

COMMUNITY BENEFIT

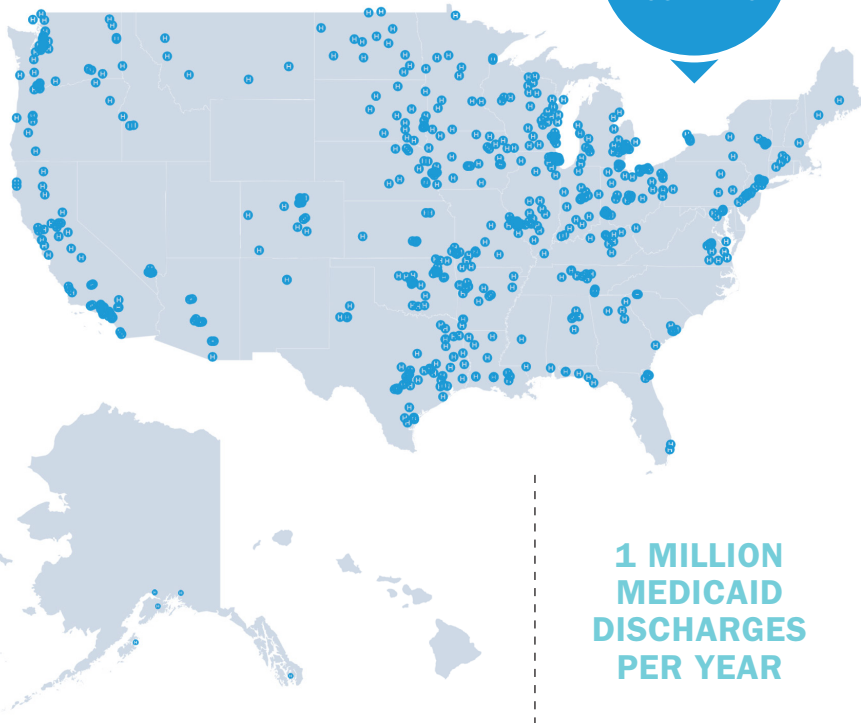
TOTAL COMMUNITY BENEFIT*

MORE THAN
\$15.84 BILLION

From the very beginning, civic leaders and congregations of religious women and men courageously responded to the needs of the communities they were called to serve. Today, that same call to provide health and hope is being answered in unique and creative ways through community benefit programs.

H

647
CHA Member
HOSPITALS



INVESTMENT*

\$2.7 billion

Financial assistance at cost
(charity care)

\$8.18 billion

Unreimbursed
Medicaid and costs of other
means-test programs

\$2.38 billion

Community health improvement,
subsidized health services and
cash and in-kind contributions for
community benefit

\$2.05 billion

Health professions education

\$530 million

Health research

* Based on an analysis of available data from 367 FY21 IRS
Form 990 Schedule-H filings representing approximately 647
CHA Member Hospitals



Visit chousa.org/communitybenefit
for additional resources around community
benefit news, policy and worksheets.



COMMITMENT TO COMMUNITY BENEFIT

Community benefits are programs and services provided by not-for-profit hospitals designed to improve health in communities and increase access to health care. They are integral to the mission of Catholic and other not-for-profit health care organizations, and are the basis of tax exemption. For over 30 years, CHA has been a leader in the community benefit field, helping not-for-profit health care organizations fulfill their community benefit mission.

COMMUNITY BENEFIT REQUIREMENTS

Community benefit programs are activities to provide treatment or promote health as a response to identified community needs. Tax-exempt hospitals are required to work with their communities to (1) conduct a community health needs assessments (CHNA), (2) create an implementation plan and (3) report on their community benefit programs and expenses through their publicly available IRS Form 990 Schedule H and (4) meet IRS requirements regarding financial assistance, billing and collections

The Internal Revenue Service (“IRS”) identifies eight categories of community benefit that are reportable on tax-exempt hospitals’ IRS Form 990 Schedule H:

- ✦ Financial assistance at cost (also known as charity care),
- ✦ Unreimbursed Medicaid
- ✦ Costs of other means-tested government programs,
- ✦ Community health improvement services and community benefit operations,
- ✦ Health professions education,
- ✦ Subsidized health services,
- ✦ Research, and
- ✦ Cash and in-kind contributions for community benefit.

COMMON COMMUNITY BENEFIT QUESTIONS

Isn’t community benefit just a different way of saying charity care? No. Charity care, or financial assistance (the term used by the IRS), is just one of the eight categories of community benefit that hospitals provide and report on their IRS Form 990 Schedule H.

How is hospital compliance with these requirements monitored? The IRS [as mandated by the Affordable Care Act (ACA)] is required to review each hospital’s community benefit activity at least once every three years. Noncompliance can result in the loss of federal tax exemption. Failure to meet a CHNA requirement can result in a \$50,000 excise tax for each year of noncompliance. The IRS also has the option of imposing taxes on all net income of a hospital that is out of compliance with the CHNA or other ACA requirements in a given year.

Can hospitals report any community service activity as a community health improvement service on IRS Form 990 Schedule H? No. To be reported as a community health improvement service, an activity must address an identified community health need, not benefit the organization more than the community (for example, activities designed primarily for marketing or to generate referrals) and must meet a community benefit objective such as improving access to health care services, enhancing public health, promoting medical knowledge, or reducing a government burden.

Why do some studies and reports give differing community benefit numbers and percentages?

There are a number of data sets that researchers or members of the media could be using in order to try to tell a story about community benefit. These often only focus on one or a couple of aspects of community benefit. The best way to understand the full picture of a nonprofit’s hospitals impact is to look at its community needs assessment and see its IRS Form 990 Schedule H report on community programs.