

Health Talk Q&A with NJHA President & CEO Cathy Bennett

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New Jersey Hospitals' Essential Role in Their Local Communities

New Jersey is home to 70 acute care hospitals. They're recognized nationally for the high-quality care they provide, and they rank among the state's largest employers delivering jobs and wages. But what may not be as obvious are the many ways that New Jersey hospitals work at the local level to support health and wellness. NJ Advance Media spoke with Cathy Bennett, president and CEO of the New Jersey Hospital Association, to discuss these contributions, formally known as "community benefit."

Let's start at the beginning: What is community benefit?

At its heart, community benefit is the work that hospitals do to promote the health of their local communities. Beyond the millions of patients our hospitals care for each year, hospitals provide a host of services to help improve the health of their communities. That includes free and discounted healthcare for our vulnerable citizens; health screenings and vaccination events; education on disease management and healthy living; career training and scholarships; free transportation to and from the hospital; and programs that address social needs like food access, stable housing and violence prevention. This work is done as part of our organizations' commitment to the health of their communities, and often without compensation. All told, roughly 12% of every dollar spent by New Jersey hospitals, or \$3.5 billion annually, is devoted to these community health priorities.

How do hospitals determine what programs to support?

Our hospitals perform community health needs assessments every three years. Working in collaboration with local partners like social service organization and nonprofits, they do extensive outreach and research to identify the most pressing needs in their community. Studies show that as much as 80% of an individual's health status is shaped by issues beyond direct healthcare services – things like access to healthy foods, clean air and a steady job. The community health needs assessments help hospitals target their community investments to have the greatest impact on the individuals and families they serve.

Where does that \$3.5 billion in community benefit go? Can you break it down?

"Community benefit" generally meets four main objectives: improving access to healthcare services, especially for the poor and vulnerable; enhancing the health of the community; advancing medical or healthcare knowledge; and relieving the burden on government or other

community programs. For New Jersey hospitals, that includes almost \$2 billion annually in charity care services and the unpaid costs of caring for patients on Medicare and Medicaid. Community health improvement programs (ranging from food pantries to support groups) include more than 15 million “touchpoints” annually with local residents, a \$56 million investment. Another \$318 million in community benefit is devoted to supporting the education and career development of our residents; scholarships so that more individuals can pursue their goals; and graduate medical education and clinical training sites to prepare the next generation of physicians and other healthcare professionals. And, hospitals devote an additional \$1.1 billion in community benefit each year as partners with municipalities and state and local public health agencies. Perhaps the greatest example of that commitment was the pandemic, when hospitals rapidly responded to support government in areas such as testing and vaccination.

That’s a broad list. What’s *not* included in those community benefit totals?

Hospitals are vital community anchors – and are literally open 24/7/365 ready to care for any medical emergency that walks through the door. Hospitals subsidize the high cost of many of the essential services they provide in order to ensure that life-saving care is always available to their local residents. Given this commitment, it’s virtually impossible to quantify the full impact they bring to their communities.

But one extremely important area that’s not typically considered in community benefit are jobs and other economic investments. Hospitals provide a major shot in the arm for local economies, including 155,000 employees whose salaries and income taxes feed other businesses and support government budgets. A single hospital job supports an additional 1.3 jobs in other local businesses and industries. The cumulative ripple effect is \$66 billion in economic activity not just in healthcare, but across other industries and state and local economies.

Visit www.njha.com/community-benefit for a closer look at hospitals’ investments in healthy communities.