

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	Hackensack Meridian Health
Trinity Health	UnityPoint Health
Catholic Health Initiatives	Allina Health
University of Pittsburgh Medical Center	Adventist Health
Partners Healthcare	University of Maryland Medical System
Sutter Health	Montefiore Medical Center
Mayo Clinic	Yale New Haven Health Services
Northwell Health Labs	University Hospitals
Adventist Health System	Houston Methodist Hospital
Baylor Scott & White Health	McLaren Healthcare
Banner Health	Duke University Health System
New York and Presbyterian Hospital	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 Healthcare	Orlando Health
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)

Program Service Revenue		Business Code			
2a	PATIENT NET OF CHARITY/BAD DEBT	900099	5,592,590,231	5,592,590,231	
b	MEDICARE/MEDICAID PAYMENTS	900099	3,510,941,256	3,510,941,256	
c	MANAGEMENT SERVICES	541610	216,912,558	216,912,558	
d	MEANINGFUL USE INCENTIVES (EHR)	900099	2,403,628	2,403,628	
e	MED OFFICE BLDG	621300	14,444,014	14,444,014	
f	All other program service revenue .		59,217,268	49,622,497	9,594,771
9 Total.	Add lines 2a-2f ▶		9,396,508,955		

Correct 990 (Advocate Healthcare)

Program Service Revenue		Business Code			
2a	MEDICARE/MEDICAID	622110	137,445,285	137,445,285	
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	
e	LABORATORY	621511	39,524,760	39,524,760	
f	All other program service revenue .		34,606,486	34,546,991	59,495
9 Total.	Add lines 2a-2f ▶		468,481,207		

Exhibit B:

Incorrect 990 (SSM Health)

Program Service Revenue	Business Code				
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	
c JOINT VENTURE INCOME	900099	8,850,378	8,850,378		
d _____					
e _____					
f All other program service revenue .		0	0	0	0
9 Total. Add lines 2a-2f ▶		1,501,069,993			

Incorrect 990 (Memorial Herman Health System)

Program Service Revenue	Business Code				
2a NET PATIENT SERVICE REVENUE	900099	4,317,344,583	4,317,344,583		
b _____					
c _____					
d _____					
e _____					
f All other program service revenue .					
9 Total. Add lines 2a-2f ▶		4,317,344,583			

Incorrect 990 (Intermountain Healthcare)

Program Service Revenue	Business Code				
2a _____					
b _____					
c _____					
d _____					
e _____					
f All other program service revenue .					
9 Total. Add lines 2a-2f ▶					