



Community Benefit Reporting for Charitable Hospitals

TO RECEIVE CPE CREDIT

- Attendees must respond to at least 3 of the 4 polling questions per CPE hour
- Attendee must be logged in for a minimum of 50 minutes per every CPE hour in order to receive CPE credit

Agenda

1. Background
2. Why Tax-Exempt Hospitals Should Care About Community Benefit Reporting
3. Community Benefit Reporting to the IRS
4. Trends In Community Benefit Reporting
5. Community Benefit Reporting and the Community Health Needs Assessment



01

Background



Background

Community Benefits - Definition

Community benefits are programs or activities that provide treatment or promote health as a response to community needs and meet at least one of the following objectives:

- Improve access to health care services
- Enhance health of the community
- Advance medical or health care knowledge
- Relieve a government burden

Background

Charitable Hospitals - General Requirements for Tax-Exemption under Section 501(c)(3)

Charitable hospitals must meet the general requirements for tax exemption under Internal Revenue Code Section 501(c)(3) and Revenue Ruling 69-545. These general requirements are in addition to the four additional requirements imposed under IRC Section 501(r)(1).

The regulations under 501(c)(3) outline the various exemption requirements and state that an organization must meet both an organizational test and an operational test to qualify for exemption under Section 501(c)(3).

Background

Organizational Test

An organization must be organized exclusively for one or more exempt purposes. Generally, an organization is organized exclusively for one or more exempt purposes only if its organizational documents:

- Limit the purposes of such organization to one or more exempt purposes
- Do not expressly empower the organization to engage, other than as an insubstantial part of its activities, in activities which in themselves are not in furtherance of one or more exempt purposes
- Do not expressly empower it to:
 - devote more than an insubstantial amount of its activities to attempting to influence legislation
 - participate or intervene in any political campaign on behalf of or in opposition to any candidate for public office
 - engage in activities which characterize it as an “action” organization
- The organizational documents must also permanently dedicate the organization’s assets to charitable purposes upon dissolution

Community Benefit Reporting for Charitable Hospitals

Background

Operational Test

The operational test for exemption under Section 501(c)(3) consists of four broad categories:

1. Requirement to operate exclusively for exempt purposes
2. Prohibition against inurement
3. Prohibition against becoming an action organization
4. Prohibition against substantial private benefit

An organization is considered to operate exclusively for one or more exempt purposes if it engages primarily in activities that accomplish one or more exempt purposes as specified in Section 501(c)(3).

In the context of operating a tax-exempt hospital, it's not enough for a hospital to state that it operates exclusively to promote health. A hospital must also demonstrate that it operates to promote the health of a class of persons that is broad enough to benefit the community. This is known as the **community benefit standard**.

Community Benefit Reporting for Charitable Hospitals

Background

Operational Test

In addition, Section 501(c)(3) prohibits an organization from distributing its net earnings to any private shareholder or individual. Treasury Regulation 1.501(a)-1(c) defines a private shareholder or individual as a person or persons having a personal and private interest in the activities of the organization.

Hospitals must also comply with the statutory requirements that prohibit an organization from qualifying for Section 501(c)(3) if a substantial part of the organization's activities consists of carrying on propaganda or otherwise attempting to influence legislation or if the organization engages in any political campaign intervention.

Finally, the regulations state that an organization is not organized or operated exclusively for exempt purposes unless it serves a public rather than a private interest.

Background

Community Benefit Standard

The community benefit standard, as outlined in Rev. Rul. 69-545, is a test the IRS uses to determine whether a hospital is organized and operated for the charitable purpose of promoting health. Rev. Rul. 69-545 provides examples illustrating whether a hospital is described under Section 501(c)(3).

Section 501(c)(3) provides exempt status for organizations that are, in general, religious, charitable, scientific, literary or educational. The promotion of health is not a specifically enumerated purpose within Section 501(c)(3). However, it is one of the purposes in the general law of charity that is deemed to be beneficial to the community as a whole, even though the class of beneficiaries eligible to receive a direct benefit from its activities does not necessarily include all members of the community.

Therefore, to qualify as an organization described in Section 501(c)(3), a hospital must:

- Demonstrate that it provides benefits to a class of persons that is broad enough to benefit the community
- Operate to serve a public rather than a private interest

Community Benefit Reporting for Charitable Hospitals

Background

Community Benefit Standard

Rev. Rul. 69-545 provides the following factors that demonstrate community benefit:

- Operating an emergency room open to all, regardless of ability to pay
- Maintaining a board of directors drawn from the community
- Maintaining an open medical staff policy
- Providing hospital care for all patients able to pay, including those who pay their bills through public programs such as Medicaid and Medicare
- Using surplus funds to improve facilities, equipment, and patient care; and
- Using surplus funds to advance medical training, education, and research.

Rev. Rul. 56-185, modified by Rev. Rul. 69-545, set forth more restrictive requirements for exemption of hospitals under Section 501(c)(3). Those more restrictive requirements included patient care without charge or at rates below cost. [Though a hospital is no longer required to operate under those requirements, doing so continues to be a significant factor indicating that the hospital is operated for the benefit of the community.](#)

Although no one factor is determinative in considering whether a nonprofit hospital meets the community benefit standard, the IRS weighs all the relevant facts and circumstances in evaluating these factors. Additional factors, such as whether a hospital provides financial assistance to those not able to pay, are relevant in determining whether the hospital is providing a benefit to the community.

02

Why Tax-Exempt Hospitals Should Care About Community Benefit Reporting



Why Tax-Exempt Hospitals Should Care About Community Benefit Reporting

Headlines

**HEARING ON TAX-EXEMPT HOSPITALS AND THE
COMMUNITY BENEFIT STANDARD**

HEARING
BEFORE THE
SUBCOMMITTEE ON OVERSIGHT
OF THE
COMMITTEE ON WAYS AND MEANS
U.S. HOUSE OF REPRESENTATIVES
ONE HUNDRED EIGHTEENTH CONGRESS
FIRST SESSION
APRIL 26, 2023

Nonprofit hospitals not providing enough charity required for tax-exempt status, Sanders says

October 10, 2023

By: Joseph Choi; The Hill

Sen. **Bernie Sanders** (I-Vt.), chair of the Senate Committee on Health, Education, Labor and Pensions (HELP), blasted nonprofit hospitals in report issued on Tuesday for charging patients large fees despite the expectation that they provide medical care at free or reduced costs.

In his **report**, Sanders cited the case of a Memphis woman in 2007 who received a bill of \$12,019 following a procedure, which she was not able to pay with her wages at that time. The bill subsequently accrued interest and was sent to collections, and the woman was left with a bill of more than \$33,000.

Sanders lamented how stories like this are “far too common.”

Lawmakers Urge Stronger Regulation of Nonprofit Hospitals

APR. 4, 2024



April 4, 2024

The Honorable Daniel Werfel
Commissioner Internal Revenue Service
1111 Constitution Avenue, NW
Washington, D.C. 20224

The Honorable Janet Yellen
Secretary U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

Dear Commissioner Werfel and Secretary Yellen:

We write to request new regulations and guidance on nonprofit hospitals from the Department of Treasury and Internal Revenue Service (IRS). These actions could alleviate medical debt for millions of individuals, particularly working-class families who are already struggling to make ends meet.

03

Community Benefit Reporting to the IRS



Community Benefit Reporting to the IRS

Form 990, Schedule H

Form 990, Schedule H collects information about a hospital organization's charity care and other community benefit activities as well as additional data related to tax-exemption. Organizations must provide information about community benefits, community health needs assessments, financial assistance and collection policies, bad debt and Medicare shortfall. The form also allows organizations to provide information about their communities, and to describe how they assess community needs and inform patients about eligibility for financial assistance.

Schedule H give the IRS an accurate picture of the tax-exempt hospital sector and helps it assess whether hospitals are complying with the current community benefit standard.

Reporting community benefits on Schedule H is an important issue for tax-exempt hospitals as it presents the opportunity to demonstrate that the organization meets its charitable mission.

Community Benefit Reporting for Charitable Hospitals

Community Benefit Reporting to the IRS

Form 990, Schedule H (Line 7 – Financial Assistance and Certain Other Community Benefits at Cost)

SCHEDULE H
(Form 990)

Hospitals

OMB No. 1545-0047
2023
Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Complete if the organization answered "Yes" on Form 990, Part IV, question 20a.
Attach to Form 990.
Go to www.irs.gov/Form990 for instructions and the latest information.

Name of the organization _____ Employer identification number _____

Part I Financial Assistance and Certain Other Community Benefits at Cost

1a Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a **1a** Yes No

b If "Yes," was it a written policy? **1b** Yes No

2 If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year:

Applied uniformly to all hospital facilities Applied uniformly to most hospital facilities

Generally tailored to individual hospital facilities

3 Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year:

a Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing free care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care: 100% 150% 200% Other _____% **3a** Yes No

b Did the organization use FPG as a factor in determining eligibility for providing discounted care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: 200% 250% 300% 350% 400% Other _____% **3b** Yes No

c If the organization used factors other than FPG in determining eligibility, describe in Part VI the criteria used for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care.

4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"? **4** Yes No

5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year? **5a** Yes No

b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount? **5b** Yes No

c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care? **5c** Yes No

6a Did the organization prepare a community benefit report during the tax year? **6a** Yes No

b If "Yes," did the organization make it available to the public? **6b** Yes No

Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
7 Financial Assistance and Means-Tested Government Programs						
a Financial Assistance at cost (from Worksheet 1)						
b Medicaid (from Worksheet 3, column a)						
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total. Financial Assistance and Means-Tested Government Programs						
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)						
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)						
j Total. Other Benefits						
k Total. Add lines 7d and 7j						

For Paperwork Reduction Act Notice, see the Instructions for Form 990. Cat. No. 50192T Schedule H (Form 990) 2023

7 Financial Assistance and Certain Other Community Benefits at Cost						
	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
Financial Assistance and Means-Tested Government Programs						
a Financial Assistance at cost (from Worksheet 1)						
b Medicaid (from Worksheet 3, column a)						
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total. Financial Assistance and Means-Tested Government Programs						
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)						
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)						
j Total. Other Benefits						
k Total. Add lines 7d and 7j						

Community Benefit Reporting to the IRS

Schedule H, Line 7 Components

“Total community benefit expense” means the total gross expense of the activity incurred during the year. Includes both direct and indirect costs.

