Institute for Health Policy Accountability

Virginia "Non-Profit" Hospital Report

As IHPA reported last year, wealthy, non-profit hospitals around the country use 78% of a federal program designed to help low-income patients in underserved areas. This report includes a closer look at some of the hospital systems in Virginia that are benefiting from the 340B federal drug pricing program and how they are spending their revenue.

What this research shows is that Virginia hospital systems are raking in billions in revenue, handing out mega-compensation packages, and making major investments while profiting from programs meant for the poor. The evidence shows that wealthy hospitals and highly compensated administrators are taking advantage of the 340B program.

Virginia Non-Profit Hospital Revenue Is Booming

Even if a hospital is called a "non-profit," it can still get very rich. Virginia's biggest non-profit hospitals are collecting billions in operating revenue each year.

HOSPITAL SYSTEM	ANNUAL REVENUE	YEAR REPORTED	ANNUAL INCREASE IN REVENUE	ANNUAL GROWTH RATE
Bon Secours Mercy Health Inc	$11,537,795,267	2024	$2,827,455,099	32.5%
Inova Healthcare Services	$6,423,097,177	2024	$755,760,820	13.3%
Sentara Hospitals	$4,425,929,465	2024	$432,117,758	10.8%
Riverside Healthcare Association Inc	$2,523,395,459	2024	$201,965,183	8.7%
Centra Health Inc	$1,166,348,794	2024	$35,317,741	3.12%
Mary Washington Healthcare	$1,070,313,284	2024	$133,143,455	14.2%
Virginia Hospital Center Arlington Health System	$896,410,115	2023	$71,529,953	8.67%

Source: ProPublica, Washington Department of Health

The massive amount of revenue brought in by these hospitals is often used to pay out million dollar CEO compensation packages or to consolidate local hospitals.

Statewide, Virginia non-profit hospitals are garnishing wages at a high rate, with a July 2019 report from JAMA showing that 71% of all hospitals in the state garnishing wages for medical debt were nonprofit hospitals.

Below are more details about how the hospitals listed above spend their revenue.

Inova Healthcare Services

$8.1 billion in total assets

Inova boasts hospitals in some of the wealthiest areas around Washington, D.C. It is the second highest-revenue non-profit in Virginia, with revenue totaling nearly $6.5 billion in 2024. The hospital system has a long history of questionable practices that hurt patients and prioritizes profits over quality healthcare.

Defrauding Taxpayers

Inova settled with the U.S. Department of Justice in November 2024, agreeing to pay over $2.3 million to settle claims that it submitted false claims to Medicaid. Inova had submitted claims for reimbursement "for sterilization and hysterectomy procedures that contained documentation that had been improperly modified by or at the request of one or more Inova employees." The falsified information in those claims led to nearly $1.6 million in improper payments received from Medicaid.

Unfair and Aggressive Billing Practices

In 2004, the hospital system was accused of "overcharging uninsured patients and then using 'aggressive and humiliating' techniques to collect." Lawyers for the plaintiffs asserted that Inova hospitals charged uninsured patients much more than insured patients and then aggressively pursuing uninsured debtors using abusive collection efforts that in some cases led to financial ruin for patients who were unable to pay.

Million Dollar Compensation for High-Level Employees

Inova paid 18 employees million-dollar-plus salaries in 2024. The President and CEO of the hospital system, Dr. J. Stephen Jones, made over $6.5 million in 2024 alone, while other non-physician executives made seven-figure salaries. Overall, nearly half of the hospital's notable expenses went to salaries and wages, with over $21 million going to executive compensation.

Sentara Hospitals

$2.7 billion in total assets

Sentara is the third highest-revenue nonprofit in Virginia, with revenue totaling almost $4.5 billion in 2024. While spending millions on executive compensation, the hospital has mishandled patient information, improperly submitted millions of dollars' worth of claims, and shown a pattern of disrespect towards its workers.

