

# Report on Community Benefits

---

2021-2022

UNIVERSITY  
OF  
CALIFORNIA  
**HEALTH**





---

## Letter from the Executive Vice President



Our work at UC Health goes well beyond the care we deliver in our hospitals and faculty practices to include a range of initiatives undertaken with local communities and partner organizations. These efforts are especially rewarding because they help ensure we are focused on addressing the health concerns that are most important to the communities we serve.

The health needs of our communities continue to be significant. Health inequities, present before the pandemic, remain and have been exacerbated by ongoing shortages in health care professionals and access gaps for primary care, mental health and basic hospital services in many locations. The ongoing trust gap between some communities and our health care institutions, especially around immunizations, needs to be bridged. Plus, we are now facing new challenges such as debilitating cases of Long COVID and higher rates of advanced health conditions because of many missed routine wellness visits and screenings during the height of the pandemic.

Community benefits spending and partnerships across UC's health system are focused on addressing these urgent needs. In our last fiscal year, systemwide community benefits spending grew to \$4.4 billion. A substantial portion of that amount goes to support care for those who are uninsured or who rely on federal and state governments to pay for services. UC Health alone contributed \$1 billion in unreimbursed Medi-Cal care as a benefit to our communities — which is equal to a quarter of the \$4 billion in Medi-Cal community benefits care from all tax-exempt hospitals in the state combined.

My hope is that someday health inequities across our communities will end, enabling all Californians to live their lives to the fullest. Until then, UC's health system and its people will continue to lead the way in helping build healthier futures for all.

Fiat lux,

**Carrie L. Byington, M.D.**

*Executive Vice President*

*University of California Health*

## About the Report

The University of California is committed to transparency and accountability, and that commitment extends to the activities of its health system. As governmental hospital organizations that are exempt from federal, state and local income taxation, UC medical centers recognize that this tax status provides significant and invaluable benefits in support of our public service mission. This report for the fiscal year 2021-2022 details how UC's health system was able to deliver on its commitment to furthering the health of the communities we serve.

Although UC medical centers are not required to file IRS Form 990 and Schedule H<sup>1</sup>, we have prepared this report annually beginning four years ago to provide transparency and accountability in a standardized format on our benefits spending in the communities we serve across the state. The report supplements materials published in the University of California Medical Centers Annual Financial Report for 2021/2022.<sup>2</sup>

The report has been prepared according to instructions for IRS Form 990 Schedule H<sup>3</sup> and other nationally recognized guidelines that supplement Schedule H instructions. As a result, the information provides comparable data to that of non-governmental, charitable hospital organizations that are exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code. Since 2009, these hospital organizations have filed information related to their community benefits activities using IRS Form 990 Schedule H.

<sup>1</sup> Instructions for Form 990 Return of Organization Exempt from Income Tax (2019), <https://www.irs.gov/instructions/i990#doe745> (last visited Mar. 22, 2020). State institutions whose income is excluded from taxation pursuant to Section 115 of the Internal Revenue Code are not required to file a Form 990. Children's Hospital & Research Center at Oakland, known as UCSF Benioff Children's Hospital Oakland, is a private tax-exempt hospital organization described in Section 501(c)(3) of the Internal Revenue Code and must file a Form 990 and Schedule H each year.

<sup>2</sup> <https://www.ucop.edu/financial-accounting/financial-reports/medical-center-financial-reports.html>

<sup>3</sup> Since 1994, California state law also has required private non-for-profit hospitals to review their mission statements, conduct community needs assessments, and development and implement community benefits plans and report such information to the California Office of Statewide Health Planning and Development. Cal. Health & Safety Code §§ 127345-60.