- “Direct costs” are salaries and benefits, supplies, and other expenses directly related to the actual conduct of each activity or program
- “Indirect costs” are costs that are shared by multiple activities or programs, such as facilities and administrative costs related to the organization's infrastructure (space, utilities, custodial services, security, information systems, administration, materials management, and others)

“Direct offsetting revenue” means revenue from the activity during the year that offsets the total community benefit expense of that activity. Includes the following:

- Revenue generated by the activity or program, such as payment or reimbursement for services provided to program patients
- Restricted grants or contributions that the organization uses to provide a community benefit, such as a restricted grant to provide financial assistance or fund research

“Direct offsetting revenue” doesn't include unrestricted grants or contributions that the organization uses to provide a community benefit.

Community Benefit Reporting to the IRS

Schedule H, Line 7 Components

Financial Assistance at Cost (Part I, Line 7a):

- Reports the organization's financial assistance (sometimes referred to as “charity care”) at cost written off under financial assistance policies
- Charity care is free or discounted health services provided to persons who cannot afford to pay and who meet the organization’s criteria for financial assistance
- Charity care should be reported in terms of costs, not charges
- Charity care does not include bad debt

Community Benefit Reporting to the IRS

Schedule H, Line 7 Components

Medicaid and Other Means-Tested Government Health Programs (Part I, Lines 7b and 7c):

- Reports the cost of Medicaid and other means-tested government health programs.
- A “means-tested government program” is a government health program for which eligibility depends on the recipient's income or asset level.
- “Medicaid” is the United States health program for individuals and families with low incomes and resources
- “Other means-tested government programs” are government-sponsored health programs where eligibility for benefits or coverage is determined by income or assets. Examples include:
 - The State Children's Health Insurance Program (SCHIP), a United States federal government program that gives funds to states in order to provide health insurance to families with children
 - Other federal, state, or local health care programs.
- Report Medicaid and other means-tested government program revenues and expenses from all states, not just from the organization's home state

Community Benefit Reporting to the IRS

Schedule H, Line 7 Components

Community Health Improvement Services and Community Benefit Operations (Part I, Line 7e):

- Reports the net cost of community health improvement services and community benefit operations.
- “Community health improvement services” are activities or programs, subsidized by the health care organization, carried out or supported for the express purpose of improving community health
 - Such services don't generate inpatient or outpatient revenue, although there may be a nominal patient fee or sliding scale fee for these services
- “Community benefit operations” are activities associated with conducting community health needs assessments, community benefit program administration, and the organization's activities associated with fundraising or grant writing for community benefit programs
- Activities or programs cannot be reported if they are provided primarily for marketing purposes or if they are more beneficial to the organization than to the community

Community Benefit Reporting to the IRS

Schedule H, Line 7 Components

Community Health Improvement Services and Community Benefit Operations (Part I, Line 7e):

- To be reported, community need for the activity or program must be established. Community need can be demonstrated through the following:
 - A CHNA conducted or accessed by the organization
 - Documentation that demonstrated community need or a request from a public health agency or community group was the basis for initiating or continuing the activity or program
 - The involvement of unrelated, collaborative tax-exempt or government organizations as partners in the activity or program carried out for the express purpose of improving community health

Community Benefit Reporting to the IRS

Schedule H, Line 7 Components

Community Health Improvement Services and Community Benefit Operations (Part I, Line 7e):

- Community benefit activities or programs also seek to achieve a community benefit objective, including improving access to health services, enhancing public health, advancing increased general knowledge, and relief of a government burden to improve health. This includes activities or programs that do the following:
 - Are available broadly to the public and serve low-income consumers
 - Reduce geographic, financial, or cultural barriers to accessing health services, and if they ceased would result in access problems (for example, longer wait times or increased travel distances)
 - Address federal, state, or local public health priorities such as eliminating disparities in access to health care services or disparities in health status among different populations
 - Leverage or enhance public health department activities such as childhood immunization efforts
 - Strengthen community health resilience by improving the ability of a community to withstand and recover from public health emergencies
 - Otherwise would become the responsibility of government or another tax-exempt organization
 - Advance increased general knowledge through education or research that benefits the public

Community Benefit Reporting to the IRS

Schedule H, Line 7 Components

Community Health Improvement Services and Community Benefit Operations (Part I, Line 7e):

- Examples of specific community health improvement services include:
 - Community health education
 - Community-based clinical services, such as health services and screenings for underinsured and uninsured persons
 - Support groups
 - Health care support services, such as enrollment assistance in public programs and transportation efforts
 - Self-help programs, such as smoking cessation and weight loss programs
 - Pastoral outreach programs
 - Community-based chaplaincy programs and spiritual care
 - Social services programs for vulnerable populations in the community

Community Benefit Reporting to the IRS

Schedule H, Line 7 Components

Health Professions Education (Part I, Line 7f):

- “Health professions education” are educational programs that result in a degree, a certificate, or training necessary to be licensed to practice as a health professional, as required by state law, or continuing education necessary to retain state license or certification by a board in the individual's health profession specialty
- It doesn't include education or training programs available exclusively to the organization's employees and medical staff or scholarships provided to those individuals
- However, it does include education programs if the primary purpose of such programs is to educate health professionals in the broader community.
- Costs for medical residents and interns can be included, even if they are considered “employees” for purposes of Form W-2, Wage and Tax Statement

Community Benefit Reporting to the IRS

Schedule H, Line 7 Components

Health Professions Education (Part I, Line 7f):

- Examples of health professions education activities or programs that should and shouldn't be reported are as follows:

Activity or Program	Report?	Rationale
Scholarships for community members	Yes	More benefit to community than organization
Continuing medical education for community physicians	Yes	More benefit to community than organization
Scholarships for staff members	No	More benefit to organization than community
Continuing medical education for own medical staff	No	More benefit to organization than community
Nurse education if graduates are free to seek employment at any organization	Yes	More benefit to community than organization
Nurse education if graduates are required to become the organization's employees	No	Program designed primarily to benefit the organization

Community Benefit Reporting to the IRS

Schedule H, Line 7 Components

Health Professions Education (Part I, Line 7f):

- Include both direct and indirect costs.
 - Direct costs of health professions education include the following.
 - Stipends
 - Fringe benefits of interns, residents, and fellows in accredited graduate medical education programs
 - Salaries and fringe benefits of faculty directly related to intern and resident education
 - Salaries and fringe benefits of faculty directly related to teaching:
 - Medical students
 - Students enrolled in nursing programs
 - Students enrolled in allied health professions education programs, including, but not limited to, programs in pharmacy, occupational therapy, dietetics, and pastoral care
 - Continuing health professions education open to all qualified individuals in the community, including payment for development of online or other computer-based training accepted as continuing health professions education by the relevant professional organization
 - Scholarships provided by the organization to community members

Community Benefit Reporting to the IRS

Schedule H, Line 7 Components

Health Professions Education (Part I, Line 7f):

- Include both direct and indirect costs.
 - “Direct costs” don't include costs related to Ph.D. students and post-doctoral students
 - “Indirect costs” don't include the estimated cost of “indirect medical education”

Community Benefit Reporting to the IRS

Schedule H, Line 7 Components

Subsidized Health Services (Part I, Line 7g):

- “Subsidized health services” are clinical services provided despite a financial loss to the organization
- The financial loss is measured after removing losses associated with bad debt, financial assistance, Medicaid, and other means-tested government programs.
 - Losses attributable to these items aren't included when determining which clinical services are subsidized health services because they are reported as community benefit elsewhere
 - Losses attributable to these items are also excluded when measuring the losses generated by the subsidized health services.
- In order to qualify as a subsidized health service, the organization must provide the service because it meets an identified community need. A service meets an identified community need if it is reasonable to conclude that if the organization no longer offered the service:
 - The service would be unavailable in the community
 - The community's capacity to provide the service would be below the community's need
 - The service would become the responsibility of government or another tax-exempt organization.