Mishandling Patient Information

Sentara paid nearly $2.2 million to the Department of Health and Human Services (HHS) in 2019 after violations of the Health Insurance Portability and Accountability Act (HIPAA). According to HHS, "Sentara mailed 577 patients' PHI to wrong addresses that included patient names, account numbers, and dates of services." Not only did they breach patient trust and mishandle sensitive patient information, Sentara "persisted in its refusal to properly report the breach even after being explicitly advised of their duty to do so."

Improper Claims

In July 2021, Sentara was found to have improperly submitted claims for "observation services provided to patients discharged from the emergency departments of [its] hospitals," without adequate justification for the medical necessity of such services. The hospital system paid $4.3 million to settle these claims.

Disrespect for Healthcare Workers While Executives Make Six Figures

The hospital system is currently in legal trouble for a number of issues related to its employees. In one instance, a judge has allowed a lawsuit to go forward alleging a breach of fiduciary duty related to the system's retirement plan. Earlier in the year, a former employee sued the system claiming that they automatically deduct time from employees' hours worked for meal periods while forcing employees to work through meal breaks in addition to rounding clock-in and clock-out times in such a way that benefits the organization. The employee included a claim that Sentara knew about these issues because of complaints but failed to take action.

Meanwhile, Sentara spends over $11 million on executive compensation, including over $1 million each in 2024 to three employees and six-figure salaries for 15 employees.

Riverside Healthcare Association Inc

$1.8 billion in total assets

Riverside pays $40 million in executive compensation while defrauding American taxpayers and violating the rights of its workers.

Defrauding American Taxpayers

In July 2019, Riverside settled with HHS for $788,000 for "submitting claims for therapy services not provided as claimed." The investigation found that Riverside "submitted false or fraudulent claims to TRICARE for: (1) professional services provided by active duty military physicians; (2) services provided by Physical Therapy Assistants and Certified Occupational Therapy Assistants in the Acute Care Division, and (3) services provided by Physical Therapy Assistants and Certified Occupational Therapy Assistants in the Lifelong Health Division."

Disrespect for Healthcare Workers

Last year, Riverside was sued by a former employee who alleged that the hospital had not paid employees for all hours worked. The employee noted that Riverside "automatically deducted 30 minutes from workers' pay each day for meal breaks, even when those breaks were missed or interrupted by work duties." They also alleged that the hospital system rounded their clock-in and clock-out times in such a way that it primarily benefitted the hospital.

In 2021, the hospital system fired an employee for refusing the COVID-19 vaccine, under recommendation from her doctor. The employee, Margaret O'Reilly, submitted an exemption request to the hospital, including a note from her doctor that the vaccine posed a risk to her health given her medical history. She was later put on 45-day unpaid leave, after which she was fired. She filed a lawsuit alleging that the hospital system failed to accommodate her disability.

Million-Dollar Compensation for High-Level Employees

Riverside pays a disproportionately large percentage of its overall expenses towards executive compensation, particularly compared to its higher-revenue generating non-profit hospitals. Nearly 2% (or $40 million) of the hospital's expenses go to executive compensation, including nine employees making over a million dollars in salary in 2024 alone.

Centra Health

$1.49 billion in total assets

Centra has a history of issues, including violating federal and state laws with improper financial relationships. The hospital has also paid thousands to settle claims of improper claims made to Medicare and has denied care for youth patients in need, all while paying exorbitant salaries to its executives.

Improper Financial Relationships Hurt Virginia Patients

In April 2020, the U.S. Attorney's Office, Western District of Virginia announced that it had settled for nearly $10 million with Centra Health and Blue Ridge Ear, Nose, Throat and Plastic Surgery after allegations they violated the False Claims Act and the Virginia Fraud Against Taxpayers Act. The "financial relationships Centra and its affiliates had with several referring physicians and groups including Blue Ridge ENT [was] in violation of the Stark Law, the Anti-Kickback Law, and other federal regulations that restrict the financial relationships hospitals may have with physicians who refer patients to them."