Across UC's health system, teams from each UC health location partner with community organizations to develop and implement community benefits activities that provide treatment or promote health and healing, as a response to identified community needs. Community benefits activities meet at least one of these objectives:

- *Improve access to health care services*
- *Enhance public health*
- *Advance increased generalizable knowledge*
- *Relieve or reduce the burden on government to improve health*

In fiscal year 2021-2022, these types of community activities from UC's five medical centers resulted in \$1.7 billion spending – a disproportionately large amount as compared to other tax-exempt hospitals. UC medical center spending is equivalent to nearly **21 percent of the \$8.1 billion in community benefits reported by the 206 California hospitals that filed IRS Form 990 Schedule H in 2019.**

Also critical for our communities is the care provided by UC's health locations for which they are not compensated. When all uncompensated care at UC medical centers and faculty practices are included, a total of **\$4.4 billion** in community benefits spending was delivered in the fiscal year.

**The reimbursement gap for UC hospital-based care delivered to people with Medicare coverage was \$1.95 billion. Additionally, UC Health contributed \$1 billion in unreimbursed Medi-Cal care as a benefit to our communities – which is equal to a quarter of Medi-Cal community benefits care from all tax-exempt hospitals in the state combined.**

## UC Health Community Benefits By the Numbers FY 2021-2022

### \$4.4 BILLION

total community  
benefits spending

### \$1.95 BILLION

in unreimbursed Medicare  
community benefits

### \$1 BILLION

in unreimbursed Medi-Cal  
community benefits

### 25%

UC Health Medi-Cal community  
benefits are equal to a quarter of  
the amount from all tax exempt  
California hospitals combined

### \$1.7 BILLION

in spending on community  
programs from UC medical  
centers

### 21%

UC medical centers community  
benefits are equal to 21% of the  
spending reported by all tax exempt  
California hospitals combined

## Delivering value in our communities

This community benefits report presents data gathered by the hospitals operated by UC Davis Health, UCI Health, UCLA Health, UC San Diego Health, and UCSF Health and supplements the materials included in the audited financial report for the UC medical centers for fiscal year 2021-2022. In addition, the community benefits report again this year includes charity care and net Medi-Cal and Medicare patient care expense for the faculty practice groups of the campuses with medical centers. UC also operates 20 health professions schools that provide many substantive benefits to communities throughout the state and beyond, although those items are not accounted for in this report.

For the fiscal year ending June 30, 2022, the UC's health system provided a total of \$4.4 billion in net community benefits, including care to Medi-Cal and Medicare enrollees for which UC locations were not reimbursed and charity care. The amount is an increase of 9 percent over the prior fiscal year.

Other categories of spending in the annual total are:

- *\$1.7 billion in medical center net community benefits, an increase of \$28.7 million over the prior year, due mostly to increases in charity care and health education.*
- *\$1.9 billion in uncompensated care for Medicare patients, an increase of \$224 million over the prior year.*
- *\$764 million in community benefits from UC faculty practice groups through charity care and Medi-Cal and Medicare uncompensated care, an increase of \$93 million over the prior year.*

UC medical centers' community benefits spending represents 9.1 percent of total operating expenses. The decline from the prior year's 9.9 percent is due to the 11 percent increase in operating expenses, versus a 2 percent increase in community benefits spending.

### EXHIBIT 1

#### UC Medical Centers & Faculty Practice Group Net Community Benefits FY 2021-2022

Uses IRS Form 990 Schedule H methodology

Medical Center Community Benefits (\$000s)	FY 2022	Adjusted Prior Year	Incr (Decr) Over Prior	% Increase
<b>Net community benefit expenses</b>				
Financial assistance (charity care)	\$94,263	\$72,898	\$21,366	29%
Medicaid	\$999,305	\$1,021,282	(\$21,977)	-2%
Other means tested government programs	\$2,414	\$1,777	\$637	36%
Community health improvement services	\$64,723	\$72,070	(\$7,347)	-10%
Health professions education	\$368,058	\$348,488	\$19,570	6%
Subsidized health services	\$28,365	\$27,006	\$1,358	5%
Research	\$100,588	\$88,395	\$12,193	14%
Cash and in-kind contributions	\$7,804	\$4,941	\$2,863	58%
<b>Net community benefit expenses</b>	<b>\$1,665,521</b>	<b>\$1,636,856</b>	<b>\$28,665</b>	<b>2%</b>
Medicare	\$1,947,878	\$1,723,688	\$224,190	13%
<b>Community benefits with Medicare</b>	<b>\$3,613,400</b>	<b>\$3,360,545</b>	<b>\$252,855</b>	<b>8%</b>
Total operating expenses	\$18,326,682	\$16,484,317	\$1,842,365	11%
<b>Community benefit as a percentage of operating expenses (excludes Medicare)</b>	<b>9.1%</b>	<b>9.9%</b>	<b>-0.8%</b>	

