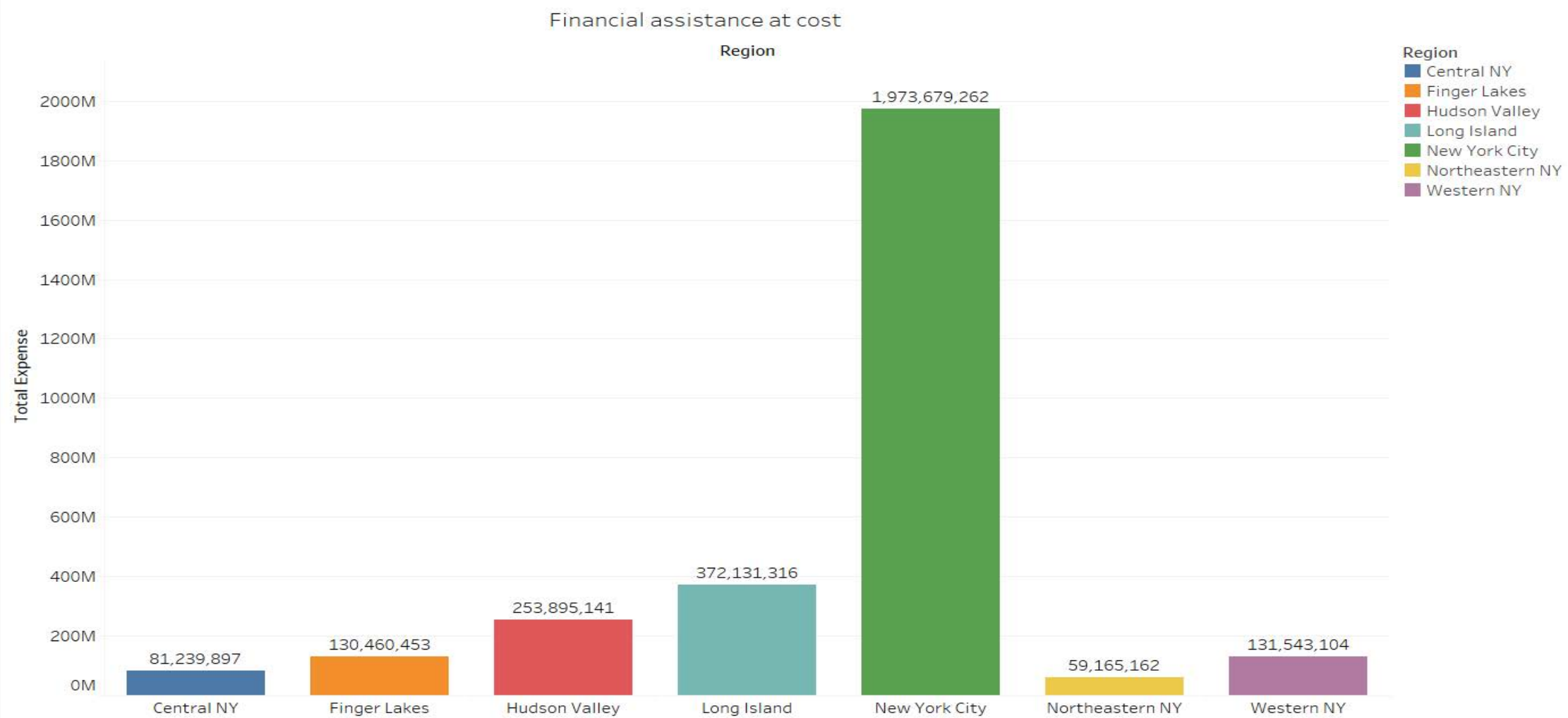
FINANCIAL ASSISTANCE AT COST*



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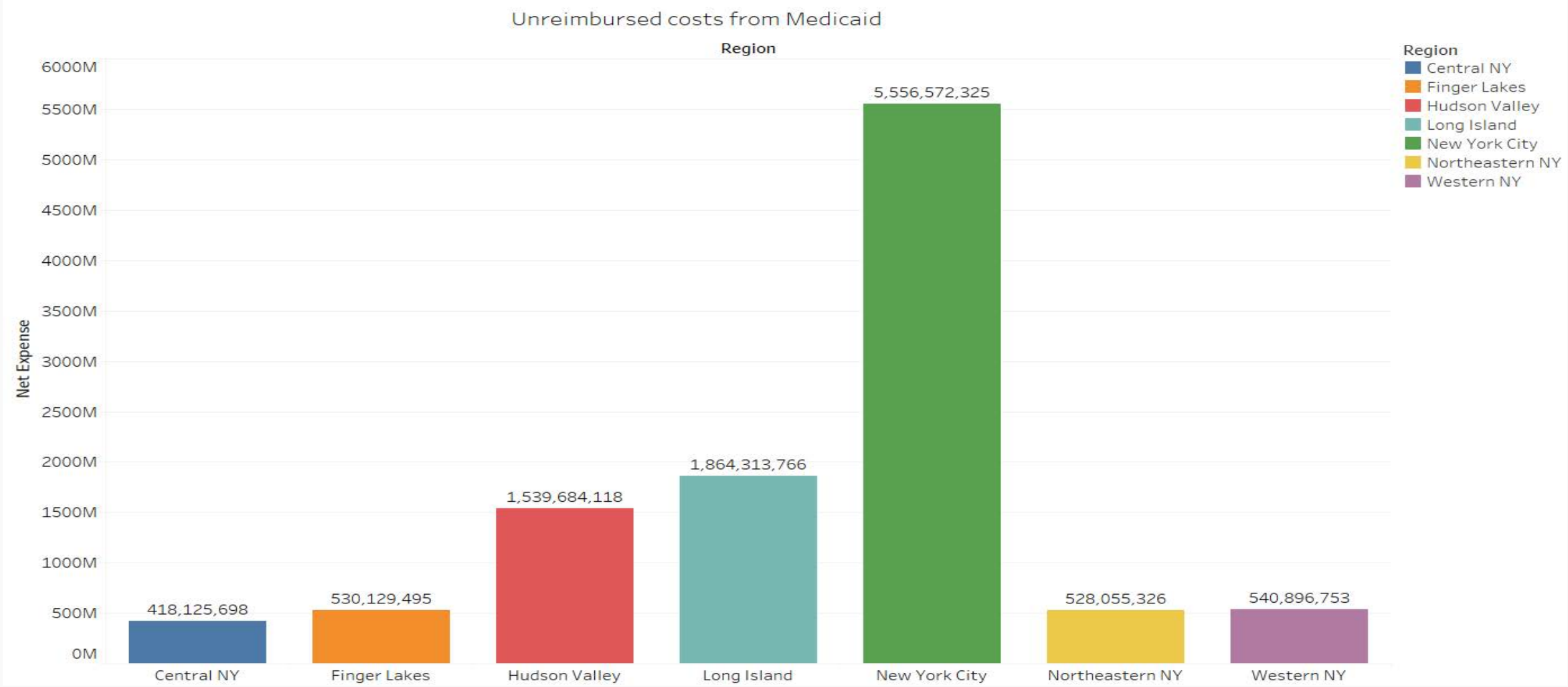
* Includes free or discounted services for those who cannot afford to pay and meet