Community Benefit Reporting to the IRS

Schedule H, Line 7 Components

Subsidized Health Services (Part I, Line 7g):

- Subsidized health services can include qualifying inpatient programs and outpatient programs. For example:
 - Neonatal intensive care
 - Addiction recovery
 - Inpatient psychiatric units
 - Emergency and trauma services
 - Satellite clinics designed to serve low-income communities
 - Home health programs
- Subsidized health services generally exclude ancillary services that support inpatient and ambulatory programs such as anesthesiology, radiology, and laboratory departments.
- Subsidized health services include services or care provided at physician clinics and skilled nursing facilities if such clinics or facilities satisfy the general criteria for subsidized health services

Community Benefit Reporting to the IRS

Schedule H, Line 7 Components

Subsidized Health Services (Part I, Line 7g):

- Care should be taken not to double-count information
- Services in this category should be separated from charity care and Medicaid shortfalls

Community Benefit Reporting to the IRS

Schedule H, Line 7 Components

Research (Part I, Line 7h):

- Research is any study or investigation the goal of which is to generate increased generalizable knowledge made available to the public. Examples include:
 - Knowledge about underlying biological mechanisms of health and disease, natural processes, or principles affecting health or illness
 - Evaluation of safety and efficacy of interventions for disease such as clinical trials and studies of therapeutic protocols
 - Laboratory-based studies; epidemiology, health outcomes, and effectiveness
 - Behavioral or sociological studies related to health, delivery of care, or prevention
 - Studies related to changes in the health care delivery system
 - Communication of findings and observations, including publication in a medical journal
- The organization can include the cost of internally funded research it conducts, as well as the cost of research it conducts funded by a tax-exempt or government entity
 - The organization cannot include direct or indirect costs of research funded by an individual or an organization that isn't a tax-exempt or government entity

Community Benefit Reporting to the IRS

Schedule H, Line 7 Components

Research (Part I, Line 7h):

- Examples of costs of research include, but aren't limited to, the following:
 - Salaries and benefits of researchers and staff, including stipends for research trainees (Ph.D. candidates or fellows)
 - Facilities for collection and storage of research, data, and samples
 - Animal facilities
 - Equipment
 - Supplies
 - Tests conducted for research rather than patient care
 - Statistical and computer support
 - Compliance (for example, accreditation for human subjects protection, biosafety, Health Insurance Portability and Accountability Act, etc.)
 - Dissemination of research results

Community Benefit Reporting to the IRS

Schedule H, Line 7 Components

Cash and In-Kind Contributions for Community Benefit (Part I, Line 7i):

- “Cash and in-kind contributions” are contributions made by the organization to health care organizations and other community groups restricted, in writing, to one or more of the community benefit activities described in the table on Part I, line 7
- “In-kind contributions” include
 - The cost of staff hours donated by the organization to the community while on the organization's payroll
 - Indirect cost of space donated to tax-exempt community groups (such as for meetings)
 - The financial value (generally measured at cost) of donated food, equipment, and supplies

Community Benefit Reporting to the IRS

Schedule H, Line 7 Components

Cash and In-Kind Contributions for Community Benefit (Part I, Line 7i):

- Don't report as cash or in-kind contributions any payments that the organization makes in exchange for a service, facility, or product, or that the organization makes primarily to obtain an economic or physical benefit
 - Examples
 - Payments made in lieu of taxes that the organization makes to prevent or forestall local or state property tax assessments
 - A teaching hospital's payments to its affiliated medical school for intern or resident supervision services by the school's faculty members
- Report cash contributions and grants made by the organization to entities and community groups that share the organization's goals and mission
- Don't report
 - Cash or in-kind contributions contributed by employees, or emergency funds provided by the organization to the organization's employees
 - Loans, advances, or contributions to the capital of another organization that are reportable on the hospital organization's balance sheet
 - Unrestricted grants or gifts to another organization that can, at the discretion of the grantee organization, be used other than to provide the type of community benefit described in the table on Schedule H, Part I, Line 7

04

Trends In Community Benefit Reporting



Trends In Community Benefit Reporting

Methodology

Complied Form 990, Schedule H data for 501(c)(3) hospitals located in all fifty states (and the District of Columbia) using CauseIQ for tax years 2016 to 2022

Hospital organizations are grouped as “Small”, “Medium” or “Large” (based on expenses reported on Form 990)

- “Small” are hospital organizations with expenses less than \$75,000,000.
- “Medium” are hospital organizations with expenses between \$75,000,000 and \$500,000,000
- “Large” are hospital organizations with expenses of \$500,000,000 or greater

The amounts reported in the tables on the following slides represent the “Percent of Total Expense” reported on Schedule H, Part I, Line 7, Column (f)

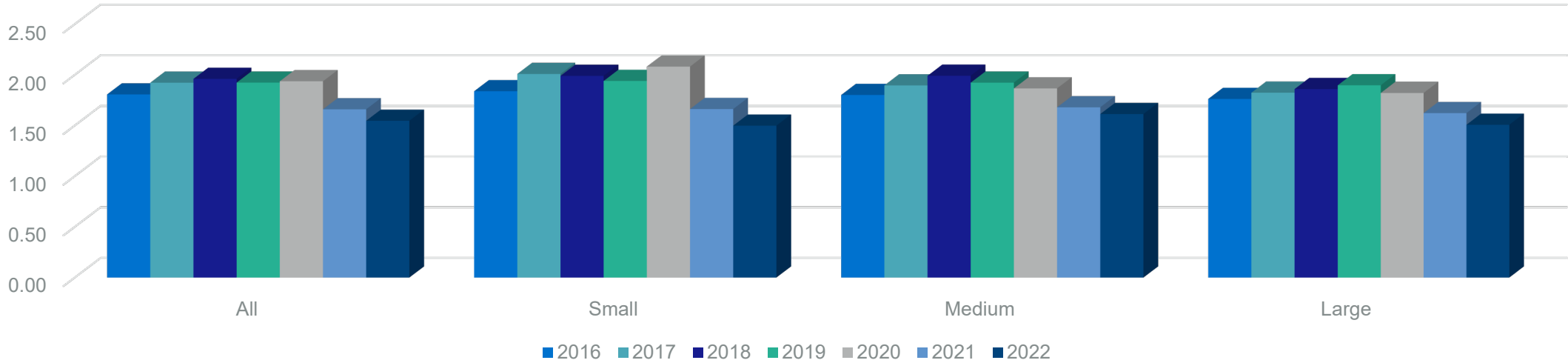
The “Percent of Total Expense” is computed by dividing the “Net Community Benefit Expense” amount reported on Schedule H, Part I, Line 7, Column (e) by the Total Expense from Form 990, Part IX, line 25, column (A), including the organization's share of joint venture expenses, and excluding any bad debt expense included on Part IX, line 25

Community Benefit Reporting for Charitable Hospitals

Trends In Community Benefit Reporting

Financial Assistance at Cost (Line 7a): Percentage of Total Expenses

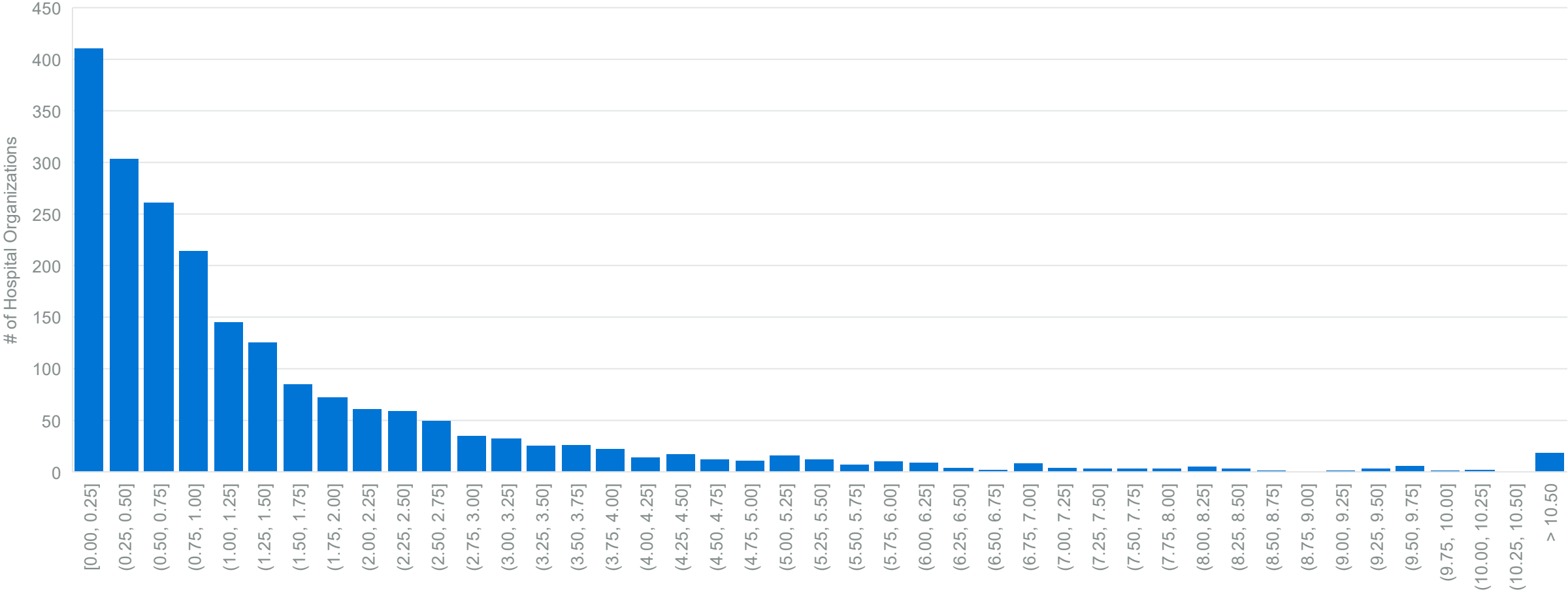
	2016	2017	2018	2019	2020	2021	2022
All	1.81	1.92	1.96	1.92	1.94	1.66	1.55
Small	1.84	2.01	1.99	1.94	2.08	1.66	1.50
Medium	1.80	1.90	1.99	1.92	1.87	1.68	1.61
Large	1.76	1.82	1.86	1.90	1.82	1.62	1.51



Community Benefit Reporting for Charitable Hospitals

Trends In Community Benefit Reporting

Financial Assistance at Cost (Line 7a): 2022 Financial Assistance Percentage of Total Expense Frequency