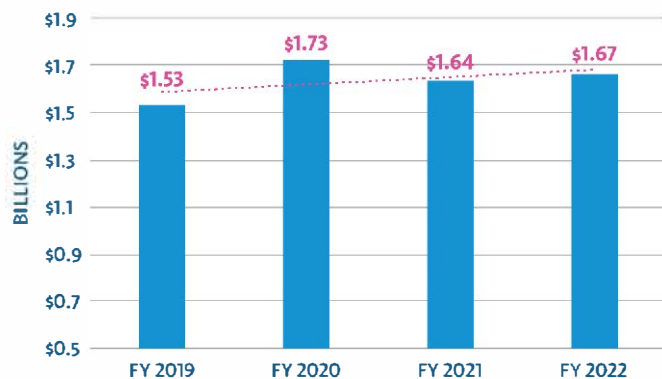
Faculty Practice Plan Community Benefits (\$000s)	FY 2022	Adjusted Prior Year	Incr (Decr) Over Prior	% Increase
Charity Care + Medicare & Medi-Cal Losses	\$764,147	\$671,630	\$92,517	14%
<b>Total Community Benefit Including Medicare And Faculty Practice Plans</b>	<b>\$4,377,547</b>	<b>\$4,032,175</b>	<b>\$345,372</b>	<b>9%</b>

## Community benefits spending growing over time

UC Health's community benefits spending has grown significantly over the base fiscal year 2018-2019, when the system began its reporting, as shown in Exhibit 2. A notable increase in community benefits spending occurred in fiscal year 2019-2020 during the early months of the COVID-19 pandemic, when UC Health incurred high amounts of expense related to charity care and uncompensated Medi-Cal patient care.

**EXHIBIT 2**

### UC Health Community Benefits Spending Trend



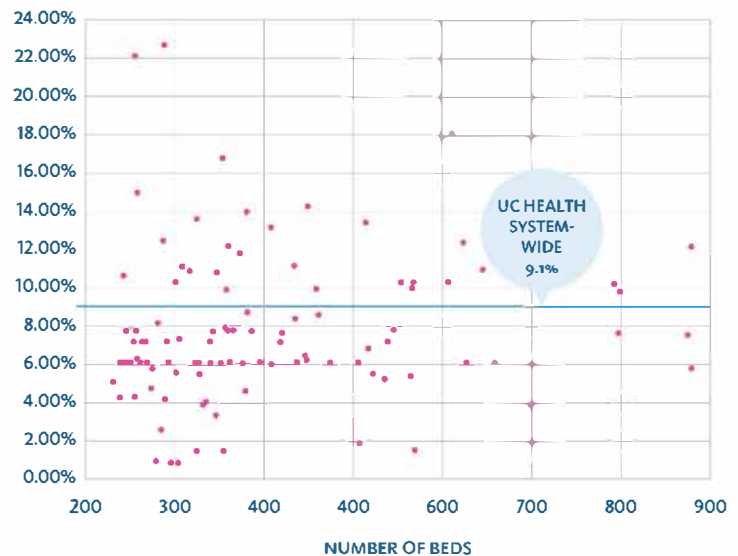
## Ranking in the upper tier of our benchmark group

UC Health's systemwide 9.1 percent net community benefits expenses as a percent of operating expense puts the system in the 70th percentile of comparable tax-exempt California hospitals, as illustrated in Exhibit 3.

The chart in Exhibit 3 includes all California tax-exempt hospitals that submit IRS Form 990 Schedule H, with bed size greater than or equal to 230 beds (104 hospitals). It is important to note that published benchmark data lags UC Health report data. Thus, this chart compares California hospital data from fiscal year 2019 and 2020 to UC Health community benefits spending data from fiscal year 2022.

