

Hospital Community Benefit Program

The Hilltop Institute



analysis to advance the health of vulnerable populations

Community Benefit State Law Profiles

A 50-State Survey of State Community Benefit Laws through the Lens of the ACA

January 2015

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Table of Contents

About the Profiles	1
2015 Profiles Update	1
Summary of Notable Changes	1
Methodology.....	2
2015 Update.....	2
2013	2
Classification Criteria	2
Community Benefit Requirement	3
Minimum Community Benefit Requirement	3
Community Benefit Reporting Requirement	3
Community Health Needs Assessment (CHNA).....	3
Community Benefit Plan/Implementation Strategy	3
Financial Assistance Policy	4
Financial Assistance Policy Dissemination.....	4
Community Benefit State Law Profiles Comparison.....	4
50 State Profiles.....	7



Community Benefit State Law Profiles

About the Profiles

The Hilltop Institute's Community Benefit State Law Profiles (Profiles) present a comprehensive analysis of each state's community benefit landscape as defined by its laws, regulations, tax exemptions, and, in some cases, policies and activities of state executive agencies. The Profiles organize these state-level legal frameworks by the major categories of federal community benefit requirements found in §9007 of the Affordable Care Act (ACA), §501(r) of the Internal Revenue Code. As state policymakers and community stakeholders assess their state's community benefit landscape in the wake of national health reform, the Profiles provide a needed contextual basis for consideration of these policies against those of other states and federal community benefit benchmarks.

2015 Profiles Update

The Profiles were originally published in March 2013. Because states typically update laws annually, Hilltop methodically reviewed the community benefit laws of all 50 states to identify changes that occurred between March 2013 and December 31, 2014. Each individual state Profile has been updated to reflect, in detail, current laws, regulations, and policies.

Summary of Notable Changes

- Forty-three (43) states made no changes to their community benefit regulatory structures.
- **Colorado** established, among other things, compliance monitoring of hospitals and procedures for notifying patients of hospital billing errors.
- **Connecticut** adopted a requirement that tax-exempt hospitals must annually file a copy of their most recently completed Form 990, including all schedules, to the state Office of the Healthcare Advocate. They must also submit the data they compiled to prepare their hospital's community health needs assessment.
- **Illinois** adopted rules requiring that certain uniform provisions be included in all hospital financial assistance applications. Additional rules delineate categories of patients to be deemed "presumptively eligible" for hospital financial assistance "without further scrutiny."
- **Maine** now requires that hospitals provide information regarding charity care policies to any uninsured person who requests an estimate of the cost of medical care.
- **New York** now requires that each hospital community service plan (community benefit plan) include two state-identified priorities selected jointly with the local health department.



- **North Carolina** adopted a statute that requires each nonprofit hospital to provide public access to its federally required financial assistance policies.
- **Virginia** enacted a statutory amendment that permits the State Board of Health to amend existing Certificates of Public Need related to, among other things, the provision of reduced-rate care to indigents.

Methodology

2015 Update

Hilltop legal staff conducted an independent analysis of state community benefit laws and regulations to identify changes that occurred between the initial publication of the Profiles in March 2013 and December 31, 2014. Where appropriate, text was revised to reflect the current state of the law. The updated Profiles retain the organizational structure of the original Profiles: they are organized by the major categories of federal community benefit requirements found in §9007 of the ACA, §501(r) of the Internal Revenue Code.

2013

The initial identification of community benefit laws in the 50 states was performed by law students using a data collection tool developed by Hilltop. The tool's variables were designed to capture state law requirements similar to those of §9007 of the ACA (IRC §501(r)) and IRS "community benefit" reporting requirements, with three additional variables for capturing relevant state tax exemptions. Primarily for the purpose of confirming law students' negative findings, Hilltop conducted an electronic survey of state hospital associations. Both the law student-collected data and results of the hospital association survey were used as part of an independent review and analysis of primary source materials—state community benefit laws and regulations—conducted by JD/MPH-credentialed Hilltop staff. The results of that review appear in the Profiles.

Classification Criteria

The Profiles classify each state's statutes and regulations as either including or not including requirements applicable to non-government, nonprofit hospitals in 11 distinct topic areas. This binary classification approach led to interpretive issues such as whether to consider something a community benefit requirement if the law requires hospitals to provide community benefits only if they are seeking a certificate of need. In order to ensure consistent interpretation of requirements in each topic area from state to state, Hilltop adopted classification criteria that would be applied uniformly.

There are other, equally valid approaches to distinguishing between states that do or do not have such requirements. In many cases, differences in interpretive approach may account for variation



in reports of “how many states” require nonprofit hospitals, for example, to provide a minimum level of community benefits. In developing classification criteria for this study, Hilltop generally elected to construe the requirements broadly, so that each statutory and regulatory provision that arguably requires a positive finding is flagged and its limitations explained.

Specific classification rules were developed for seven of the eleven topic areas. Listed below are the topic areas for which those rules were developed, along with an explanation of each.

Community Benefit Requirement

The requirement need not expressly reference “community benefits;” for example, a positive finding results when nonprofit hospitals are required to provide “free and reduced cost care.” The requirement need not apply generally to all nonprofit hospitals; for example, a positive finding results when a nonprofit hospital must provide community benefits as a condition of certificate of need approval, or when tax exemption is conditioned on the provision of community benefits.

Minimum Community Benefit Requirement

A quantifiable amount of community benefits must be specified, rather than “a reasonable amount” or “free care to uninsured patients with family income at or below 150 percent of the federal poverty level.” Examples of minimum community benefit requirements include “in an amount equivalent to the hospital’s property tax liability in the absence of exemption” and “in an amount equivalent to 5 percent of the hospital’s operating expenses.” If a community benefit requirement includes more than one option by which a hospital can satisfy its community benefit responsibility, then a positive finding results if any of the available options requires the provision of a quantifiable level of community benefits.

Community Benefit Reporting Requirement

The requirement need not expressly reference “community benefits;” for example, a positive finding results if hospitals are required to report “free care provided.”

Community Health Needs Assessment (CHNA)

The requirement need not include the term “community health needs assessment;” any provision requiring hospitals to determine the health needs or health priorities of the community served qualifies as a CHNA requirement.

Community Benefit Plan/Implementation Strategy

The requirement need not include the terms “implementation strategy” or “community benefit plan.” A positive finding results if a hospital is required to undertake prospective planning of how it will address community needs.



Financial Assistance Policy

The requirement need not include the term “financial assistance policy;” a positive finding results if hospitals are required to develop their own policies as to the circumstances under which discounted charges or free care will be provided, regardless of the presence or absence of state standards with which a hospital’s policies must comply.

Financial Assistance Policy Dissemination

The requirement need not include the term “financial assistance policy.” A positive finding results if law or regulation requires the hospital to provide to patients, post, or otherwise publicize the conditions under which the hospital will provide free or reduced cost care.


Community Benefit State Law Profiles Comparison

Following is a table that compares the community benefit state law profiles of all 50 states.



State Community Benefit Requirements and Tax Exemptions for Nonprofit Hospitals

To see which states have a particular requirement, click on a symbol in the top (yellow) row. You may also filter the requirements by selecting checkboxes in the Filter row and clicking on the Filter Requirements button. For detailed information about the requirement of a particular state, click on the symbol in the field at the intersection of the state's row and the requirement's column. For example, to read about Alabama's financial assistance policy dissemination requirement, click on the square in the field at the intersection of the Alabama row and the Financial Assistance Policy Dissemination column to open a new browser window showing the relevant text in the Alabama profile.

Select All States		<input checked="" type="radio"/> Unconditional community benefit requirement <input type="radio"/> Conditional community benefit requirement <input checked="" type="checkbox"/> Requirement (either conditional or unconditional) Blank = No requirement	 Click map icon to see which states have that particular requirement							<input checked="" type="checkbox"/> State tax exemption <input checked="" type="checkbox"/> No state tax exemption Blank = State does not impose this tax		
Compare	State	Community Benefit Requirement	Mandatory Minimum Community Benefit Requirement	Community Benefit Reporting Requirement	Community Health Needs Assessment	Community Benefits Plan/Implementation Strategy	Financial Assistance Policy	Financial Assistance Policy Dissemination	Limitations on Charges, Billing, and Collections	Income Tax Exemption	Property Tax Exemption	Sales Tax Exemption
	Filter:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Select:	<input checked="" type="radio"/> <input type="radio"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/>
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<input type="checkbox"/>	Alabama							<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
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<input type="checkbox"/>	Arkansas									<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/>	California	<input checked="" type="radio"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/>	Colorado						<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/>	Connecticut			<input checked="" type="checkbox"/>					<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/>	Delaware	<input type="radio"/>								<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/>	Florida	<input checked="" type="radio"/>								<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/>	Georgia	<input type="radio"/>		<input checked="" type="checkbox"/>						<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/>	Hawaii									<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/>	Idaho			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>					<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/>	Illinois	<input type="radio"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/>	Indiana	<input checked="" type="radio"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/>	Iowa									<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/>	Kansas								<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/>	Kentucky									<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/>	Louisiana								<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/>	Maine	<input checked="" type="radio"/>		<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/>	Maryland	<input checked="" type="radio"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/>	Massachusetts	<input type="radio"/>					<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/>	Michigan									<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/>	Minnesota			<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/>	Mississippi	<input type="radio"/>		<input checked="" type="checkbox"/>					<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/>	Missouri			<input checked="" type="checkbox"/>						<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/>	Montana	<input checked="" type="radio"/>		<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/>	Nebraska									<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/>	Nevada	<input checked="" type="radio"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/>	New Hampshire	<input checked="" type="radio"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/>	New Jersey			<input checked="" type="checkbox"/>					<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/>	New Mexico	<input type="radio"/>		<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/>	New York	<input type="radio"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/>	North Carolina	<input type="radio"/>		<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/>	North Dakota								<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>



Compare	State	Community Benefit Requirement	Mandatory Minimum Community Benefit Requirement	Community Benefit Reporting Requirement	Community Health Needs Assessment	Community Benefits Plan/Implementation Strategy	Financial Assistance Policy	Financial Assistance Policy Dissemination	Limitations on Charges, Billing, and Collections	Income Tax Exemption	Property Tax Exemption	Sales Tax Exemption
<input type="checkbox"/>	Ohio	○		■				■	■	■	■	■
<input type="checkbox"/>	Oklahoma						■		■	■	■	×
<input type="checkbox"/>	Oregon			■						■	■	
<input type="checkbox"/>	Pennsylvania	○	■	■			■	■		■	■	■
<input type="checkbox"/>	Rhode Island	○		■	■	■	■	■	■	■	■	×
<input type="checkbox"/>	South Carolina	○		■						■	■	■
<input type="checkbox"/>	South Dakota										■	■
<input type="checkbox"/>	Tennessee			■				■	■		■	■
<input type="checkbox"/>	Texas	○	■	■	■	■	■	■	■		■	■
<input type="checkbox"/>	Utah	○	■	■			■	■	■	■	■	■
<input type="checkbox"/>	Vermont			■	■	■			■	■	■	■
<input type="checkbox"/>	Virginia	○		■			■	■		■	■	■
<input type="checkbox"/>	Washington	●		■	■	■	■	■	■	×	■	×
<input type="checkbox"/>	West Virginia	○		■			■	■		■	■	×
<input type="checkbox"/>	Wisconsin			■			■	■		■	■	■
<input type="checkbox"/>	Wyoming										■	■



50 State Profiles



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ALABAMA

Community Benefit Requirement

Alabama law does not expressly require nonprofit hospitals to provide community benefits.

Minimum Community Benefit Requirement

Alabama law does not expressly require nonprofit hospitals to provide community benefits.

Community Benefit Reporting Requirement

Alabama does not require nonprofit hospitals to report community benefits.

Community Health Needs Assessment

Alabama does not require nonprofit hospitals to conduct community health needs assessments.

Community Benefit Plan/Implementation Strategy

Alabama does not require nonprofit hospitals to develop community benefit plans or implementation strategies.

Financial Assistance Policy

Alabama does not require nonprofit hospitals to adopt or implement financial assistance policies.

Financial Assistance Policy Dissemination

Alabama requires hospitals that have financial assistance policies to make written information about these policies available.

Each bill or summary of charges issued by a nonprofit or for-profit hospital must include a prescribed statement that a patient meeting income criteria may qualify “for the financial assistance policy of the hospital.” In addition, signs must be posted in admission and registration areas indicating the availability of financial assistance to qualified patients. A description of the financial assistance application process and a copy of the financial assistance application must be prominently posted on the hospital’s website “if financial assistance is available at the hospital.” [Ala Code 22-21-300](#).



Limitations on Charges, Billing, and Collections

Alabama does not limit nonprofit hospital charges, billing, or collection practices.

Income Tax Exemption

Alabama exempts nonprofit hospitals from state income tax.

Alabama exempts from state income tax organizations that are exempt from federal income tax under Internal Revenue Code §501(a). [Ala. Code 40-18-32\(a\)](#).

Property/Ad Valorem Tax Exemption

Alabama exempts from ad valorem taxes nonprofit hospitals' real and personal property used exclusively for charitable purposes unless the property is "let for rent or hire or for use for business purposes." [Ala. Code 40-9-1\(1\)](#).

Alabama law provides for a general ad valorem tax exemption of the real and personal property owned and operated by a nonprofit hospital. For-profit hospitals that use a portion of their property for charitable purposes may qualify for a partial ad valorem tax exemption (limited to \$75,000 of assessed value) if the hospital certifies that in the previous year it "has done 15 percent of its treatment of patients as charity work." [Ala. Code 40-9-1\(1\)](#) and [\(2\)](#); [Alabama Const., Amendment 373\(k\)](#); [Mingledorff v. Vaughan Regional Medical](#), 682 So. 2d 415, 422 (1996).

Sales Tax Exemption

Alabama law does not generally exempt nonprofit hospitals from sales and use taxes.

Alabama law provides nonprofit organizations "no special exemption" from the state's sales and use taxes; only organizations that are specifically identified in the statute are exempt. [Ala. Admin. Code R. 810-6-3-.07.05](#).



ALASKA

Community Benefit Requirement

Alaska law does not expressly require nonprofit hospitals to provide community benefits.

Minimum Community Benefit Requirement

Alaska law does not expressly require nonprofit hospitals to provide community benefits.

Community Benefit Reporting Requirement

Alaska does not require nonprofit hospitals to report community benefits.

Community Health Needs Assessment

Alaska does not require nonprofit hospitals to conduct community health needs assessments.

Community Benefit Plan/Implementation Strategy

Alaska does not require nonprofit hospitals to develop community benefit plans or implementation strategies.

Financial Assistance Policy

Alaska does not require nonprofit hospitals to adopt or implement financial assistance policies.

Financial Assistance Policy Dissemination

Alaska does not require nonprofit hospitals to adopt or implement financial assistance policies.

Limitations on Charges, Billing, and Collections

Alaska law does not limit nonprofit hospital charges, billing, or collection practices.



Alaska law includes no general limitation of hospital charges, billing, or collection practices. However, provider reimbursement under Alaska's Catastrophic Illness Assistance program (which offers limited financial relief from unpaid medical bills resulting from the catastrophic illness of persons ineligible for Medicaid) is conditioned on the availability of a payment program allowing patients at least three years to repay any remaining balance in full. [Alaska Stat. §47.08.070](#).

Income Tax Exemption

Alaska law exempts nonprofit hospitals from state income tax.

Alaska's revenue laws expressly incorporate by reference 26 U.S.C. §§1 -1399 of the Internal Revenue Code, thereby exempting from state corporate income tax organizations that are exempt from federal income tax. [Alaska Stat. §43.20.021\(a\)](#).

Property Tax Exemption

Alaska law exempts from taxation property used "exclusively for ... hospital ... purposes." [Alaska Stat. §29.45.030\(a\)\(3\)](#).

Sales Tax Exemption

Alaska has no statewide sales and use tax.



ARIZONA

Community Benefit Requirement

Arizona law does not expressly require nonprofit hospitals to provide community benefits.

Minimum Community Benefit Requirement

Arizona law does not expressly require nonprofit hospitals to provide community benefits.

Community Benefit Reporting Requirement

Arizona does not require nonprofit hospitals to report community benefits.

Community Health Needs Assessment

Arizona does not require nonprofit hospitals to conduct community health needs assessments.

Community Benefit Plan/Implementation Strategy

Arizona does not require nonprofit hospitals to develop community benefit plans or implementation strategies.

Financial Assistance Policy

Arizona does not require nonprofit hospitals to adopt or implement financial assistance policies.

Hospital administrators are responsible for informing patients how to obtain a schedule of hospital rates and charges. [Ariz. Admin. Code §R9-10-212\(B\)\(3\)\(C\)](#).

Financial Assistance Policy Dissemination

Arizona does not require nonprofit hospitals to adopt or implement financial assistance policies.

However, Arizona law requires that hospitals, including nonprofit hospitals, post a detailed schedule of rates and charges in a conspicuous place in the reception area/outpatient treatment center. [Ariz. Rev. Stat. §36-436.01\(B\)](#).



Limitations on Charges, Billing, and Collections

Arizona does not limit nonprofit hospital charges, billing, or collections.

Arizona law does not limit hospital charges, billing, or collection practices but, conversely, permits health care providers to secure a lien for the care, treatment, and transportation of an injured patient against the patient's liability and indemnity claims other than health insurance and underinsured motorist coverage. Generally, the lien would be for the amount of the hospital's customary charges rather than costs. [Ariz. Rev. Stat. §33-931](#).

Income Tax Exemption

Arizona law exempts non-profit hospitals from state income tax.

Two separate provisions of Arizona law exempt nonprofit hospitals from state income tax. Arizona exempts from state income tax organizations that are exempt from federal income tax pursuant to Internal Revenue Code §501.

In addition, Arizona exempts corporations organized for charitable purposes from state income tax provided, among other things, that no substantial part of their activities consists of "carrying on propaganda or attempting to influence legislation." [Ariz. Rev. Stat. §43-1201\(A\)\(4\)](#).

Property Tax Exemption

Arizona law exempts from taxation property used to provide health care services by a federally tax-exempt nonprofit hospital.

Arizona law exempts from taxation property owned by health care providers that is used to provide health care services if that property is exempt from federal income tax pursuant to Internal Revenue Code §501(c)(3). In addition, the real and personal property of a hospital "for the relief of the indigent or afflicted" is exempt from property taxes as long as the hospital is operated as a nonprofit. [Ariz. Rev. Stat. §42-11105\(A\), \(D\)](#).

Sales Tax Exemption

Arizona law exempts nonprofit hospitals from its Transaction Privilege and Use Tax.

Arizona exempts from the state's Transaction Privilege and Use Tax (TPUT) sales of tangible personal property to hospitals organized and operated exclusively for charitable purposes, with no private inurement. Also exempt are sales of tangible personal property by hospitals organized and operated exclusively for charitable purposes that are recognized by the IRS under Internal Revenue Code §501(c)(3). [Ariz. Rev. Stat. §42-5159\(A\)\(13\)\(a\), \(15\)\(a\)](#).



ARKANSAS

Community Benefit Requirement

Arkansas law does not expressly require nonprofit hospitals to provide community benefits.

Minimum Community Benefit Requirement

Arkansas law does not expressly require nonprofit hospitals to provide community benefits.

Community Benefit Reporting Requirement

Arkansas does not require nonprofit hospitals to report community benefits.

Community Health Needs Assessment

Arkansas does not require nonprofit hospitals to conduct community health needs assessments.

Community Benefit Plan/Implementation Strategy

Arkansas does not require nonprofit hospitals to develop community benefit plans or implementation strategies.

Financial Assistance Policy

Arkansas does not require nonprofit hospitals to adopt or implement financial assistance policies.

Financial Assistance Policy Dissemination

Arkansas does not require nonprofit hospitals to adopt or implement financial assistance policies.

Limitations on Charges, Billing, and Collections

Arkansas law does not limit nonprofit hospital charges, billing, or collection practices.



Income Tax Exemption

Arkansas law exempts nonprofit hospitals from state income tax.

Arkansas law exempts from state income tax corporations organized and operated exclusively for charitable purposes. [Ark. Code §26-51-303\(a\)\(9\)](#).

Property Tax Exemption

The Arkansas constitution exempts from taxation “buildings and grounds and materials used exclusively for public charity.” [Ark. Const. art. 16, § 5](#).

A property tax statute similarly exempts real property owned by “institutions of purely public charity” and used for nonprofit purposes. [Ark. Code §26-3-301\(7\)](#).

Sales Tax Exemption

Arkansas law exempts nonprofit hospitals from state gross receipts tax.

Except for “the sale of materials used in the original construction or repair or further extension of the hospital,” Arkansas law exempts from state gross receipts tax the gross receipts or proceeds derived from the sales of tangible personal property or services to any hospital operated for charitable and nonprofit purposes. [Ark. Code §26-52-401\(21\)\(A\)](#).



CALIFORNIA

Community Benefit Requirement

California requires nonprofit hospitals to provide community benefits.

California law expressly recognizes that nonprofit hospitals receive “favorable tax treatment by the government... [i]n exchange [for assuming] a social obligation to provide community benefits ...” [Cal. Health & Safety Code §127340\(a\)](#). California defines “community benefit” as hospital activity “intended to address community needs and priorities primarily through disease prevention and improvement of health status.” The statute lists, as non-exclusive examples of community benefit, the unreimbursed costs of providing health care services to vulnerable populations (including both Medicaid and Medicare shortfall); medical research; health professions education; adult day care; child care; sponsoring food, shelter, and clothing for the homeless; support of public health programs; contributions to a community priority; health care cost containment; enhancing access to care; and education, transportation, and other goods or services that help maintain a person’s health. [Cal. Health & Safety Code §127345\(c\)](#).

In addition, California’s certificate of need (CON) law exempts from certain specified CON requirements a health care project proposed by a hospital that agrees to provide free health care services to indigents, over a five year period, equivalent in dollar value to that of the proposed health care project. [Cal. Health & Safety Code §127190](#).

Minimum Community Benefit Requirement

California does not require nonprofit hospitals to provide a specified minimum level of community benefits.

Community Benefit Reporting Requirement

California requires nonprofit hospitals to annually submit community benefit plans specifying the economic value of the community benefits to be provided.

Nonprofit hospitals must annually submit their community benefit plans which, “to the extent practicable,” report the economic value of the community benefits provided, mechanisms for evaluating the plan’s effectiveness, and measurable objectives to be achieved within specified timeframes. The plans must be submitted to the Office of Statewide Health Planning and Development (OSHPD), which makes them available to the public. [Cal. Health & Safety Code §127350\(d\)](#).

In addition, every two years—or when a significant change to the policy is made—a nonprofit hospital must provide copies to OSHPD of its: discount payment policy, charity care policy, procedures for determining eligibility under those policies, review process, and the application for charity care or discounted payment programs. [Cal. Health & Safety Code §127435](#).



Community Health Needs Assessment

California requires nonprofit hospitals to conduct assessments to evaluate the health needs of the communities they serve.