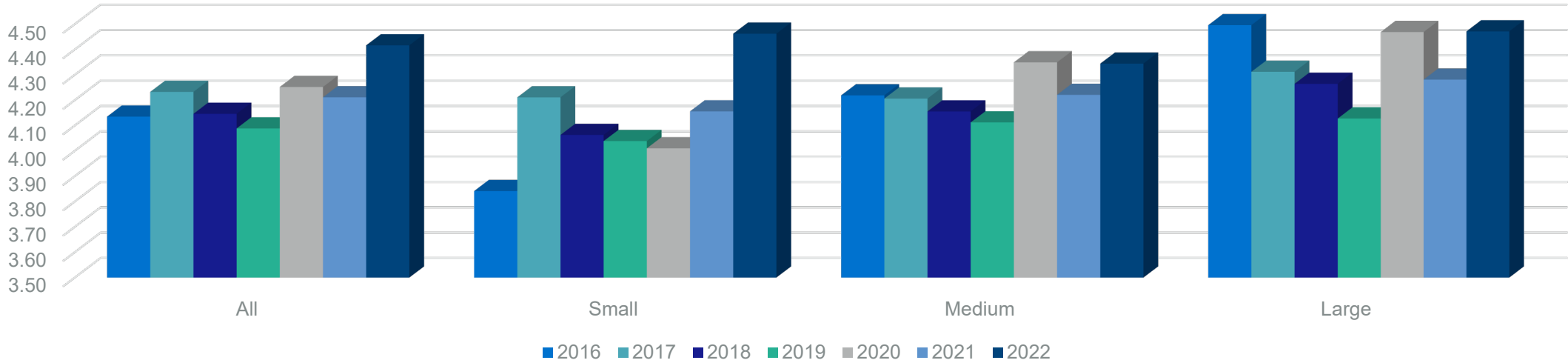


Community Benefit Reporting for Charitable Hospitals

Trends In Community Benefit Reporting

Medicaid (Line 7b): Percentage of Total Expenses

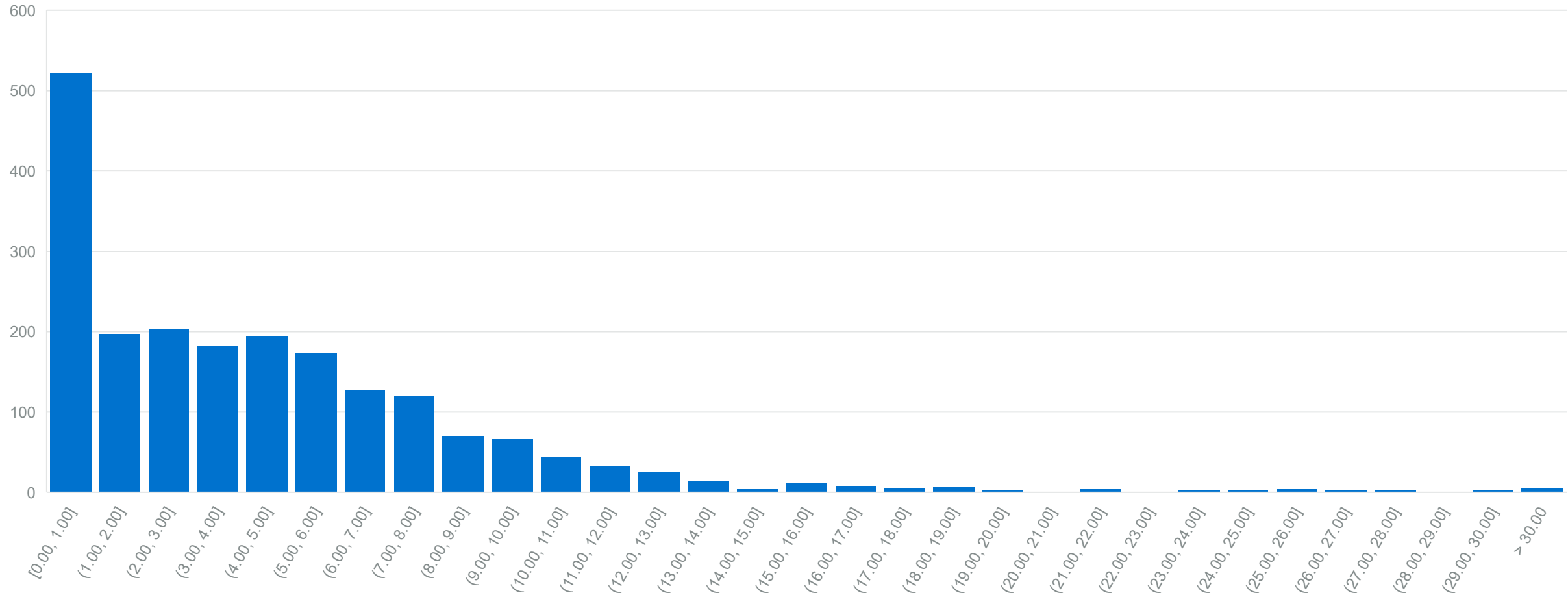
	2016	2017	2018	2019	2020	2021	2022
All	4.14	4.23	4.15	4.09	4.25	4.21	4.42
Small	3.84	4.21	4.06	4.04	4.01	4.16	4.46
Medium	4.22	4.21	4.16	4.11	4.35	4.22	4.34
Large	4.50	4.31	4.26	4.13	4.47	4.28	4.47



Community Benefit Reporting for Charitable Hospitals

Trends In Community Benefit Reporting

Medicaid (Line 7b): 2022 Percentage of Total Expenses Frequency

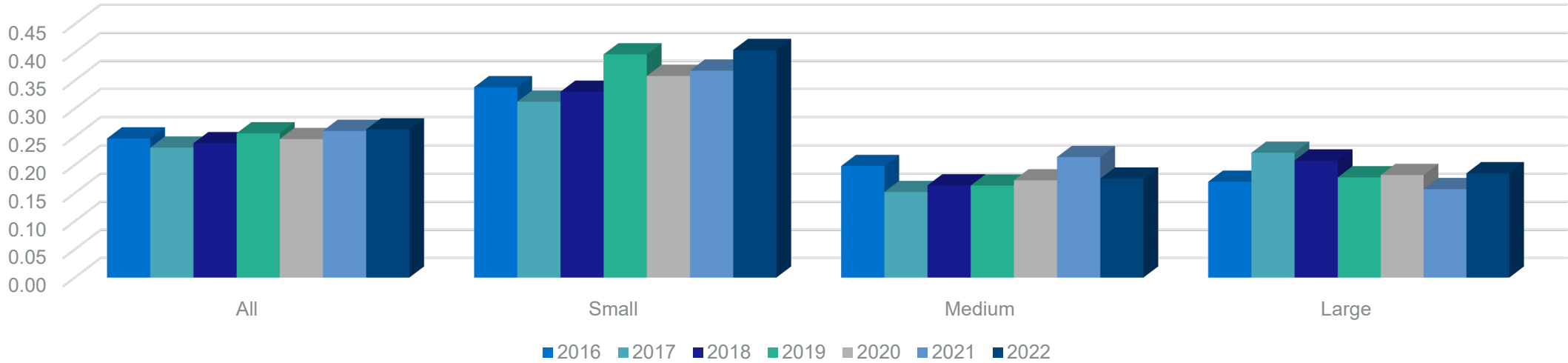


Community Benefit Reporting for Charitable Hospitals

Trends In Community Benefit Reporting

Other Means-Tested Government Health Programs (Line 7c): Percentage of Total Expenses

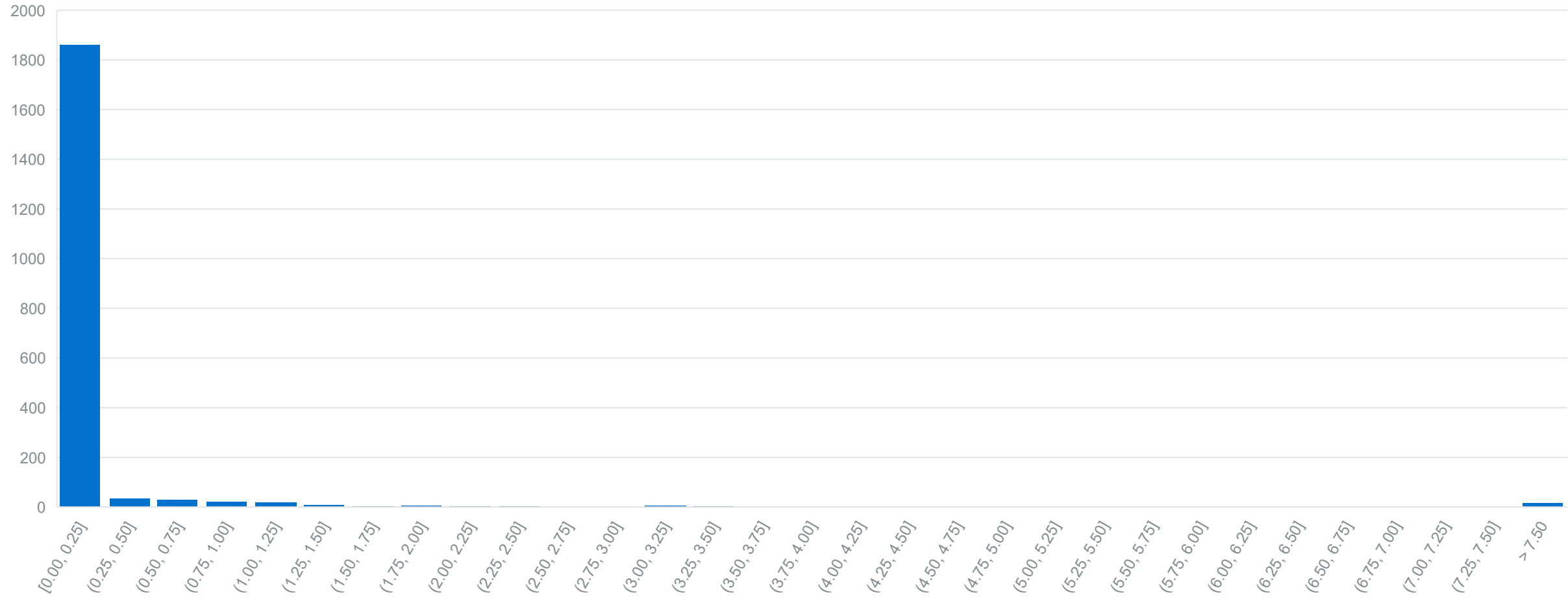
	2016	2017	2018	2019	2020	2021	2022
All	0.25	0.23	0.24	0.26	0.25	0.26	0.26
Small	0.34	0.31	0.33	0.40	0.36	0.37	0.40
Medium	0.20	0.15	0.16	0.16	0.17	0.21	0.18
Large	0.17	0.22	0.21	0.18	0.18	0.16	0.19