**EXHIBIT 3**

### Community Benefits as a Percentage of Operating Expense



Source: Data published in Community Benefits Insight.  
Source: <https://www.communitybenefitinsight.org>

Benchmarking data throughout the report comes from Community Benefit Insight, which publishes community benefits spending information for tax-exempt hospitals throughout the United States.

In reviewing benchmarking information, it is also important to recognize there are significant variations between organizations due in part to differences in research accounting (i.e., whether research expenses primarily or exclusively are reflected on the books of the hospitals or of the affiliated medical schools), state public policies (e.g., whether the hospital's home state expanded Medicaid (Medi-Cal) coverage under the Affordable Care Act), and other factors.

As UC Health locations continue to improve their systems for gathering these data, UC Health believes that the documented community benefits expenses incurred by the UC medical centers will increase.

## Comparing favorably to California tax-exempt hospitals group

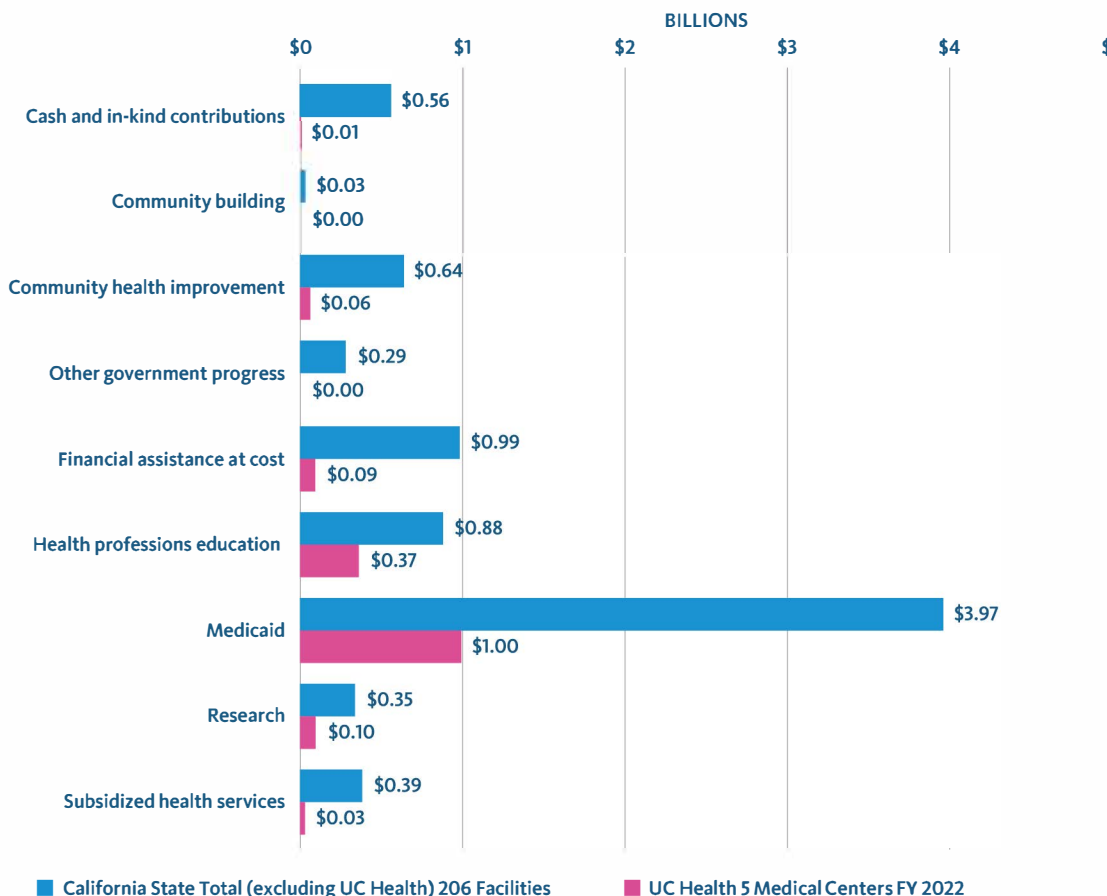
In fiscal year 2019 (the most recent year with completed reporting) there were 206 California hospitals that reported \$8.1 billion in community benefits using IRS Form 990 Schedule H. The statewide total does not include UC Health because UC Health medical centers do not file IRS form 990 Schedule H. **By comparison, our five UC Health medical centers contributed \$1.7 billion in community benefits in fiscal year 2022, which is equal to nearly 21 percent of the total spending for the group of 206 hospitals.**