A hospital may conduct—either alone, with other health care providers, or through other organizational arrangements—an assessment that evaluates the health needs of the community the hospital serves. At a minimum, the assessment must describe the process employed by the hospital to consult with community groups and local government officials in identifying and prioritizing community needs that can be addressed directly by the hospital, and those that the hospital can address in collaboration with other entities, or through other organizational arrangements. The assessment must be updated at least every three years. [Cal. Health & Safety Code §127350\(b\)](#).

Community Benefit Plan/Implementation Strategy

California requires nonprofit hospitals to submit annual community benefit plans that include the activities undertaken by the hospital to address community needs that are within the hospital's mission and financial capacity. [Cal. Health & Safety Code 127350\(d\)](#).

The plan must also include: a statement as to the economic value of the community benefits provided, mechanisms for evaluating the plan's effectiveness, and measurable objectives to be achieved within specific timeframes. Community benefits are to be categorized into the following framework: 1) medical care services, 2) other benefits for vulnerable populations, 3) other benefits for the broader community, 4) health research, education, and training programs, and 5) nonquantifiable benefits. [Cal. Health & Safety Code §127355](#).

Financial Assistance Policy

California requires all hospitals to adopt financial assistance policies.

California's [Hospital Fair Pricing Policies Act](#) establishes, as a condition of licensure, minimum standards to be used in determining eligibility for free or discounted care under a hospital's charity care and discounted care policies. [Cal. Health & Safety Code §§127400 – 127466](#). Hospitals must have written policies pertaining to discounted payments and charity care for "financially qualified patients." At a minimum, hospital policies must deem a person "financially qualified" for free or reduced cost care if he or she is 1) a self-pay patient or a patient with high medical costs or 2) a patient with a family income that does not exceed 350 percent of the federal poverty level. [Cal. Health & Safety Code §127400\(a\)-\(g\)](#). Hospitals have discretion to extend eligibility for their discount payment and charity care policies to patients with incomes over 350 percent of the federal poverty level. [Cal. Health & Safety Code §127405\(a\)\(1\)\(A\)](#).

Among the additional elements that financial assistance policies must include is a requirement that emergency room physicians provide discounted emergency services to patients who are uninsured or have high medical costs and whose incomes do not exceed 350 percent of the federal poverty level. [Cal. Health & Safety Code §§127400 – 127466](#).



Financial Assistance Policy Dissemination

California requires hospitals to provide patients written notice of their financial assistance plans and to post notices of the hospital's financial assistance policies for financially qualified and self-pay patients in specified locations in the hospital.

Each hospital's written notice must contain information about the availability of the hospital's discount payment and charity care policies and contact information for an individual or office from which additional information may be accessed. The notice must also advise that emergency room physicians in the hospital must provide discounted emergency services to uninsured patients and patients with high medical costs. [Cal. Health & Safety Code §127405\(a\)\(1\)\(B\)](#). Notice of the hospital's policy for financially qualified and self-pay patients must be conspicuously posted in locations that are visible to the public, including in the emergency department, billing office, admissions office, and other outpatient settings. [Cal. Health & Safety Code §127410](#).

Limitations on Charges, Billing, and Collections

California law limits hospital billing and collection practices.

California limits the amounts hospitals may charge patients with income not exceeding 350 percent of the federal poverty level. [Cal. Health & Safety Code §12705](#). Hospitals must have written policies specifying when and under whose authority patient debt is referred for collection. [Cal. Health & Safety Code §127425\(a\)](#). For uninsured patients and those with high medical costs, the hospital or assignees of hospital debt owed by a "financially qualified" patient may not, until 150 days after the initial billing, report adverse information concerning the patient to a consumer credit reporting agency and may not commence an action against the patient in civil court. [Cal. Health & Safety Code §127425\(d\)](#). Additional details concerning a patient's property rights and limits on hospital payment practices are set forth in [Cal. Health & Safety Code §§127425-127430](#).

Income Tax Exemption

California exempts federally tax-exempt nonprofit hospitals from state income tax.

California law exempts from state income tax the income of corporations organized and operated exclusively for charitable purposes and recognized exempt from federal income tax under §501(c)(3) of the Income Tax Code. In addition, a charitable corporation may not attempt to influence legislation or campaign on behalf of any candidate for public office. [Cal. Rev. & Tax. Code §23701d](#).

Property Tax Exemption

California exempts from taxation the property of qualifying non-profit hospitals.

California law exempts property used exclusively for charitable hospital purposes where, during its immediately preceding fiscal year, the hospital's operating revenues (exclusive of gifts, endowments,



and grants-in-aid) did not exceed operating expenses by an amount equivalent to 10 percent of those operating expenses. [Cal. Rev. & Tax Code §214\(a\)\(1\)](#).

Sales Tax Exemption

California law includes no express statutory exemption from sales tax for purchases by nonprofit hospitals. [California State Board of Equalization, Sales and Use Taxes: Exemptions and Exclusions \(2012\)](#).



COLORADO

Community Benefit Requirement

Colorado law does not expressly require nonprofit hospitals to provide community benefits.

Minimum Community Benefit Requirement

Colorado law does not expressly require nonprofit hospitals to provide community benefits.

Community Benefit Reporting Requirement

Colorado does not require nonprofit hospitals to report community benefits.

Community Health Needs Assessment

Colorado does not require nonprofit hospitals to conduct community health needs assessments.

Community Benefit Plan/Implementation Strategy

Colorado does not require nonprofit hospitals to develop community benefit plans or implementation strategies.

Financial Assistance Policy

Colorado law requires hospitals that do not participate in the [Colorado Indigent Care Program](#) to provide financial assistance to qualified patients.

Colorado's Hospital Payment Assistance Program, adopted in 2012, requires both nonprofit and for-profit hospitals to make financial assistance available to "qualified" patients on a community-specific basis. "Qualified patients" are individuals who: 1) are uninsured; 2) have annual family income not exceeding 250 percent of the federal poverty level; and 3) received a service at a hospital at which the Colorado Indigent Care Program was not available. [Colo. Rev. Stat. §25-3-112\(2\) \(2012\)](#). (SB 12-134).



Financial Assistance Policy Dissemination

Colorado requires that both nonprofit and for-profit hospitals make financial assistance information available to patients and post their written financial assistance, charity care, and payment plan policies.

Colorado requires that these policies be posted on each hospital's website and in patient waiting areas. It also requires the information to be made available, when possible, before the patient's discharge, and that it be included in each patient billing statement. [Colo. Rev. Stat. §25-3-112\(1\) \(2012\)](#). (SB 12-134).

Limitations on Charges, Billing, and Collections

Colorado law limits nonprofit and for-profit hospital charges and collection practices.

Colorado law limits billing and collection practices against persons eligible for assistance under the hospital's financial assistance policy. Such persons may be charged no more than the lowest negotiated rate charged to a private health plan. In addition, before initiating collection proceedings, hospitals must: 1) offer qualified patients a reasonable payment plan and 2) allow for a 30-day period past the due date of the first scheduled payment that is not paid in full. [Colo. Rev. Stat. §25-3-112\(3\) \(2014\);\(4\)\(a\)](#). (SB 14-50). If a hospital discovers it has made an error, then the hospital should correct the error or omission, inform the patient, provide a financial correction, and inform the health department. The health department will make self-reported incidents, investigations, and complaints available to the public. [Colo. Rev. Stat. §25-3-112\(3.5\) \(2014\)](#). (SB 14-50).

If a hospital is notified by the health department that it is not in compliance with governing statutes or regulations, then it must file a corrective action plan that includes measures to inform the patient or patients, and provide a financial correction consistent with the statute and regulations. A hospital should not initiate collections proceedings if it is notified that it must submit a corrective action plan or when it is operating under a corrective action plan. [Colo. Rev. Stat. §25-3-112\(4\)\(b\),\(c\) \(2014\)](#). (SB 14-50).

SB 14-50 also establishes compliance monitoring of hospitals and hospital penalties for "knowing or willfull noncompliance."

Income Tax Exemption

Colorado law exempts non-profit hospitals from state income tax.

Colorado law exempts from state income tax persons and organizations that are exempt from federal income tax. [Colo. Rev. Stat. §39-22-112\(1\) \(1987\)](#).

Property Tax Exemption

Colorado exempts from taxation property owned and used by nonprofit hospitals for a strictly charitable purpose.



Colorado exempts from state property tax real and personal property that is “owned and used solely and exclusively for strictly charitable purposes” by a nonprofit hospital that is licensed by the state as a health care facility. [Colo. Rev. Stat 39-3-108\(1\)\(b\) \(2013\)](#).

Sales Tax Exemption

Colorado law exempts nonprofit hospitals from state sales and use taxes.

All sales made to charitable organizations in the conduct of their regular activities are exempt from taxation. The proceeds of occasional sales of tangible personal property (such as concessions) by charitable organizations for fund-raising purposes are also exempt, up to a maximum of \$25,000 per year, if proceeds are “used in the course of the organization’s charitable service.” [Colo. Rev. Stat. §39-26-718\(1\) \(2008\)](#).



CONNECTICUT

Community Benefit Requirement

Connecticut law does not expressly require nonprofit hospitals to provide community benefits.

Minimum Community Benefit Requirement

Connecticut law does not expressly require nonprofit hospitals to provide community benefits.

Community Benefit Reporting Requirement

Connecticut requires hospitals that voluntarily develop community benefit programs to satisfy specific reporting requirements.

Connecticut law requires both nonprofit and for-profit hospitals to file annually with the state Office of the Healthcare Advocate (Advocate) their policies on charity care and reduced cost services to the indigent. The reports must include, among other things, the total number of applicants and the number of approved applicants for uncompensated care, and the total and average charges and costs of the uncompensated care provided. [Conn. Gen. Stat. §19a-649 \(a\), \(b\)](#).

Connecticut also requires each hospital to report biennially to the Advocate whether or not it has a community benefit program in place. A hospital that has elected to develop a community benefit program must include in its annual report 1) a community benefit policy statement; 2) a mechanism for securing community input and its incorporation into the program; 3) a description of the community health needs that the hospital considered in developing and implementing its community benefit program; 4) a narrative describing the community benefits, community services, and preventive health education provided or proposed; (5) evaluation measures and proposed program revisions; 6) to the extent feasible, a community benefit budget and a good-faith measurement of expenditures and administrative costs; and 7) a summary reporting the extent to which the hospital has developed and met community benefit guidelines “intended to promote preventive care and to improve the health status for working families and populations at risk” focusing on principles the statute specifies. A hospital’s community benefit report must be provided to members of the public upon request. [Conn. Gen. Stat. §19a-127k\(c\)-\(d\)](#).

Each nonprofit hospital that is exempt from federal taxation under Internal Revenue Code §501(c)(3) shall also submit a complete copy of the hospital’s most recently completed Form 990, including all parts and schedules. [Conn. Gen. Stat. §19a-649\(c\)](#).



Community Health Needs Assessment

Connecticut does not require nonprofit hospitals to conduct community health needs assessments.

However, a hospital that voluntarily develops a community benefit program must report how it secured community input and incorporated it into the program. [Conn. Gen. Stat. §19a-127k\(d\)](#). Nonprofit hospitals that are exempt from federal corporate income tax pursuant to Internal Revenue Code §501(c)(3) must submit data compiled to prepare the hospital's community health needs assessment. [Conn. Gen. Stat. §19a-649\(c\)](#).

Community Benefit Plan/Implementation Strategy

Connecticut does not require nonprofit hospitals to develop community benefit plans or implementation strategies.

However, a hospital that voluntarily develops a community benefit program must describe in its annual report to the Advocate specified community benefit planning and implementation activities, including: a description of the community health needs that the hospital considered in developing its community benefit program; a narrative describing the community benefits, community services, and preventive health education proposed; a program budget; and report of expenditures and administrative costs. [Conn. Gen. Stat. §19a-127k\(d\)](#).

Financial Assistance Policy

Connecticut does not require nonprofit hospitals to develop or implement financial assistance policies.

Hospitals are required to annually file their policies on charity care and reduced cost services to the indigent with the Office of Health Care Access division of the Department of Public Health. [Conn. Gen. Stat. §19a-649\(a\)](#).

Financial Assistance Policy Dissemination

Connecticut law does not generally require nonprofit hospitals to adopt, implement, or disseminate financial assistance policies.

A hospital that administers a "hospital bed fund" (a "gift ... made by any donor for the purpose of establishing a fund to provide medical care to patients") must post information regarding the availability of those funds in conspicuous places. In addition, a one-page summary describing the fund and its application process, as well as other hospital charity and reduced-cost care policies for the indigent, must be made available in the admissions office, emergency room, social services department, and patient billing office. Collection agencies must include a copy of the summary when sending all bills and collection notices. A copy of the summary must also be provided to any patient who appears to have



limited ability to pay during admission or during review of his or her financial resources. [Conn. Gen. Stat. §19a-509b](#).

Limitations on Charges, Billing, and Collections

Connecticut law limits the billing and collection practices of both nonprofit and for-profit hospitals.

Connecticut law requires hospitals to include in their bills to patients an explanation of any items identified by a code or initials, and must provide an itemized bill to a self-pay patient upon request. [Conn. Gen. Stat. §19a-509\(b\)](#). Connecticut prohibits hospitals from initiating an action to collect fees for hospital care unless the hospital has determined whether the individual 1) has an income at or below 250 percent of the federal poverty level, 2) has applied for and been denied eligibility for the state-administered general assistance program (Medicaid), and 3) is not eligible for coverage under Medicare or any other health insurance program, including any hospital bed fund(s). [Conn. Gen. Stat. §§19a-673b\(a\)](#). No hospital that has provided health care services to an uninsured patient may collect from that patient more than the cost of providing the services. [Conn. Gen. Stat. §§19a-673\(b\)](#).

Hospitals may initiate an action to collect coinsurance and deductibles where these amounts may be eligible for reimbursement through a judicial award or where they have been paid or reimbursed, or are likely to be paid or reimbursed, directly to the patient. [Conn. Gen. Stat. §19a-673b\(b\)](#).

If, at any point during the debt collection process, a hospital or collection agency becomes aware that a patient is eligible for hospital bed funds, free or reduced price hospital services, or any other program, then collection efforts must be stopped until an eligibility determination is made. [Conn. Gen. Stat. §19a-673d](#).

Income Tax Exemption

Connecticut law exempts from its corporation business tax nonprofit hospitals that are exempt from federal corporate income tax. [Conn. Gen. Stat. §12-214\(a\)\(2\)\(B\)](#); [Conn. Dept. Revenue, 2011 Form CT-1120 Instructions, p. 7](#).

Property Tax Exemption

Connecticut law exempts from taxation real and personal property owned by a corporation organized and used exclusively for charitable purposes, provided no officer, member, or employee receives any pecuniary profit from its operation, except as reasonable compensation for services or as a proper beneficiary of its strictly charitable purposes. [Conn. Gen. Stat. §12-81\(7\)](#).

Connecticut also exempts all property of any Connecticut hospital corporation, provided no officer, member, or employee receives any pecuniary profit from the operation thereof, except as reasonable compensation for services. [Conn. Gen. Stat. §12-81\(16\)](#).



Sales Tax Exemption

Connecticut law exempts nonprofit hospitals from state sales and use taxes.

Connecticut law exempts from state sales and use taxes sales of tangible personal property and services to or by nonprofit charitable hospitals. [Conn. Gen. Stat. §12-412\(5\)\(A\)](#). Also exempt are sales of tangible personal property by any organization that is exempt from federal income tax under Internal Revenue Code §501(a) when those sales are made on hospital premises. [Conn. Gen. Stat. §12-412\(5\)\(B\)](#).



DELAWARE



Community Benefit Requirement

Delaware may require hospitals to provide charity care as a condition of certificate of public review approval.

As a condition of certificate of public review approval, Delaware requires all health care facilities to “perform and accept charity care ... to the extent required by the [Delaware Health Resources] Board.” A certificate of public review is required to 1) construct or develop a health care facility or acquire a nonprofit health care facility, 2) spend more than \$5.8 million on behalf of a health care facility, 3) increase bed capacity by more than 10 beds, or by more than 10 percent of existing beds within a two-year period, or 4) acquire major medical equipment. [Del. Code Ann. Tit. 16 §§9311, 9301, 9304.](#)

Delaware law authorizes the Delaware Health Resources Board to determine the charity care requirements for health care facilities that receive a Certificate of Public Review. [Del. Code Ann. Tit. 16 §9311.](#)

Minimum Community Benefit Requirement

Delaware law does not require nonprofit hospitals to provide a specified minimum level of community benefits.

Community Benefit Reporting Requirement

Delaware does not expressly require nonprofit hospitals to report community benefits.

Community Health Needs Assessment

Delaware does not require nonprofit hospitals to conduct community health needs assessments.

Community Benefit Plan/Implementation Strategy

Delaware does not require nonprofit hospitals to develop community benefits plans or implementation strategies.



Financial Assistance Policy

Delaware hospitals seeking Certificate of Review approval may be required to perform and accept charity care to the extent required by the Delaware Health Resources Board. [Del. Code Ann. Tit. 16 §9311.](#)

Financial Assistance Policy Dissemination

Except in connection with Certificate of Review processes, Delaware does not require nonprofit hospitals to adopt or implement financial assistance policies.

Limitations on Charges, Billing, and Collections

Delaware does not limit nonprofit hospital charges, billing, or collection practices.

Income Tax Exemption

Delaware law exempts nonprofit hospitals from state income tax.

Delaware exempts from state income tax a corporation organized for charitable purposes if no part of its net earnings inures to the benefit of any private stockholder or individual. [Del Code Ann. Tit. 30, §1902\(b\)\(2\).](#)

Property Tax Exemption

Delaware law exempts from county and municipal taxation property held by certain corporations created for charitable purposes (including nonprofit hospitals).

The exemption applies to “corporations created for charitable purposes and not held by way of investment that are in existence on July 14, 1988.” [Del. Code Ann. Tit. 9, §8105.](#)

Sales Tax Exemption

Delaware does not have a sales tax.



FLORIDA

Community Benefit Requirement

Florida law requires nonprofit hospitals to provide community benefits.

Florida law requires that nonprofit hospitals provide charity care and participate in the state's Medicaid program. [Fla. Stat. §617.2002\(2\)](#).

Minimum Community Benefit Requirement

Florida does not require nonprofit hospitals to provide a specified minimum level of community benefits.

Community Benefit Reporting Requirement

Florida does not require nonprofit hospitals to report community benefits.

However, Florida's Agency for Health Care Administration takes into account a Certificate of Need (CON) applicant's previous and proposed provision of services to Medicaid patients and the medically indigent when reviewing CON applications. [Fla. Stat. §408.035\(1\)\(i\)](#).

Community Health Needs Assessment

Florida does not require nonprofit hospitals to conduct community health needs assessments.

Community Benefit Plan/Implementation Strategy

Florida does not require nonprofit hospitals to develop community benefit plans or implementation strategies.

Financial Assistance Policy

Florida does not require nonprofit hospitals to adopt or implement financial assistance policies.

Financial Assistance Policy Dissemination

Florida does not require nonprofit hospitals to adopt or implement financial assistance policies.



Limitations on Charges, Billing, and Collections

Florida law does not limit nonprofit hospital charges, billing, or collection practices.

Income Tax Exemption

Florida law exempts nonprofit hospitals from state income tax.

Florida law exempts from state income tax nonprofit organizations that are exempt from federal income tax. [Fla. Stat. §220.13 \(2\)\(h\)](#).

Property Tax Exemption

Florida exempts nonprofit hospital property from taxation.

Florida law exempts from taxation the property of nonprofit hospitals that are exempt from federal income tax under Internal Revenue Code §501(c)(3). [Fla. Stat. §196.197](#).

Sales Tax Exemption

Florida law exempts nonprofit hospitals from state sales and use taxes.

Florida law exempts from state sales and use tax sales and leases to organizations that are exempt from federal income tax under Internal Revenue Code §501(c)(3) “when such leases or purchases are used in carrying on their customary nonprofit activities.” [Fla. Stat. §212.08\(7\)\(p\)](#).



GEORGIA

Community Benefit Requirement

Georgia may require a nonprofit hospital to provide a specified amount of clinical health services to indigent patients as a condition of certificate of need approval.

Minimum Community Benefit Requirement

Georgia law requires that one category of hospital—those granted a certificate of need as a “destination cancer hospital”—must provide uncompensated indigent or charity care for Georgia residents which meets or exceeds 3 percent of such hospital’s adjusted gross revenues.

A certificate of need is required for a “new institutional health service” which includes, among other things, the construction of a new health care facility; a capital expenditure in excess of \$2.5 million; purchase or lease of diagnostic or therapeutic equipment with a value in excess of \$1 million; an increase in bed capacity; and a conversion or upgrading of a general acute care hospital to a specialty hospital. [Ga. Code §31-6-40\(a\)](#). Any applicant for a certificate of need may be required to agree to provide a specified amount of clinical health services to indigent patients. Each facility granted a certificate of need as a “destination cancer hospital” is required to provide uncompensated indigent or charity care for Georgia residents which meets or exceeds 3 percent of the cancer hospital's adjusted gross revenues [Ga. Code §31-6-40.1\(c\)](#).

Community Benefit Reporting Requirement

Georgia requires nonprofit hospitals to report charity care expenses.

Georgia law requires “health care providers” (including both nonprofit and for-profit hospitals) to annually report specified health care information, such as the hospital’s total gross revenues, bad debts, free care provided, and “charity care provided to indigent persons” (defined as those with annual incomes of no more than 125 percent of the federal poverty level). [Ga. Code §31-7-280\(c\); \(a\)](#).

Health care facilities requiring a certificate of need are required to submit an annual report that includes information regarding, among other things, bad debts, amount of free care provided, and the amount of charity care provided to indigent persons. [Ga. Code §31-6-70](#).

Community Health Needs Assessment

Georgia does not require nonprofit hospitals to conduct community health needs assessments.



Community Benefit Plan/Implementation Strategy

Georgia does not require nonprofit hospitals to develop community benefit plans or implementation strategies.

Financial Assistance Policy

Georgia does not require nonprofit hospitals to adopt or implement financial assistance policies.

Financial Assistance Policy Dissemination

Georgia does not require nonprofit hospitals to adopt, implement, or disseminate financial assistance policies.

Limitations on Charges, Billing, and Collections

Georgia law does not limit nonprofit hospital charges, billing, or collection practices.

Income Tax Exemption

Georgia law exempts nonprofit hospitals from state income tax.

Georgia law exempts from state income tax organizations that are exempt from federal income tax under Internal Revenue Code §§501(c), (d), (e). [Ga. Code §48-7-25\(a\)\(1\)](#).

Property Tax Exemption

Georgia law exempts nonprofit hospital property from taxation.

Georgia law exempts from state property tax the property of nonprofit hospitals used exclusively in connection with their nonprofit operations. [Ga. Code §48-5-41\(a\)\(5\)\(A\)](#).

Sales Tax Exemption

Georgia law exempts nonprofit hospitals from state sales and use taxes.

Georgia law exempts from state sales and use taxes sales of tangible personal property and services to nonprofit hospitals that are tax-exempt under the federal Internal Revenue Code and have received an exemption determination letter from the IRS. [Ga. Code §48-8-3\(7\)](#).





HAWAII

Community Benefit Requirement

Hawaii has no express statutory requirement that nonprofit hospitals provide community benefits.

Minimum Community Benefit Requirement

Hawaii has no express statutory requirement that nonprofit hospitals provide community benefits.

