

Are New York City hospitals earning their tax breaks?

A Fair Share spending analysis

November 2022



Executive summary

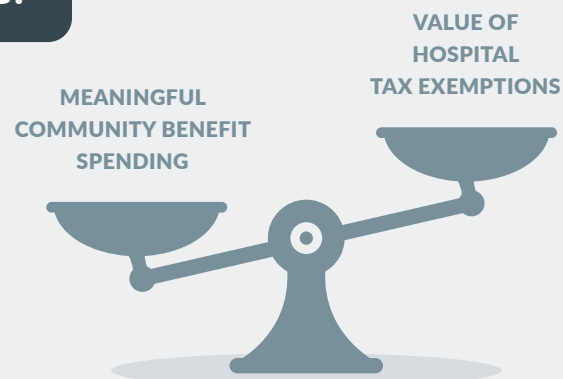
Nonprofit hospitals are exempt from most taxes, and in exchange, they are expected to give back to their communities in the form of financial assistance and investments to improve health.

The health and well-being of communities depends on hospitals investing their fair share, but there is little accountability to ensure that hospitals do so.

The Lown Institute developed its *Fair Share Spending Index* to evaluate the extent to which hospitals provide financial assistance and community investment in excess of their tax breaks. To do this, we compare spending on programs that provide a direct and meaningful benefit to communities with the estimated value of hospitals' federal, state, and local tax exemptions.

Do they pay their fair share?

The Lown Fair Share Spending Index expects hospitals to invest in their communities at levels that match or exceed their tax exemptions.