Exhibit 4 illustrates that **UC Health alone contributed \$1 billion in unreimbursed Medi-Cal care as a benefit to our communities – which is equal to a quarter of Medi-Cal community benefits care from all tax-exempt hospitals in the state combined.** Additional amounts of unreimbursed care for Medi-Cal enrollees were delivered at UC faculty practices. All other 206 California tax-exempt hospitals combined contributed just under \$4 billion in Medi-Cal community benefits spending. **Similarly, UC Health medical centers alone deliver nearly 50 percent as much community benefits spending on health professions education as all other California tax-exempt hospitals combined.** This helps to document the pivotal role of UC Health in improving the health and well-being of the communities it serves.

### EXHIBIT 4

#### All 206 California Tax-Exempt Hospitals vs. UC Health Medical Centers Total Community Benefits Spending

*Note: The Medi-Cal values shown reflect uncompensated care, or the gap between net patient revenue and cost of care. These figures do not reflect the total value of care delivered.*



Source: Data published in Community Benefits Insight.  
Source: <https://www.communitybenefitsinsight.org>



## UC Health to Major California Hospital Systems (230+ Bed Size)

As is shown in Exhibit 5, **UC Health's community benefits spending of 9.1 percent of operating expenses exceeds almost every other mostly California tax-exempt hospital system.** Only Dignity Health's spending as a percent of operating expenses exceeds UC Health, primarily due to Dignity Health's Enloe Medical Center, which has an extraordinarily high Medi-Cal level of community benefits expense.

The table in Exhibit 5 compares UC Health medical centers community benefits spending as a percentage of operating expenses to that of the five largest tax-exempt hospital systems in the state, including Adventist Health, Dignity Health, Providence, Kaiser Permanente and Sutter Health. Only hospitals with 230 or more beds are shown, to avoid comparing UC's large academic medical centers to smaller rural hospitals.

### EXHIBIT 5

#### Community Benefits Costs as a Percentage of Operating Expense California Hospital System Average Calculations

System & Hospitals	Beds	CB %
Adventist - Hanford Community Hospital	230	5.08%
Adventist - Health Bakersfield	255	4.26%
Adventist - Health Glendale	515	13.37%
Adventist - Health White Memorial	377	5.95%
<b>Adventist - Averages</b>	<b>344</b>	<b>7.17%</b>

System & Hospitals	Beds	CB %
Dignity - California Hospital Medical Center	230	11.11%
Dignity - Enloe Medical Center	298	25.87%
Dignity - Mercy General Hospital	419	7.17%
Dignity - Mercy Medical Center Redding	267	7.17%
Dignity - Mercy San Juan Medical Center	254	7.17%
Dignity - St Mary Medical Center Long Beach	539	7.17%
Dignity - St Mary Medical Center San Francisco	339	7.17%
<b>Dignity - Averages</b>	<b>346</b>	<b>10.40%</b>

System & Hospitals	Beds	CB %
Providence - Holy Cross Med Center	257	7.72%
Dignity - Little Co Mary Mc San Pedro	387	7.72%
Dignity - Little Co Mary Mc Torrance	366	7.72%
Dignity - St Johns Health Center	317	10.88%
Dignity - St Joseph Health Center	360	7.72%
Dignity - Tarzana Medical Center	245	7.72%
<b>Providence - Averages</b>	<b>322</b>	<b>8.25%</b>

System & Hospitals	Beds	CB %
University of California - Davis	646	10.90%
University of California - Irvine	459	9.90%
University of California - Los Angeles	801	9.80%
University of California - San Diego	799	7.60%
University of California - San Francisco	1250	8.20%
<b>University of California - Averages (beds)</b>	<b>791</b>	<b>9.10%</b>