Community Benefit Reporting Requirement

Hawaii does not require nonprofit hospitals to report community benefits.

Community Health Needs Assessment

Hawaii does not require nonprofit hospitals to conduct community health needs assessments.

Community Benefit Plan/Implementation Strategy

Hawaii does not require nonprofit hospitals to develop community benefit plans or implementation strategies.

Financial Assistance Policy

Hawaii does not require nonprofit hospitals to adopt or implement financial assistance policies.

Financial Assistance Policy Dissemination

Hawaii does not require nonprofit hospitals to adopt or implement financial assistance policies.

Limitations on Charges, Billing, and Collections

Hawaii does not limit nonprofit hospital charges, billing, or collection practices.



Income Tax Exemption

Hawaii exempts nonprofit hospitals from state income tax.

Hawaii's income tax law expressly incorporates by reference the Internal Revenue Code [Haw. Rev. Stat. 235-3](#). Therefore, Hawaii exempts from state income tax nonprofit hospitals that are exempt from federal income tax. [26 U.S.C. §501\(c\)](#).

Property Tax Exemption

Hawaii exempts nonprofit hospital property from taxation.

Hawaii exempts from state property tax real property used for "hospital and nursing home purposes." [Haw. Rev. Stat. §246-32\(b\)\(2\)](#).

Sales Tax Exemption

Hawaii exempts nonprofit hospitals from its state excise tax.

Hawaii does not have a sales tax: instead, it levies a general excise tax. Hawaii exempts hospitals, infirmaries, and sanitariums from the excise tax. [Haw. Rev. Stat. §237-23\(a\)\(6\)](#). Corporations organized exclusively for charitable purposes are also exempt. [Haw. Rev. Stat. §237-23\(a\)\(4\)](#).





IDAHO

Community Benefit Requirement

Idaho law does not expressly require nonprofit hospitals to provide community benefits.

Minimum Community Benefit Requirement

Idaho law does not expressly require nonprofit hospitals to provide community benefits.

Community Benefit Reporting Requirement

Idaho requires nonprofit hospitals with at least 150 beds to report community benefits.

Idaho law requires that each nonprofit hospital with at least 150 beds file a community benefit report annually. The report must itemize the hospital's costs during the previous year for several categories of expenses, including charity care and "under-reimbursed care covered through government programs." [Idaho Code §63-602D\(7\)](#). In addition, the Board of Idaho's Catastrophic Health Care Costs Program may require that each hospital submit an annual report that includes a copy of its federal information return (IRS Form 990) or comparable information, and "the cost of charges where charitable care was provided." [Idaho Code §31-3503A\(4\)\(b\)\(i\) and \(ii\)](#).

Community Health Needs Assessment

Idaho law requires nonprofit hospitals with at least 150 beds to conduct community needs assessments.

Idaho nonprofit hospitals with at least 150 patient beds must file an annual community benefit report indicating, among other things, the process used to determine general community needs that coincide with the hospital's mission. [Idaho Code §63-602D\(7\)](#).

Community Benefit Plan/Implementation Strategy

Idaho does not require nonprofit hospitals to submit implementation strategies or community benefit plans.

Financial Assistance Policy

Idaho does not require nonprofit hospitals to adopt or implement financial assistance policies.



Financial Assistance Policy Dissemination

Idaho does not require nonprofit hospitals to adopt, implement, or disseminate financial assistance policies.

Limitations on Charges, Billing, and Collections

Idaho does not limit nonprofit hospital charges, billing, or collection practices.

Income Tax Exemption

Idaho law exempts nonprofit hospitals from state income tax.

Idaho law exempts from state income tax organizations that are exempt from federal income tax under Internal Revenue Code §501. [Idaho Code §63-3025B](#).

Property Tax Exemption

Idaho law exempts from taxation property owned by nonprofit hospitals.

The real and personal property owned by a federally tax-exempt nonprofit hospital is exempt from Idaho property tax. Also exempt is personal property leased by a federally tax-exempt nonprofit hospital. [Idaho Code §§ 63-602D \(2\) and D\(4\)\(b\)](#). Nonprofit federally tax-exempt hospital corporations that operate hospitals with more than 150 patient beds must submit an annual community benefit report to the state Board of Equalization.

Sales Tax Exemption

Idaho exempts nonprofit hospitals from state sales taxes.

Idaho law exempts purchases by or to nonprofit hospitals from state sales tax. [Idaho Code §63-3622O\(1\)\(a\)](#).



ILLINOIS

Community Benefit Requirement

Illinois requires nonprofit hospitals to provide charity care or other “health services to low-income or underserved individuals” as a condition of property and sales tax exemption.

Minimum Community Benefit Requirement

Illinois specifies a minimum level of charity care or other “health services to low-income or underserved individuals” that a nonprofit hospital must provide to qualify for property and sales tax exemption.

Effective in 2012, an Illinois statute requires that nonprofit hospitals seeking property tax exemption provide charity care or other specified services or activities at levels at least equivalent to what the hospital otherwise would be required to pay in property taxes. S.B. 2194, codified at [35 ILCS 200/15-86\(c\) \(2012\)](#). For-profit hospitals are eligible to receive an income tax credit in an amount that is the lesser of a) real property taxes paid during the tax year on property used for hospital purposes during the previous tax year and b) the cost of free or discounted services provided pursuant to the hospital’s financial assistance policy. S.B. 2194, codified at [35 ILCS 5/223\(a\) \(2012\)](#).

Community Benefit Reporting Requirement

The Illinois Community Benefits Act requires that each nonprofit hospital to which it applies develop a community benefit plan and file an annual report of the plan with the Office of the Attorney General. [210 ILCS 76/20 \(2003\)](#).

The Act does not apply to 1) government hospitals, 2) hospitals located outside of a metropolitan statistical area, or 3) hospitals with 100 or fewer beds. [210 ILCS 76/5 \(2003\)](#).

Illinois requires that a nonprofit hospital to which the Illinois Community Benefits Act applies develop a community benefit plan that identifies the populations and communities the hospital serves and outlines the hospital’s goals and objectives for providing community benefits, including charity care and government-sponsored indigent health care. [210 ILCS 76/15 \(2003\)](#).

A nonprofit hospital to which the Act applies must develop and submit to the Attorney General an annual report of its community benefits plan disclosing the amount and types of “community benefits actually provided, including charity care.” The hospital must include with its report an audited annual financial report for the preceding fiscal year. [210 ILCS 76/20 \(2003\)](#). The hospital must include a financial assistance report disclosing, among other things, the number of financial assistance applications received, approved, and denied as well as the total amount of financial assistance provided. [Ill. Admin. Code tit. 77 §4500.60 \(2013\)](#).



Community Health Needs Assessment

Hospitals to which the Illinois Community Benefits Act applies must include in annual reports of their community benefits plans “a disclosure of the health care needs of the community that were considered in developing the hospital's community benefits plan.” [210 ILCS 76/20\(a\)\(2\) \(2003\)](#).

The Act does not apply to 1) government hospitals, 2) hospitals located outside of a metropolitan statistical area, or 3) hospitals with 100 or fewer beds. [210 ILCS 76/5 \(2003\)](#).

Community Benefit Plan/Implementation Strategy

A nonprofit hospital to which the Illinois Community Benefits Act applies is required to develop a community benefit plan.

The community benefit plan must identify the populations and communities served by the hospital and set out goals and objectives for providing community benefits that include charity care and government-sponsored indigent health care. [210 ILCS 76/15 \(2003\)](#).

The Act does not apply to 1) government hospitals, 2) hospitals located outside of a metropolitan statistical area, or 3) hospitals with 100 or fewer beds. [210 ILCS 76/5 \(2003\)](#).

Financial Assistance Policy

Illinois requires both nonprofit and for-profit hospitals to provide discounts to uninsured patients.

The 2012 amendments to the Illinois Hospital Uninsured Patient Discount Act mandate that hospitals provide patient discounts that take into account hospital type and family income once an application for a discount is made. S.B. 3261, codified as [210 ILCS 89/10 \(2012\)](#). The law requires that hospitals provide:

Charitable discount of 100 percent of charges for medically necessary health care services exceeding \$300 for uninsured patients with family income of not more than 125 percent of the federal poverty level. Note: This applies to rural and critical access hospitals. [210 ILCS 89/10, \(a\)\(4\) \(2012\)](#).

Charitable discount of 100 percent of charges for medically necessary health care services exceeding \$300 for uninsured patients with family income of not more than 200 percent of the federal poverty level. Note: This applies to hospitals other than rural and critical access hospitals. [210 ILCS 89/10, \(a\)\(2\) \(2012\)](#).

Discount from charges for medically necessary health care services exceeding \$300 to any uninsured patient with a family income of not more than 300 percent of the federal poverty level. Note: This applies to rural and critical access hospitals. [210 ILCS 89/10, \(a\)\(3\) \(2012\)](#).



Discount from charges for medically necessary health care services exceeding \$300 to any uninsured patient with a family income of not more than 600 percent of the federal poverty level. Note: This applies to hospitals other than rural and critical access hospitals. [210 ILCS 89/10, \(a\)\(1\) \(2012\)](#).

The 2012 amendment to the Fair Patient Billing Act ([S.B. 3261, codified as 210 ILCS 88/27](#)) also directed the Office of the Attorney General to develop rules requiring hospitals to include specifically prescribed language in financial assistance applications. The final rules require, among other things, that financial assistance applications include an opening statement advising applicants that they may be eligible for free or discounted care and that they are not required to provide a Social Security number. A required certification at the end of financial assistance applications must include the text that the rule prescribes, and none other. [77 Ill. Admin. Code §4500.30\(a\), \(h\) \(2013\)](#); [38 Ill. Reg. 12673](#) (June 20, 2014).

The statute also required the Attorney General to promulgate rules setting forth appropriate methodologies for determining “presumptive eligibility” under which patients would be deemed “eligible for hospital financial assistance without further scrutiny.” [S.B. 3261, codified as 210 ILCS 88/27 \(2012\)](#). [Ill. Admin. Code tit. 77 §4500.40\(a\) \(2013\)](#). Under those rules, patients in rural or critical access hospitals will be deemed presumptively eligible if they are homeless, deceased with no estate, mentally incapacitated, or Medicaid eligible—but not on the date of service or for a non-covered service. [Ill. Admin. Code tit. 77 §4500.40\(b\);\(d\) \(2013\)](#). In addition to the above criteria, patients in hospitals that are not rural or critical access hospitals will also be presumptively eligible if enrolled in a public assistance program for individuals below 200 percent of the federal poverty level such as the Women, Infants and Children Nutrition Program, and the Supplemental Nutrition Program. [Ill. Admin. Code tit. 77 §4500.40\(b\) \(2013\)](#). A hospital may include additional presumptive eligibility criteria, provided it expands a patient’s presumptive eligibility. [Ill. Admin. Code tit. 77 §4500.40\(c\);\(e\)\(2013\)](#).

Financial Assistance Policy Dissemination

Illinois requires both nonprofit and for-profit hospitals to post and otherwise disseminate their financial assistance plans.

Each hospital must post a sign containing specified language conspicuously in the admission and registration areas. [210 ILCS 88/15 \(2007\)](#). Each hospital that has a website must also post notice there and make a brochure, an application for financial assistance, or other written material available in the hospital admission or registration area. [210 ILCS 88/15\(d\) \(2007\)](#). In addition, each patient bill or other summary of charges to an uninsured patient must include a prominent statement that an uninsured patient meeting specified income requirements may qualify for an uninsured patient discount, and information about how to apply for the discount. [S.B. 3261, codified as 210 ILCS 89/10\(d\) \(2012\)](#).

Limitations on Charges, Billing, and Collections

Illinois law limits nonprofit and for-profit hospital collection practices.



Generally, Illinois hospitals may collect as payment for health care services no more than 25 percent of the family income of a patient eligible for an uninsured patient discount. S.B. 3261, codified as [210 ILCS 89/10\(c\) \(2012\)](#).

Before pursuing a collection action against an uninsured patient, a hospital must afford the patient an opportunity to assess the accuracy of the bill, apply for financial assistance, and agree to a reasonable payment plan offered by the hospital. In addition, for an uninsured patient who has indicated the inability to pay the full amount of the bill in a single payment, the hospital must give the patient at least 60 days after discharge to submit an application for financial assistance/charity care. [210 ILCS 88/30\(a\)\(1\)-\(3\) \(2007\)](#). A hospital may not refer a bill to a collection agency without first offering the patient an opportunity to request a reasonable payment plan within 30 days of the date of the initial bill, and giving the patient another 30 days from the request to agree to a reasonable payment plan offered by the hospital. [210 ILCS 88/30\(b\) \(2007\)](#).

Additionally, a hospital may not pursue legal action for non-payment against an uninsured patient who has clearly demonstrated a lack of sufficient income or assets to pay the bill and who has acted reasonably and cooperated with the hospital in good faith. [210 ILCS 88/35 \(2007\)](#).

Income Tax Exemption

Illinois law exempts the income of nonprofit hospitals from state income tax.

Illinois law exempts from state income tax the income of charitable or similar organizations that are exempt from federal income tax. [35 ILCS 5/205\(a\) \(2011\)](#).

For-profit hospitals are eligible to receive an income tax credit in an amount that is the lesser of a) real property taxes paid during the tax year on property used for hospital purposes during the previous tax year and b) the cost of free or discounted services provided pursuant to the hospital's financial assistance policy. [35 ILCS 5/223\(a\) \(2012\)](#).

Property Tax Exemption

Illinois law requires nonprofit hospitals to provide charity care/community benefits as a condition of property tax exemption.

Illinois' statute, adopted in 2012, requires that nonprofit hospitals seeking property tax exemption (real property and tangible personal property) provide specified services and activities (charity care, health services to low-income and underserved individuals, etc.) at levels at least equivalent to what the hospital otherwise would be required to pay in property taxes. S.B. 2194, codified as [35 ILCS 200/ 15-86\(c\); 2012 Ill. Pub. L. No 97-0688 \(2012\)](#).

For-profit hospitals are eligible to receive an income tax credit in an amount that is the lesser of a) real property taxes paid during the tax year on property used for hospital purposes during the previous tax year and b) the cost of free or discounted services provided pursuant to the hospital's financial assistance policy. S.B. 2194 codified as [35 ILCS 5/223\(a\) \(2012\)](#).



Sales Tax Exemption

Illinois law requires nonprofit hospitals to provide charity care/community benefits as a condition of sales and use tax exemption.

Illinois' statute, adopted in 2012, requires that nonprofit hospitals seeking sales tax and use tax exemptions provide specified services and activities (charity care, health services to low-income and underserved individuals, etc.) at levels at least equivalent to what the hospital otherwise would be required to pay in property taxes. [35 ILCS 120/2-9](#); [35 ILCS 105/3-8 \(2012\)](#).



INDIANA

Community Benefit Requirement

Indiana requires nonprofit hospitals to provide community benefits.

Indiana law requires nonprofit hospitals to develop a community benefit plan that sets out goals and objectives for providing community benefits that include charity care and government-sponsored indigent health care. [Ind. Code §16-21-9-4.](#)

Minimum Community Benefit Requirement

Indiana does not require nonprofit hospitals to provide a specified minimum level of community benefits.

Community Benefit Reporting Requirement

Indiana requires nonprofit hospitals to file with the Indiana Department of Health an annual report of their community benefit plans.

A nonprofit hospital's annual report to the Indiana Department of Health must include a copy of the hospital's community benefit plan and the hospital's mission statement. It must disclose the community health needs considered in developing the hospital's community benefit plan and the amount and types of community benefits provided, including charity care. [Ind. Code §16-21-9-7.](#)

Community Health Needs Assessment

Indiana requires nonprofit hospitals to perform community health needs assessments.

In developing its community benefit plan, a nonprofit hospital must consider its community's health care needs, as determined by a community-wide needs assessment. [Ind. Code §16-21-9-5.](#)

Community Benefit Plan/Implementation Strategy

Indiana requires nonprofit hospitals to develop a community benefit plan/implementation strategy.

A nonprofit hospital must develop a community benefit plan that sets out goals and objectives for providing community benefits, including charity care and government-sponsored indigent health care, and identifies the populations and communities the hospital serves. [Ind. Code §16-21-9-4.](#) The plan must also include a budget, measurable objectives with a specified time frame, an evaluation mechanism for



assessing the plan's effectiveness, and a method for soliciting input from the community the hospital serves. [Ind. Code §16-21-9-6](#).

Financial Assistance Policy

Indiana hospitals set their own eligibility guidelines for charity care and financial assistance.

Indiana requires nonprofit hospitals that operate charity care programs to develop written notices about such programs and how to apply for them. [Ind. Code §16-21-9-7\(d\)](#).

Financial Assistance Policy Dissemination

Indiana requires nonprofit hospitals that operate charity care programs to conspicuously post written notice of any charity care program they offer and how to apply.

The notice must be conspicuously posted in the hospital's general and emergency room waiting areas, in the business office, and in other areas the hospital considers appropriate. [Ind. Code §16-21-9-7\(d\)](#).

Limitations on Charges, Billing, and Collections

Indiana law does not expressly limit nonprofit hospital charges, billing, or collection practices.

However, persons eligible for services under the state's Hospital Care for the Indigent Program are not obligated to pay for covered services provided under the program and identified in a claim filed by the provider. [Ind. Code §12-16-7.5-1.2](#).

Income Tax Exemption

Indiana law exempts non-profit hospitals from state income tax.

Indiana law exempts from state income tax the income of any organization that is exempt under Internal Revenue Code §501(a). [Ind. Code §6-3-2-2.8\(1\)](#).

Property Tax Exemption

Indiana law exempts nonprofit hospitals from state property tax.

Indiana exempts from taxation the buildings, land, and personal property of a nonprofit hospital when owned, occupied, and used for charitable purposes. [Ind. Code §6-1.1-10-16](#).



Sales Tax Exemption

Indiana law exempts nonprofit hospitals from state sales taxes.

Indiana law exempts from taxation sales made to nonprofit corporations if the property or service is primarily used to carry on—or to raise money to carry on—its nonprofit purpose. [Ind. Code §6-2.5-5-25](#); [Indiana Department of Revenue, Information Bulletin #10, Sales Tax, April 2012](#).





IOWA

Community Benefit Requirement

Iowa law does not expressly require nonprofit hospitals to provide community benefits.

Minimum Community Benefit Requirement

Iowa law does not expressly require nonprofit hospitals to provide community benefits.

Community Benefit Reporting Requirement

Iowa has no mandatory community benefit reporting requirements for nonprofit hospitals.

Community Health Needs Assessment

Iowa does not require nonprofit hospitals to conduct community health needs assessments.

Community Benefit Plan/Implementation Strategy

Iowa does not require nonprofit hospitals to adopt or implement community benefit plans or implementation strategies.

Financial Assistance Policy

Iowa does not require nonprofit hospitals to adopt or implement financial assistance policies.

However, Iowa requires county public hospitals to provide needed free care and treatment to indigent persons who are residents of the county in which the hospital is located. [Iowa Code §347.16\(2\)](#); [Iowa Hospital Association Policy Statement on Hospital Billing and Collection Practices \(2005\)](#).

Financial Assistance Policy Dissemination

Iowa does not require nonprofit hospitals to disseminate financial assistance policies.

Limitations on Charges, Billing, and Collections

Iowa does not limit nonprofit hospital charges, billing, or collection practices.



Income Tax Exemption

Iowa law exempts non-profit hospitals from state income tax.

Iowa exempts from state income tax the income of organizations that are exempt from federal income tax pursuant to Internal Revenue Code §501. [Iowa Code Ann. §422.34\(2\)](#).

Property Tax Exemption

Iowa law exempts from taxation property owned by nonprofit hospitals under specified circumstances.

Iowa exempts from state property tax up to 320 acres of real property owned by a charitable organization and used for exempt purposes. [Iowa Code Ann. §427.1\(8\)](#).

Sales Tax Exemption

Iowa law exempts nonprofit hospitals from state sales and use taxes.

Iowa law exempts from taxation tangible personal property sold or services furnished to licensed nonprofit hospitals to be used in the operation of the hospital. [Iowa Code Ann. §423.3\(27\)](#).



KANSAS

Community Benefit Requirement

Kansas law does not expressly require nonprofit hospitals to provide community benefits.

Minimum Community Benefit Requirement

Kansas law does not expressly require nonprofit hospitals to provide community benefits.

Community Benefit Reporting Requirement

Kansas does not require nonprofit hospitals to report community benefits.

Community Health Needs Assessment

Kansas does not require nonprofit hospitals to conduct community health needs assessments.

Community Benefit Plan/Implementation Strategy

Kansas does not require nonprofit hospitals to develop community benefit plans or implementation strategies.

Financial Assistance Policy

Kansas does not require nonprofit hospitals to adopt or implement financial assistance policies.

Financial Assistance Policy Dissemination

Kansas does not require nonprofit hospitals to adopt, implement, or disseminate financial assistance policies.

Limitations on Charges, Billing, and Collections

Kansas limits nonprofit hospital collection practices.

If a person's or a family member's illness prevented the person from working for over two weeks, a court may not order the garnishment of that person's wages to repay a medical debt until two months after his or her recovery from the illness. [Kan. Stat. Ann. §60-2310\(c\)](#). (2012). Other restrictions limit the



percentage of an individual's wages that may be subjected to garnishment, and generally preclude a creditor from issuing more than one garnishment against the earnings of the same judgment debtor during any 30-day period. [Kan. Stat. Ann. §60-2310\(b\)](#) (2012).

Income Tax Exemption

Kansas exempts nonprofit hospitals from state income tax.

Kansas law exempts from state income tax the income of organizations that are exempt from federal income tax. [Kan. Stat. Ann. §79-32,113\(a\)](#).

Property Tax Exemption

Kansas law exempts from taxation property owned by nonprofit hospitals under specified circumstances.

Kansas exempts from state property tax all real property and all tangible personal property "actually and regularly used exclusively for hospital purposes by a hospital." [Kan. Stat. Ann. §79-201\(b\)](#).

Sales Tax Exemption

Kansas law exempts nonprofit hospitals from state sales tax.

The sales of tangible personal property and services purchased by a public or private nonprofit hospital for its exclusive use are exempt from Kansas sales tax. [Kan. Stat. Ann. §79-3606\(b\)](#).





KENTUCKY

Community Benefit Requirement

Kentucky law does not expressly require nonprofit hospitals to provide community benefits.

Minimum Community Benefit Requirement

Kentucky law does not expressly require nonprofit hospitals to provide community benefits.

Community Benefit Reporting Requirement

Kentucky does not require nonprofit hospitals to report community benefits.

Community Health Needs Assessment

Kentucky does not require nonprofit hospitals to conduct community health needs assessments.

Community Benefit Plan/Implementation Strategy

Kentucky does not require nonprofit hospitals to develop community benefit plans or implementation strategies.

Financial Assistance Policy

Kentucky does not require nonprofit hospitals to adopt or implement financial assistance policies.

Financial Assistance Policy Dissemination

Kentucky does not require nonprofit hospitals to adopt, implement, or disseminate financial assistance policies.



Limitations on Charges, Billing, and Collections

Kentucky does not limit nonprofit hospital charges or billing and collection practices under most circumstances.