Defrauding American Taxpayers

In October 2016, Centra Health settled with HHS for over $137,000 after allegations were made that the hospital system submitted claims to Medicare at a higher rate than was proper, billing at the emergency rate in situations that should have been billed at non-emergency rates.

Denying Treatment to Youth in Need

A former employee came forward alleging that Centra had illegally turned away juvenile psychiatric patients with autism because it was "too hard to find aftercare appointments." When the employee raised concerns, she was fired.

Million Dollar Compensation for High-Level Employees

Centra spends 1% of its expenses on executive compensation, with 19 employees receiving compensation of six-figures or more in 2024. The organization's President and CEO Amy Carrier made nearly $3 million in just the first four months of 2024 according to its 990.

Mary Washington Healthcare

$620 million in total assets

Mary Washington Healthcare has a history of patient safety issues, ranking the lowest in the state in spring 2024. At the same time, the hospital has come under scrutiny for aggressive and harmful billing practices against patients in need.

Flagship Facility is Failing Virginians

Mary Washington Hospital, the flagship facility of Mary Washington Healthcare, received the only "D" grade in the entire state in The Leapfrog Group's spring 2024 hospital safety rankings. According to reports, "Mary Washington Hospital is performing worse than other hospitals in its rates of MRSA infections, sepsis infection after surgery, and surgical site infection after colon surgery, according to the safety grade."

Aggressive and Harmful Billing Practices

A report from 2019 shed light on Mary Washington Healthcare's aggressive practice of suing patients for unpaid medical bills that could be "ruinous" for those on the receiving end. A study published in the American Medical Association's journal, JAMA drew attention to the wage garnishing practices of nonprofit Virginia hospitals, noting that just five hospitals accounted for over half of all lawsuits and that Mary Washington single-handedly sued the most patients. In fact, Mary Washington sued "so many patients that the court reserves a morning every month for its cases." Mary Washington only decided to suspend these lawsuits after the negative public attention from its hardball tactics coming to light.

Virginia Hospital Center Arlington Health System

$1.96 billion in total assets

Despite the hospital's non-profit mission, the Virginia Hospital Center (VHC) has engaged in corrupt practices to help its own bottom line. The hospital system agreed to pay HHS over $6 million to settle allegations of physician self-referrals and kickbacks. HHS alleged that, "VHC paid remuneration to two medical groups in the form of office space, office staff, and services rendered under call coverage arrangements."

In 2025, the Virginia Hospital Center also clashed with business owners in Graham Center in Fairfax, Virginia after its expansion plans led to the displacement of small, family-owned businesses in a retail strip. Owners said they were not consulted and that some businesses that were losing their storefronts had been at the Graham Center for decades before being displaced by VHC.

Bon Secours Mercy Health Inc

$14.4 billion in total assets

Bon Secours Mercy Health Inc, while based in Ohio, operates a number of hospitals in Virginia and in other states. One of these hospitals, Bon Secours Richmond Community Hospital, "has the highest profit margins of any hospital in Virginia, generating as much as $100 million a year." The President and CEO of the system, John Starcher, was paid over $10.7 million in compensation in 2024 alone.

Former employees allege the health system, "launder[s] money through this poor hospital to its wealthy outposts," slashing services at poor hospitals like Richmond Community Hospital and putting the funds instead towards operations in wealthier areas. In just one example, in 2012, the city leased land to the system at below the market rate believing it would expand the facilities, but instead, they built a luxury apartment and office complex, only building the promised medical facilities after more than a decade.

The hospital also eliminated its intensive care unit (ICU), leading to staffing and care cuts that endanger patients. However, it spent $108 million expanding the ICU and maternity ward at one of its other Virginia hospitals, located in Midlothian, Virginia, where the median household income is above $100,000 annually. A report described the Midlothian hospital as, "an Italianate-style compound in a suburb 18 miles from Community, [where] golf carts shuttle patients from the lobby entrance, past a marble fountain, to their cars."

An investigation by the U.S. Senate Health, Education, Labor, and Pensions Committee found that the hospital made $276 million exploiting the 340B program, according to a report released earlier this year.