

Update: Community Benefit Planning: Your tax exempt status at Risk?

As Sen. Chuck Grassley (R-Iowa) and Sen. Jeff Bingaman (D-N.M.) offer two amendments to the economic stimulus bill intended to ratchet up the scrutiny on charity care and not-for-profit hospitals, hospital executives must plan to protect their tax exempt status. In light of this scrutiny hospitals should ensure they will be able to identify their community's needs and appropriately document how their community benefit activities address these priorities on the revised 2009 IRS Form 990 and the new Schedule H. These forms, designed to increase transparency and accountability, are expanding reporting requirements. This critical area should not be delegated to back office support staff.

Recent media stories have focused on the lack of consistent standard for measuring the benefit tax exempt hospitals provide to their communities. Recent news items include:

Link From *Modern Healthcare*:

[Grassley, Bingaman Push Charity Care Standards \(Registration Required\)](#)

...(Senator) Grassley, ranking member of the committee, and Sen. Jeff Bingaman (D-N.M.) are proposing that the Internal Revenue Service, CMS and Medicare Payment Advisory Commission be forced to cooperatively develop a standard definition of uncompensated care and charity care. A second amendment would force the IRS to conduct an in-depth study of the for-profit hospital industry, similar to one that has already been done on not-for-profits, to determine how much charity care is provided by investor-owned hospitals...

Other news accounts indicate that the concern for consistency and transparency as well as a concern that not all hospitals are paying their fair share is also growing among community groups and state legislatures .

Link From *The Boston Globe*:

[Hospitals not paying fair share, group says](#)

Link From *Kaiser Daily Health Policy Report*:

[Texas Panel Proposes Changes To Calculate Value of Care Delivered by Charity Hospitals](#)

For information on how to address, prepare and integrate community health needs assessments into your community benefits planning, please contact **Nancy Erickson, Principal**, at nerickson@newsolutionsinc.com or 732-418-3210.