MEMO

TO: Dr. Tom Coburn, Honorary Chairman of OpenTheBooks.com

FROM: Adam Andrzejewski, CEO/Founder of OpenTheBooks.com

DATE: June 14, 2019

RE: Largest U.S. Non-Profit Hospitals Failed To Disclose

Medicare-Medicaid Revenues as 'Program Service Revenue'

On IRS 990 Informational Returns

Our survey of IRS informational returns (Federal Form 990) found that only 14 of the 82 largest U.S. non-for-profit hospitals properly detailed their Program Service Revenue in Section VIII. Section VIII requires program service revenue disclosure on lines 1 through f. However, 68 of the 82 non-profits did not provide enough detail to list Medicare/Medicaid – even though the program revenues are tens of millions, hundreds of millions, billions, and even tens of billions.

The following 14 major non-profit hospitals properly listed their program service revenue to include Medicare/Medicaid revenues (See Exhibit A examples). Here are their names and the amount of revenues derived from Medicare/Medicaid as reported in their 2017 IRS 990 Informational Returns within Section VIII (latest available):

The Kaiser Foundation, Oakland, CA	\$13,119,566,187
Dignity Health, San Francisco, CA	\$3,510,941,256
Cleveland Clinic, Independence, OH	\$3,281,898,792
Sanford Health, Sioux Falls, SD	\$1,475,193,661
Advocate Health Care, Downers Grove, IL	\$1,466,802,295
Fairview Health Services, Minneapolis, MN	\$1,006,886,167
HealthPartners, Minneapolis, MN	\$880,230,913
Cedars-Sinai Medical Center, Los Angeles, CA	\$816,490,075
Presbyterian Healthcare Services, Albuquerque, NM	\$787,310,948
Rush Medical Health Center, Chicago, IL	\$638,897,064
NorthShore University Health System, Evanston, IL	\$562,660,706
OhioHealth, Columbus, OH	\$394,020,889
Sharp HealthCare, San Diego, CA	\$27,709,442
BayCare Health System, Clearwater, FL	\$2,384,185

The remaining 68 non-profit healthcare providers did not separately list or include Medicare/Medicaid revenues on their list of program service revenues (See Exhibit B examples):

Ascension Beaumont Health Providence St. Josephs Health Novant Health

Highmark Health
Trinity Health
UnityPoint Health

Catholic Health Initiatives

Catholic Health Initiatives

University of Pittsburgh Medical Center

Allina Health
Adventist Health

Partners Healthcare University of Maryland Medical System

Sutter Health Montefiore Medical Center
Mayo Clinic Yale New Haven Health Services

Northwell Health Labs

Adventist Health System

Dealth Section 1 of the System University Hospital Houston Methodist Hospital

M. L. Health Spital

Baylor Scott & White Health McLaren Healthcare

Banner Health
New York and Presbyterian Hospital
Duke University Health System
Bon Secours Health System

Intermountain Healthcare Inova Health System
Geisinger Medical Center WellStar Health System
Indiana University Health ProMedica

Johns Hopkins Health System Texas Children's Hospital

University of Pennsylvania Health System Scripps Health SSM Health Ochsner Health

Henry Ford Health System Wake Forest Baptist Health Spectrum Health Hartford HealthCare

Carolinas Healthcare Children's Hospital of Philadelphia
MedStar Health SCL Health
Mercy Health Peace Health

Aurora Health
Sentara Health
Lehigh Valley F

Sentara Health Lehigh Valley Health Network Memorial Hermann Health System OSF HealthCare

Christus Health

Baptist Health South Florida

Northwestern Memorial Healthcare Hospital Sisters Health System

BJC HealthCare Baystate Health

Texas Health Resources Froedtert and Community Health
Mercy Hospital University of Chicago Health Center

Sanford Health Foundation

Exhibit A:

Correct 990 (Dignity Health)

е		Business Code				
en	2a PATIENT NET OF CHARITY/BAD DEBT	900099	5,592,590,231	5,592,590,231		
Bev	b medicare/medicaid payments	900099	3,510,941,256	3,510,941,256		
9	C MANAGEMENT SERVICES	541610	216,912,558	216,912,558		
Ž	d MEANINGFUL USE INCENTIVES (EHR)	900099	2,403,628	2,403,628		
Š	e MED OFFICE BLDG	621300	14,444,014	14,444,014		
Tall.	f All other program service revenue .		59,217,268	49,622,497	9,594,771	
Progr	All other program service revenue .	9,396,508,955				
	g Total.Add lines 2a-2f ▶	3,330,300,333				

Correct 990 (Advocate Healthcare)

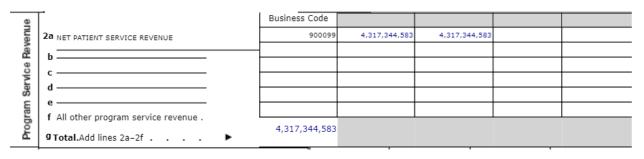
D D		Business Code				
2	a MEDICARE/MEDICAID	622110	137,445,285	137,445,285		
2 1	b BLUE CROSS/MANAGED CARE	622110	117,471,627	117,471,627		
	C PATIENT SERVICE REVENUE	622110	85,537,940	85,537,940		
	d PHARMACY	446110	53,895,109	53,895,109		
٠ ۱	e LABORATORY	621511	39,524,760	39,524,760		
Ι.	f All other program service revenue .		34,606,486	34,546,991	59,495	
<u> </u>	. 3	468,481,207				
: 9	JTotal.Add lines 2a-2f ▶	, ,				

Exhibit B:

Incorrect 990 (SSM Health)

9	Γ	Business Code				
Revent	2a NET PATIENT REVENUE	621110	1,376,252,646	1,376,252,646		
	b other operating revenue	621110	115,966,969	113,637,076	2,329,893	
es	C JOINT VENTURE INCOME	900099	8,850,378	8,850,378		
Program Servi	d					
	f All other program service revenue .		0	0	0	0
	g Total.Add lines 2a-2f	1,501,069,993				

Incorrect 990 (Memorial Herman Health System)



Incorrect 990 (Intermountain Healthcare)

Ф	Γ		Business Code		
enne	2a				
Program Service Rev	b —				
	с ———				
	d				
	e ———				
	${f f}$ All other program service revenue .				
	gTotal.Add lines 2a-2f	•			