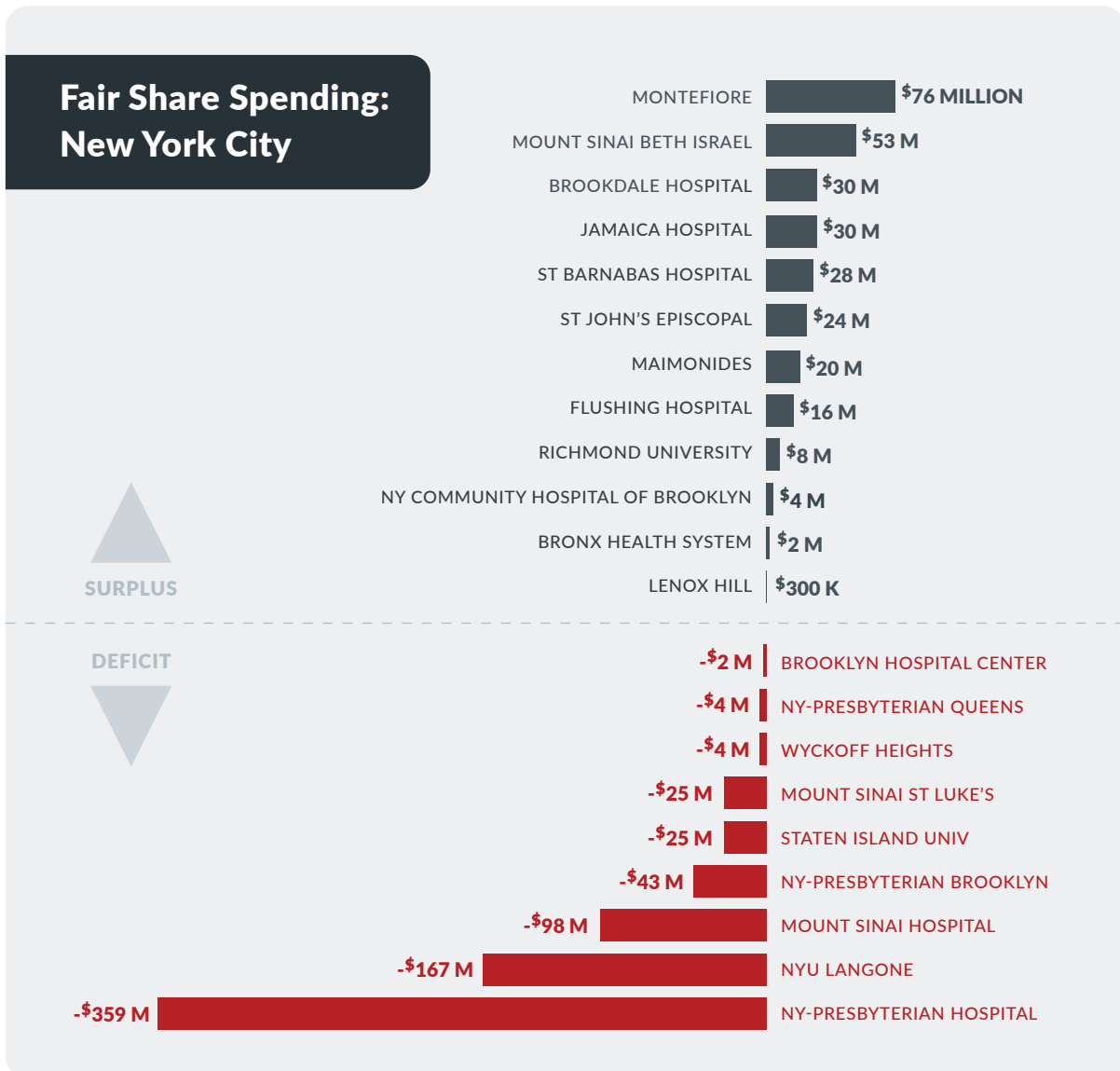


In this report, we analyze the Fair Share spending for 21 private nonprofit general hospitals in New York City in 2019. Here are our key takeaways, in brief:

- NYC hospitals received about \$1.5 billion in tax breaks in 2019, but spent only \$1.1 billion on meaningful community benefits, resulting in a \$435 million gap in Fair Share spending. However, Fair Share was markedly uneven, ranging from a \$76 million surplus to a \$359 million deficit.
- Nine hospitals (43%) had a Fair Share deficit, meaning they spent less on meaningful community benefits than the value of their tax break. These hospitals received \$1.2 billion in tax breaks and spent \$489 million on meaningful community benefit, resulting in a Fair Share deficit of \$727 million.

- Twelve hospitals (57%) had a Fair Share surplus, although the average surplus of these hospitals was three times smaller than the average deficit. Overall, hospitals with a surplus received \$322 million in tax breaks and spent \$614 million on meaningful community benefit, resulting in a \$292 million total surplus.
- Many of the city’s largest and most prestigious hospitals had the greatest Fair Share deficits. New York–Presbyterian hospital had the largest Fair Share deficit; at –\$359 million, this amounted to about half of the city’s entire deficit.

The substantial Fair Share deficit among NYC hospitals indicates the need for a policy review. In this report, we offer potential policy solutions to improve transparency and accountability around the value of nonprofit tax exemptions and to incentivize more meaningful community benefit spending in NYC.



Introduction

Nonprofit hospitals are exempt from most federal, state, and local taxes, a financial benefit worth an estimated \$60 billion.¹ In exchange for this boon, hospitals are expected to give back to their communities in the form of financial assistance (free and discounted care) and investments to improve community health.

Private nonprofit hospitals are required to have a financial assistance policy, conduct a community health needs assessment, and report community benefit spending to maintain their tax-exempt status. However, there is no federal requirement for *how much* hospitals have to spend, and as a result, hospital spending on financial assistance and community investment vary significantly.²

When hospitals offer generous financial assistance, address the neighborhood's most pressing health issues, and invest substantially in tackling the upstream social factors that drive health from childhood, they are doing their part to help communities thrive. However, hospital underinvestment is a threat to community well-being. Every dollar that hospitals receive in tax breaks is a dollar that could have gone to schools, social welfare, affordable housing, and other government initiatives. Given the large body of research showing the importance of social factors like education, financial security, and housing security on health, there is a concern that too many tax dollars going to hospitals may actually make communities *less* healthy.³

To understand the extent to which hospitals are giving back to communities, the Lown Institute developed its metric of *Fair Share spending*, which compares the estimated value of hospitals' tax exemptions to their spending on meaningful community benefits. The Lown Institute Fair Share Index builds on previous research on the value of the hospital tax exemption and uses an average estimate of 5.9% of expenses, weighed against hospital spending on certain community benefit categories that provide a direct and meaningful impact on community health.⁴