the hospital's financial assistance criteria.

UNREIMBURSED COSTS FROM MEDICAID



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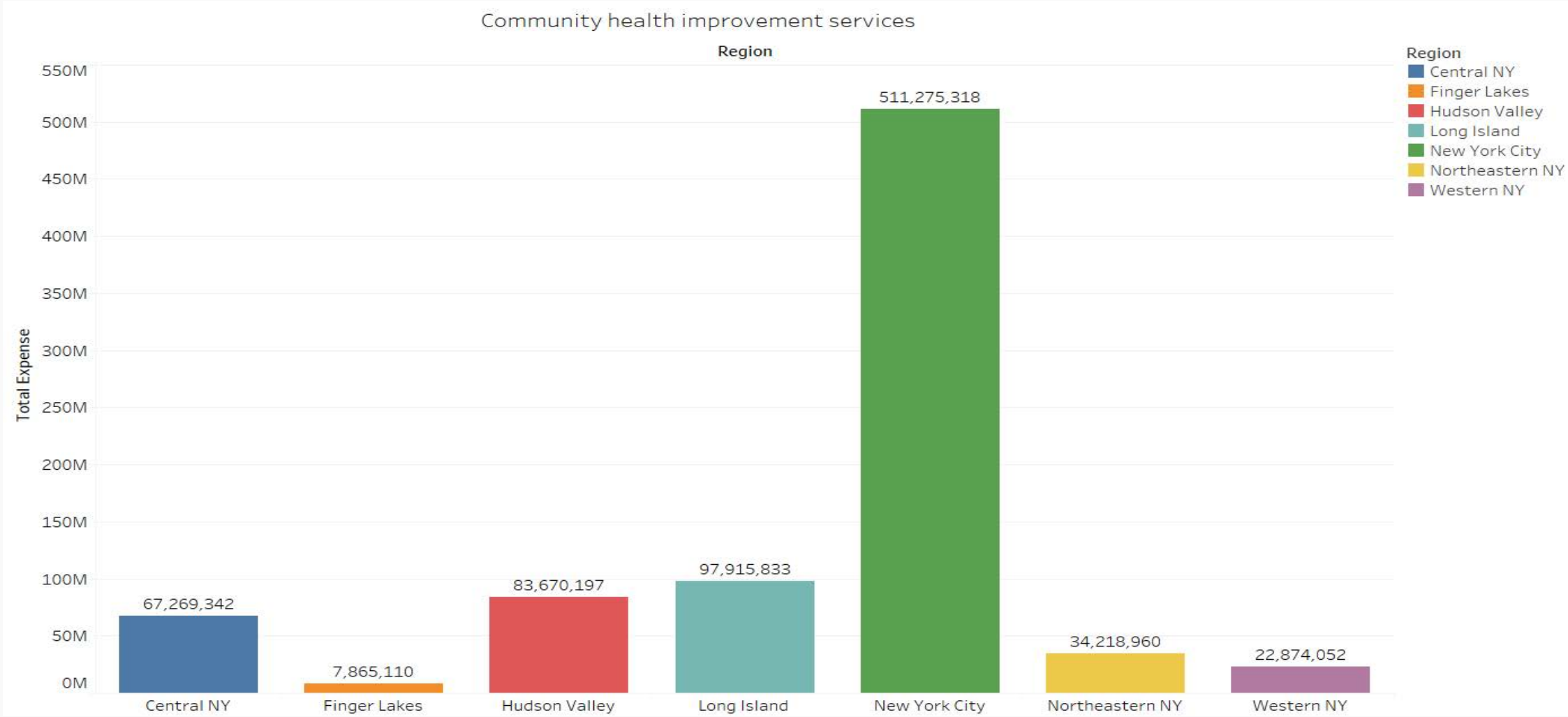
COMMUNITY HEALTH IMPROVEMENT SERVICES AND COMMUNITY BENEFIT OPERATIONS*