However, hospitals that receive reimbursement for patient care through Kentucky's Medical Assistance Revolving Trust Fund (disproportionate share hospital fund) may not bill patients for services submitted for reimbursement. [Ky. Rev. Stat. Ann. §205.640\(5\)](#).

Income Tax Exemption

Kentucky law exempts nonprofit hospitals from state income tax.

Kentucky law exempts from state income tax the income of corporations and other entities that are exempt from federal income tax pursuant to Internal Revenue Code §501. [Ky. Rev. Stat. Ann. §141.040\(1\)\(f\)](#). Kentucky also exempts from state income tax the income of "religious, educational, charitable, or like corporations not organized or conducted for pecuniary profit." [Ky. Rev. Stat. Ann. §141.040\(1\)\(g\)](#).

Property Tax Exemption

Kentucky law exempts from taxation the property of "institutions of purely public charity."

The Kentucky Constitution exempts from state property tax the real property owned and occupied by—and tangible and intangible personal property owned by—"institutions of purely public charity." [Ky. Const. §170](#).

Sales Tax Exemption

Kentucky law exempts nonprofit hospitals from state sales tax.

Kentucky law exempts from state sales tax sales of tangible personal property, digital property, and services to be used solely within the charitable function of organizations that qualify for tax exemption under Internal Revenue Code §501(c)(3). [Ky. Rev. Stat. Ann. §139.495\(1\)](#).



LOUISIANA

Community Benefit Requirement

Louisiana law does not expressly require private nonprofit hospitals to provide community benefits.

The ten state-supported charity hospitals of the [Louisiana State University \(LSU\) Health Care Services Division](#) are responsible for providing nonemergency care to medically indigent and uninsured patients. [La. Rev. Stat. Ann. § 46:6; 17:1519.4\(a\), \(B\)\(1\)](#).

Minimum Community Benefit Requirement

Louisiana does not expressly require private nonprofit hospitals to provide community benefits.

Community Benefit Reporting Requirement

Louisiana does not require nonprofit hospitals to report community benefits.

Community Health Needs Assessment

Louisiana does not require private nonprofit hospitals to conduct community needs assessments.

The Community Advisory Committees of the ten state-supported charity hospitals of the LSU Health Care Services Division are required to assess their communities' unmet health needs through their Community Advisory Committees, which make recommendations on how the identified needs may be met. [La. Rev. Stat. Ann. § 17:1519.7\(E\)](#).

Community Benefit Plan/Implementation Strategy

Louisiana does not require nonprofit hospitals to develop community benefit plans or implementation strategies.

Financial Assistance Policy

Louisiana does not require nonprofit hospitals to adopt or implement financial assistance policies.



The ten state-supported charity hospitals of the LSU Health Care Services Division are solely responsible for providing nonemergency care to medically indigent and uninsured patients. [La. Rev. Stat. Ann. § 46:6; 17:1519.4\(a\), \(B\)\(1\).](#)

Financial Assistance Policy Dissemination

Louisiana does not require nonprofit hospitals to adopt, implement, or disseminate financial assistance policies.

Limitations on Charges, Billing, and Collections

Louisiana limits specified collection practices of both nonprofit and for-profit hospitals.

Louisiana prohibits the seizure and sale of a person's homestead to satisfy debts arising from "catastrophic or terminal illness or injury." [La. Rev. Stat. § Ann. 20:1\(A\)\(2\).](#)

Income Tax Exemption

Louisiana law exempts nonprofit hospitals from state income tax.

Louisiana exempts from state income tax the income of any organization that is exempt from federal income tax under Internal Revenue Code §501. [La. Rev. Stat. Ann. §47:287.501\(A\).](#)

Property Tax Exemption

The Louisiana Constitution exempts from taxation the property of nonprofit corporations.

The Louisiana Constitution exempts from state taxation property owned by a nonprofit corporation organized and operated exclusively for charitable purposes. [La. Const. art 7, §21\(B\)\(1\)\(a\)\(i\).](#) Medical equipment leased for a term exceeding five years to a nonprofit corporation that operates a small rural hospital may also be exempt from property tax if additional statutory requirements are met. [La. Const. art 7, §21\(B\)\(1\)\(a\)\(ii\).](#)

Sales Tax Exemption

Louisiana does not exempt nonprofit hospitals (except "free hospitals") from state sales tax.

Louisiana exempts free hospitals from sales tax. (A "free hospital" is one that "does not charge any patients for health care provided by the hospital.") The exclusion applies to sales of supplies, equipment, and services that are "reasonably necessary for the operation of free hospitals." [La. Rev. Stat. Ann. 47:301\(7\)\(e\), \(10\)\(p\), \(18\)\(c\), \(21\).](#)



MAINE

Community Benefit Requirement

Maine requires both nonprofit and for-profit hospitals to provide free care to Maine residents with income up to 150 percent of the federal poverty level.

The Maine Department of Health and Human Services (MHHS) requires that each hospital adopt and implement a free care policy ensuring that free medically necessary services are provided to Maine residents with income up to 150 percent of the federal poverty level. [10-144-150 Me. Code R. §§1.01-1.02](#) ; [Me. Rev. Stat. Ann. tit. 22, §401-1716](#).

Minimum Community Benefit Requirement

Maine does not require nonprofit hospitals to provide a specified minimum level of community benefits.

Community Benefit Reporting Requirement

Maine requires nonprofit and for-profit hospitals to report free care provided.

Maine hospitals must file with MHHS annual reports quantifying free care provided to individuals with income of less than 150 percent of the federal poverty level, free care provided beyond that required by state regulations, and patients who received free care. [10-144-150 Me. Code R. §1.08](#). Each hospital must also file and maintain with MHHS a current copy of its free care policy and a current copy of its posted notice of free care. [10-144-15-Me. Code R. §1.09](#).

Community Health Needs Assessment

Maine does not require nonprofit hospitals to perform community health needs assessments.

Community Benefit Plan/Implementation Strategy

Maine does not require nonprofit hospitals to submit community benefit plans or implementation strategies.



Financial Assistance Policy

Maine requires nonprofit and for-profit hospitals to adopt and implement a free care policy ensuring that free medically necessary services are provided to Maine residents with income up to 150 percent of the federal poverty level. [10-144-150 Me. Code R. §§1.01-1.02\(c\)](#) (2007); [Me. Rev. Stat. Ann. tit. 22, §401-1716](#).

Financial Assistance Policy Dissemination

Maine requires nonprofit and for-profit hospitals to post and provide to patients information about the availability of free care.

Maine requires that hospitals post notices that include specified information about the availability of free care in admitting areas, waiting rooms, business offices, and outpatient reception areas. [10-144-150 Code Me. R. §1.04](#). Hospitals must also provide patients with individual written notice of the availability of free care upon admission, before discharge, or accompanying the patient's bill. [10-144-150 Code Me. R. §1.04](#). Effective 2014, a hospital is required to provide information regarding its charity care policy to any uninsured patient who requests an estimate of the cost of a medical service. [Me. Rev. Stat. Ann. tit. 22, §401-1718-C](#).

Limitations on Charges, Billing, and Collections

Maine law limits nonprofit hospital billing and collection practices.

Maine law requires hospitals and other health care providers to notify consumers of the availability of any payment arrangements offered. In addition, a payment arrangement offered by a hospital must provide a consumer with the ability to “reasonably rehabilitate, cure, or remedy” the default status of a medical debt under terms established by the hospital. These must include (but are not limited to) the option to pay in full or make six consecutive and timely monthly payments. [Me. Rev. Stat. tit. 9-A, §5-116-A](#).

Income Tax Exemption

Maine law exempts non-profit hospitals from state income tax.

Maine law exempts from state income tax organizations that are exempt from federal income tax under Internal Revenue Code §501(c). [Me. Rev. Stat. tit. 36, §801-5102\(6\),\(8\)](#).

Property Tax Exemption

Maine law exempts the property of charitable institutions from state property tax.

Maine law generally exempts from state property tax the real and personal property “owned and occupied or used solely for their own purposes” by charitable institutions. [Me. Rev. Stat. tit. 36, §105-](#)



[652\(1\)\(A\)](#). Maine also exempts from state property tax personal and real property “leased by and occupied or used solely for its own purposes” by an organization that is exempt from taxation under Internal Revenue Code §501 and is licensed as a charitable hospital, health maintenance organization, or blood bank. However, for tax years beginning on or after April 1, 2012, this exemption will no longer apply to real property. [Me. Rev. Stat. tit. 36, §105-652\(1\)\(K\)](#).

Sales Tax Exemption

Maine law exempts nonprofit hospitals from state sales and use tax.

Maine law exempts from state sales and use tax sales of property or services to incorporated hospitals for use in connection with their charitable purposes. [Me. Rev. Stat. tit. 36, §211-1760\(16\)\(a\)](#); [Me. Rev. Stat. tit. 36, §211-1760-C](#).



MARYLAND

Community Benefit Requirement

Maryland requires nonprofit hospitals to provide free or discounted care based on need to specified populations. [Md. Code Ann. Health-Gen. §19-214.1\(b\)](#); [COMAR 10.09.37.26](#).

Minimum Community Benefit Requirement

Maryland does not specify a minimum level of community benefits that a nonprofit hospital must provide.

Community Benefit Reporting Requirement

Maryland requires that each nonprofit hospital submit an annual community benefit report to the [Maryland Health Services Cost Review Commission](#) (HSCRC).

Maryland requires that each nonprofit hospital's annual community benefit report include the hospital's mission statement and a list of each community benefit initiative undertaken by the hospital, a specification of its cost and objectives, and a description of the hospital's efforts to evaluate the initiative's effectiveness. Each hospital's community benefit report must also include descriptions of gaps in the availability of specialist providers to serve the uninsured and of the hospital's efforts to track and reduce health disparities in the community that the hospital serves. [Md. Code Ann. Health-Gen., §19-303\(c\)](#).

The HSCRC compiles all of the individual hospital community benefit reports into a consolidated Nonprofit Hospital Community Benefit Report for posting on its website. The report also includes a list of the unmet community needs identified in the most recent community needs assessment conducted by the state health department and by the local health department in each jurisdiction. [Md. Code Ann. Health-Gen., §; 19-303\(d\)](#).

Community Health Needs Assessment

Maryland requires nonprofit hospitals to conduct community health needs assessments.

Maryland law requires that each nonprofit hospital identify the health care needs of its community and, as part of the needs assessment process, consider the most recent community needs assessments developed by the state health department or by the local health department for the jurisdiction in which the hospital is located. Maryland law also provides that a hospital's needs assessment process "may" include consultation with community leaders, local health care providers, and "any appropriate person who can assist the hospital in identifying community health needs." [Md. Code Ann. Health-Gen., §19-303\(b\)](#).



Community Benefit Plan/Implementation Strategy

Maryland requires nonprofit hospitals to submit annual community benefit reports.

Maryland law requires that each hospital's individual community benefit report describes how the hospital plans to address the health needs of the community that have been identified and prioritized through the community health needs assessment process. [Md. Code Ann. Health-Gen., §19-303\(c\)](#).

Financial Assistance Policy

Maryland law requires hospitals to develop and implement a financial assistance policy for “providing free and reduced-cost care to patients who lack health care coverage or whose health care coverage does not pay the full cost of the hospital bill.”

Maryland law and regulation require each acute care and chronic care hospital to develop and implement a financial assistance policy that provides, at a minimum, free medically necessary care to patients with family income at or below 200 percent of the federal poverty level; reduced cost medically necessary care to patients with family incomes between 200 and 300 percent of the federal poverty level “in accordance with the mission and service area of the hospital;” and reduced cost medical care to patients with family income below 500 percent of the federal poverty level who have a financial hardship. In addition, upon request, a hospital must offer a payment plan to uninsured patients with family income between 200 and 500 percent of the federal poverty level. [Md. Code Ann. Health-Gen. §19-214.1\(b\)](#); [COMAR 10.37.10.26\(A-2\)\(2\)\(a\)](#).

Financial Assistance Policy Dissemination

Maryland requires hospitals to post notice and disseminate to patients their financial assistance policies, along with specified related information and applications.

Maryland requires hospitals to conspicuously post throughout the hospital, including in the billing office, notices that inform patients of their right to apply for financial assistance and specify who to contact at the hospital for additional information. Hospitals must also “establish a mechanism” to provide a standardized financial assistance application to any patient who does not indicate that he or she has public or private insurance coverage. [Md. Code Ann. Health-Gen. §19-214.1](#); [COMAR 10.37.10.26 A-2](#). In addition, each hospital must develop a Hospital Information Sheet that includes information about its financial assistance policies and patients' legal rights, including: contact information for assistance in understanding the hospital bill and the availability of free and reduced-cost care, how to apply for free or reduced-cost care; and how to apply for Medical Assistance. The Hospital Information Sheet must be given to the patient, family member, or authorized representative. [COMAR 10.37.10.26 §§A-A-2](#).



Limitations on Charges, Billing, and Collections

Maryland law limits hospital charges and billing and collection practices.

Maryland statutes and regulations establish detailed requirements and prohibitions concerning hospital charges, billing, and debt collection practices, including agency review of each hospital's debt collection policy. A description of these policies must be submitted periodically for review by the HSCRC. The policy must provide a detailed description of its debt collection procedures; indicate the circumstances in which the hospital will seek a judgment against a patient; and include prohibitions on the charging interest on self-pay patients' bills before obtaining a court judgment, forcing the sale or foreclosure of a patient's primary residence, and selling patient debt. [Md. Code Health-Gen., §§ 19-214.1\(f\); 19-214.2; COMAR 10.37.10.26 \(A\), \(A-1\)](#).

Income Tax Exemption

Maryland law exempts nonprofit hospitals from state income tax.

Maryland law exempts from state income tax organizations that are exempt from federal income tax under Internal Revenue Code §501. [Md. Code Ann., Tax-Gen. §10-104\(2\)](#).

Property Tax Exemption

Maryland law may exempt property owned or leased by nonprofit hospitals from state property tax.

Nonprofit hospital property is generally eligible for tax exemption if it is "necessary for and actually used for a charitable ... purpose." [Md. Code Ann., Tax-Prop. §7-202\(b\)](#).

Sales Tax Exemption

Maryland exempts nonprofit hospitals from state sales and use tax.

Maryland law generally exempts charitable organizations, including nonprofit hospitals, from state sales and use tax. [Md. Code Ann. Tax-Gen. §11-204\(a\)\(3\)](#).



MASSACHUSETTS

Community Benefit Requirement

Massachusetts requires nonprofit and for-profit hospitals to provide charity care as a condition of original licensure. In addition, Voluntary Guidelines issued by the Attorney General recommend that all nonprofit hospitals develop a community benefit plan.

Massachusetts will not issue an original license to “establish or maintain” an acute care hospital unless the applicant agrees to either maintain or increase the percentage of gross patient revenues allocated to free care. [Mass. Gen. Laws ch. 111, §51G\(3\)](#).

Voluntary Attorney General’s Community Benefits Guidelines for Non-Profit Hospitals (2009) (Voluntary Guidelines) emphasize the importance of community benefits to population health and recommend that the Board of each nonprofit acute care hospital affirm and make public a community benefit mission statement and develop and publicize a community benefit plan. [Voluntary Guidelines](#), pp. 6-7.

Minimum Community Benefit Requirement

Massachusetts does not specify a minimum level of community benefits that nonprofit hospitals must provide.

Community Benefit Reporting Requirement

Although Massachusetts law does not require community benefit reporting, the Voluntary Guidelines recommend that each hospital annually report on its community benefit programs.

To comply with the Voluntary Guidelines, nonprofit hospitals complete a standard Community Benefit Report Form that is posted on the Attorney General’s website. [Voluntary Guidelines](#), pp. 23–26. The form accommodates hospital reporting of: 1) organizational leadership, 2) community needs assessment and community involvement, 3) community benefit plans, 4) community benefit programs, and 5) community benefit expenditures, including charity care. [Voluntary Guidelines](#), pp. 23–26. The form also includes an optional section for reporting expenditures for community service programs and charitable activities that cannot be reported as community benefit programs; these “community service” expenditures do not count toward a hospital’s community benefit expenditure total. [Voluntary Guidelines](#), pp. 23-26.



Community Health Needs Assessment

Although Massachusetts law does not require nonprofit hospitals to conduct community health needs assessments, the Voluntary Guidelines recommend that nonprofit hospitals conduct community needs assessments at least every three years.

The Voluntary Guidelines recommend that hospitals conduct community needs assessments before developing their mission statements and community benefit plans, and that an assessment be conducted at least every three years. [Voluntary Guidelines](#), pp. 11.

Community Benefit Plan/Implementation Strategy

Although Massachusetts law does not require nonprofit hospitals to develop community benefits plans or implementation strategies, the Voluntary Guidelines recommend that they do so.

The Voluntary Guidelines recommend that hospitals develop community benefits plans that: specify the target population whose needs are to be addressed, describe specific activities directed toward the needs identified by the community health needs assessment, identify measurable short- and long-term goals, and include a budget. [Voluntary Guidelines](#), pp. 13-19.

Financial Assistance Policy

As a condition of original licensure, Massachusetts requires nonprofit and for-profit hospitals to provide charity or discounted care on an income-based sliding scale. [Mass. Gen. Laws ch. 111, §51G\(3\)](#). In addition, the Voluntary Guidelines recommend that all nonprofit hospitals develop written charity care policies.

The Voluntary Guidelines recommend that all nonprofit hospitals develop written “Credit and Collection” policies that describe any program through which a hospital offers discounts for the uninsured or medically indigent, including the hospital’s charity care policies. [Voluntary Guidelines](#), p. 28.

Financial Assistance Policy Dissemination

Massachusetts requires that nonprofit and for-profit hospitals disseminate information about their financial assistance policies as a condition of reimbursement from the Health Safety Net Trust Fund.

In 2007, Massachusetts established a Health Safety Net Trust Fund as part of the state’s health care reform framework. The Trust Fund reimburses nonprofit and for-profit hospitals and other health care providers for medically necessary services provided to eligible uninsured and underinsured Massachusetts residents with family income below 400 percent of the federal poverty level or who qualify for medical hardship status. [Mass. Gen. Law 118E § 69](#); [101 Code Mass. Reg. §§613.04 and](#)



[613.05](#).¹ To be eligible for reimbursement from the Health Safety Net Trust Fund, hospitals must post large, legible signs notifying patients of the availability of financial assistance “and other programs of public assistance.” The signs must be posted in the inpatient, clinic, and emergency admissions/registration areas, as well as in the business office. [101 Code Mass. Reg. 613.08\(e\)](#).

In addition, hospitals must supply individual notice of the availability of financial assistance programs to patients who are expected to incur charges, specifying that the hospital offers a payment plan to low-income and medical hardship patients. [101 Code Mass. Reg. 613.08\(d\)](#).

In addition, the Voluntary Guidelines recommend that all nonprofit hospitals describe and make available to the public “any program through which the hospital offers discounts from charges for the uninsured or medically indigent.” This should occur during the patient intake and registration process, or as soon thereafter as possible, and notice should be included on hospital bills. [Voluntary Guidelines](#), pp. 28-29.

Limitations on Charges, Billing, and Collections

Massachusetts law limits nonprofit and for-profit hospital collection practices as a condition of reimbursement from the Health Safety Net Trust Fund; Voluntary Guidelines recommend additional restrictions on nonprofit hospital billing and collection policies and practices.

As a condition of reimbursement from the Health Safety Net Trust Fund, hospitals may not seek legal execution against a low-income patient’s personal residence or motor vehicle without the express approval of the hospital’s Board of Trustees.

The Voluntary Guidelines recommend that all nonprofit hospitals develop written “Credit and Collection” policies that describe any program through which a hospital offers discounts for the uninsured or medically indigent, including the hospital’s charity care policies. [Voluntary Guidelines](#), (pp. 28-30) also recommend that all nonprofit hospitals refrain from:

- Beginning collection activities before providing the patient a written statement of the availability of financial counseling services, and offering a patient facing financial hardship a reasonable payment plan;

- Referring a patient’s account to a third-party collection agency before 120 days has passed after sending the first bill to the patient;

- Executing a lien against a patient’s residence or automobile unless specifically approved by the hospital’s Board; and

- Charging interest on patient debt.

¹ The Health Safety Net Trust Fund regulations originally codified as 114.6 Code Mass. Reg.13 were repealed and promulgated as 101 Code Mass. Reg. 613 (2014).



Income Tax Exemption

Massachusetts generally exempts from the state's corporate excise tax corporations that are federally recognized as tax-exempt under Internal Revenue Code §501(c)(3). [Mass. Gen. Laws, ch.63, §30, ¶4](#); Massachusetts Department of Revenue, [Corporate Excise Tax, Exemptions](#).

Property Tax Exemption

Massachusetts law exempts the personal property of charitable organizations from property tax and exempts charitable organizations' real property "occupied ... for the purposes for which it is organized."

Personal property owned by a charitable organization is exempt from state property tax, regardless of the property's use. Also exempt is real property owned and occupied by a charitable organization or its officers for its charitable purposes, or occupied by another charitable organization or its officer for its charitable purposes. [Mass. Gen. Laws, ch. 59, § 5, Clause 3](#).

Sales Tax Exemption

Massachusetts law exempts nonprofit hospitals from state sales tax.

Massachusetts law exempts from state sales tax organizations that are exempt from federal income tax under Internal Revenue Code §501(c)(3) if the subject of the sale is used "in the conduct of such ... charitable ... enterprise," if the nonprofit corporation has a sales tax exemption certificate from the Commissioner of Revenue, and if the vendor keeps records of each tax-exempt transaction. [Mass. Gen. Laws, ch. 64H, §6\(e\)](#).





MICHIGAN

Community Benefit Requirement

Michigan law does not expressly require nonprofit hospitals to provide community benefits.

Minimum Community Benefit Requirement

Michigan law does not expressly require nonprofit hospitals to provide community benefits.

Community Benefit Reporting Requirement

Michigan does not require nonprofit hospitals to report community benefits.

Community Health Needs Assessment

Michigan does not require nonprofit hospitals to conduct community health needs assessments.

Community Benefit Plan/Implementation Strategy

Michigan does not require nonprofit hospitals to develop community benefits plans or implementation strategies.

Financial Assistance Policy

Michigan does not require nonprofit hospitals to adopt or implement financial assistance policies.

Financial Assistance Policy Dissemination

Michigan does not require nonprofit hospitals to adopt, implement, or disseminate financial assistance policies.

Limitations on Charges, Billing, and Collections

Michigan law does not limit nonprofit hospital charges, billing, or collection practices.



Income Tax Exemption

Michigan law exempts nonprofit hospitals from state income tax.

Michigan law exempts from state income tax persons exempt from federal income tax. [Mich. Comp. Laws §206.625\(1\)\(b\)](#).

Property Tax Exemption

Michigan law exempts from taxation the real and personal property of nonprofit charitable institutions.

Michigan exempts from taxation the real and personal property owned by a nonprofit charitable institution used solely for purposes for which the nonprofit charitable institution was incorporated. [Mich. Comp. Laws §211.70\(1\)](#).

Sales Tax Exemption

Michigan law exempts nonprofit hospitals from state sales tax.