This research reveals that, unfortunately, most nonprofit hospital systems receive more in estimated tax breaks than they spend on their communities – what we refer to as a Fair Share deficit. According to an April 2022 report from the Lown Institute, 82% of America’s nonprofit hospital systems underspent on financial assistance and community investment in 2019, resulting in a combined Fair Share deficit of \$18.4 billion.⁵

While these findings may be surprising to some, they are consistent with research over the past decade showing a relative lack of investment in financial assistance and community health by nonprofit hospitals. Analyses of hospital cost reports show that on average, nonprofit hospitals don’t provide significantly more financial assistance than for-profit hospitals.⁶ A recent investigation by the *New York Times* found that the nonprofit Providence St Joseph health system not only underspent on financial assistance but hounded patients to pay who were eligible for assistance.⁷ These trends have led researchers, community advocates, and policymakers to call for more transparency and accountability around community benefit spending.

New York City has a divided hospital system, containing some of the largest and most prestigious academic medical centers in the nation alongside public safety nets. The Covid-19 pandemic revealed deep inequities within this system; while safety net hospitals in Queens and the Bronx were overwhelmed with sick patients during the Spring 2020 wave, the wealthier Manhattan hospitals had beds to spare.⁸

As the Covid-19 pandemic wanes, NYC contends with another pandemic that is slower but just as urgent – extreme disparities in chronic disease burden, created by decades of structural racism and poverty. To reverse this “slow pandemic” and build a healthier future, the city needs all hospitals to invest their fair share in their community.

To deepen our understanding of hospital community benefit and accountability in the nation’s largest city, the Lown Institute has conducted an analysis of the Fair Share spending of private nonprofit general hospitals in NYC.

Methods

In this report, we examine the financial assistance and community investment spending for 21 private nonprofit general hospitals in NYC and compare this to the value of their tax exemption, to determine the extent to which NYC hospitals are giving back their Fair Share. We build on the Fair Share Spending Index, using a customized methodology to estimate the value of six elements of the tax exemption, rather than using an average share of expenses. Private acute care nonprofit hospitals located in the five boroughs that had IRS and CMS data available were included.



Table 1: NYC nonprofit hospitals included in Fair Share analysis

HOSPITAL NAME	BOROUGH
Bronx Health System	Bronx
Jamaica Hospital Medical Center	Queens
New York Community Hospital of Brooklyn, Inc.	Brooklyn
Mount Sinai Hospital ⁹	Manhattan
Richmond University Medical Center	Staten Island
Mount Sinai St Luke's Roosevelt Hospital ¹⁰	Manhattan
New York-Presbyterian/Queens	Queens
Brooklyn Hospital Center - Downtown Campus	Brooklyn
Montefiore Medical Center	Bronx
New York-Presbyterian Hospital	Manhattan
Lenox Hill Hospital	Manhattan
Staten Island University Hospital	Staten Island
Mount Sinai Beth Israel ¹¹	Manhattan
Flushing Hospital Medical Center	Queens
Maimonides Medical Center	Brooklyn
New York University Langone Medical Center ¹²	Manhattan
Wyckoff Heights Medical Center	Brooklyn
Brookdale Hospital Medical Center	Brooklyn
New York-Presbyterian/Brooklyn Methodist Hospital	Brooklyn
St John's Episcopal Hospital at South Shore	Queens
St Barnabas Hospital	Bronx

Measuring hospital community benefit

Nonprofit hospital community benefit spending is reported in IRS Form 990 Schedule H. We use IRS data for fiscal year ending (FYE) 2019 for all hospitals. We generated our own comprehensive dataset that linked CMS hospital data to IRS tax filings. To do this, we created a crosswalk between the two datasets through an address-matching process.¹³

To determine Fair Share spending, we include only the IRS categories of community benefit that have a direct and meaningful impact on community health, based on conversations with community benefit experts.¹⁴ We refer to these categories collectively as *meaningful community benefit spending*. These categories are:

- **Financial assistance** – free and discounted care provided for patients eligible for financial assistance under the hospital’s policy.¹⁵
- **Subsidized health services** – clinical services that meet an identified community need and are provided despite a financial loss to the hospital. Examples include primary care clinics, addiction treatment, and neonatal care.¹⁶
- **Community health improvement activities** – programs subsidized by the hospital for the express purpose of improving health, that do not generate revenue for the hospital. Examples include health fairs, community health education classes, immunizations, and interpreter services.¹⁷
- **Cash and in-kind contributions** – cash and in-kind contributions to local healthcare organizations or other community groups.
- **Community building activities** – programs that address the social drivers of health, such as affordable housing, community support and advocacy, and environmental initiatives.¹⁸

The IRS categories of Medicaid shortfall, health professions education, and research were not included, because they do not have a direct and meaningful benefit on community health. Medicaid shortfall (the difference between the cost of hospital care and what Medicaid pays), was not included, as hospitals already make up for the shortfall by charging private insurers more or by receiving Disproportionate Share Hospital payments. Hospitals offer discounted rates for most insured patients, yet these are not considered community benefits; it is unclear why discounts for Medicaid patients should be an exception. While spending on financial assistance reflects the amount patients would pay absent of hospital policy, Medicaid shortfall does not convey a hospital policy choice.

Hospital spending on health professions education and research were not included because these investments do not have a direct impact on the health of its community. The labor that hospital trainees provide helps hospitals deliver patient care, but their work is not targeted toward particularly underserved patients or specialties. Additionally, hospitals are already reimbursed for trainees through both direct and indirect medical education payments they receive from Medicare; the indirect payments are not reported on the IRS Form 990. While research funding is a public good, it is unlikely that a hospital’s self-funded research has a direct impact on the health of the surrounding community.¹⁹

Measuring the value of the nonprofit tax exemption

To calculate the value of the nonprofit tax exemption, we estimated the amount of the following tax benefits for NYC nonprofit hospitals:

- Federal corporate income tax exemption
- State corporate income tax exemption
- State & local sales tax exemption
- Property tax exemption
- Tax-exempt bonds
- Tax-exempt charitable donations

Unless otherwise specified, all methods have been adapted from Herring et al (2018).

Federal corporate income tax exemption

We applied the corporate income tax rate of 21%²⁰ to hospital net income from CMS hospital cost reports (HCRIS) for fiscal year ending in 2019.²¹ For any hospitals with negative net income, net income was set to \$0.

We created a range of estimates to account for potential adjustments to net income that nonprofit hospitals could make if they were for-profit. For the upper bound, we leave net income unchanged as previous researchers have done, under the assumption that hospital net income would not change if it were a for-profit.²²

We also report an alternative net income for hospitals that includes adjustments for prior year losses going back three years, as well as a deduction of state and local taxes paid from net income. These were adapted from methods used by the American Hospitals Association (AHA) in their 2022 report on federal revenue forgone due to tax exemption.²³

State corporate income tax exemption

The New York state corporate income tax rate is 6.5%, which we apply to net income from 2019 CMS hospital cost reports.²⁴

State and local sales tax exemption

The combined state and local sales tax rate for New York City is 8.875%, which we apply to each hospital's total supply expense from the 2019 AHA survey.²⁵

Property tax exemption

To determine each hospital's property tax exemption, we use data from NYC's Property Tax Exemption Detail database.²⁶ We used data from the assessed property value final roll and filtered to include only parcels under the exemption codes for hospitals, health centers, and hospital staff housing.²⁷ Parcels with revoked exemptions were removed. Parcels were matched to hospital by ownership name. If no owner name was available, parcel address was used to map to the owner. Tax-exempt organizations affiliated with the hospital were considered part of the hospital for purposes of calculating the property tax exemption.²⁸ The property tax rate for the applicable tax class was applied to each parcel's assessed value to calculate the value of each hospital's tax exemption.²⁹ The value of the property tax exemption may be underestimated if a hospital owns parcels not coded as healthcare institutions.