System & Hospitals	Beds	CB %
Kaiser - Anaheim	262	6.05%
Kaiser - Baldwin Park	269	6.05%
Kaiser - Downey	352	6.05%
Kaiser - Fontana	438	6.05%
Kaiser - Los Angeles	507	6.05%
Kaiser - Oakland	396	6.05%
Kaiser - Panorama City	325	6.05%
Kaiser - Roseville	340	6.05%
Kaiser - Sacramento	628	6.05%
Kaiser - San Diego	659	6.05%
Kaiser - San Francisco	239	6.05%
Kaiser - San Jose	247	6.05%
Kaiser - Santa Clara	327	6.05%
Kaiser - South Bay	251	6.05%
Kaiser - South Sacramento	241	6.05%
Kaiser - Vallejo	475	6.05%
Kaiser - Walnut Creek	362	6.05%
Kaiser - West Los Angeles	293	6.05%
<b>Kaiser - Averages</b>	<b>367</b>	<b>6.05%</b>

System & Hospitals	Beds	CB %
Sutter - Alta Bates Medical Center	555	10.27%
Sutter - California Pacific Medical Center	608	10.27%
Sutter - CPMC - California Campus	382	8.67%
Sutter - Memorial Hospital Modesto	275	5.74%
Sutter - Summit Medical Center	569	10.27%
Sutter - Medical Center - Sacramento	523	5.47%
Sutter - Memorial Hospital Sacramento	360	12.18%
Sutter - Roseville Medical Center	328	5.47%
<b>Sutter - Averages</b>	<b>450</b>	<b>8.54%</b>

*Note: Kaiser @ Dignity reported as a system, as did the majority of Providence hospitals*

Source: <https://www.communitybenefitinsight.org>

# UC DAVIS HEALTH



## LEARN MORE

[▶ SHINES Program at UC Davis School of Nursing - YouTube](#)

## Summer Health Institute of Nursing Exploration and Success (SHINES)

A two-week immersive summer program for current and recently graduated high school students. Enthusiastic UC Davis Health employees provide guidance and resources to the students throughout the program experience, highlighting multiple healthcare career paths.

38

students participated in 2022 cohort

15

sessions in a two-week summer program

## Community Flu Vaccination

UC Davis Health partnered with City Church in Sacramento to host a free flu vaccination clinic and administered dozens of flu vaccines to Oak Park community members. Other efforts included donating 500 flu vaccine doses for a Sikh Festival, providing 200 flu vaccines for various community outreach events and administering 350 flu vaccines for free at community events.

1050+

flu vaccines donated at community events



## LEARN MORE

[☰ UC Davis Health Hosts 2nd Annual Oak Park Flu Vaccine Event](#)

# UCI Health



## LEARN MORE

 [CRECE Urban Farms Facebook Page](#)

## Community Urban Farms

The health-equity focused program connects patients who do not have access to fresh produce with a local urban farm's produce, using grant funds from Veggie Rx, and provides necessary infrastructure for healthy food access. Community Urban Farm is a collaboration with CRECE Urban Farms and UCI Family Health in Santa Ana.

**500+ lbs**

organic waste diverted from landfills monthly and 50+ families served

**3-9 months**

weekly boxes of freshly harvested veggies from local BIPOC farmers to each family

## UCI Family Health Center

The oldest Federally Qualified Health Center (FQHC) in Orange County increased patients by 2,000 and visits by 5,000 while innovating to address conditions such as hypertension for underserved populations. 98 percent of patients are below 200 percent of the federal poverty line. Since 1985, the center has trained medical students, nurse practitioners, physician assistants and residents in the areas of family medicine, pediatrics, and obstetrics and gynecology.