Michigan law exempts from taxation sales to nonprofit hospitals of tangible personal property that are not for resale. [Mich. Comp. Laws §205.54a\(1\)\(a\)](#).



MINNESOTA

Community Benefit Requirement

Although Minnesota law does not expressly require nonprofit hospitals to provide community benefits, the state's nonprofit hospitals have voluntarily entered into legal agreements with the Attorney General that set forth legally binding requirements for financial assistance policies and charges, billing, and debt collection practices.

In 2012, Minnesota's Attorney General executed voluntary agreements (2012 Agreement) with each of Minnesota's nonprofit hospitals. (Virtually all Minnesota hospitals are nonprofit corporations.) Under the 2012 Agreement (the third in a series of five-year agreements between the Attorney General and Minnesota hospitals), a nonprofit hospital's Board of Directors must adopt a charity care policy that takes into consideration a patient's financial ability to pay a medical bill. [2012 Agreement](#), ¶136e. Before pursuing or authorizing a third party to pursue garnishment of a patient's wages or accounts, a hospital must first 1) offer a reasonable payment plan to a patient who has indicated (subject to hospital verification) an inability to pay the entire bill at once and 2) if the circumstances suggest that a patient may be eligible, afford the patient a reasonable opportunity to apply for charity care. [2012 Agreement](#), ¶19d.

Hospitals are required by regulation to file publicly available financial reports annually; as a condition of claiming a "charity care adjustment," a hospital must 1) provide charity care; 2) have a charity care policy that is communicated or made available to patients; 3) make reasonable efforts to identify third-party payers; 4) as appropriate, assist patients to apply for public programs; and 5) ensure that a patient to whom charity care is provided meets the hospital's eligibility criteria for charity care. [Minn. R. 4650.0115](#).

Minimum Community Benefit Requirement

Neither Minnesota law nor the terms of the 2012 Agreement specify a minimum level of community benefits that hospitals must provide.

Community Benefit Reporting Requirement

Minnesota law requires hospitals to annually report community benefits provided.

Minnesota hospitals must annually submit a publicly available financial report that details: 1) services provided at no cost or for a reduced fee to patients unable to pay; 2) teaching and research activities; and 3) other community or charitable activities [Minn. Stat. §144.698.1\(5\)](#), along with a copy of the hospital's charity care policies. [Minn. R. §4650.0112.3 \(K\)](#); [Minn. R. 4650.0115](#). The financial report may be filed with the commissioner of health or with a voluntary, nonprofit, reporting organization. [Minn.](#)



[Stat. §144.698.1; Minn. Stat. §144.702.1](#). The Minnesota Hospital Association is the designated voluntary, nonprofit reporting organization. [Minnesota Hospital Association](#).

When reporting charity care, the hospital must report the total dollar amount and the number of service contacts between a patient and a provider, in three categories: 1) patients with family income at or below 275 percent of the federal poverty level (FPL); 2) patients with family income above 275 percent of the FPL; and 3) patients for which the facility, with reasonable effort, has been unable to determine family income. [Minn. R. 4650.0115.3](#).

Minnesota's Commissioner for Public Health is required to compile financial information reported by each hospital into a combined annual report reflecting the costs of each hospital's community benefit activities. [Minn. Stat. §144.699.5](#).

Community Health Needs Assessment

Minnesota does not require nonprofit hospitals to conduct community health needs assessments.

Community Benefit Plan/Implementation Strategy

Minnesota does not require nonprofit hospitals to develop community benefit plans or implementation strategies.

Financial Assistance Policy

Although Minnesota law does not require hospitals to adopt and implement financial assistance policies, they are required to do so pursuant to a voluntary agreement with the Attorney General.

Under the 2012 Agreement, essentially an extension of two earlier agreements, each hospital's Board of Directors must adopt a financial assistance policy that considers a patient's financial ability to pay a medical bill. [2012 Agreement](#), ¶136e. That policy must also include specific eligibility criteria. [Minn. R. 4650.0115](#). If a patient cannot pay his or her entire bill at once, then the hospital must attempt to negotiate a reasonable payment plan. [2012 Agreement](#), ¶19d.

Financial Assistance Policy Dissemination

Minnesota hospitals must communicate their financial assistance policies to patients or otherwise make them available.

A hospital may claim a "charity care adjustment" on the mandatory, publicly available financial report it submits each year only if (among other requirements) the hospital has a charity care policy that is communicated or otherwise made available to patients. [Minn. R. 4650.0115](#).



Limitations on Charges, Billing, and Collections

Although Minnesota law does not limit nonprofit hospital charges, billing, or collection practices, a voluntary agreement with the Attorney General imposes such limitations.

The 2012 Agreement includes the following requirements:

For any uninsured service provided, a patient with annual income of less than \$125,000 may not be charged more than the amount the hospital would be reimbursed for the service from its largest nongovernment insurer during the previous year. [2012 Agreement](#), ¶32.

Before taking legal action or garnishing a patient's wages, the hospital—or any debt collection agency or attorney it may employ—must: 1) verify that the patient owes the debt; 2) confirm that all appropriate insurance companies have been billed; 3) offer the patient a payment plan if he/she cannot pay the bill all at once; and 4) if the circumstances suggest that the patient may be eligible, afford the patient a reasonable opportunity to apply for charity care. [2012 Agreement](#), ¶1b-d; ¶9b-d.

The Hospital Board will adopt and maintain policies to: 1) establish a “zero tolerance” policy for abusive or harassing debt collection practices; 2) monitor hospitals' relationships with outside debt collectors and attorneys to ensure that their actions conform to the law and to the hospital's mission; and 3) ensure that no default judgment is obtained against a patient until that patient has been given a fair opportunity to respond. [2012 Agreement](#), ¶36.

Income Tax Exemption

Minnesota exempts nonprofit hospitals from state corporate income tax.

Article X of the Minnesota Constitution exempts from taxation all “institutions of purely public charity.” [Minn. Const. art. X](#). In addition, Minnesota law exempts federally tax-exempt organizations from state income tax. [Minn. Stat. §290.05\(2\)](#).

Property Tax Exemption

Minnesota law exempts from taxation the property of “institutions of public charity” under specified circumstances.

Minnesota law exempts from state property tax the property of “institutions of public charity” that are exempt from federal income tax under Internal Revenue Code §501(c)(3), but only if these institutions also satisfy additional factors identified for consideration by Minnesota law. [Minn. Stat. §272.02.7](#); [Rainbow Child Care Ctr., Inc. v. County of Goodhue](#), 741 N.W.2d 880 (Minn. 2007).



Sales Tax Exemption

Minnesota law exempts nonprofit hospitals from state sales tax.

Minnesota law exempts from state sales tax sales to nonprofit hospitals organized for “charitable purposes” within the meaning of Internal Revenue Code §501(c)(3) if the purchased items are used in providing hospital services. [Minn. Stat. §297A.70\(7\)\(a\)](#).



MISSISSIPPI

Community Benefit Requirement

Mississippi requires nonprofit hospitals to provide community benefits as a condition of property tax exemption and a component of Certificate of Need (CON) applications.

Under current law, Mississippi requires nonprofit hospitals to maintain “one or more charity wards that are for charity patients” as a condition of property tax exemption. [Miss. Code Ann. §27-31-1\(f\)](#).

In addition, the Mississippi Department of Health will disapprove a CON unless the applicant provides (or confirms that it will provide) a reasonable amount of indigent care and has admission policies that do not deny indigent patients access to care. [CON Review Manual, Ch. 1, §100.01](#). A “reasonable amount” of indigent care is comparable to the amount of such care offered by other providers of the requested service within the same, or proximate, geographic area. [CON Review Manual, Ch. 1, §100.01](#).

Minimum Community Benefit Requirement

Mississippi does not require nonprofit hospitals to provide a specified minimum level of community benefits.

However, as a condition of property tax exemption, a nonprofit hospital must maintain a “charity ward.” In addition, a CON applicant must provide or confirm that it will provide a “reasonable amount” of indigent care. [Miss. Code Ann. §27-31-1\(f\)](#); [CON Review Manual, Ch. 1, §100.01](#).

Community Benefit Reporting Requirement

Mississippi requires community benefit reporting as a condition of CON approval.

A CON application must contain a commitment to record and maintain information about charity care and care to the medically indigent and Medicaid populations, such as patient utilization, costs and charges, and geodemographic data. [CON Review Manual, Ch. 8, §100.01, pp. 65-66](#).

Community Health Needs Assessment

Mississippi does not require nonprofit hospitals to conduct community health needs assessments.

Community Benefit Plan/Implementation Strategy

Mississippi does not require nonprofit hospitals to develop community benefit plans or implementation strategies.



Financial Assistance Policy

Mississippi does not require nonprofit hospitals to adopt or implement financial assistance policies.

Financial Assistance Policy Dissemination

Mississippi does not require nonprofit hospitals to adopt or implement financial assistance policies.

Limitations on Charges, Billing, and Collections

Mississippi law limits the amounts nonprofit and for-profit hospitals may charge patients, and limits hospital billing and collection practices.

Mississippi generally prohibits both nonprofit and for-profit hospitals from “charging, accepting, or retaining any additional payment” for hospital services from an indigent patient unless it appears that the patient’s qualification or admission as “indigent” was erroneous. [Miss. Code Ann. §41-7-35](#).

Income Tax Exemption

Mississippi law exempts charitable institutions from state income tax. [Miss. Code Ann. §27-7-29\(a\)\(3\)](#).

Property Tax Exemption

Mississippi law exempts from taxation the property of nonprofit hospitals that maintain “one or more charity wards.” [Miss. Code Ann. §27-31-1\(f\)](#).

Sales Tax Exemption

Mississippi law exempts nonprofit hospitals from state sales tax.

Mississippi law exempts from state sales tax the sales of tangible personal property to nonprofit hospitals. [Miss. Code Ann. §27-65-111\(a\)](#).





MISSOURI

Community Benefit Requirement

Missouri law does not expressly require nonprofit hospitals to provide community benefits.

Minimum Community Benefit Requirement

Missouri law does not expressly require nonprofit hospitals to provide community benefits.

Community Benefit Reporting Requirement

Missouri requires hospitals to report charity care on an annual basis.

All hospitals are required to annually submit financial data, including information on charity care, bad debts, and charges. [Mo. Rev. Stat. § 192.667.1](#); [Mo. Rev. Stat. § 192.665\(4\)](#); [Mo. Code Regs. Ann. tit. 19, § 10-33.030\(1\)](#).

Community Health Needs Assessment

Missouri does not require nonprofit hospitals to conduct community health needs assessments.

Community Benefits Plan/Implementation Strategy

Missouri does not require nonprofit hospitals to develop community benefits plans or implementation strategies.

Financial Assistance Policy

Missouri does not require nonprofit hospitals to adopt or implement financial assistance policies.

Financial Assistance Policy Dissemination

Missouri does not require nonprofit hospitals to disseminate financial assistance policies.

Limitations on Charges, Billing, and Collections

Missouri does not limit nonprofit hospital charges or billing and collection practices.



Income Tax Exemption

Missouri law exempts nonprofit corporations from state income tax.

“A corporation which by reason of its purposes and activities is exempt from federal income tax” is exempt from state corporate income tax. [Mo. Rev. Stat. § 143.441.2\(1\)](#).

Property Tax Exemption

Missouri law exempts from taxation real and personal property used exclusively for purely charitable purposes.

To be exempt from property tax, nonprofit hospital property may not be held for private or corporate profit or be used as an investment. [Mo. Rev. Stat. 137.100\(5\)](#).

Sales Tax Exemption

Missouri exempts charitable institutions from state sales and use tax.

Missouri exempts from taxation sales made by or to charitable organizations “in their ... charitable ... functions and activities.” [Mo. Rev, Stat. 144.030\(20\)](#).



MONTANA

Community Benefit Requirement

Montana requires nonprofit hospitals to provide charity care.

Montana requires hospitals to have 1) a charity care policy “consistent with industry standards applicable to the area the facility serves and the tax status of the hospital” and 2) a written policy prohibiting discrimination based on a patient’s ability to pay. The statute also prohibits the transfer of a patient to another health care facility based on the patient’s ability to pay for care. Regardless of its tax status, a specialty hospital must have a written charity care policy that is consistent with industry standards for nonprofit hospitals. [Mont. Code Ann. §50-5-121 \(2009\)](#).

Minimum Community Benefit Requirement

Montana does not specify a minimum level of community benefits that a nonprofit hospital must provide.

Community Benefit Reporting Requirement

Montana requires hospitals to report community benefits they provide.

Montana requires both nonprofit and for-profit hospitals to file annual financial reports that reflect, among other things, expenses associated with charity care and with services provided to Medicaid and Medicare patients. [Mont. Admin. R. 37.106.138](#).

Community Health Needs Assessment

Montana does not require nonprofit hospitals to conduct community health needs assessments.

Community Benefit Plan/Implementation Strategy

Montana does not require nonprofit hospitals to develop community benefit plans or implementation strategies.

Financial Assistance Policy

Montana requires nonprofit hospitals to adopt and implement financial assistance policies.



Montana requires hospitals to 1) have a charity care policy “consistent with industry standards applicable to the area the facility serves and the tax status of the hospital” and 2) have a written policy prohibiting discrimination based on a patient’s ability to pay. The statute prohibits the transfer of a patient to another health care facility based on the patient’s ability to pay for care. Regardless of its tax status, a specialty hospital must have a written charity care policy that is consistent with industry standards for nonprofit hospitals. [Mont. Code Ann. §50-5-121](#).

Financial Assistance Policy Dissemination

Montana does not require nonprofit hospitals to disseminate their financial assistance policies.

Limitations on Charges, Billing, and Collections

Montana law does not limit nonprofit hospital charges, billing, or collection practices.

Income Tax Exemption

Montana law exempts charitable organizations from state income tax.

Income received by “any corporation or association organized and operated exclusively for ... charitable ... purposes, no part of the net income of which inures to the benefit of any private stockholder or individual,” is exempt from taxation. [Mont. Code Ann. §15-31-102\(d\)](#).

Property Tax Exemption

Montana law exempts from taxation the property of nonprofit hospitals.

Montana exempts from taxation property used exclusively for licensed nonprofit hospitals and other nonprofit health care facilities. [Mont. Code Ann. §15-6-201\(1\)\(g\)](#); [Mont. Code Ann. §50-5-101\(39\)](#).

Sales Tax Exemption

Montana does not have a general sales tax. [Montana Department of Revenue](#).



NEBRASKA

Community Benefit Requirement

Nebraska does not expressly require nonprofit hospitals to provide community benefits.

Minimum Community Benefit Requirement

Nebraska does not expressly require nonprofit hospitals to provide community benefits.

Community Benefit Reporting Requirement

Nebraska does not require nonprofit hospitals to report community benefits.

Community Health Needs Assessment

Nebraska does not require nonprofit hospitals to conduct community health needs assessments.

Community Benefit Plan/Implementation Strategy

Nebraska does not require nonprofit hospitals to develop community benefit plans or implementation strategies.

Financial Assistance Policy

Nebraska does not require nonprofit hospitals to adopt or implement financial assistance policies.

Financial Assistance Policy Dissemination

Nebraska does not require nonprofit hospitals to disseminate their financial assistance policies.

Limitations on Charges, Billing, and Collections

Nebraska does not limit nonprofit hospital charges, billing, or collection practices.



Income Tax Exemption

Nebraska exempts nonprofit hospitals from state income tax.

Nebraska exempts from state income tax entities that are exempt from federal income tax. [Neb. Rev. Stat. §77-2714](#).

Property Tax Exemption

Nebraska exempts from taxation property owned by a nonprofit hospital and used exclusively for charitable purposes.

Nebraska exempts from taxation property owned by charitable organizations unless the property is used for the financial gain of the owner or user, or by an organization that discriminates on the basis of race, color, or national origin in its membership or employment practices. [Neb. Rev. Stat. §77-202\(d\)](#).

Sales Tax Exemption

Nebraska exempts nonprofit hospitals from sales and use taxes.

Nebraska exempts from sales and use taxes nonprofit hospitals that have received a certificate of exemption approved by the Tax Commissioner. [Neb. Rev. Stat. §§77-2704.12\(1\)\(e\); 77-2704.12\(2\)](#).



NEVADA

Community Benefit Requirement

Nevada requires charity care to be provided by nonprofit and for-profit hospitals that have at least 100 beds and are located in a county that has at least 2 licensed hospitals. [Nev. Rev. Stat. §439B.300\(2\)](#); [Nev. Rev. Stat. §439B.320](#).

Minimum Community Benefit Requirement

Nevada requires that a specified minimum level of charity care be provided by nonprofit and for-profit hospitals that have at least 100 beds and are located in a county that has at least 2 licensed hospitals.

Nevada requires that nonprofit and for-profit hospitals that have at least 100 beds and are located in a county that has at least 2 licensed hospitals annually provide care for indigent inpatients in an amount that represents at least 0.6 percent of the hospital's net revenue for the preceding fiscal year. [Nev. Rev. Stat. §439B.320](#). If the amount of treatment a hospital provides to indigent patients is less than 0.6 percent of its net revenues for the previous year, the county will deduct the shortfall from payments otherwise owed to the hospital. [Nev. Rev. Stat. §439B.340\(2\)\(c\)](#).

Community Benefit Reporting Requirement

Nevada requires community benefit reporting by nonprofit and for-profit hospitals that have at least 100 beds and are located in a county with at least 2 licensed hospitals.

Nevada requires each nonprofit and for-profit hospital that has at least 100 beds and is located in a county that has at least 2 licensed hospitals to file an annual report with the state Department of Health and Human Services that details the expenses associated with providing community benefits and in-kind services to the community in which it is located. [Nev. Rev. Stat. §449.490\(3\)\(a\)](#).

Community Health Needs Assessment

Nevada does not require hospitals to conduct community health needs assessments.

Community Benefit Plan/Implementation Strategy

Nevada does not require hospitals to develop community benefit plans or implementation strategies.



Financial Assistance Policy

Nevada does not require hospitals to adopt or implement financial assistance policies, but it requires nonprofit and for-profit hospitals that have at least 100 beds and are located in a county with at least 1 other hospital to provide indigent care equivalent to at least 0.6 percent of the hospital's net revenues.

Financial Assistance Policy Dissemination

Nevada requires nonprofit and for-profit hospitals with 200 or more beds to include with a patient's first statement after discharge a notice of any reduction or discount of charges available, along with the criteria a patient must meet in order to qualify for the reduction or discount. [Nev. Rev. Stat. §§439B.260 \(2\)](#).

Limitations on Charges, Billing, and Collections

Nevada law limits hospital charges and billing and collection practices.

Nevada requires nonprofit and for-profit hospitals with 200 or more beds to reduce by at least 30 percent the total charges billed for inpatient medical services to patients who are uninsured, ineligible for publicly funded health coverage, and make reasonable arrangements within 30 days after the hospital sends a bill that notifies them of available discounts and eligibility criteria. [Nev. Rev. Stat. §§439B.260 \(1\)–\(2\)](#).

Before undertaking collection efforts against patients who are insured or who may be eligible for public insurance, a hospital must have submitted its claim for hospital services to the third-party payer and received a determination as to payment. [Nev. Rev. Stat. §449.757](#).

Income Tax Exemption

Nevada does not have a state income tax.

Property Tax Exemption

Nevada law exempts from taxation the property of nonprofit hospitals.

Nevada law exempts from taxation the property and buildings owned by a nonprofit corporation and used by "a hospital ... for the care or relief of ... sick, infirm, or indigent persons." [Nev. Rev. Stat. §361.083](#).

Also exempt is the property of any corporation "prohibited by its articles of incorporation from declaring or paying dividends" where its income is "devoted to the general purposes of charity" without private inurement and "where indigent persons without regard to race or color may receive medical care and attention without charge or cost." [Nev. Rev. Stat. §361.140\(b\)](#).



Sales Tax Exemption

Nevada law exempts nonprofit hospitals from state sales and use taxes.

Nevada law exempts from taxation personal property sold by or to nonprofit organizations created for charitable purposes. [Nev. Rev. Stat. §§372.326; 372.3261](#).



NEW HAMPSHIRE

Community Benefit Requirement

New Hampshire requires nonprofit hospitals to provide community benefits if the total value of their fund balances exceeds \$100,000.

New Hampshire's community benefit law applies to "health care charitable trusts" (a term that includes nonprofit hospitals) that have total fund balances of over \$100,000. [N.H. Rev. Stat. Ann. Tit. I, §§ 7:32-d—l \(2000\)](#). A hospital may seek a waiver of community benefit requirements when "compliance would be a financial or administrative burden," based on criteria established and administered by the Director of Charitable Trusts. [N.H. Rev. Stat. Ann. Tit. I, §§ 7:32-j \(2001\)](#); [Office of the Attorney General, Community Benefits Plan -Criteria for Exemption Pursuant to RSA 7:32-j](#).

In addition to the general community benefit requirements of [N.H. Rev. Stat. Ann. Tit. I, §§ 7:32-d—l \(2000\)](#), additional community benefit requirements are included in the standards for review of the Certificate of Need (CON) applications of nonprofit hospitals and other health care charitable trusts that propose new institutional health services. These include the provision of free care to uninsured patients with household income at or below 150 percent of the federal poverty level (FPL), subject to a "reasonable and nominal" (not over \$100) copayment by the patient. In cases of patient hardship, a hospital must waive any required copayment. [N.H. Rev. Stat. Ann. Titl. XI, §151-C](#); [N.H. Code Admin. R. He-Hea 303.04\(d\)](#). A CON application must indicate the degree to which the proposed project will be accessible to persons who are "medically underserved," including persons with disabilities and those with low income. [N.H. Rev. Stat. Ann. Tit. XI §151-C:7\(III\)](#); [N.H. Code Admin. R. He-Hea 304.05\(v\)](#). Effective June 30, 2016, the CON statutes will be repealed. [N.H. Rev. Stat. Ann. Titl. XI, §151-C \(2013\)](#).

Minimum Community Benefit Requirement

New Hampshire does not specify a minimum level of community benefits that nonprofit hospitals must provide.

Community Benefit Reporting Requirement

New Hampshire requires that nonprofit hospitals and other health care charitable trusts report community benefits provided during the previous year as part of community benefit plans filed with the Director of Charitable Trusts.

The plan must include: 1) information about community benefit activities the hospital undertook during the preceding fiscal year; 2) the results, outcomes, and unreimbursed costs of these activities; 3) a description of how the hospital solicited community input; 4) identification of the community groups, members of the public, and local government officials that were consulted in connection with the plan's development; and 5) an evaluation of the plan's effectiveness. [N.H. Rev. Stat. Ann. Tit. I, §§7:32-e](#)



(2000). The state uses a “data-driven” Community Benefits Reporting Form that contains a three-page “List of potential Community Needs.” Included in the list are the following social and economic factors: poverty, unemployment, homelessness, economic development, educational attainment, high school completion, housing adequacy, vandalism/crime, air quality, and water quality ([New Hampshire Office of the Attorney General, 2009](#)).

Community Health Needs Assessment

New Hampshire requires nonprofit hospitals and other health care charitable trusts to conduct community needs assessments and to update them at least every five years. [N.H. Rev. Stat. Ann. Tit. I, §7:32-f](#).