Tax-exempt bonds

Nonprofit hospitals benefit from being able to issue tax-exempt bonds because they can offer a lower interest rate to investors. We found the average 10-year corporate bond yield from the U.S. Treasury Department and applied a marginal tax rate of 30%, following the method used by the AHA (2022). The difference between the average corporate bond yield and tax-exempt bond yield was applied to the total bond issue for each hospital, obtained from Schedule K of the IRS Form 990. We calculated the tax-exempt bond value as an average over three years, to even out potential spikes in bond issues from year to year.

Charitable donations

If hospitals were for-profit, donations to the hospital would not be tax-exempt, which would likely result in fewer donations. Following the method of Rosenbaum et al (2011), we used charitable donations from IRS Form 990 Part VIII, excluding government grants, non-cash contributions, and contributions to related organizations.³⁰ We estimate the value of donations attributable to the tax exemption assuming a 32% marginal tax rate for donors.

Results

In total, NYC private nonprofit hospitals spent \$1.1 billion on financial assistance and community investment in 2019. The vast majority of this spending was in the categories of financial assistance and subsidized health services, which together made up more than three-quarters of meaningful community benefit spending. On average, NYC hospitals spent \$52 million on meaningful community benefit.

Table 2: Meaningful community benefit spending at NYC hospitals, 2019

TYPE OF COMMUNITY BENEFIT	FINANCIAL ASSISTANCE	COMMUNITY HEALTH IMPROVEMENT	SUBSIDIZED SERVICES	CONTRIBUTIONS	COMMUNITY BUILDING	ALL CATEGORIES
# of hospitals with spending	21	17	19	7	8	21
Total community benefit	\$408 M	\$161 M	\$464 M	\$63 M	\$6 M	\$1.1 B
% of total community benefit	37%	15%	42%	6%	0.6%	100%

In total, the value of NYC hospitals tax exemptions amounted to about \$1.5 billion in 2019. The largest category of tax exemption value was for state and local sales taxes, followed by property taxes and federal income taxes. On average, NYC hospitals received \$71 million in tax breaks.



Table 3: Estimated value of NYC hospital tax exemptions, 2019

TYPE OF TAX EXEMPTION	FEDERAL INCOME (UNADJUSTED)	STATE INCOME	STATE + LOCAL SALES	PROPERTY	BONDS	DONATIONS	TOTAL
# of hospitals that benefit	12	12	17	21	10	16	21
Total value	\$381 M	\$118 M	\$525 M	\$442 M	\$25 M	\$8 M	\$1.5 B
% of total tax exemption value	25%	8%	34%	29%	2%	3%	100%

Out of the 21 hospitals examined, nine hospitals (43%) had a Fair Share deficit, meaning they spent less on meaningful community benefit than the value of their tax exemption. For these nine hospitals, the average Fair Share deficit was \$81 million and the median deficit was \$25 million.

The total Fair Share deficit for NYC was \$727 million in 2019. To make up this deficit, hospitals that underspent would have to more than double their meaningful community benefit spending from 2019. A single hospital — New York–Presbyterian Hospital — made up half of this total, with a Fair Share deficit of -\$359 million. Federal income tax, property tax, and sales tax had the largest values for this hospital.

However, many other hospitals spent more than the value of their tax breaks. The hospital with the largest Fair Share surplus was Montefiore Medical Center, which spent about \$76 million above the value of its tax exemption on meaningful community benefit. The largest category of spending for Montefiore was contributions to community groups, followed by subsidized healthcare services.

Including additional adjustments to net income when calculating the federal income tax exemption lowered net income to zero for three additional hospitals and reduced the value of the federal income tax exemption by \$198 million. Using adjusted net income to calculate the federal tax exemption, the total Fair Share deficit was -\$561 million.

