Do Religious Hospitals Provide More Community Benefits Than Other Hospital Types?

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“"Yes," say Lister Hill scholar Nir Menachemi and colleagues. "In this longitudinal study, religious hospitals were more likely to engage in each of the community benefit activities examined than community-owned hospitals, academic medical centers or for-profit hospitals. While 11% of U.S. hospitals are religious, community benefits provided by all hospitals increased over time and then leveled off during the start of the recent economic downturn.”

Nonprofit hospitals (NFPs) are expected to provide community benefits to justify the tax benefits they receive. Recent budgetary restraints have called into question the degree to which the tax benefits are justified particularly because previous research on this topic is mixed. Some research indicates that, compared with their for-profit counterparts, NFPs provide more community benefits that may justify their tax status while other studies found that NFPs provide similar levels or even fewer community benefits than for-profit hospitals. Religious hospitals are a subgroup of NFPs whose religious affiliations make them, in principle, more likely to cater to the needs of their communities.

Data from the American Hospital Association (AHA) Annual Survey for years 2000 to 2009 were pooled for over 4,600 hospitals per year over the 10-year period being studied. Each hospital was assigned a score based on the number of “yes” responses to AHA survey questions that focus on community orientation. Questions include “Does the hospital have a long-term plan for improving the health of its community?” and “Does your hospital have resources for its community benefit activities?” Religious hospitals were engaged in a significantly higher number of community-benefiting activities and provided higher frequencies of each individual activity than other hospital ownership types.

“As the debate continues regarding federal tax exemption status, policymakers should consider religious hospitals separately from NFPs,” say the researchers. “In addition, future research should explore how religious hospitals differ from their counterparts with respect to developing stronger ties with their community stakeholders, especially given that public reporting of community benefits is now mandatory.”

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