**5,000**

increase in visits and 2,000 new patients in the last year

**76%**

achieved blood pressure target within 3 months



## LEARN MORE

 [UCI Family Health Center — Santa Ana Webpage](#)



# UCLA Health



Operation MEND

## LEARN MORE

 [Behavioral Health - UCLA Health Website](#)

## Mental Health Outreach

UCLA Health is working to provide mental health resources in its communities:

- *UCLA TIES (Training, Intervention, Education and Services) for Families*
- *Stress, Trauma and Resilience (STAR) clinic*
- *The EMPWR (empower) Program for LGBTQ+ patients*
- *Operation Mend – post traumatic stress and brain injury treatment*
- *Embedding behavioral health associate providers into primary care offices, with a focus on Medi-Cal enrollees and others in need*

**15+** years

caring for the physical and psychological wounds of war through Operation Mend

**6th** in nation

for psychiatry in 2022-23 according to U.S. News & World Report

## Sound Body Sound Mind

SBSM, which serves 152 middle and high schools in LA County, opened five new fitness centers, providing additional locations to support the physical health of nearly 200,000 students. The program tracks results and saw significant improvement in student fitness levels, rising from 39 percent passing state test thresholds to 59 percent after just eight weeks.

**200k**

students served across six LA County school districts

**59%**

average FitnessGram pass rate after just 8 weeks versus a 39% starting level



## LEARN MORE

 [Sound Body Sound Mind Program — UCLA Health Website](#)



**CELEBRATING 10 YEARS**  
School of Medicine



#### LEARN MORE

[STOP COVID-19: Black Community Resource Toolkit](#)

## Black Health Equity Initiative: STOP COVID-19

The program researched community needs to allow tailoring of culturally appropriate services. A resulting toolkit explores some fears within the Black community, one of the hardest hit by the virus that causes COVID-19; addresses questions to separate fact from fiction; and provides resources as well as a mechanism for updates and feedback. Also, the initiative hosted educational Long-Haul COVID-19 town halls.

**50%+**

UCR STOP COVID-19 CA research teams focus on populations that account for over half of all reported COVID-19 cases in the United States

**300+**

town halls and vaccine events led by the STOP COVID-19 CA Alliance

## Unidas Por Salud (Unidas):

This women-led collaborative of academics, students and community health workers has developed a multipronged response to health disparities in Southern California, including training promotoras to work directly in the community, educating, conducting outreach and facilitating health services.

**82**

community members joined nine home meetings held in four unincorporated communities in the East Coachella Valley

**3 priorities**

- Mental Health
- Substance Abuse
- Child Health



#### LEARN MORE


[USMex \(United States-Mexico\) Unidas por Salud Webpage](#)



# UC San Diego Health



## LEARN MORE

 [Local Leaders Announce Plan to Strengthen Health Services in Imperial County](#)

## El Centro Regional Medical Center

In February 2023, UC San Diego Health agreed to a plan to assume day-to-day operational, clinical and financial management of ECRMC with backing from ECRMC's majority bondholder. ECRMC is based in Imperial County, which has one of the state's highest Medi-Cal and Medicare populations and is experiencing a health care crisis with severe shortages of providers and insufficient urgent care services and emergency transportation.

**12-18 months**

strategic and operational plan to stabilize and financially bolster ECRMC plus the greater network of Imperial County hospitals

**67 years**

ECRMC has served the health care needs of the Imperial Valley since 1956

## Safe Transitions of Care for Vulnerable Populations

This care management team helps vulnerable people navigate hospital stays and provides assistance and resources as patients prepare to return home, including arranging free or discounted services to facilitate safe transitions back into the community.

### Some services include:

- Recuperative care housing
- Medical equipment and supplies
- Skilled home health care visits



Kyle Dykes | UC San Diego Health

## LEARN MORE

 [Care Management - UC San Diego Health Website](#)



UCSF Black Women's Health &amp; Livelihood Initiative

## LEARN MORE

 [Black Women's Health & Livelihood Initiative Webpage](#)

## Black Women's Health & Livelihood Initiative

Prioritizes and amplifies the voice and power of Black women at UCSF and beyond to achieve their optimal health and well-being. The initiative is part of a national movement to address the current realities of health care inequities for Black women.