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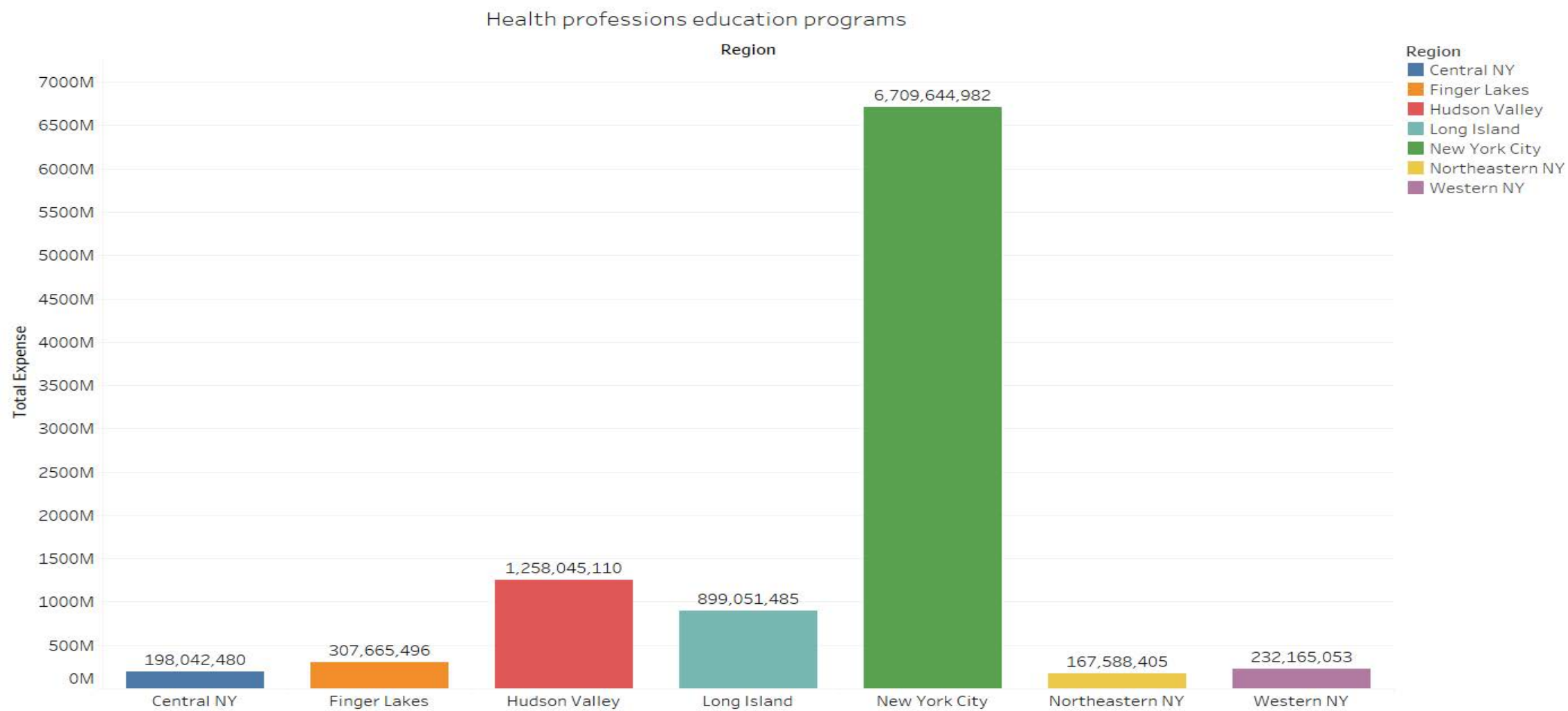
* Includes costs associated with planning or operating community benefit programs, but it does not include activities or programs if they are provided primarily for marketing purposes or if they are more beneficial to the hospital than to the community.

HEALTH PROFESSIONS EDUCATION PROGRAMS*



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* Results in a degree or certificate, or training necessary for residents or interns to be certified



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