Table 4: Aggregate tax exemption with net income adjustment

	NET INCOME	FEDERAL INCOME TAX EXEMPTION	TOTAL TAX EXEMPTION	TOTAL FAIR SHARE DEFICIT
Unadjusted	\$1.8 B	\$381.5 M	\$1.5 B	-\$727.2 M
Adjusted for prior year losses and state/local tax deduction	\$734.7 M	\$183.1 M	\$1.3 B	-\$561.0 M

Table 5: Fair Share spending by hospital, 2019

HOSPITAL NAME	BOROUGH	TOTAL MEANINGFUL COMMUNITY BENEFIT	TOTAL TAX EXEMPTION VALUE	FAIR SHARE SPENDING
Montefiore Medical Center	Bronx	\$185.1 M	\$109.1M	\$76.0 M
Mount Sinai Beth Israel	Manhattan	\$85.0 M	\$32.0 M	\$52.9 M
Brookdale Hospital Medical Center	Brooklyn	\$37.3 M	\$7.2 M	\$30.1 M
Jamaica Hospital Medical Center	Queens	\$38.1 M	\$8.1 M	\$30 M
St Barnabas Hospital	Bronx	\$35.2 M	\$6.9 M	\$28.3 M
St John's Episcopal Hospital at South Shore	Queens	\$28.2 M	\$4.4 M	\$23.9 M
Maimonides Medical Center	Brooklyn	\$71.3 M	\$51.2 M	\$20.1 M
Flushing Hospital Medical Center	Queens	\$26.1 M	\$9.9 M	\$16.2 M
Richmond University Medical Center	Staten Island	\$17.7 M	\$9.5 M	\$8.2 M
New York Community Hospital of Brooklyn, Inc.	Brooklyn	\$4.5 M	\$282 K	\$4.2 M
Bronx Health System	Bronx	\$28.0 M	\$26.3 M	\$1.7 M
Lenox Hill Hospital	Manhattan	\$57.1 M	\$56.8 M	\$254 K
Brooklyn Hospital Center - Downtown Campus	Brooklyn	\$18.1 M	\$19.7 M	-\$1.6 M
New York-Presbyterian/Queens	Queens	\$10.3 M	\$14.0 M	-\$3.7 M
Wyckoff Heights Medical Center	Brooklyn	\$8.6 M	\$12.9 M	-\$4.3 M
Mount Sinai St Luke's Roosevelt Hospital	Manhattan	\$39.8 M	\$65 M	-\$25.2 M
Staten Island University Hospital	Staten Island	\$26.7 M	\$52.2 M	-\$25.5 M
New York-Presbyterian/Brooklyn Methodist Hospital	Brooklyn	\$27.6 M	\$70.8 M	-\$43.2 M
Mount Sinai Hospital	Manhattan	\$128.8 M	\$227 M	-\$98.2 M
New York University Langone Medical Center	Manhattan	\$95.1 M	\$261.6 M	-\$166.5 M
New York-Presbyterian Hospital	Manhattan	\$133.7 M	\$492.7 M	-\$359.0 M
All NYC hospitals		\$1.1 B	\$1.5 B	-\$435.2 M
All NYC hospitals with deficit		\$488.9 M	\$1.2 B	-\$727.2 M
All NYC hospitals with surplus		\$613.5 M	\$321.6 M	\$292.0 M

Discussion and policy implications

Among NYC nonprofit hospitals, Fair Share spending varied widely in 2019, with some hospitals spending up to \$76 million more on their communities than the value of their tax break, and others underspending by hundreds of millions. Notably, many of the city's largest and most prestigious hospitals had the greatest Fair Share deficits. It's not surprising that large academic medical centers benefit more from tax breaks, since their net income is greater and they own more property than smaller community hospitals. Yet these institutions also have greater financial resources and capacity to invest in community health, making their large deficits disappointing.

New York City's Fair Share deficit represents more than \$700 million in valuable taxpayer funding that could have been used to improve New Yorkers' social welfare and community health needs. For example, \$727 million could triple what the city currently spends on school meals annually³¹, create 3,500 new affordable housing units³², or pay off the medical debt for every patient sued by a New York hospital over the past five years.³³

This substantial deficit indicates the need for policies to improve transparency and accountability around the value of nonprofit tax exemptions and to incentivize more meaningful community benefit spending in NYC.