To assist in determining the activities to be included in its community benefit plan, each nonprofit hospital and other health care charitable trusts must conduct a community needs assessment. A hospital’s needs assessment may be conducted individually or with other health care charitable trusts in its community. The needs assessment process must include “consultation with members of the public, community organizations, service providers, and local government officials.” [N.H. Rev. Stat., Tit. I, §7:32-f\(2004\)](#).

Community Benefit Plan/Implementation Strategy

New Hampshire requires nonprofit hospitals to develop and annually submit community benefit plans.

Nonprofit hospitals and other health care charitable trusts must annually submit to the Director of Charitable Trusts a community benefit plan developed on forms supplied by the Attorney General. The plan must take into consideration public input and identify the health care needs considered in developing the plan; identify community benefit activities the hospital will undertake along with an estimate of its cost; and specify which needs identified by the community needs assessment process these activities are intended to address. [N.H. Rev. Stat. Ann., Tit. I § 7:32-e \(2000\)](#).

Financial Assistance Policy

New Hampshire requires nonprofit hospitals and other health care charitable trusts to submit their written financial assistance plans with CON applications.

New Hampshire requires nonprofit hospitals and other health care charitable trusts applying for CONs to provide with their applications a copy of their written financial assistance plans.

State regulations require hospital financial assistance plans to specify that 100 percent of uninsured individuals with household income less than or equal to 150 percent of the FPL are eligible to receive free care, subject to a reasonable and nominal payment by the patient of up to \$100, which will be waived in cases of financial hardship. [N.H. Code Admin. R. He-Hea 303.04\(d\)](#).



An applicant's written financial assistance plan must also include: application forms and instructions provided to any person who indicates his or her inability to pay for the facility's services; eligibility determination procedures; appeal procedures for those denied eligibility for financial assistance; and a description of communication procedures to be used to inform the public of the hospital's financial assistance policy. [N.H. Code Admin. R. He-Hea 303.04\(e\)\(1-4\)](#).

Effective June 30, 2016, the CON statutes will be repealed. [N.H. Rev. Stat. Ann. Titl. XI, §151-C \(2013\)](#).

Financial Assistance Policy Dissemination

New Hampshire requires nonprofit hospitals and other health care charitable trusts to describe, in their CON applications, the communications procedures to be used to inform the public of the hospital's financial assistance policy.

A health care charitable trust must inform the public of its financial assistance policies by: posting the hospital's financial assistance policy, referencing it in all public notices of service availability, and informing the public of the availability of staff to assist patients in all aspects of eligibility. [N.H. Code Admin. R. He-Hea 303.04\(e\)\(4\)](#).

Effective June 30, 2016, the CON statutes will be repealed. [N.H. Rev. Stat. Ann. Titl. XI, §151-C \(2013\)](#).

Limitations on Charges, Billing, Collections

New Hampshire law does not limit nonprofit hospital charges, billing, or collection practices.

Income Tax Exemption

New Hampshire law exempts nonprofit hospitals and other charitable organizations from state income tax.

New Hampshire exempts from taxation income received by a charitable organization incorporated or organized in the state and used "for the purposes for which it is established." [N.H. Rev. Stat., Tit. V, §77:8](#).

Property Tax Exemption

New Hampshire exempts from taxation the property of nonprofit hospitals and other charitable organizations, subject to certain conditions.

The buildings, land, and personal property of a charitable organization are exempt from New Hampshire property tax if the property is owned, used, and occupied by the organization for the charitable purposes for which it was established. New Hampshire law requires that each charitable organization file an annual statement reflecting its financial condition and other information needed to establish its eligibility for the tax exemption. [N.H. Rev. Stat., Tit. V, §72:23\(V\) and \(VI\)](#).



Sales Tax Exemption

New Hampshire does not have a sales tax. [New Hampshire Department of Revenue Administration](#).



NEW JERSEY

Community Benefit Requirement

New Jersey does not expressly require nonprofit hospitals to provide community benefits.

Minimum Community Benefit Requirement

New Jersey does not expressly require nonprofit hospitals to provide community benefits.

Community Benefit Reporting Requirement

New Jersey requires hospitals to report on people who receive charity care.

All acute care hospitals are required to submit demographic information regarding people who qualify for charity care or receive uncompensated care. [N.J. Stat. §26:2H-18.59c\(a\)\(1996\)](#); [N.J. Admin. Code §8:31B-4.40](#) (2006).

Community Health Needs Assessment

New Jersey does not require nonprofit hospitals to conduct community health needs assessments.

Community Benefit Plan/Implementation Strategy

New Jersey does not require nonprofit hospitals to develop community benefit plans or implementation strategies.

Financial Assistance Policy

New Jersey does not require nonprofit hospitals to adopt or implement their own financial assistance policies.

Financial Assistance Policy Dissemination

New Jersey does not require nonprofit hospitals to adopt, implement, or disseminate their own financial assistance policies.

Although New Jersey does not require hospitals to adopt or implement their own financial assistance policies, the state requires nonprofit and for-profit hospitals to post signs advising the public of the New Jersey Hospital Care Payment Assistance Program, a state-funded program that provides free and



discounted care to eligible New Jersey residents. Read the [New Jersey Hospital Care Payment Assistance Fact Sheet \(2011\)](#). New Jersey further requires that all hospitals provide patients with written notice of the availability of charity care, Medicaid, or NJ Family Care at either the time of service or no later than at the time the hospital issues the first bill to the patient. [N. J. Admin. Code §10:52-11.5\(a\)](#).

Limitations on Charges, Billing, and Collections

New Jersey limits nonprofit hospital charges and billing and collection practices.

New Jersey limits the amounts that nonprofit and for-profit hospitals may charge uninsured state residents with family gross income of less than 500 percent of the federal poverty level. Patients meeting these criteria may not be charged more than 15 percent above the applicable federal Medicare payment rate. [N.J. Stat. §26:2H-12.52](#).

Hospitals may not bill for services or initiate collection procedures against persons determined to be eligible for charity care. Persons determined to be eligible for reduced charge charity care may not be billed or subjected to collections procedures for the portion of the bill that is reduced charge charity care. [N.J. Admin. Code §10:52-11.14](#).

Income Tax Exemption

New Jersey law exempts nonprofit corporations from state income tax. [N.J. Stat. §54:10A-3\(e\)](#).

Property Tax Exemption

New Jersey law exempts the property of nonprofit organizations from taxation.

The New Jersey Constitution exempts from state property tax real and personal property owned by nonprofit corporations and used exclusively for charitable purposes. [N. J. Const. art. VIII, §1, ¶2](#).

In addition, New Jersey law specifically exempts from property tax “all buildings actually used in the work of ... corporations organized exclusively for hospital purposes.” [N.J. Stat. §54: 4-3.6](#).

Sales Tax Exemption

New Jersey law exempts from state sales and use tax sales to corporations organized exclusively for charitable purposes. [N.J. Stat. § 54:32B-9\(b\)](#).



NEW MEXICO

Community Benefit Requirement

New Mexico requires nonprofit and for-profit hospitals to provide community benefits as a condition for licensure.

The New Mexico Department of Health issues licenses to acute-care, general, and limited service hospitals that agree, among other things, to participate in Medicaid, Medicare, and county indigent care programs, and to serve nonpaying and low-income reimbursed patients. [N.M. Stat. §24-1-5.8 \(C\)\(2\) & \(C\)\(5\)](#).

Minimum Community Benefit Requirement

New Mexico does not require nonprofit hospitals to provide a specified level of community benefits.

Community Benefit Reporting Requirement

New Mexico requires hospitals to report costs associated with the charity care they provide.

The New Mexico Department of Health requires all acute care hospitals—and all limited services hospitals licensed after January 1, 2003—to report annually the cost of care to nonpaying and low-income reimbursed patients. [N.M. Code R. §7.7.2.8 \(M\)](#).

All licensed non-federal hospitals are also required to report data on charity care charges and bad debt to the New Mexico Health Policy Commission on an annual basis. [N.M. Code R. §7.1.24.8-.12](#).

Community Health Needs Assessment

New Mexico does not require nonprofit hospitals to conduct community health needs assessments.

Community Benefit Plan/Implementation Strategy

New Mexico does not require nonprofit hospitals to develop community benefit plans or implementation strategies.



Financial Assistance Policy

New Mexico does not expressly require nonprofit hospitals to adopt or implement financial assistance policies.

Although New Mexico does not expressly require hospitals to adopt or implement financial assistance policies, Department of Health regulations provide that every patient is entitled to examine and receive an explanation of his or her hospital bill and may receive, upon request, information relating to financial assistance available through the hospital. [N.M. Code R. §7.7.2.19\(A\)\(1\)\(m\)](#).

Each licensed non-federal hospital is required to submit its charity care policy, including the qualifying income levels, to the Health Policy Commission on an annual basis. [N.M. Code R. §7.1.24.8\(C\)](#).

Financial Assistance Policy Dissemination

New Mexico requires nonprofit and for-profit hospitals to provide to patients upon request information relating to financial assistance available through the hospital. [N.M. Code R. §7.7.2.19\(A\)\(1\)\(m\)](#).

Limitations on Charges, Billing, and Collections

New Mexico law does not limit nonprofit hospital charges or billing and collection practices, other than recognizing that patients have the right to receive and examine an explanation of their bills. [N.M. Code R. §7.7.2.19\(A\)\(1\)\(m\)](#).

Income Tax Exemption

New Mexico law exempts nonprofit hospitals from state income tax.

New Mexico law exempts from state income tax nonprofit organizations that are exempt from federal tax under the Internal Revenue Code. [N.M. Stat. §7-2A-4\(C\)](#).

Property Tax Exemption

New Mexico exempts property used for charitable purposes from state property tax. [N. M. Const., art. VIII §3](#).

Sales Tax Exemption

Although New Mexico has no sales tax, it exempts from gross receipts tax organizations that are exempt from federal income tax under Internal Revenue Code §501(c)(3). [N.M. Stat. Ann. §7-9-29 \(A\)](#).



NEW YORK

Community Benefit Requirement

New York requires for-profit and nonprofit hospitals to provide discounted care as a condition of reimbursement from a state Pool.

As a condition of participation in New York's General Hospital Indigent Care Pool, nonprofit and for-profit general hospitals must provide discounted care to qualifying patients with low income. The Pool provides reimbursement for a portion of hospital losses associated with unreimbursed care, including both charity care and bad debt expenses. To be eligible for disbursements from the Pool, a hospital must provide discounted care to eligible low-income patients in accordance with a proportional sliding fee schedule. [N.Y. Pub. Health Law §§ 2807-k\(9-a\)](#).

Minimum Community Benefit Requirement

New York does not require nonprofit hospitals to provide a specified minimum level of charity care or other community benefits.

Community Benefit Reporting Requirement

New York requires hospitals to report their costs of providing unreimbursed care and requires nonprofit hospitals to demonstrate their commitment to meeting community health needs.

New York law requires that nonprofit and for-profit hospitals file financial reports detailing, among other things, their costs of providing free or reduced cost services. [N.Y. Pub. Health Law §§2805-a\(2\)\(a\); 2803-l\(2\)\(iv\)](#). In addition, at least every three years the governing body of a nonprofit hospital must demonstrate the hospital's commitment to meeting community health care needs, providing charity care, and improving underserved individuals' access to health care services. The governing body must also make available to the public a summary statement of the hospital's financial resources and allocation to hospital purposes, including its provision of free and discounted care. At least annually, the governing body must make available to the public an implementation report as to the hospital's efforts to meet community health care needs, provide charity care, and improve access to care. At least every three years, a nonprofit hospital must file with the Commissioner of Health a report detailing changes to its mission statement and its operational and financial commitment to meeting community health care needs, to its provision of charity care, and to improving underserved individuals' access to care. [N.Y. Pub. Health Law §2803-l](#).



Community Health Needs Assessment

New York requires nonprofit hospitals to conduct community needs assessments in connection with developing a community service plan.

Every three years, as part of each nonprofit general hospital's community service plan, its governing body must 1) solicit the views of the communities served by the hospital on such issues as the hospital's performance and service priorities and 2) demonstrate the hospital's commitment to meeting community health care needs, to providing charity care services, and to improving health care accessibility for the underserved. [N.Y. Pub. Health Law §2803-l](#).

Community Benefit Plan/Implementation Strategy

New York requires nonprofit hospitals to develop community benefit plans or implementation strategies.

These publicly available annual reports describe each hospital's performance in meeting the health care needs of the community, providing charity care services, and improving access to health care services by the underserved. [N.Y. Pub. Health Law §2803-l \(3\)](#).

New York also incentivizes and promotes hospital community benefit initiatives that target community health improvement by expressly linking its State Health Improvement Plan (SHIP), titled [Prevention Agenda 2013-2017](#), to required hospital community benefit plans (termed "community service plans").

Each tax-exempt hospital's community service plan must include two state *Prevention Agenda* priorities (selected jointly with the local health department) and describe strategies to address the priorities in a three-year action plan.

Financial Assistance Policy

New York requires hospitals that participate in the state's General Hospital Indigent Care Pool to adopt financial assistance policies.

New York require hospitals to adopt and implement financial assistance policies as a condition of participating in the state's General Hospital Indigent Care Pool, which provides reimbursement for a portion of hospital losses associated with unreimbursed care, including both charity care and bad debt expenses. To be eligible for disbursements from the Pool, a hospital must provide discounted care to eligible low-income patients based on a sliding fee schedule. [N.Y. Pub. Health Law §2807-k\(9-a\)\(a\)](#).

Financial Assistance Policy Dissemination

New York requires dissemination of hospitals' financial assistance policies as a condition of participating in the state's General Hospital Indigent Care Pool.



In order to participate in the state's General Hospital Indigent Care Pool, hospitals must develop a clear and understandable written financial assistance policy and make patients aware of the policy. Summaries of these policies must be available to patients and to the public. Hospitals that operate 24-hour emergency rooms must also conspicuously post notice of their financial assistance policies in appropriate languages and notify patients of the policies during the intake and registration process. In addition, notice that financial assistance may be available and instructions on how to obtain additional information must be included in bills and statements sent to patients. [N.Y. Pub. Health Law § 2807-k\(9-a\)\(c\)](#).

Limitations on Charges, Billing, and Collections

New York limits hospital charges and collections as a condition of participating in the state's General Hospital Indigent Care Pool.

New York requires nonprofit and for-profit hospitals participating in the Pool to reduce charges to uninsured patients with family income below 300 percent of the federal poverty level. [N.Y. Pub. Health Law §2807-k\(9-a\)\(a\),\(f\)](#). Hospitals must provide the option of monthly installment plans for payment of outstanding balances, and payments under such plans may not exceed 10 percent of a patient's gross monthly income. [N.Y. Pub. Health Law §2807-k\(9-a\)\(d\)](#). In addition, hospitals' policies may not permit the forced sale or foreclosure of a patient's primary residence in order to collect an outstanding medical bill. [N.Y. Pub. Health Law §2807-k\(9-a\)\(h\)](#).

Income Tax Exemption

New York law exempts nonprofit hospitals from state income tax.

New York exempts from taxation the net income of a non-stock corporation that is organized and operated on a nonprofit basis if no part of its net earnings inure to the benefit of any officer, director, or member. A nonprofit corporation that is exempt from federal income tax pursuant to Internal Revenue Code §501(a) is presumed to be exempt from state income tax. [20 N.Y. Comp. Codes R. & Regs. §1-3.4\(b\)\(6\)](#).

Property Tax Exemption

New York law exempts from taxation the property of nonprofit hospitals.

New York exempts from taxation real property owned by nonprofit corporations organized or conducted exclusively for charitable or hospital purposes and used for carrying out that charitable or hospital purpose and not for private inurement. [N.Y. Real Property Tax Law §§420-a\(1\)\(a\)-\(b\)](#).



Sales Tax Exemption

New York law exempts nonprofit hospitals from sales and use taxes.

New York law exempts from sales and use tax sales to or by nonprofit corporations operated exclusively for charitable purposes. [N.Y. Sales Tax Law § 1116\(a\)\(4\)](#).





NORTH CAROLINA

Community Benefit Requirement

North Carolina law does not expressly require nonprofit hospitals to provide community benefits.

However, the state requires nonprofit hospitals to report community benefits as a condition of receiving authorization to issue tax-exempt financing. [N.C. Gen. Stat. §§131A-21; 131A-7](#); [North Carolina Medical Care Commission, Community Benefits Report \(Hospitals\)](#).

Minimum Community Benefit Requirement

North Carolina law does not expressly require nonprofit hospitals to provide community benefits.

Community Benefit Reporting Requirement

North Carolina requires nonprofit hospitals to report community benefits as a condition of tax-free bond financing.

North Carolina requires nonprofit hospitals to report community benefits as a condition of receiving authorization from the state's Medical Care Commission to issue tax-exempt financing. [N.C. Gen. Stat. §§131A-21; 131A-7](#); [North Carolina Medical Care Commission, Community Benefits Report \(Hospitals\)](#).

Community Health Needs Assessment

North Carolina does not require nonprofit hospitals to conduct community health needs assessments.

Community Benefit Plan/Implementation Strategy

North Carolina does not require nonprofit hospitals to submit community benefits plans or implementation strategies.

Although North Carolina does not require nonprofit hospitals to submit community benefit plans/implementation strategies, it requires an individual applying for a certificate of need (required prior to offering a new "institutional health service") to include in the application a "commitment and plan for serving indigent and medically underserved populations." [N.C. Gen. Stat. §131E-178\(a\)\(4\)](#). The



application must indicate how the new service will meet the needs of the “medically underserved,” including low-income and medically indigent individuals. [N.C. Gen. Stat. §131E-183\(13\)](#).

Financial Assistance Policy

North Carolina does not require nonprofit hospitals to adopt or implement financial assistance policies.

Financial Assistance Policy Dissemination

North Carolina requires nonprofit hospitals to provide the public access to their financial assistance policies.

Hospitals required to file IRC Form 990, Schedule H are also required to submit their financial assistance policies and financial assistance costs on an annual basis to the Department of Health and Human Services for display on the Department’s website. [N.C. Gen. Stat. §131E-214.14 \(2013\)](#). Hospitals must also display this information “in a conspicuous place.” [N.C. Gen. Stat. §131E-214.14 \(2013\)](#).

Limitations on Charges, Billing, and Collections

North Carolina requires hospitals to provide to discharged patients an itemized list of charges upon request, as well as abide by reasonable collection practices.

Hospitals must provide an itemized list of charges to a patient upon request. A patient may request an itemized list at any time within three years after the date of discharge. [N.C. Gen. Stat. §131E-91\(a\) \(2013\)](#). Hospitals are also required to establish a method for patients to inquire about or dispute a bill. [N.C. Gen. Stat. §131E-91\(a\) \(2013\)](#). A hospital may not bill insured patients for charges that would have been covered by their insurance if the hospital had submitted the claim within the allotted time requirements. [N.C. Gen. Stat. §131E-91\(c\) \(2013\)](#).

Hospitals must also follow reasonable collection practices. Hospitals may not send a patient’s unpaid bill to collections while a decision on the patient’s charity care application is pending or attach a lien to a patient’s principal residence. [N.C. Gen. Stat. §131E-91\(d\)](#). Patients must be given written notice that their bill will be subject to collections activity at least 30 days prior to the referral for collection being made. [N.C. Gen. Stat. §131E-91\(d\) \(2013\)](#).

Income Tax Exemption

North Carolina law exempts nonprofit hospitals from state income tax.

North Carolina law exempts from state income tax corporations organized for charitable purposes and any other organizations that are exempt from federal income tax. [N. C. Gen. Stat. § 105-130.11\(a\)\(3\)](#).



Property Tax Exemption

North Carolina law exempts from taxation the real and personal property of nonprofit hospitals “actually and exclusively used for charitable hospital purposes.”

A “charitable hospital purpose” is defined as “a hospital purpose that has humane and philanthropic objectives [and] ... benefits humanity or a significant rather than limited segment of the community without expectation of pecuniary profit or reward.” [N. C. Gen. Stat. § 105.278.8](#).

Sales Tax Exemption

North Carolina law does not exempt nonprofit hospitals from sales and use tax.

North Carolina law specifies that nonprofit hospitals are subject to state sales and use tax at the time tangible personal property is purchased. North Carolina Department of Revenue, [State Taxation and Nonprofit Organizations](#), p. 4. However, subject to certain limitations, nonprofit hospitals are eligible to receive a semi-annual refund of sales and use taxes paid on purchases used to carry out their work. [N. C. Gen. Stat. § 105-164.14 \(b\)\(1\)](#).



NORTH DAKOTA

Community Benefit Requirement

North Dakota law does not expressly require nonprofit hospitals to provide community benefits.

Minimum Community Benefit Requirement

North Dakota law does not expressly require nonprofit hospitals to provide community benefits.

Community Benefit Reporting Requirement

North Dakota does not require nonprofit hospitals to report community benefits.

Community Health Needs Assessment

North Dakota does not require nonprofit hospitals to conduct community health needs assessments.

Community Benefit Plan/Implementation Strategy

North Dakota does not require nonprofit hospitals to develop community benefit plans or implementation strategies.

Financial Assistance Policy

North Dakota does not require nonprofit hospitals to adopt or implement financial assistance policies.

Financial Assistance Policy Dissemination

North Dakota does not require nonprofit hospitals to adopt, implement, or disseminate financial assistance policies.



Limitations on Charges, Billing, and Collections

North Dakota law limits late payment charges by both nonprofit and for-profit hospitals.

North Dakota law prohibits medical service providers from charging, receiving, or collecting a late payment charge on medical expenses incurred until 90 days after the services are rendered. [N.D. Cent. Code §13-01-14.1\(2\)](#). Hospitals may not assess a finance charge or rate of interest that exceeds 1 percent per month, or 25 dollars per month. [N.D. Cent. Code §13-01-14.1\(5\)](#).

Income Tax Exemption

North Dakota law exempts nonprofit hospitals from state income tax.

North Dakota exempts from state income tax organizations that are exempt from federal income tax. [N.D. Cent. Code §57-38-09](#).

Property Tax Exemption

North Dakota law exempts from taxation the real property of nonprofit hospitals used for charitable purposes.

North Dakota law exempts from taxation the land and buildings belonging to “institutions of public charity” and used “wholly or in part for public charity.” [N.D. Cent. Code §57-02-08\(8\)](#).

Sales Tax Exemption

North Dakota generally exempts sales to hospitals from state sales and use taxes.

The gross receipts of sales made to hospitals for the use or benefit of patients are exempt from North Dakota sales and use tax. [N.D. Cent. Code §57-39.2-04\(24\)](#). The state also exempts from use tax medical equipment purchased as tangible personal property by a hospital when that property is subsequently installed by a contractor into the hospital facility. [N.D. Cent. Code 57-40.2-03.3\(3\)](#).





OHIO

Community Benefit Requirement

Ohio requires hospitals that participate in the Hospital Care Assurance Program to provide community benefits.

Although Ohio law does not otherwise expressly require nonprofit hospitals to provide community benefits, a hospital that elects to participate in Ohio's disproportionate share hospital program (called the Hospital Care Assurance Program) must provide "basic, medically necessary hospital level services" to Ohio residents whose income is below the federal poverty level and who are not eligible for Medicaid. [Ohio Admin. Code 5160-2-07.17](#).