Community Benefit Reporting for Charitable Hospitals

Trends In Community Benefit Reporting

Other Means-Tested Government Health Programs (Line 7c): 2022 Percentage of Total Expenses Frequency

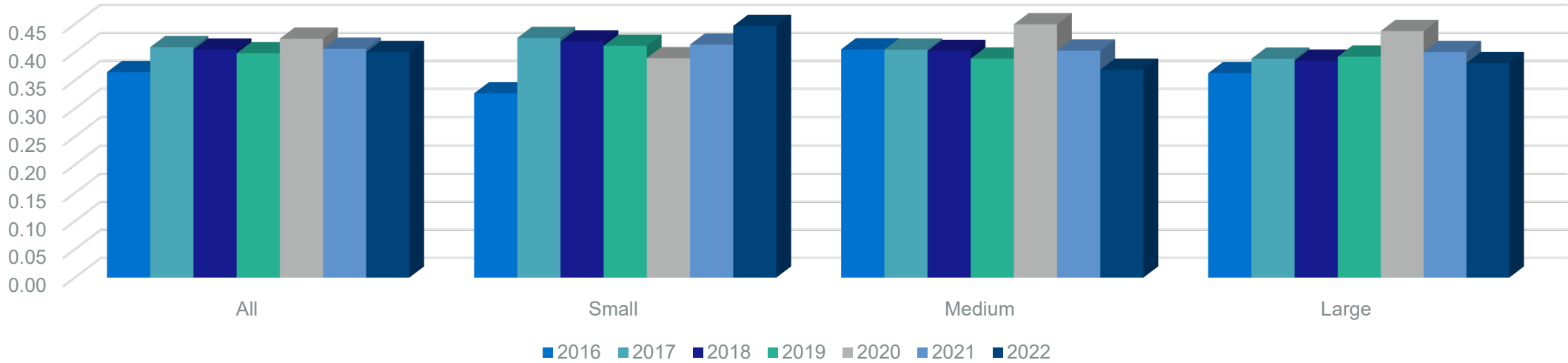


Community Benefit Reporting for Charitable Hospitals

Trends In Community Benefit Reporting

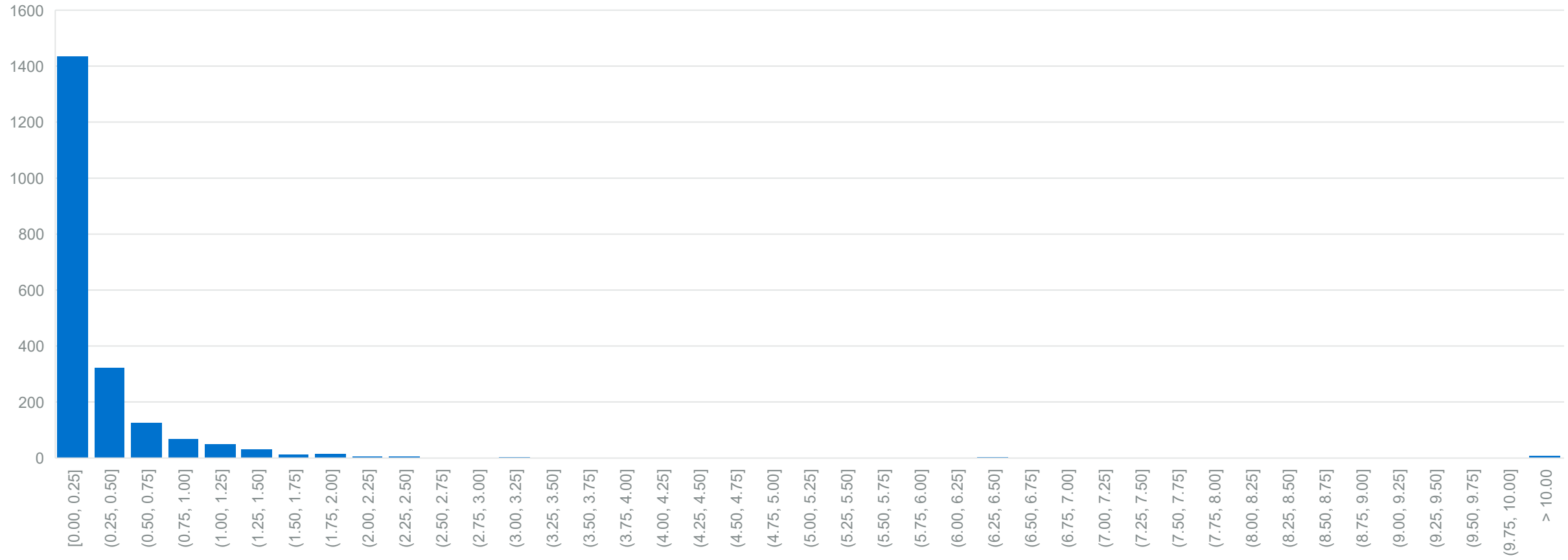
Community Health Improvement Services / Community Benefit Operations (Line 7e): Percentage of Total Expenses

	2016	2017	2018	2019	2020	2021	2022
All	0.36	0.41	0.40	0.40	0.42	0.41	0.40
Small	0.33	0.43	0.42	0.41	0.39	0.41	0.45
Medium	0.41	0.40	0.40	0.39	0.45	0.40	0.37
Large	0.36	0.39	0.39	0.39	0.44	0.40	0.38



Trends In Community Benefit Reporting

Community Health Improvement Services / Community Benefit Operations (Line 7e): 2022 Percentage of Total Expenses Frequency