Policy and regulatory actions to improve Fair Share spending could include:

- **Utilize state reporting requirements to encourage transparency.** New York State currently requires hospitals to publish community service plans that “describe each hospital’s performance in meeting the health care needs of the community, providing charity care services, and improving access to health care services by the underserved.”³⁴ The state could require hospitals to include in these reports the amount of money being spent on these programs and how this spending compares to the value of their tax exemption. Especially useful would be reporting on the total value of hospitals’ tax-exempt property in each municipality.
- **Leverage the state indigent care pool.** New York hospitals are eligible to participate in the General Hospital Indigent Care Pool (ICP), which provides hospitals with funding for uncompensated care to ensure healthcare access for those who cannot afford to pay. The state could require hospitals to maintain a certain level of Fair Share spending as a condition for participating in the ICP.

- **Leverage the certificate of need process.** In New York, major hospital expansions and mergers are subject to state review under the certificate of need (CON) process. The NY Department of Health has proposed including a consideration of how hospitals are serving their community within the CON review.³⁵ If adopted, the state could also consider Fair Share spending when evaluating hospital system requests to merge or expand and add additional community benefit spending requirements as a condition of CON approval.³⁶
- **Consider community benefit spending minimums.** Increasingly, states are establishing minimum levels of community benefit spending for nonprofit hospitals to ensure that hospitals are giving back their fair share to communities. For example, Oregon passed a law creating a community benefit spending floor for each hospital, with spending minimums based on hospitals' previous unreimbursed care spending and operating margins.³⁷

As hospital social responsibility moves further into the spotlight, we need clear and meaningful metrics to evaluate hospital performance. By measuring how much hospitals give back to their communities beyond the value of their tax break, we seek to highlight areas in need of improvement while giving credit to hospitals already leading the way.

Endnotes

- 1 Anna Wilde Matthews, Tom McGinty, and Melanie Evans, "Big Hospitals Provide Skimpy Charity Care—Despite Billions in Tax Breaks."
- 2 According to Lown Hospitals Index data, hospital spending on financial assistance and community investment ranges from less than 1% to more than 20% of hospital expenses.
- 3 Braveman and Gottlieb, "The Social Determinants of Health," 2014; Lauren Taylor, "Housing And Health," 2018; Nichols and Taylor, "Social Determinants As Public Goods," 2018.
- 4 Herring et al., "Comparing the Value of Nonprofit Hospitals' Tax Exemption to Their Community Benefits," 2018.
- 5 Lown Hospitals Index, "Are Hospitals Earning Their Tax Breaks?" 2022.
- 6 Bai et al., "Analysis Suggests Government And Nonprofit Hospitals' Charity Care Is Not Aligned With Their Favorable Tax Treatment," 2021; Joseph D. Bruch and David Bellamy, "Charity Care: Do Nonprofit Hospitals Give More than For-Profit Hospitals?" 2020; Matthews et al, 2022.
- 7 Jessica Silver-Greenberg and Katie Thomas, "They Were Entitled to Free Care. Hospitals Hounded Them to Pay," *The New York Times*, 2022.
- 8 Dwyer, "One Hospital Was Besieged by the Virus. Nearby Was 'Plenty of Space,'" *The New York Times*, 2020.
- 9 Data for this facility includes information for Mount Sinai Queens.
- 10 Data for this facility includes information for Mount Sinai West.
- 11 Data for this facility includes information for Mount Sinai Brooklyn.
- 12 Data includes information for Tisch Hospital and NYU Langone Long Island.
- 13 Saini, V., Brownlee, S., Gopinath, V., Smith, P., Chalmers, K., Garber, J. 2022 Methodology of the Lown Institute Hospitals Index for Social Responsibility. Needham, MA: The Lown Institute. 2022.
- 14 Members of the Lown Hospitals Index "Metrics Advisory" group are listed [on our website](#).
- 15 The IRS asks hospitals to report "net financial assistance at cost," which is the cost of hospital financial assistance provided, not the charges. Bad debt is not included in financial assistance.
- 16 Not all services provided at a loss to the hospital may be counted in this category. Services may only be counted if it is reasonable to assume that if the hospital stopped providing the service, that the service would be unavailable to the community or become the responsibility of a government or another nonprofit organization.
- 17 The administrative and operating costs of running community benefit programs are also included in this category.
- 18 These activities are reported on Schedule H Part II and are often not reported by hospitals. Although this category is not always labeled a "community benefit," we chose to include this, as activities to address the social drivers of health are critical for improving long-term community health.
- 19 For more on the excluded categories of community benefit, see Garber and Saini, "Are tax-exempt hospitals giving back their fair share to communities? It depends on what you count," 2022.
- 20 The corporate income tax rate was lowered from 35% to 21% as a result of the Tax Cuts and Jobs Act of 2017
- 21 For all hospitals except NYU Langone, the fiscal year for HCRIS reporting spanned 1/1/18 - 12/31/19. For NYU Langone, the fiscal year was 9/1/18 - 8/31/19.
- 22 Herring et al., "Comparing the Value of Nonprofit Hospitals' Tax Exemption to Their Community Benefits," 2018; Rosenbaum et al., "The Value of The Nonprofit Hospital Tax Exemption Was \$24.6 Billion In 2011," 2014.
- 23 Ernst & Young, "Estimates of the Federal Revenue Forgone Due to the Tax-Exemption of Non-Profit Hospitals in 2019," American Hospitals Association, 2022.
- 24 State income tax rate from the [New York State Dept of Taxation & Finance](#)
- 25 Includes state sales tax, local sales tax, and Metropolitan Commuter Transportation District surcharge.