Minimum Community Benefit Requirement

Ohio does not require nonprofit hospitals to provide a specified level of community benefits.

Community Benefit Reporting Requirement

Hospitals participating in the Hospital Care Assurance Program are required to collect and report to the Department of Medicaid information on the identity and number of people who receive free care. [Ohio Rev. Code, Ch. 5168.14\(c\)](#); [Ohio Admin. Code 5160-2-07.17\(F\)](#).

Community Health Needs Assessment

Ohio does not require nonprofit hospitals to conduct community health needs assessments.

Community Benefit Plan/Implementation Strategy

Ohio does not require nonprofit hospitals to develop community benefit plans or implementation strategies.

Financial Assistance Policy

Ohio does not require nonprofit hospitals to adopt and implement financial assistance policies.



Financial Assistance Policy Dissemination

Ohio requires nonprofit hospitals to disseminate financial assistance information as a condition of participation in the Hospital Care Assurance Program.

Hospitals that elect to participate in the Hospital Care Assurance Program must post notices in the admissions area, the business office, and the emergency room that specify the rights of persons with income at or below the federal poverty level to receive, without charge to the individual, basic, medically necessary hospital-level services at the hospital. [Ohio Admin. Code 5160-2-07.17\(D\)](#).

Limitations on Charges, Billing, and Collections

Ohio limits hospital collection practices.

Ohio law exempts a person's residence from execution, garnishment, attachment, or sale to satisfy a judgment for money owed for health care services or supplies provided to the person or his/her dependant. The law does not preclude or invalidate the creation of a judgment lien under these circumstances but delays its enforcement until the property is sold or otherwise transferred by the owner. [Ohio Rev. Code §2329.66\(A\)\(1\)\(a\)](#). Additionally, hospitals that participate in Ohio's disproportionate share hospital program (Hospital Care Assurance Program) may not bill individuals for services without meeting specified requirements, including the hospital's provision of an explanation that low-income individuals may be eligible for services without charge. [Ohio Admin. Code 5160-2-07.17\(C\)](#).

Income Tax Exemption

Ohio exempts nonprofit organizations from its commercial activity tax. [Ohio Rev. Code §5751.01\(E\)\(8\)](#).

Property Tax Exemption

Ohio law exempts property used exclusively for charitable purposes from property tax.

Ohio law exempts real and tangible personal property belonging to institutions that is used exclusively for charitable purposes. [Ohio Rev. Code §5709.12\(B\)](#); [Ohio Rev. Code §5709.121](#).

Sales Tax Exemption

Ohio law exempts nonprofit organizations from sales tax.

Ohio law exempts sales of tangible personal property or services to "organizations exempt from taxation under Section 501(c)(3) [of the Internal Revenue Code]." [Ohio Rev. Code. §5739.02\(B\)\(12\)](#).



OKLAHOMA

Community Benefit Requirement

Oklahoma law does not expressly require nonprofit hospitals to provide community benefits.

Minimum Community Benefit Requirement

Oklahoma does not expressly require nonprofit hospitals to provide community benefits.

Community Benefit Reporting Requirement

Oklahoma does not require nonprofit hospitals to report community benefits.

Community Health Needs Assessment

Oklahoma does not require nonprofit hospitals to conduct community health needs assessments.

Community Benefit Plan/Implementation Strategy

Oklahoma does not require nonprofit hospitals to develop community benefit plans or implementation strategies.

Financial Assistance Policy

Oklahoma law requires all hospitals to establish a discounted care program that provides medically necessary services at a reduced rate to qualified self-pay patients.

Discounted medically necessary care must be made available to individuals with household income below 300 percent of the federal poverty level who are ineligible for and not enrolled in a public or private insurance plan that provides hospital coverage. The minimum required hospital discount must be such that the hospital charge after discount is not more than the greater of the Medicare rate for the service or the hospital's cost of providing the service. [Okla. Stat. tit. 63 §1-723.2](#).

Financial Assistance Policy Dissemination

Oklahoma does not require hospitals to disseminate financial assistance policies.



Limitations on Charges, Billing, and Collections

Oklahoma limits nonprofit hospital charges.

Hospitals may charge patients who qualify for financial assistance no more than the greater of the amount Medicare would pay for the same services or the hospital's cost of providing the services. A hospital's disregard of this limitation may be raised as a defense to a collection action initiated by the hospital against a patient for medical debt. [Okla. Stat. tit. 63 §1-723.2](#).

Income Tax Exemption

Oklahoma law exempts nonprofit hospitals from state income tax.

Oklahoma law exempts from state income tax organizations that are exempt from federal income tax. [Okla. Stat. tit. 68 §2359](#).

Property Tax Exemption

Oklahoma law exempts nonprofit hospitals from state property tax.

Oklahoma law exempts from taxation property of nonprofit and charitable hospitals that are used "directly, solely, and exclusively" within Oklahoma for charitable purposes, with no part of its income inuring to private benefit. In addition, the hospital's facilities must be open to the public without discrimination as to race, color, or creed and regardless of ability to pay. [Okla.Stat. tit. 68 §2887\(10\)](#).

Sales Tax Exemption

Oklahoma does not exempt nonprofit hospitals from sales tax.





OREGON

Community Benefit Requirement

Oregon law does not expressly require nonprofit hospitals to provide community benefits.

Minimum Community Benefit Requirement

Oregon law does not expressly require nonprofit hospitals to provide community benefits.

Community Benefit Reporting Requirement

Oregon requires that all hospitals report community benefits.

Oregon law requires all hospitals to annually submit, within 90 days of filing their Medicare cost reports, a community benefit report to the Office for Oregon Health Policy and Research. [Or. Rev. Stat. §442.205\(2\)](#).

Community Health Needs Assessment

Oregon does not require nonprofit hospitals to conduct community health needs assessments.

Community Benefit Plan/Implementation Strategy

Oregon does not require nonprofit hospitals to develop community benefit plans or implementation strategies.

Financial Assistance Policy

Oregon does not require nonprofit hospitals to adopt or implement financial assistance policies.

Financial Assistance Policy Dissemination

Oregon does not require nonprofit hospitals to adopt or implement financial assistance policies.

Limitations on Charges, Billing, and Collections

Oregon law does not limit nonprofit hospital charges, billing, or collection practices.



Income Tax Exemption

Oregon law exempts nonprofit hospitals from state income tax.

Oregon law exempts from state income tax organizations that are exempt from federal income tax pursuant to Internal Revenue Code §501(c). [Or. Rev. Stat. § 317.080](#).

Property Tax Exemption

Oregon law exempts property owned by charitable institutions from state property tax.

Oregon law exempts from state property tax real property owned by charitable institutions that is “actually and exclusively occupied or used” in their charitable work. [Or. Rev.Stat. §307.130\(2\)\(a\)](#).

Sales Tax Exemption

Oregon does not levy a sales tax.



PENNSYLVANIA

Community Benefit Requirement

Pennsylvania requires “institutions of purely public charity” to provide community benefits as a condition of tax exemption.

In 2012, the Supreme Court of Pennsylvania ruled that to qualify for a property tax exemption an organization must first meet the definition of an institution of purely public charity under [Pa. Const. art. VIII, § 2\(a\)\(v\)](#). An organization will qualify as a purely public charity under the Pennsylvania Constitution if it: (1) advances a charitable purpose, (2) donates or renders gratuitously a substantial portion of its services, (3) benefits a substantial and indefinite class of persons who are legitimate subjects of charity, (4) relieves the government of some of its burden, and (5) operates entirely free from private profit motive. [Hospital Utilization Project v. Commonwealth, 507 Pa. 1, 487 A.2d 1306, 1317 \(Pa. 1985\)](#).

If an organization satisfies the constitutional standards, only then does a court look to the Institutions of Purely Public Charity Act to determine eligibility for property tax exemption under the statutory requirements. [Mesivtah Eitz Chaim of Bobov, Inc. v. Pike County Board of Assessment Appeals, 615 Pa. 463, 44 A.3d 3 \(Pa. 2012\)](#).

Pennsylvania’s [Institutions of Purely Public Charity Act](#) establishes specific criteria that a nonprofit corporation must satisfy in order to qualify as an “institution of purely public charity” that is exempt from Pennsylvania property and sales tax. These criteria include a requirement that the organization “donate or render gratuitously a substantial portion of its services” to benefit the community. [10 Pa. Stat. §375\(d\)](#). In addition, the Hospital & Healthsystem Association of Pennsylvania has developed voluntary guidelines for hospital charity care and financial assistance policies: [Charity Care and Financial Aid Guidelines for Pennsylvania Hospitals](#) (2004).

Minimum Community Benefit Requirement

Pennsylvania law permits most nonprofit hospitals to choose from among seven alternative community benefit standards in order to qualify as a tax-exempt “institution of purely public charity.” Six of these standards specify a minimum level of community benefits.

Pennsylvania’s Institutions of Purely Public Charity Act requires that in order to be deemed an “institution of purely public charity,” a hospital must do all of the following: advance a charitable purpose, operate free from any private profit motive, donate a substantial portion of its services to benefit the community, “benefit a substantial and indefinite class of persons who are legitimate subjects of charity,” and relieve government of some of its burden. [10 Pa. Stat. §375 \(a\)-\(f\)](#).

To fulfill the requirement of §375(d)(1) that a hospital “donate or render gratuitously a substantial portion of its services to benefit the community,” a hospital must satisfy one of seven standards. Six of these seven standards specify a minimum level of community benefits.



1. Providing goods or services to all who seek them without regard of their ability to pay if the institution a) has a written policy to this effect, b) has published this in a reasonable manner, and c) provides these uncompensated goods or services equal to at least 75% of net operating income, but not less than 3% of total operating expenses. [10 Pa. Stat. §375\(d\)\(1\)\(i\)\(C\)](#).
2. Providing goods or services that are based upon the recipient's ability to pay if a) the institution can demonstrate implementation of a written policy and fee schedule based on individual or family income, b) at least 20% of the individuals receiving these goods or services pay no fee or a fee which is lower than the cost of the goods or services, c) at least 10% of the individuals receiving the goods or services receive a reduction in fees of at least 10% of the cost of the goods or services provided to them, and d) no individual pays a fee which is greater than or equal to the cost of the goods or services. [10 Pa. Stat. §375\(d\)\(1\)\(ii\)\(B\)-\(D\)](#).
3. Providing wholly gratuitous goods or services to at least 5% of those receiving similar goods or services from the institution. [10 Pa. Stat. §375\(d\)\(1\)\(iii\)](#).
4. Providing financial assistance or uncompensated goods or services to at least 20% of those receiving similar goods or services if at least 10% either paid no fees or paid fees accounting for 90% or less than the cost of the goods or services. [10 Pa. Stat. §375\(d\)\(1\)\(iv\)](#).
5. Providing uncompensated goods or services which in the aggregate equal at least 5% of the institution's cost of providing the goods or services. [10 Pa. Stat. §375\(d\)\(1\)\(v\)](#).
6. Providing goods or services at no fee or reduced fees to government agencies or goods or services to individuals eligible for government programs if any one of the following applies:
 - A. The institution receives 75% or more of its gross operating revenue from grants or fee-for-service payments by government agencies and if the aggregate amount of government agency fee-for-service payments does not exceed 95% of the institution's costs for providing goods or services to the individuals for whom the fee for services payments are made. [10 Pa. Stat. §375\(d\)\(1\)\(vi\)](#).
 - B. This alternative (which does not specify a minimum level of community benefits) does not apply to nonprofit general hospitals.
7. Providing fundraising on behalf of (or grants to) an institution of purely public charity. [10 Pa. Stat. §375\(d\)\(1\)\(vii\)](#). (This standard does not specify a minimum level of community benefit.)

Community Benefit Reporting Requirement

Pennsylvania requires nonprofit hospitals to report community benefits annually.

Except for religious institutions, a nonprofit hospital or other institution of purely public charity that receives contributions of \$25,000 or more per year or collects service revenues of \$5 million or more per year must submit an annual report, including a copy of its federal tax return, to the state Bureau of Charitable Organizations. [10 Pa. Stat. §379](#).



Community Health Needs Assessment

Pennsylvania does not require nonprofit hospitals to perform community health needs assessments.

Community Benefit Plan/Implementation Strategy

Pennsylvania does not require nonprofit hospitals to develop community benefit plans or implementation strategies.

Financial Assistance Policy

Pennsylvania requires hospitals, including nonprofit hospitals, to adopt and implement financial assistance policies.

As a condition of receiving reimbursement from the state's Uncompensated Care Program, hospitals must verify that they have a financial assistance policy in place under which the hospital: 1) accepts all individuals regardless of ability to pay for emergent medically necessary services; 2) seeks to collect claims only from the person(s) responsible for payment; 3) seeks to obtain health care coverage for patients, including assisting patients to apply for available public medical coverage; 4) ensures that emergency admission or treatment is not delayed or denied for monetary reasons; and 5) posts adequate notice of the availability of medical services and the obligations of hospitals to provide free services. [Pa. Stat. §5701.1104\(b\)](#). The Hospital & Healthsystem Association of Pennsylvania has also developed voluntary guidance on hospital financial assistance policies. [Charity Care and Financial Aid Guidelines for Pennsylvania Hospitals](#) (2004).

Financial Assistance Policy Dissemination

Pennsylvania requires all hospitals to post notices of the hospital's obligation to provide charity care.

As a condition of receiving reimbursement from the state's Uncompensated Care Program, hospitals must post adequate notice of the hospital's obligation to provide free services. [35 Pa. Stat. §5701.1104\(b\)\(5\)](#).

The voluntary guidance developed by the Hospital & Healthsystem Association of Pennsylvania also addresses the dissemination financial assistance policies. [Charity Care and Financial Aid Guidelines for Pennsylvania Hospitals](#) (2004).

Limitations on Charges, Billing, and Collections

Pennsylvania state law does not limit nonprofit hospital charges, billing, or collection practices.



However, the voluntary guidelines developed by the Hospital & Healthsystem Association of Pennsylvania offer a number of recommendations regarding hospital billing and collection policies including, among other things, offering reasonable patient payment plans and instituting legal action only when there is evidence that the patient has income or assets to meet his or her financial obligation. [Charity Care and Financial Aid Guidelines for Pennsylvania Hospitals](#), p. 10 (2004).

Income Tax Exemption

Pennsylvania exempts from state income tax organizations that are exempt from federal income tax.

A corporation, trust or other entity that is an exempt organization under §501 of the Internal Revenue Code is exempt from Pennsylvania's corporate net income tax. [72 Pa. Stat. § 7401\(1\)\(iii\)\(3\)](#).
[Pennsylvania Department of Revenue, Frequently Asked Questions](#).

Property Tax Exemption

Pennsylvania exempts institutions of purely public charity from state property tax.

All hospitals that are institutions of charity under the Pennsylvania Constitution and the [Institutions of Purely Public Charity Act](#) are exempt from state property tax. [72 Pa. Stat. § 5020-204\(3\)](#).

Sales Tax Exemption

Pennsylvania exempts institutions of purely public charity from sales tax.

"The sale [of personal property or services] at retail to or use by any charitable organization..." is exempt from sales tax. [72 Pa. Stat. § 7204\(10\)](#).



RHODE ISLAND

Community Benefit Requirement

Rhode Island requires hospitals to provide charity care, uncompensated care, and other community benefits as a condition of licensure.

Rhode Island has established statewide standards for the provision of charity care, uncompensated care, and community benefits as conditions of initial and continued hospital licensure and for hospital conversions. [R.I. Gen. Laws §23-17-43](#); [23-17 R.I. Code R. §8.7](#); [23-17.14 R.I. Code R. §§11.0 – 11.6](#).

Rhode Island's hospital licensing regulations expressly require that hospital charity and uncompensated care and community benefit standards be consistent with the rules and regulations applicable to hospital conversions. [23-17 R.I. Code R. §8.7](#). These define "community benefit" broadly to include the provision of hospital services that meet the community's needs, charity care, uncompensated care, programs to meet the needs of medically indigent individuals, non-revenue-producing programs available in the community (e.g., health screenings or transportation services), scientific or medical research, education activities, forming linkages with community partners focused on improving community health, and engaging in community health advocacy. [23-17.14 R.I. Code R. §1.9](#).

Minimum Community Benefit Requirement

Rhode Island does not specify a minimum level of community benefits that hospitals must provide.

Community Benefit Reporting Requirement

Rhode Island law requires hospitals to submit annual community benefit reports to the Director of the Department of Health (Director).

The reports must include detailed descriptions, with supporting documentation, of the costs of charity care, bad debt, and contracted Medicaid shortfalls. [R.I. Gen. Laws Ann. § 23-17.14-15\(d\)](#). If the Department of Health receives "sufficient information" indicating that a licensed hospital is not in compliance with state community benefit standards, then the Director is required to hold a hearing, issue written findings, and impose appropriate penalties. [R.I. Gen. Laws Ann. § 23-17.14-15\(e\)](#).

Community Health Needs Assessment

Rhode Island requires each hospital to develop a formal Board-approved community benefit plan that includes a comprehensive assessment of the health care needs of its community.



The assessment must include needs related to the goals articulated in [A Healthier Rhode Island by 2010: A Plan for Action](#), and a statement of priorities consistent with the hospital's resources. [23-17.14 R.I. Code R. §11.5 \(b\)](#).

Community Benefit Plan/Implementation Strategy

Rhode Island requires hospitals to develop a formal Board-approved community benefit plan that considers the health care needs of the community or communities served.

A hospital's community benefit plan, to be updated every three years, must specify the communities (including racial or ethnic minority populations) that will be the focus of the plan. Representatives of the designated community or communities must be involved in the planning and implementation process. The plan must reflect a comprehensive assessment of the health care needs of these designated communities. It must also specify the actual or planned dates when the activities and proposals included in the plan will be implemented. [23-17.14 R.I. Code R. §11.5\(b\)](#).

Financial Assistance Policy

Rhode Island law establishes a statewide community standard for the provision of free and discounted care.

Rhode Island hospitals must make full or partial charity care available to uninsured low-income state residents who are ineligible for government or employer-sponsored health coverage. [23-17.14 R.I. Code R. §11.3\(b\)](#). Hospitals may expand their financial assistance policies beyond what the state requires but may not reduce the amount of assistance or make their financial assistance eligibility standards more restrictive than the state prescribes.

Hospitals must provide free care for patients with annual income at or below 200 percent of the federal poverty level (FPL) and must provide discounted care for patients with annual income between 200 and 300 percent of the FPL. Each hospital's discounted care policy must be based on a sliding fee scale that the hospital determines based on its evaluation of the needs of its service area and the hospital's financial resources. [23-17.14 R.I. Code R. §11.3\(f\)](#).

In determining a patient's eligibility for free or discounted care, a hospital has discretion to consider, in addition to income, a patient's assets pursuant to a criterion establishing an assets protection threshold. If assets are considered in determining whether a patient qualifies for free care, additional restrictions on permissible hospital billing and collections against the patient apply. [23-17.14 R.I. Code R. §11.3\(d\)-\(f\)](#).

Financial Assistance Policy Dissemination

Rhode Island requires hospitals to develop a public "Notice of Hospital Financial-Aid" and post it prominently in emergency departments, admissions areas, outpatient care areas, and on the hospital's website.



Each hospital is required to develop a “Notice of Hospital Financial-Aid” on a specified template for approval by the Director, as well as include the notice on each patient bill. Each hospital’s financial-aid criteria for financial assistance eligibility, including the sliding fee schedule for discounted care, are also subject to the Director’s approval. Hospitals must also make their financial aid criteria available to all persons upon request. [23-17.14 R.I. Code R. §11.3\(h\)-\(j\)](#).

Limitations on Charges, Billing, and Collections

Rhode Island law limits nonprofit hospital billing and collection practices.

Regulations promulgated under Rhode Island’s Hospital Conversions Act, which applies to both hospital licensing and conversions, require each hospital to formally adopt a written collections policy and make it available to all persons upon request. [23-17.14 R.I. Code R. §11.3\(n\)](#). Although a hospital may attach a patient or guarantor’s primary residence due to non-payment of medical debt, it may not force a foreclosure of the primary residence. [23-17.14 R.I. Code R. §11.4](#).

Income Tax Exemption

Rhode Island exempts non-profit hospitals from state Business Corporation tax. Rhode Island Department of Revenue, [R.I. Gen. Laws §44-11-1\(1\)\(c\)\(4\)\(iv\)](#).

Property Tax Exemption

Rhode Island law exempts from taxation the property of a hospital “for the sick or disabled.”

Real and personal property held by or for a hospital for the sick and disabled and used exclusively for that purpose is exempt. [R.I. Gen. Laws §44-3-3\(12\)](#); [Lifespan Corporation v. City of Providence](#), 776 A.2d 1061 (R.I. 2001). State law also exempts intangible personal property owned by, or held in trust for, a charitable organization if the principal or income is used or appropriated for charitable purposes. [R.I. Gen. Laws §44-3-3\(7\)](#).

Sales Tax Exemption

Rhode Island sales and use tax does not apply to sales of personal property to nonprofit hospitals. [R.I. Gen. Laws §44-18-30\(5\)](#); [Rhode Island Sales Regulation SU 07-48](#).



SOUTH CAROLINA

Community Benefit Requirement

South Carolina requires hospitals to provide indigent care as a condition of receiving a certificate of need (CON), which is required before establishing a health care facility or expanding a health care facility's medical services. [S.C. Code Regs. 61-15 §202C\(1\); 102\(1\)](#).

Minimum Community Benefit Requirement

South Carolina law does not expressly require nonprofit hospitals to provide community benefits.

Community Benefit Reporting Requirement

South Carolina requires hospitals to report community benefits in connection with an application for a CON.

To support a CON application, a hospital must provide an Indigent Care Plan that includes, among other things, a report of the amount of indigent care the hospital provided during the previous three years. [S.C. Code Regs. 61-15 § 202C\(1\)\(c\)](#).

Community Health Needs Assessment

South Carolina does not require nonprofit hospitals to conduct community health needs assessments.

Community Benefit Plan/Implementation Strategy

South Carolina does not require nonprofit hospitals to develop community benefit plans or implementation strategies.

Financial Assistance Policy

South Carolina does not require nonprofit hospitals to adopt or implement financial assistance policies.

However, South Carolina requires hospitals to inform patients of the existence of the county-based Medically Indigent Assistance Program that pays for inpatient hospital services on behalf of needy individuals who meet specified eligibility criteria. Hospitals must refer patients for an application if they cannot pay for hospital services. [S. C. Code Regs. 126-505C](#).



In addition, the Indigent Care Plan required in connection with a CON application must address existing and proposed admission and treatment policies with respect to care of indigent patients. [S.C. Code Regs. 61-15-202C\(1\)](#).

Financial Assistance Policy Dissemination

South Carolina does not require nonprofit hospitals to adopt, implement, or disseminate financial assistance policies.

Limitations on Charges, Billing, and Collections

South Carolina does not limit nonprofit hospital charges, billing, or collection practices.

Income Tax Exemption

South Carolina law exempts federally tax-exempt organizations from state income tax.