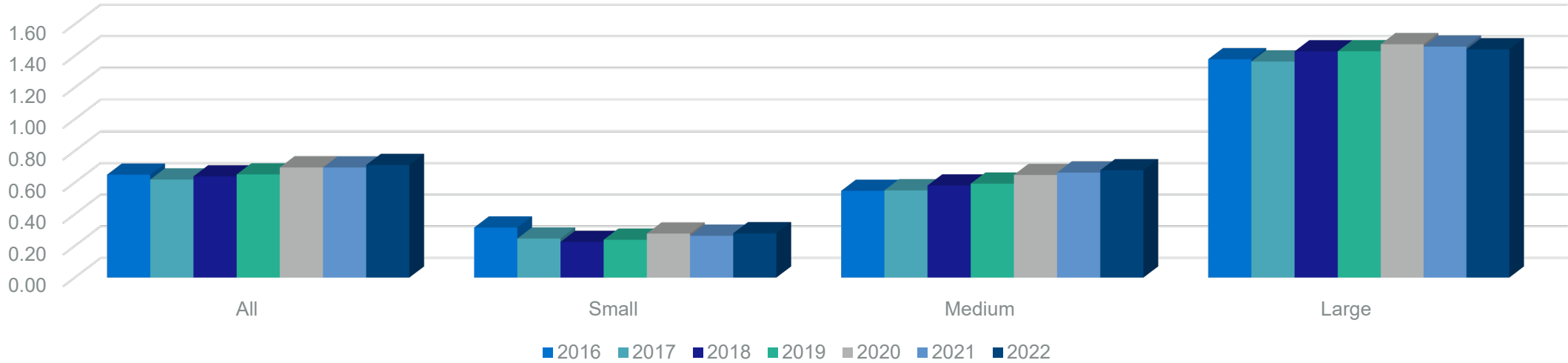


Community Benefit Reporting for Charitable Hospitals

Trends In Community Benefit Reporting

Health Professions Education (Line 7f): Percentage of Total Expenses

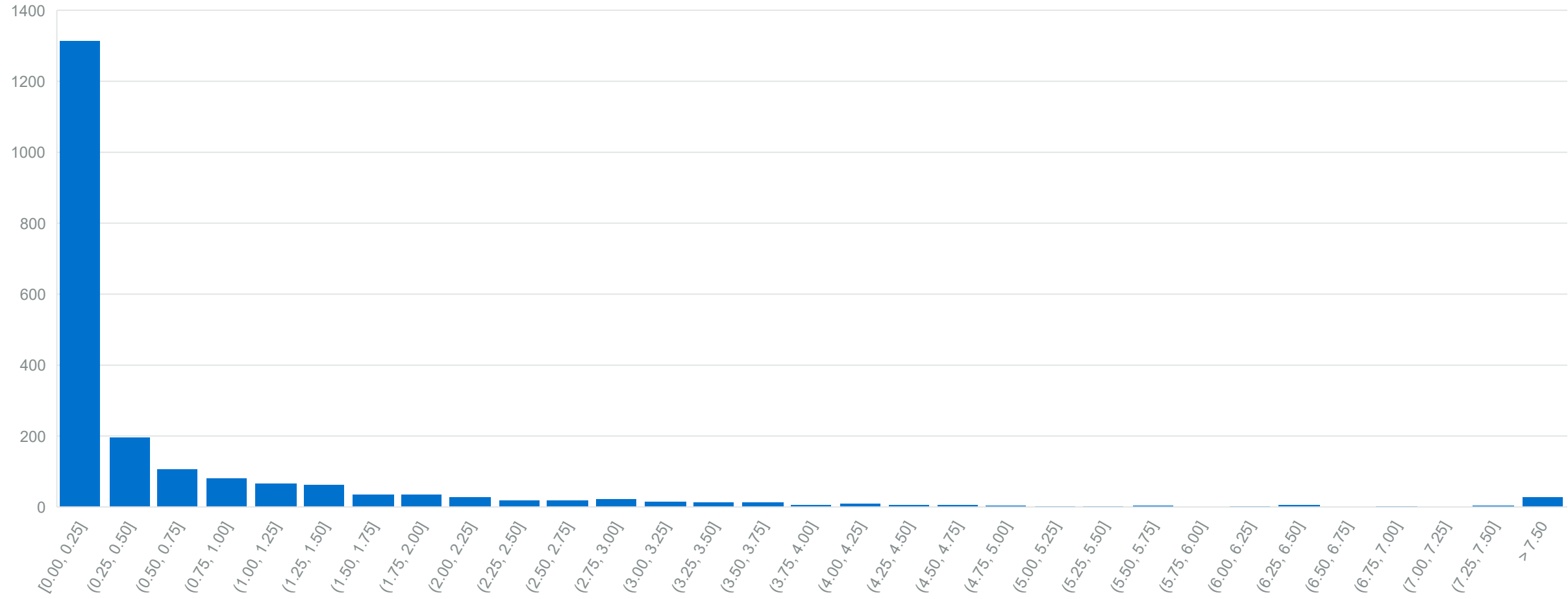
	2016	2017	2018	2019	2020	2021	2022
All	0.65	0.62	0.64	0.65	0.70	0.70	0.71
Small	0.32	0.25	0.23	0.24	0.28	0.26	0.28
Medium	0.55	0.55	0.58	0.59	0.65	0.66	0.68
Large	1.38	1.36	1.43	1.43	1.47	1.46	1.44



Community Benefit Reporting for Charitable Hospitals

Trends In Community Benefit Reporting

Health Professions Education (Line 7f): 2022 Percentage of Total Expenses Frequency

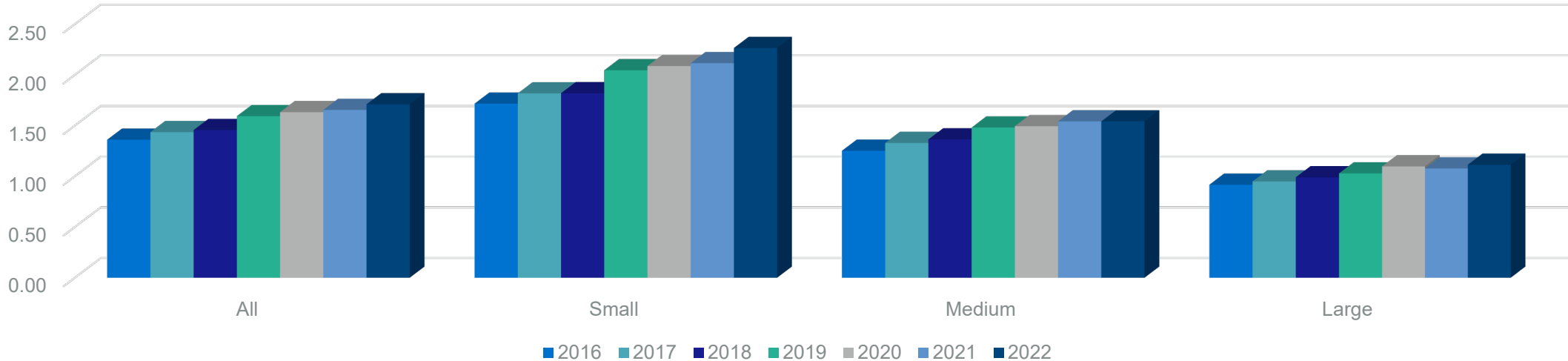


Community Benefit Reporting for Charitable Hospitals

Trends In Community Benefit Reporting

Subsidized Health Services (Line 7g): Percentage of Total Expenses

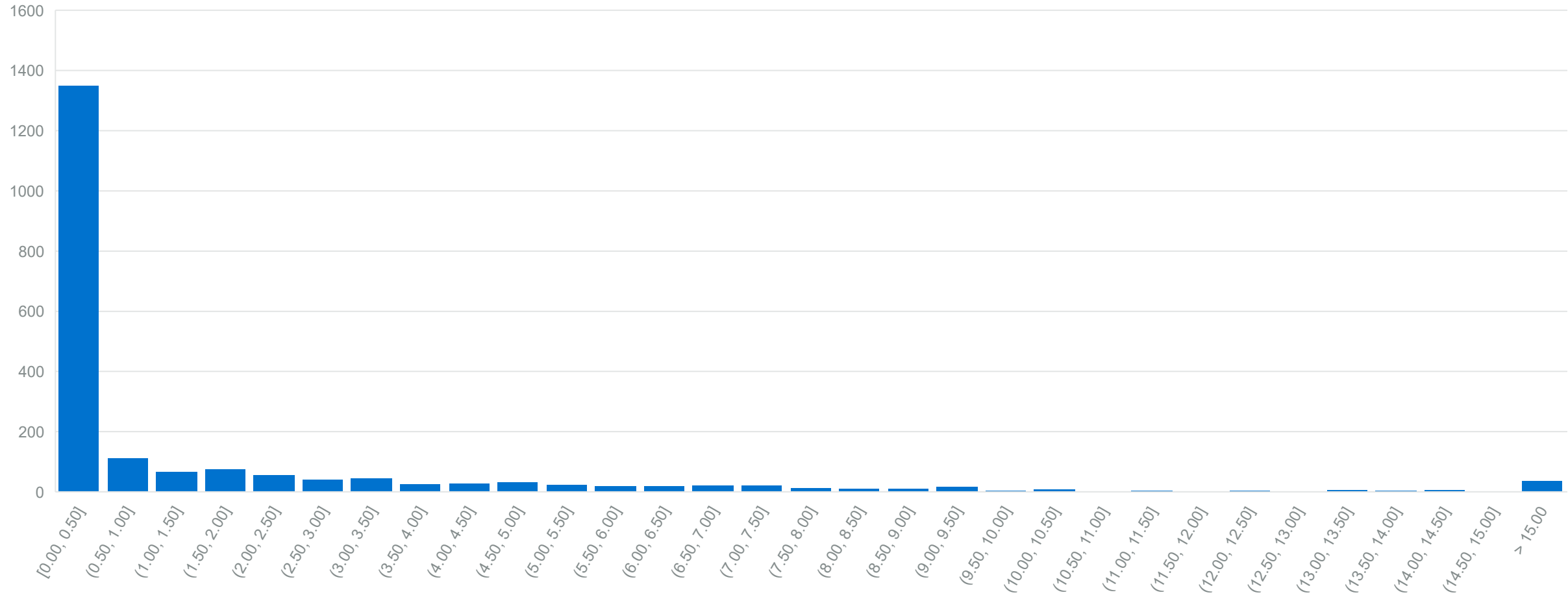
	2016	2017	2018	2019	2020	2021	2022
All	1.36	1.44	1.46	1.59	1.63	1.65	1.71
Small	1.72	1.82	1.82	2.05	2.09	2.12	2.27
Medium	1.25	1.33	1.36	1.48	1.49	1.54	1.54
Large	0.92	0.95	0.99	1.03	1.10	1.08	1.11



Community Benefit Reporting for Charitable Hospitals

Trends In Community Benefit Reporting

Subsidized Health Services (Line 7g): 2022 Percentage of Total Expenses Frequency