### 6 focus areas

- Justice & Equity
- Health & Well-being
- Community Building
- Education
- Leadership
- Construction of Knowledge & Research

### 2018

start of the EMBRACE program, developed to give Black mothers and Black pregnant people an opportunity to receive prenatal care from an intentional angle of racial consciousness

## Benioff Children's Hospital (BCH) Oakland Pediatric ACES & Related Life Events Screener (PEARLS) and FINDConnect™

Co-developed and implemented at BCH, PEARLS screen for true primary prevention to identify most at-risk kids for poor health outcomes, secondary to exposure to trauma. The tool is now widely used across California. FIND addresses the social and environmental factors affecting children's health outcomes. FINDConnect™ is integrated into electronic health records to aid in treating social drivers of health.

# 6,302

community referrals since 2016

# 787,520

ACE screenings of youth less than 20 years old from January 2020 to March 2022



UCSF Benioff Children's Hospital Oakland

## LEARN MORE

 [How we help kids overcome toxic stress](#)

## Definition and Description of Community Benefits Activities

On IRS Form 990 Schedule H, the following activities and programs are reported as community benefits:

### Financial Assistance

Free or discounted health services provided to persons who meet the organization's criteria for financial assistance (as specified in a Financial Assistance Policy) and are thereby deemed unable to pay for all or a portion of the services. Financial assistance does not include self-pay discounts, prompt pay discounts, contractual allowances, and bad debt. Financial assistance is reported based on cost – not the amount of gross patient charges forgiven.

### Medicaid

The United States health program for individuals and families with low incomes and resources. Medicaid community benefits are reported as the difference between the cost of care and reimbursement. Net community benefits thus are the loss incurred by the UC medical centers in providing access to care for Medicaid recipients.

### Other Means-tested Government Programs

Government sponsored health programs in which eligibility for benefits or coverage is determined by income and/or assets (e.g., county indigent care programs).

### Community Health Improvement Services

Activities or programs carried out or supported for the express purpose of improving public health that are subsidized by the health care organization. Examples include:

- Community health education, including classes and education campaigns, support groups and self-help groups.
- Community-based clinical services, such as screenings, annual flu vaccine clinics and mobile units.
- Health care support services for lower-income persons, such as transportation, case management, Medicaid (Medi-Cal) enrollment assistance, and services to help homeless persons upon discharge.
- Social and environmental activities known to improve health, such as violence prevention, improving access to healthy foods, and removal of asbestos and lead in public housing.

### Health Professions Education

Educational programs that result in a degree, certificate, or training that is necessary to be licensed to practice as a health professional, as required by state law; or continuing education that is necessary to retain state license or certification by a board in the individual's health profession specialty. Expenses incurred by the UC medical centers in educating interns and residents, medical students, and allied health professionals are reported in this category.

### Subsidized Health Services

Clinical services provided despite a financial loss to the organization because they are needed to assure access to care for members of the community. The financial loss is measured net of any financial assistance and Medicaid (Medi-Cal) losses to avoid double counting.

### Research

Any study or investigation that receives funding from a tax-exempt or governmental entity of which the goal is to generate generalizable knowledge that is made available to the public. Research (e.g., clinical trials) funded by for-profit entities is not reportable as community benefits on Schedule H.

### Cash and In-kind Contributions for Community benefits

Contributions made by the organization to support community benefits provided by other organizations.

Community benefits are accounted for by quantifying the total expense, the direct offsetting revenue, and the resultant net expense borne by the hospital for the above activities and programs. On Schedule H, those activities and programs are reported as community benefits in Part I. Hospitals also account for community building activities (in Part II), and Medicare and bad debt (in Part III). Medicare and bad debt are not reported as community benefits on Schedule H.

Charity care is defined as care that UC medical centers provide without charge or at amounts less than their established rates to patients who meet certain criteria under their charity care policies. Amounts determined to qualify as charity care are not reported as net patient service revenue. The medical centers also provide services to other patients under publicly sponsored programs, which may reimburse at amounts less than the cost of the services provided to the recipients. The difference between the cost of services provided to these persons and the expected reimbursement is included in the estimated cost of charity care.

**University of California Health**

1111 Franklin Street  
Oakland, CA 94612

**universityofcalifornia.health**

*Published June 2023*