- 26 Property exemption detail database accessed from the [NYC Open Data website](#) using 2020 data, the closest year available to 2019.
- 27 Exemption codes 1401, 1402, and 1404.
- 28 For example, New York-Presbyterian Hospital lists Royal Charter Properties as an affiliated nonprofit that acquires real estate for the hospital and its employees.
- 29 Property tax rate for 2019/2020 accessed from the [NYC Open Data website](#)
- 30 Rosenbaum, Sara, David A. Kindig, Jie Bao, Maureen K. Byrnes, and Colin O’Laughlin. “The Value Of The Nonprofit Hospital Tax Exemption Was \$24.6 Billion In 2011.” *Health Affairs* 34, no. 7 (July 2015): 1225–33. <https://doi.org/10.1377/hlthaff.2014.1424>.
- 31 New York City spends \$200 million on food purchasing for school meals annually, according to their 2019 report: <https://www1.nyc.gov/assets/foodpolicy/downloads/pdf/Food-Policy-Report-2019.pdf>
- 32 According to NYC’s Coalition for the Homeless, \$2.5 billion in funding would be needed to develop 12,000 new affordable housing units. Source: https://www.coalitionforthehomeless.org/wp-content/uploads/2022/05/Housing-Affordability-Brief_June-2022.pdf
- 33 According to the Community Service Society of New York, NY hospitals sued patients 30,838 times between 2015 and 2020, and the median amount sued for was \$1,900. Source: https://smhttp-ssl-58547.nexcesscdn.net/nycss/images/uploads/pubs/2020_Hospital_Report_V3_web.pdf
- 34 Hilltop Institute, “Hospital Community Benefit State Profile New York,” 2016, https://hilltopinstitute.org/wp-content/uploads/hcbp/hcbp_docs/HCBP_CBL_NY.pdf.
- 35 New York State Department of Health, “Community Benefit Update,” 2022. https://www.health.ny.gov/facilities/public_health_and_health_planning_council/meetings/2022-03-01/docs/community_benefit.pdf
- 36 Other states have put similar conditions on mergers and expansions. For example, In 2019, Connecticut put additional CB requirements on a Bridgeport hospital merger, including requiring that the hospital increase total CB dollars by at least 1% every year for the next five years, that directly address the health needs identified by the hospital’s CHNA. NASHP, “Oregon and Connecticut Hold Hospitals Accountable for Meaningful Community Benefit Investment,” 2019.
- 37 “Oregon Health Authority, “Hospital Reporting Program, Office of Health.”

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About the Lown Institute

Founded in 1973 by Nobel Peace Prize winner Bernard Lown, MD, developer of the defibrillator and cardioverter, the Lown Institute believes that a radically better system of health is possible and generates bold ideas towards that goal. The Lown Institute Hospitals Index for Social Responsibility is a signature project of the Institute and features measures never used before like Fair Share spending, racial inclusivity, and pay equity.

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