

Where Care Meets Community: Massachusetts Hospitals' \$1.1 Billion Investment

Massachusetts hospitals are renowned for the lifesaving, compassionate care they deliver each day for patients and families. What often receives less attention, but is of vital importance to closing access and affordability gaps, are the activities they fund outside their walls to support people's wellbeing.

For the third consecutive year, Massachusetts hospitals' community benefits investments topped \$1 billion over the course of a single fiscal year – FY2025, or the latest year of reporting to the Office of the Massachusetts Attorney General. The \$1.1 billion from 49 non-profit hospitals in FY25 is the highest community benefits investment on record.

"Far too many communities continue to experience inequities in access to healthcare, and the Community Benefits program is an important way that hospitals and HMOs can invest in improving public health. I appreciate all Massachusetts hospitals and HMOs that are using these programs to expand access to services and address the social and economic factors that shape health outcomes."

Attorney General Andrea Joy Campbell



What are Community Benefits?

Hospitals' "community benefits" investments address specific health concerns and disparities identified in collaboration with trusted local partners, ranging from faith-based organizations to schools, first responders, and advocacy groups. Programs are provided at no cost to the populations being served and are not reimbursed by government or insurance companies.

Through these initiatives, hospitals and healthcare systems create healthier lifestyles for their patients in the places where people live, work, and play. The focus on prevention and education keeps people out of the hospital and overall care costs down. And because these free programs are carefully tailored to the unique needs of each community, they also build trust and deepen relationships between providers, neighborhoods, and families. The ultimate goal is to create healthier, more resilient communities in which every individual has the opportunity to thrive.

What Do These Programs Look Like?

Hospitals' community benefit programs occur in schools and senior centers, in neighborhoods through the use of mobile health vans and farmers markets, through job fairs and health screenings, and in programs that address substance use disorder and violence prevention. They include mobile health clinics to advance primary care, mental health outreach, nutrition and fitness programs, and chronic disease management workshops, among dozens of other free interventions.

Examples of hospital-specific programs are available through the [Attorney General's webpage](#).

The \$1.1 billion in community benefits recorded in FY25 continued even as the hospital community struggled with severe financial losses and well-documented instability. Just one year prior, the statewide hospital median operating margin was *negative*-2%; nearly three-quarters of hospitals with affiliated physician practices were operating in the red.



**What is your local
hospital doing?**

Community Benefits vs. the Health Safety Net

Hospitals' community benefit investments are separate and distinct from their \$165 million annual investment in the Health Safety Net fund, which covers care for uninsured and underinsured patients in Massachusetts. Hospitals and health insurance companies pay an equal amount to fund the Health Safety Net, but hospitals are solely responsible for any funding shortfall. The Health Safety Net shortfall was \$198 million in FY2024 and neared \$300 million in FY2025.

"Growing cost and affordability pressures, resource shortages, and the expanding population of uninsured patients are all putting the hospital community in Massachusetts – and subsequently the people it serves – in a very precarious position. But because they never turn their backs on their communities and they are driven to advance essential healthcare, hospitals expend these community benefit investments. The stabilizing economic and ethical impacts that hospitals have on our state are shown each year in these reports."

Steve Walsh
President & CEO,
Massachusetts Health & Hospital Association

COMMUNITY BENEFITS: BY THE NUMBERS

Hospitals in Massachusetts report their community benefit spending to two agencies – the Massachusetts Attorney General's Office (AGO) and to the IRS. The IRS allows hospitals to count financial losses related to care provided to Medicaid recipients, along with medical education costs and other metrics. **Based on the latest available IRS data (2023), Massachusetts hospitals reported \$2.74 billion in community benefits to the IRS.**



\$809 Million in Health Professions Education

Educational programs that are available to physicians, medical students, interns, residents, nurses and nursing students, and other health professionals that are not available exclusively to the hospital's employees.



\$549 Million in Research

Clinical and community health research, as well as studies on healthcare delivery that are shared outside the hospital.



\$744 Million in Subsidized Health Services

Clinical service lines that would not be available in the community if the hospital stopped providing them. This includes resources like air ambulance, neonatal intensive care, burn units, mobile units, and hospice and palliative care.



\$139 Million in Community Health Improvement Services & Community Benefit Operations

Activities that improve community health based on an identified community need. They include support groups, self-help programs, health screenings, and health fairs, and also include the costs associated with staffing and coordinating the hospital's community benefit activities.



\$419 Million in Charity Care

Free or discounted health services provided to people who cannot afford to pay and who meet the eligibility criteria of the hospital's financial assistance policy.



\$77 Million in Cash and In-Kind Contributions

Funds and services donated to the community, including contributions to non-profit community organizations, grants, and meeting room space for non-profit organizations.