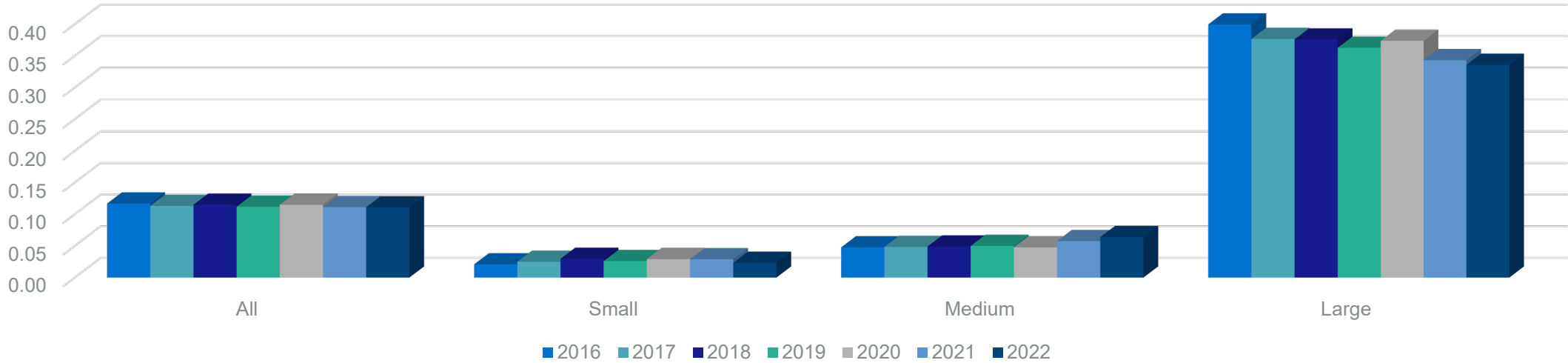


Community Benefit Reporting for Charitable Hospitals

Trends In Community Benefit Reporting

Research (Line 7h): Percentage of Total Expenses

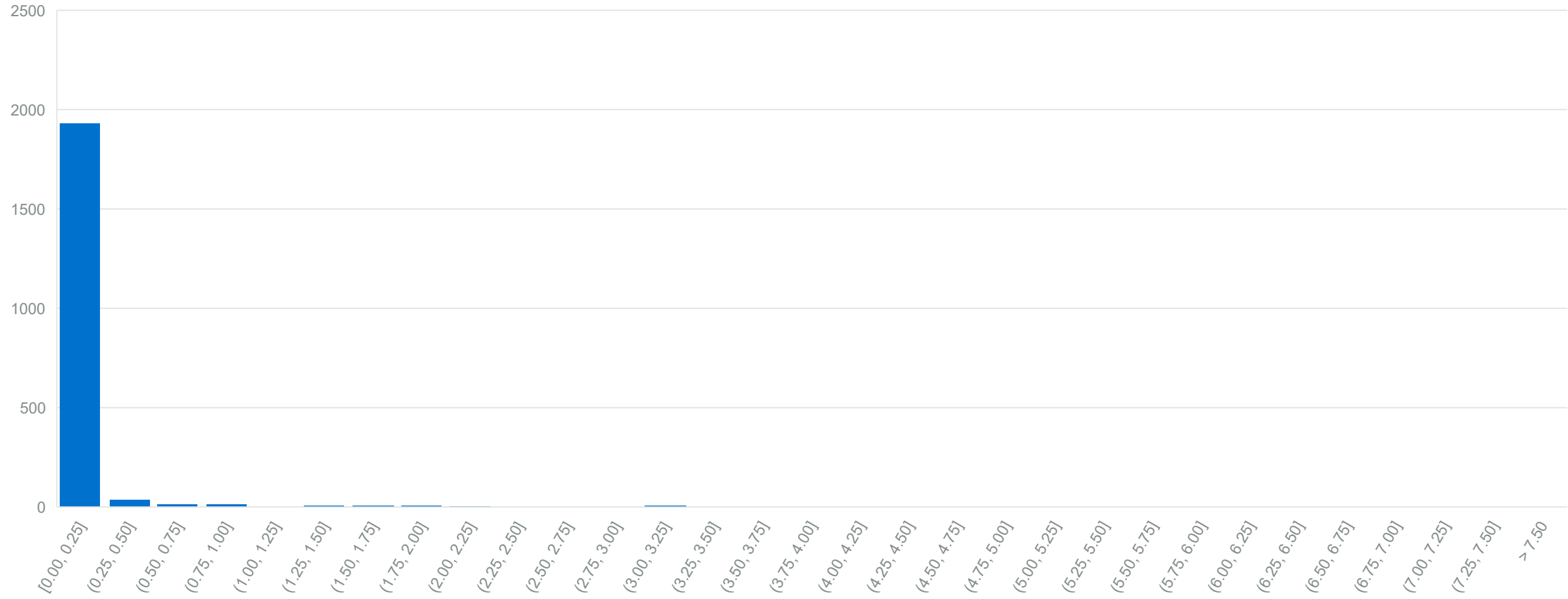
	2016	2017	2018	2019	2020	2021	2022
All	0.12	0.11	0.12	0.11	0.11	0.11	0.11
Small	0.02	0.03	0.03	0.03	0.03	0.03	0.02
Medium	0.05	0.05	0.05	0.05	0.05	0.06	0.06
Large	0.40	0.38	0.38	0.36	0.37	0.34	0.34



Community Benefit Reporting for Charitable Hospitals

Trends In Community Benefit Reporting

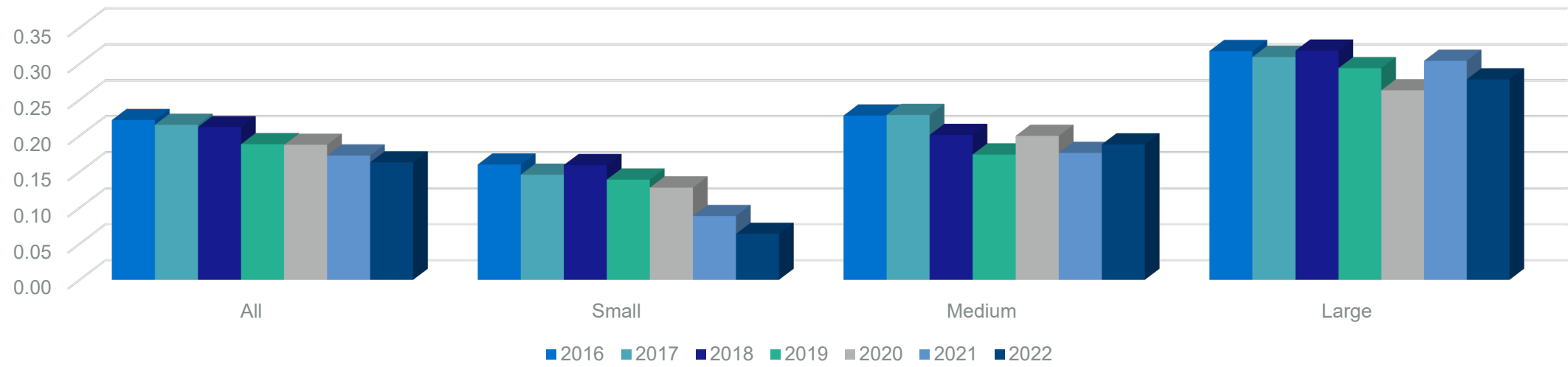
Research (Line 7h): 2022 Percentage of Total Expenses Frequency



Trends In Community Benefit Reporting

Cash and In-Kind Contributions for Community Benefit (Line 7i): Percentage of Total Expenses

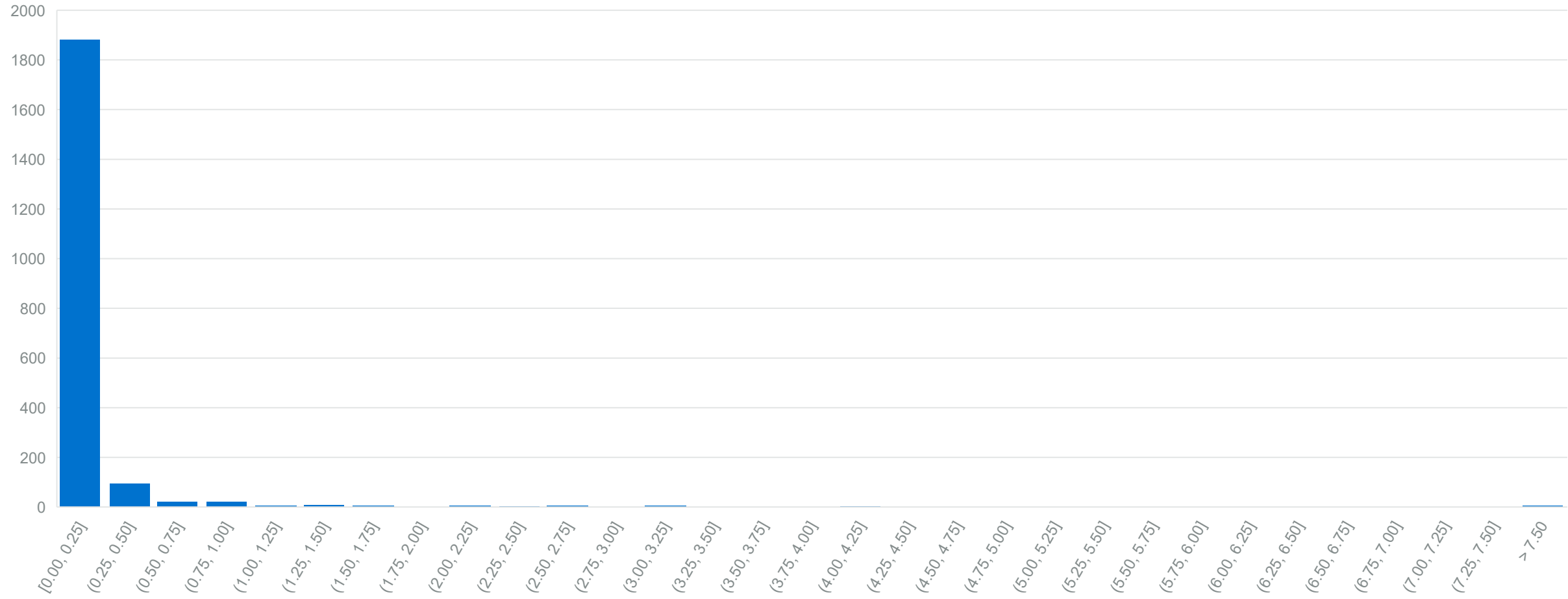
	2016	2017	2018	2019	2020	2021	2022
All	0.22	0.22	0.21	0.19	0.19	0.17	0.16
Small	0.16	0.15	0.16	0.14	0.13	0.09	0.06
Medium	0.23	0.23	0.20	0.17	0.20	0.18	0.19
Large	0.32	0.31	0.32	0.29	0.26	0.30	0.28



Community Benefit Reporting for Charitable Hospitals

Trends In Community Benefit Reporting

Cash and In-Kind Contributions for Community Benefit (Line 7i): 2022 Percentage of Total Expenses Frequency

