

# Oregon Hospital Community Benefit

## Glossary of Key Terms

This glossary provides definitions and summarizes frequently used hospital community benefit terms and accompanies the [Oregon Hospital Community Benefit Dashboard](#), Oregon Health Authority's interactive display of hospital community benefit spending data.

- **Total Community Benefit**

The sum of all community benefit spending categories. Community benefits are reported as costs, however not all community benefit categories are directly reportable expenses. For example, charity care cannot be considered an expense for accounting purposes.

- **Unreimbursed Care**

The sum of all unreimbursed cost of care expenses, including unreimbursed Medicaid, charity care, subsidized health services, and other public programs.

- **Unreimbursed Medicaid**

An estimate of costs that are not reimbursed to the hospital for providing Medicaid services. A hospital may have unreimbursed costs when the amount received for providing a service is less than expenses the hospital incurred, or because Medicaid denied payment to the hospital. In most cases, these costs are estimated using a cost-to-charge ratio.

- **Charity Care**

Costs of services provided to people who qualify for charity care based on the hospital's published policies. Like unreimbursed costs from public payers, charity care costs are most commonly estimated using a cost-to-charge ratio.

- **Subsidized Health Services**

Expenses incurred from hospital clinical services that are provided at a financial loss because they meet an identified community need and for which it is reasonable to conclude that if the service was no longer offered, it would not be available from another source in the community, or the service would then become the responsibility of the government or other tax-exempt organization. Examples are 24-hour emergency departments at rural hospitals and home health services.

- **Other Public Programs**

Costs incurred supporting other public programs such as CHAMPUS, TRICARE, Veterans Health Administration, Indian Health Service and other federal, state, or local programs. These programs exclude Medicare and Medicaid. Any offsetting revenue must be deducted from cost calculations.

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- **Direct Spending**

The sum of all direct spending, including research, health professional education, community building, community benefit operations, community health improvement, and cash and in-kind contributions.

- **Health Professions Education**

Expenses incurred providing educational programs that result in a degree, certificate, or other training necessary to be licensed to practice as a health professional. It does not include education or training programs available exclusively to the organization's employees. Costs, including stipends, benefits or scholarships for medical residents or interns, can be included even if such people can be considered employees for W-2 tax reporting purposes.

- **Research**

Costs incurred from activities or programs subsidized by the hospital that are carried out for the express purpose of improving community health. Such activities cannot be counted if they are primarily for marketing purposes or for the purpose of increasing referrals to affiliated organizations. Such activities must all fill an established or documented need in the community.

- **Community Health Improvement**

Expenses incurred from hospital clinical services that are provided at a financial loss because they meet an identified community need and for which it is reasonable to conclude that if the service was no longer offered, it would not be available from another source in the community, or the service would then become the responsibility of the government or other tax-exempt organization. Examples are 24-hour emergency departments at rural hospitals and home health services.

- **Cash and In-Kind**

Direct donations of funds, or donation of supplies, space, and employee time to other individual or community organizations where the hospital is not the primary sponsor or organizer. Generally, such donations should be consistent with the hospital's goals and mission. Donations of money, supplies, or time must be representative of the hospital; individual activities performed by employees on their own time may not be counted.

- **Community Building**

Expenses associated with activities or programs that address root causes of health problems in the community that are not directly related to providing health services. Such activities could address poverty, homelessness, or environmental issues. Examples include supporting economic development, coalition-building, workforce development, and improving the physical environment in which people live.

- **Community Benefit Operations**

Costs associated with staffing and coordinating hospital community benefit initiatives. These costs include staffing and supply costs to manage or oversee community benefit program activities, as well as the costs to perform community needs assessments and strategic implementation plans.

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- **Social Determinants of Health (SDOH)**

The social, economic, and environmental conditions in which people are born, grow, work, live and age. These conditions are impacted by the distribution of money, power, and resources (at local, national and global levels), institutional bias, discrimination, and racism, along with other unlisted factors.

- **Cost-to-Charge Ratio (CCR)**

The CCR describes, on average, how much expense the hospital incurs for every dollar it charges. It is the ratio of operating expenses to total charges. The closer the CCR is to 1, the smaller the difference between what the hospital charges and what it costs the hospital to provide services.