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**Statement Regarding IHA Establishing Community Investment Fund**

A recent suggestion to create a fund from Indiana hospitals’ reserves is not a serious policy proposal, but rather another step in a coordinated campaign to influence contributions to a specific economic development project. Eric Doden, who heads up a real estate development company based in Fort Wayne, has called for hospitals to contribute to a fund that would advance projects such as those promoted by his firm. His call for this fund is based on a flawed and misleading report from Ball State University’s Center for Business and Economic Research which makes outrageous accusations against Indiana’s hospitals.

No public policy should be made based on a study such as the one by Dr. Michael Hicks that is rife with errors and paints a highly inaccurate picture of Indiana’s hospitals. As IHA has pointed out, Dr. Hicks chose not to rely on publicly audited financial statements for his report, resulting in a highly distorted view of hospital reserves and margins. As an example, he suggests an absurdly high operating margin exists for one small, rural hospital which lost more than $1 million in operating revenue. There are numerous other flaws which Dr. Hicks has not addressed.

The fact is that Indiana’s hospitals are investing in their communities every day. Hospitals generate more than 243,000 high-paying jobs and create more than $39 billion in economic impact. Hospitals are large employers and are absolutely committed to improving public health and investing in their communities. The annual benefit provided by our not-for-profit members approaches $2.5 billion based on the most recently available data.

It is also a fallacy that hospitals are hoarding cash reserves on Wall Street. As with individual Hoosiers, businesses, and public entities including the State of Indiana, hospitals do invest “on Wall Street”. However, the balances are held in trust by these institutions and their community-led boards for the purpose of supporting the collective mission of serving patients and improving Hoosiers health and well-being. Every dollar comes back the community in some way—whether that is to pay a nurse’s salary, to improve facilities for providing world class care, or funding philanthropic or economic development programs in a hospital’s backyard.

We do not think citizens want their local hospital’s finances being decided by someone in Indianapolis. Trustees of these institutions make decisions every day based on the best interests of their patients and communities. There are important discussions taking place in the Indiana General Assembly regarding a long-term vision for reducing healthcare costs and making Indiana healthier. A campaign of self-serving recommendations based on a flawed study should not distract us from this important work.

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**ABOUT INDIANA HOSPITAL ASSOCIATION**

The Indiana Hospital Association serves as the professional trade association for more than 170 acute care, critical access, behavioral health, and other specialized hospitals in Indiana. IHA advocates on behalf of its members in Indiana’s General Assembly, U.S. Congress, and with multiple regulatory agencies at the state and federal levels. Dedicated to improving quality, patient safety, and Hoosiers’ health status, IHA holds numerous grants and facilitates collaboration among hospitals to improve outcomes. IHA also provides members with the data analytics that they need to ensure access to quality, cost-effective health care services across the state of Indiana. *To learn more about IHA, visit* [*IHAconnect.org*](http://www.ihaconnect.org)*.*