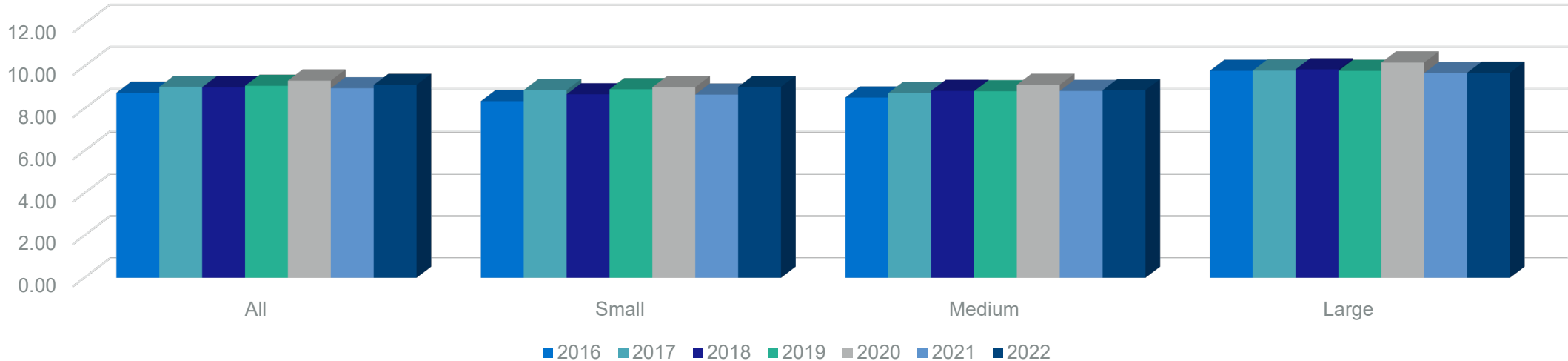


Community Benefit Reporting for Charitable Hospitals

Trends In Community Benefit Reporting

Total (Line 7k): Percentage of Total Expenses

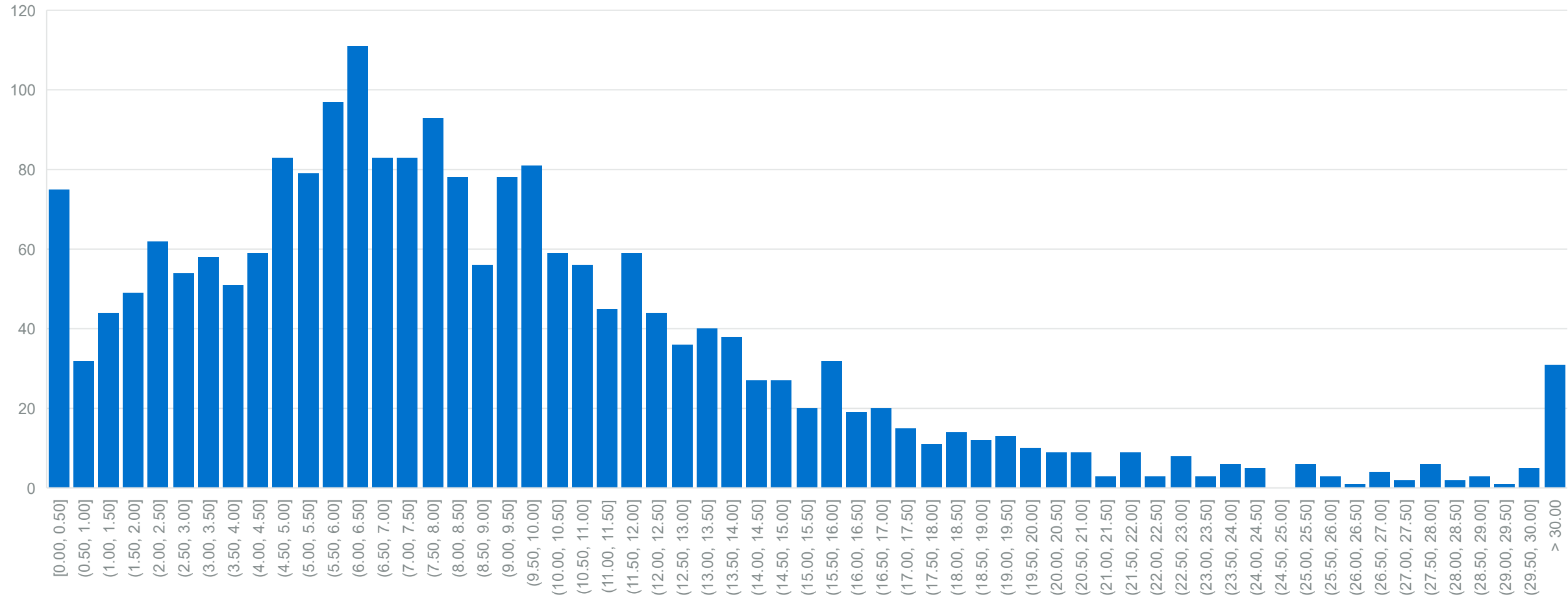
	2016	2017	2018	2019	2020	2021	2022
All	8.75	9.03	9.01	9.08	9.33	8.97	9.12
Small	8.35	8.88	8.68	8.92	9.01	8.66	9.03
Medium	8.53	8.73	8.84	8.82	9.13	8.84	8.87
Large	9.79	9.80	9.86	9.79	10.18	9.68	9.69



Community Benefit Reporting for Charitable Hospitals

Trends In Community Benefit Reporting

Total (Line 7k): 2022 Percentage of Total Expenses Frequency

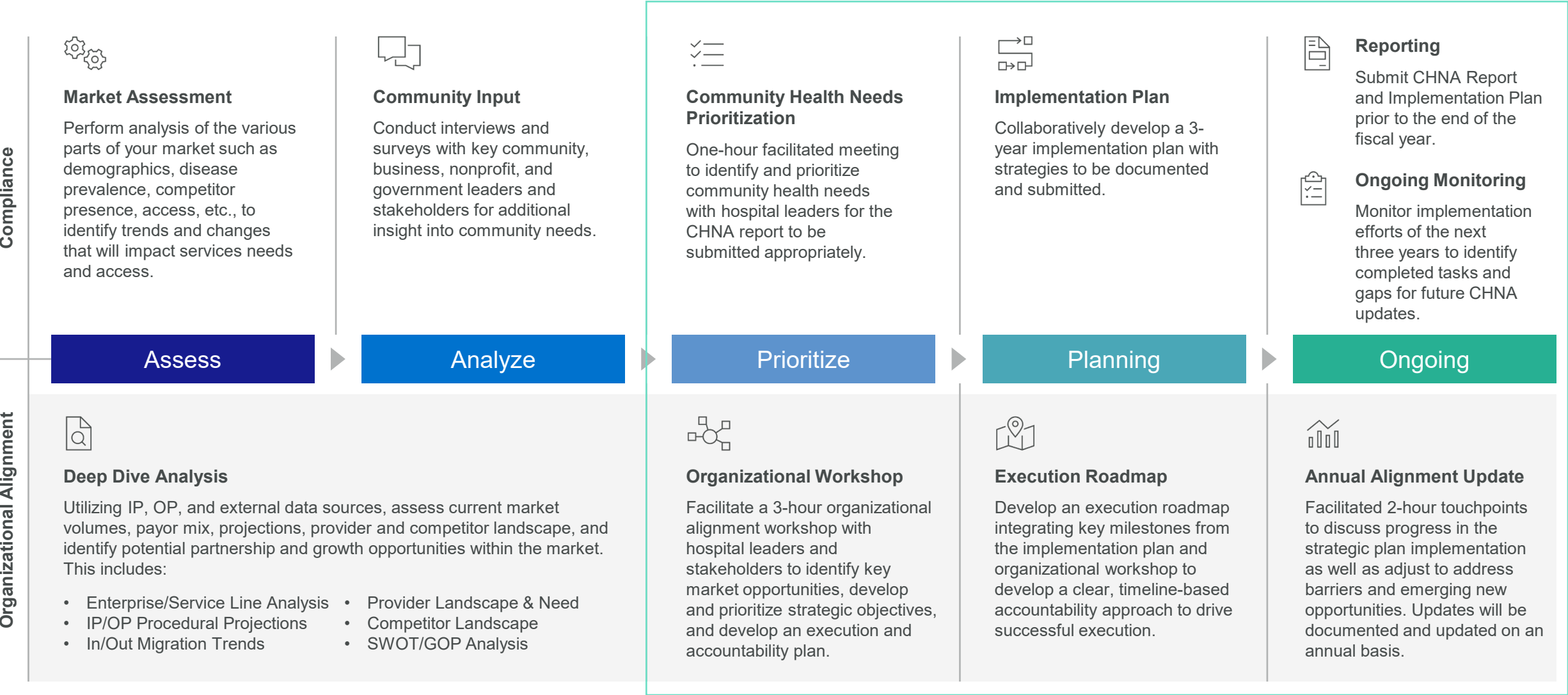


05

Community Benefit Reporting and the Community Health Needs Assessment



Community Health Needs Assessment



Phase 3 & 4

Prioritization & Implementation Planning



Community Health Needs Prioritization

One-hour facilitated meeting to identify and prioritize community health needs with hospital leaders for the CHNA report to be submitted appropriately.



Implementation Plan

Collaboratively develop a 3-year implementation plan with strategies to be documented and submitted.



Execution Roadmap

Develop an execution roadmap integrating key milestones from the implementation plan and organizational workshop to develop a clear, timeline-based accountability approach to drive successful execution.



Organizational Workshop

Facilitate a 3-hour organizational alignment workshop with hospital leaders and stakeholders to identify key market opportunities, develop and prioritize strategic objectives, and develop an execution and accountability plan.

Phase 5 & 6

Reporting & Ongoing Monitoring



Ongoing Monitoring

Monitor implementation efforts of the next 3 years to identify completed tasks and gaps for future CHNA updates.



Annual Alignment Update

Facilitated 2-hour touchpoints to discuss progress in the strategic plan implementation as well as adjust to address barriers and emerging new opportunities. Updates will be documented and updated on an annual basis.



Reporting

Submit CHNA Report and Implementation Plan prior to the end of the fiscal year.

CPE CREDIT

- CPE credit may be awarded upon verification of participant attendance
- For questions, concerns, or comments regarding CPE credit, please email FORVIS at cpecompliance@us.forvismazars.com



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