Income that is exempt from federal income tax pursuant to Internal Revenue Code §501 is exempt from state income tax [S. C. Code §12-6-540](#) (limiting application of state income tax of federally tax-exempt organization to its unrelated business income). [South Carolina Non-Profit Corporations](#).

Property Tax Exemption

South Carolina law exempts nonprofit hospitals from state property tax.

The property of charitable institutions “in the nature of hospitals and institutions caring for the infirmed, the handicapped, the aged, children and indigent persons ...” is exempt from state property tax unless the institution’s profits are applied to private use. [S.C. Const. art. X, §3\(b\)](#); [S. C. Code §12-37-220\(A\)\(2\)](#).

Sales Tax Exemption

South Carolina law exempts some nonprofit hospitals from sales tax.

A South Carolina sales tax exemption applies to the sales of tangible personal property to charitable hospitals “predominantly serving children ... without charge to the patient.” [S.C. Code §12-36-2120\(47\)](#).

SOUTH DAKOTA

Community Benefit Requirement

South Dakota law does not expressly require nonprofit hospitals to provide community benefits.

Minimum Community Benefit Requirement

South Dakota does not expressly require nonprofit hospitals to provide community benefits.

Community Benefit Reporting Requirement

South Dakota does not require nonprofit hospitals to report community benefits.

Community Health Needs Assessment

South Dakota does not require nonprofit hospitals to conduct community health needs assessments.

Community Benefit Plan/Implementation Strategy

South Dakota does not require nonprofit hospitals to develop community benefit plans or implementation strategies.

Financial Assistance Policy

South Dakota does not require nonprofit hospitals to adopt or implement financial assistance policies.

Financial Assistance Policy Dissemination

South Dakota does not require nonprofit hospitals to adopt, implement, or disseminate financial assistance policies.

Limitations on Charges, Billing, and Collections

South Dakota does not limit nonprofit hospital charges, billing, or collection practices.



Income Tax Exemption

South Dakota does not have a state income tax.

Property Tax Exemption

South Dakota exempts the property of nonprofit hospitals from state property tax.

South Dakota's property tax law includes an exemption applicable to property owned by a licensed health care facility that is exempt from federal taxation under Internal Revenue Code §501(c)(3), provided the property is used primarily for health care and health care-related purposes and, in addition, admits "all persons for treatment consistent with the facility's ability to provide health care services required by the patient until the facility is filled to its ordinary capacity." [S.D. Codified Laws §10-4-9.3](#).

Sales Tax Exemption

South Dakota law exempts nonprofit charitable hospitals from sales tax.

South Dakota law exempts sales of tangible personal property and services to and for use by nonprofit charitable hospitals from state sales tax. [S.D. Codified Laws §10-45-14](#).



TENNESSEE

Community Benefit Requirement

Tennessee law does not expressly require nonprofit hospitals to provide community benefits.

Minimum Community Benefit Requirement

Tennessee law does not expressly require nonprofit hospitals to provide community benefits.

Community Benefit Reporting Requirement

Tennessee requires nonprofit hospitals to report charity care.

All hospitals licensed by the Department of Health must file a joint annual report “of the statistical particulars relative to their patients for the fiscal year,” including financial data relating to charity care and bad debt. [Tenn. Code 68-11-310\(a\)\(1\)](#); [Tenn. Code §68-1-109](#); Tennessee Department of Health, [Joint Annual Report of Hospitals form](#), p. 18.

Community Health Needs Assessment

Tennessee does not require nonprofit hospitals to conduct community health needs assessments.

Community Benefit Plan/Implementation Strategy

Tennessee does not require nonprofit hospitals to develop community benefit plans or implementation strategies.

Financial Assistance Policy

Tennessee does not require hospitals to adopt or implement financial assistance policies but requires hospitals that have charity care policies to develop a “concise statement” of these policies.

Tennessee requires each hospital that has a charity care policy to develop a “concise statement” of its policy “for use by members of the public.” [Tenn. Code §68-11-268 \(2007\)](#).



Financial Assistance Policy Dissemination

Tennessee requires hospitals to post their financial assistance policies.

Tennessee law requires all hospitals to post a statement of their charity care policies in a place accessible to the public. [Tenn. Code §68-11-268](#); [Tenn. Comp. R. & Regs. 1200-08-01-.04\(13\)](#).

Limitations on Charges, Billing, and Collections

Tennessee law limits nonprofit hospital charges, billing, and collection practices.

Tennessee law prohibits all hospitals from requiring an uninsured patient to pay an amount that exceeds 175 percent of the cost for the services provided (calculated using the cost-to-charge ratio in the most recent joint annual report to the state's Department of Health). The Department of Health is required to maintain the confidentiality of information regarding the amounts a hospital bills for services obtained pursuant to §68-11-262. [Tenn. Code §68-11-262](#).

Income Tax Exemption

Tennessee has no income tax except on interest and dividend income, from which nonprofit hospitals are not exempt. [Tenn. Comp. R. & Regs. 1320-3-2-.01-.14](#).

Property Tax Exemption

Tennessee exempts from state property tax charitable institutions' property used for carrying out its exempt purposes.

Tennessee law exempts from state property tax the real and personal property owned by any charitable institution that is used for carrying out its exempt purposes. [Tenn. Code §67-5-212\(a\)\(1\)](#).

Sales Tax Exemption

Tennessee law exempts nonprofit hospitals from its sales and business taxes.

Tennessee law governing sales and use tax provides for the exemption of sales to organizations that are exempt from federal tax pursuant to Internal Revenue Code §501(c)(3). [Tenn. Code Ann. §67-6-322\(b\)](#).

Tennessee's business tax, "a privilege tax imposed upon persons engaged in various businesses and activities in the state," is levied on gross receipts computed on the basis of the sales price of items subject to the tax. [Tenn. Comp. R. & Regs. §§1320-4-5-.03; 1320-4-5-.08\(2\)](#). Tennessee excludes from business tax receipts derived from medical services [Tenn. Comp. R. & Regs. §1320-4-5-16\(1\)\(b\)](#), and exempts a charitable institution's "profits that are earned from the sale of items contributed to the institution." [Tenn. Code 67-4-712\(b\)\(5\)](#). (There is no general business tax exclusion applicable to gross receipts from sales to nonprofit hospitals or other charitable organizations.)



TEXAS

Community Benefit Requirement

Texas requires nonprofit hospitals to provide community benefits as a condition of state tax exemption.

Texas law requires that, in order to qualify as tax-exempt “charitable organizations,” nonprofit hospitals and hospital systems must provide “charity care and government-sponsored indigent health care” or “charity care and community benefits” in at least the amount specified in accordance with one of four alternative standards. Nonprofit disproportionate share hospitals, nonprofit hospitals in counties with a population of less than 58,000, and hospitals that exclusively provide free care are exempt from this requirement. [Texas Tax Code Ann. §11.1801](#); [Tex. Health and Safety Code Ann. §§311.043 & 311.045](#).

Minimum Community Benefit Requirement

Texas law directs nonprofit hospitals, as a condition of tax exemption, to provide community benefits in accordance with one of three alternative community benefit standards. Two of these alternative standards specify a minimum level of community benefits that a hospital must provide.

A nonprofit hospital may qualify as a tax-exempt charitable organization by providing community benefits in an amount that satisfies one of the following standards:

- (1) Charity care and government-sponsored indigent health care (shortfall) at a level that is “reasonable in relation to the community needs, as determined through the community needs assessment, the available resources of the hospital or hospital system, and the tax-exempt benefits received by the hospital or hospital system;”
- (2) Charity care and government-sponsored indigent health care (shortfall) provided in an amount equal to at least 100 percent of the hospital's or hospital system's tax-exempt benefits, excluding federal income tax;
- (3) Charity care and community benefits provided in a combined amount equal to at least 5 percent of the hospital's or hospital system's net patient revenue, provided that charity care and government-sponsored indigent health care are provided in an amount equal to at least 4 percent of net patient revenue. [Texas Tax Code Ann. §§11.1801\(a\)](#); [Tex. Health and Safety Code Ann. §§ 311.031\(2\) & \(8\)](#); [311.045](#).

Community Benefit Reporting Requirement

Texas requires nonprofit hospitals to submit annual community benefit reports.



The Texas Department of Health requires that each nonprofit hospital submit an “annual report of its community benefit plan” that includes a specification of: the hospital’s mission statement; the health needs of the community considered in developing the hospital’s community benefit plan; the amount and types of community benefits actually provided; total operating expenses; and the hospital’s cost to charge ratio. [Tex. Health and Safety Code Ann. § 311.046\(a\)](#).

Community Health Needs Assessment

Texas requires nonprofit hospitals to perform community-wide health needs assessments.

Nonprofit hospitals are directed to seek input from representatives in the community, including the local health department, consumers, private business, insurance companies, and health science centers. [Tex. Health and Safety Code Ann. §311.044\(a\)-\(d\)](#).

Community Benefit Plan/Implementation Strategy

Texas requires nonprofit hospitals to develop community benefit plans.

A nonprofit hospital’s community benefit plan must be an operational plan for serving the community’s health care needs as determined by a community-wide health needs assessment. The plan must include mechanisms to evaluate the plan’s effectiveness, measurable objectives to be achieved within a specified time frame, and a budget for implementing the plan. [Tex. Health and Safety Code Ann. §311.044](#).

Financial Assistance Policy

Texas requires nonprofit hospitals to have a financial assistance policy that incorporates specified eligibility criteria.

Each Texas nonprofit hospital must “develop, implement, and enforce” a written financial assistance policy. The policy must provide that patients who satisfy the statutory definitions of “financially indigent” or “medically indigent” are eligible for financial assistance. A “financially indigent” patient is one with income at or below 200 percent of the federal poverty level; a “medically indigent” patient is one who is unable to pay the remaining balance on hospital bills that, after payment by third-party payers, exceeds a percentage of the patient’s annual gross income (as specified in the hospital’s financial assistance policy). [Tex. Health and Safety Code Ann. §§324.101, 311.031\(11\),\(13\)](#).

Financial Assistance Policy Dissemination

Texas requires a nonprofit hospital to make information available to the public about its community benefit plan and its charity care program.

Texas law requires that a nonprofit hospital provide to each person seeking any health care service at the hospital a notice (in appropriate languages and in language readily understandable to the average reader) about the hospital’s charity care program, including its eligibility policies and how to apply for



the program. The notice must be posted in prominent hospital locations, including the general waiting area, the emergency department waiting area, and the business office. A nonprofit hospital must also publish notice of its charity care policies annually in a local newspaper. [Tex. Health and Safety Code Ann. §311.046\(d\)](#).

Limitations on Charges, Billing, and Collections

Texas law requires hospitals to submit patient bills in a timely manner.

Texas law requires that medical providers submit their bills for medical services to patients and health plans in a timely manner. The law specifies the number of days within which billing must occur under various circumstances. [Tex. Health and Safety Code Ann. §146.002](#). Claims billed in violation of these timeliness standards may be unenforceable against a patient who, had the billing been timely, would not have been obligated to pay. [Tex. Health and Safety Code Ann. §146.003](#).

Income Tax Exemption

Texas does not levy a corporate income tax.

Property Tax Exemption

Texas exempts nonprofit hospitals from property tax if they provide medical care without regard to ability to pay, “which means they provide charity care and community benefits in accordance with Texas law.” [Texas Tax Code Ann. §11.18\(d\)\(1\)](#).

Sales Tax Exemption

Texas exempts charitable organizations from state sales tax.

Texas law exempts from state sales tax organizations that are exempt from federal income tax under Internal Revenue Code §501(c)(3). [Texas Tax Code Ann. §151.310\(a\)\(2\)](#). Nonprofit hospitals that qualify for an exemption under that provision must provide community benefits that include charity care and government-sponsored indigent health care. [Texas Tax Code Ann. §151.310\(e\)](#).



UTAH

Community Benefit Requirement

Utah requires that nonprofit hospitals provide community benefits as a condition for property tax exemption.

Utah's Property Tax Exemption Standards of Practice (Standards of Practice) require charitable institutions to contribute "something of value ... to the common good" as a "gift to the community ... identified either by a substantial imbalance in the exchange between the charity and the recipient of its services or in the lessening of a government burden through the charity's operation." [Utah County v. Intermountain Health Care, Inc.](#), 709 P.2d 265, 269 (Utah 1985). These gifts may include: unreimbursed indigent care, medical discounts, community education and service, donations of time, donations of money, operation of critical services or programs that might not otherwise be available in the community, or the continued operation of hospitals at a loss. Each nonprofit hospital must establish a charity care plan and have an open access policy that permits indigent persons to receive needed services for no charge or for a reduced charge in accordance with their ability to pay. [Standards of Practice, Appendix 2D, Standards III-V](#), (2014) pp. 32-34.

Minimum Community Benefit Requirement

As a condition of property tax exemption, Utah requires a nonprofit hospital to contribute annual "gifts to the community" (community benefits) in an amount exceeding the value of its annual property tax liability in the absence of the exemption. [Standards of Practice, Appendix 2D, Standard V](#), (2014) p. 33.

Community Benefit Reporting Requirement

Utah requires community benefit reporting as a condition of property tax exemption.

Community Health Needs Assessment

Utah does not require nonprofit hospitals to conduct community health needs assessments.

A rebuttable presumption of compliance with the requirements for property tax exemption arises if the hospital: is governed by a Board composed of a broad-based membership from the community served by the hospital; confers at least annually with the county board of equalization about the community's clinical needs that the hospital might appropriately address; and maintains a charity plan to ensure compliance with the Standards of Practice. [Standards of Practice, Appendix 2D, Standard IV](#), (2014) p. 33.



Community Benefit Plan/Implementation Strategy

Utah does not require nonprofit hospitals to develop community benefit plans or implementation strategies.

Financial Assistance Policy

Utah requires nonprofit hospitals to adopt and implement financial assistance policies as a condition of tax exemption.

As a condition of property tax exemption, Utah requires nonprofit hospitals to develop an “open access policy” that provides for indigent persons receiving needed medical services for no charge or for a reduced charge in accordance with their ability to pay. [Standards of Practice, Appendix 2D, Standard III](#) (2014) p. 32.

Financial Assistance Policy Dissemination

Utah requires nonprofit hospitals to adopt and implement financial assistance policies.

As a condition of property tax exemption, a nonprofit hospital must “provide evidence of its efforts to affirmatively inform the public of its open access policy and the availability of services for the indigent.” [Standards of Practice, Appendix 2D, Standard III](#), (2014) p. 32.

Limitations on Charges, Billing, and Collections

As a condition of property tax exemption, Utah limits what nonprofit hospitals may charge indigents who are unable to pay the charges ordinarily billed.

To qualify for property tax exemption, a nonprofit hospital must ensure that “indigent persons who, in the judgment of the admitting physician, require the service generally available at the hospital ... receive those services for no charge or for a reduced charge, in accordance with their ability to pay.” [Standards of Practice, Appendix 2D, Standard III](#), p. 32.

Income Tax Exemption

Utah law exempts nonprofit hospitals from state income tax.

Utah law exempts from state income tax organizations that are exempt from federal income tax under Internal Revenue Code §501. [Utah. Code. §59-7-102.](#)



Property Tax Exemption

Utah law exempts from taxation property owned by a nonprofit hospital that complies with the Standards of Practice.

Utah law exempts from state property tax nonprofit hospitals that satisfy the requirements of the Standards, including: adoption of an open access policy, informing the public of their charity plans and charity and discounted care policies, adoption of policies reflecting the public interest, and making annual “gifts to the community” in amounts that exceed their property tax liabilities in the absence of exemption. [Standards of Practice, Appendix 2D, Standard III-V](#), (2014) pp. 32 – 34.

Sales Tax Exemption

Utah exempts charitable institutions from sales and use tax.

Utah law exempts from state sales and use tax sales made to or by charitable institutions “in the conduct of their regular charitable ... functions and activities.” [Utah Code §59-12-104\(8\)](#), [Utah Code §59-12-104.1](#).



VERMONT

Community Benefit Requirement

Vermont law does not expressly require nonprofit hospitals to provide community benefits.

Minimum Community Benefit Requirement

Vermont law does not expressly require nonprofit hospitals to provide community benefits.

Community Benefit Reporting Requirement

Vermont requires all community hospitals to report certain community benefit expenses in annual “Hospital Community Reports.”

Vermont community hospitals are required to submit Hospital Community Reports to the Commissioner of the Department of Financial regulation. The reports must include as a mandatory reporting category “a summary of the hospital's budget, including revenue by source and quantification of cost shifting to private payers.” “Cost shifting to private payers” encompasses a hospital’s costs associated with Medicare and Medicaid reimbursement shortfalls and uncompensated care costs. [Vt. Stat. Ann. tit. 18 §9405b\(a\)\(5\)](#).

Community Health Needs Assessment

Vermont requires hospitals to conduct community health needs assessments.

Vermont law requires each hospital to have a protocol for “meaningful public participation” in its process for “identifying and addressing health care needs that the hospital provides or could provide in its service area.” These needs must be summarized in the hospital’s community report and integrated with the hospital’s long-term planning. [Vt. Stat. Ann. tit. 18 §9405a; 9405b\(a\)\(10\)](#).

Community Benefit Plan/Implementation Strategy

Vermont requires hospitals to develop strategic initiatives to address identified community health care needs.

Vermont requires hospitals to include in their hospital community reports a description of strategic initiatives “discussed with or derived from the identification of health care needs” along with short- and long-term capital expenditure plans and facility depreciation schedules. A summary of identified community needs must be “integrated with the hospital’s long-term planning.” [Vt. Stat. Ann. tit. 18 §9405a; 9405b\(a\)\(10\)](#).



Financial Assistance Policy

Vermont does not require hospitals to adopt or implement financial assistance policies.

Although not legally required, the Department of Banking, Insurance, Securities, and Health Care Administration (BISHCA) found in 2007 that every Vermont hospital had its own written uncompensated care policies for providing free care to patients with income not exceeding 100 percent of the federal poverty level. [BISHCA, Report on Vermont Community Hospitals Uncompensated Care Policies \(Jan., 2007\), at 5.](#)

Financial Assistance Policy Dissemination

Vermont does not require nonprofit hospitals to adopt, implement, or disseminate financial assistance policies.

Limitations on Charges, Billing, and Collections

Vermont law requires hospitals to provide patients with an “itemized, detailed, and understandable” explanation of charges, regardless of the source of payment. [Vt. Stat. Ann. tit. 18 §1852\(12\).](#)

Income Tax Exemption

Vermont exempts nonprofit hospitals from state income tax.

Vermont law expressly adopts federal income tax law for purposes of computing state income tax liability so that a federally tax-exempt corporation is also exempt from Vermont income tax. [Vt. Stat. Ann. tit. 32 § 5824.](#)

Property Tax Exemption

Vermont exempts nonprofit hospitals from state property tax.

Vermont exempts from state property tax any real and personal property that is “used for ... charitable uses.” [Vt. Stat. Ann. tit. 32 §3802\(4\).](#)

Sales Tax Exemption

Vermont law exempts nonprofit hospitals from state sales and use taxes.

Vermont law exempts from state sales and use taxes organizations exempt from federal income tax. [Vt. Stat. Ann. tit. 32 §9743\(3\).](#)



VIRGINIA

Community Benefit Requirement

Virginia may require a nonprofit hospital to provide community benefits as a condition of certificate of public need approval.

The Commissioner of the State Board of Health is authorized to condition approval of applications for certificates of public need on an applicant's agreement to provide an acceptable level of reduced-rate care to indigents, provide care to persons with special needs, or facilitate primary care services in designated medically underserved areas within its service area. [Va. Code §32.1-102.2\(C\)](#); [12 Va. Admin. Code §§5-220-270\(A\)](#) and [5-220-420\(A\)](#). In 2013, an amendment was passed that allows the Commissioner to approve amendments to existing certificates related to the provision of reduced-rate care to indigents, care to patients requiring specialized care, or the facilitation of primary care services in designated medically underserved areas. [Va. Code §32.1-102.4\(G\)](#).

Minimum Community Benefit Requirement

Virginia may require a nonprofit hospital to provide community benefits as a condition of certificate of public need approval; agreed conditions of approval may include quantifiable amounts of community benefit expenditure.

The Commissioner of the State Board of Health is authorized to condition approval of applications for certificates of public need on an applicant's agreement to provide an acceptable level of reduced-rate care to indigents, provide care to persons with special needs, or facilitate primary care services in designated medically underserved areas within its service area. The terms of such agreements (which may specify quantifiable amounts of care that the applicant must provide) must be specified in writing before the Commissioner makes a decision to approve the application. The Commissioner is authorized to impose a civil penalty of \$100 per day for failure to honor the terms of the agreement. [Va. Code §32.1-102.2\(C\)](#); [12 Va. Admin. Code §§5-220-270\(A\)](#) and [5-220-420\(A\)](#).

Community Benefit Reporting Requirement

Virginia requires community benefit reporting by nonprofit hospitals that agree to provide community benefits as a condition of certificate of public need approval.

Nonprofit hospitals whose certificates of public need are conditioned on an agreement to provide reduced rates to indigents must file annual reports detailing their compliance with that condition. [Guidance Document, Virginia Department of Health \(2004\)](#).



Community Health Needs Assessment

Virginia does not require nonprofit hospitals to conduct community health needs assessments.

Community Benefit Plan/Implementation Strategy

Virginia does not require nonprofit hospitals to develop community benefit plans or implementation strategies.

Financial Assistance Policy

Virginia may require hospitals to adopt or implement financial assistance policies as a condition of certificate of public need approval.

Although Virginia law does not generally require hospitals to adopt or implement financial assistance policies, a hospital that has agreed, as a condition of certificate of public need approval, to provide reduced services to indigents at reduced rates must comply with the terms of the agreement, subject to a civil penalty of \$100 per violation per day of noncompliance. [12 Va. Admin. Code §§5-220-270\(A\), 5-220-420\(A\)](#).

Financial Assistance Policy Dissemination

Virginia requires all hospitals to disseminate their financial assistance policies.

Although Virginia does not generally require hospitals to adopt and implement financial assistance policies, all hospitals are required to provide written information about their free and discounted care policies. This information must be posted conspicuously in public areas of the hospital, including admissions/registration areas, emergency departments, and waiting rooms associated with these areas. In addition, information regarding eligibility and how to apply for free and discounted care must be provided to patients at admission, discharge, or when services are provided; must be included with billing statements to uninsured patients; and must be posted on the hospital's website. [Va. Code §32.1-137.01](#).

Limitations on Charges, Billing, and Collections

Virginia does not limit hospital charges, billing, or collection practices.

Income Tax Exemption

Virginia exempts from state income tax nonprofit corporations that are exempt from federal income tax.



Virginia exempts from state income tax “benevolent or other corporations not organized for pecuniary profit” that are exempt from federal income tax. [Va. Code §58.1-401\(5\)](#).

Property Tax Exemption

Virginia law exempts nonprofit hospitals from state property tax.

Virginia law exempts from state property tax property belonging to and “actually and exclusively occupied and used” by nonprofit hospitals. [Va. Code §58.1-3606\(A\)\(5\)](#).

Sales Tax Exemption

Virginia law exempts nonprofit hospitals from state sales and use taxes.

Virginia law exempts from state sales and use taxes purchases of tangible personal property for use or consumption by a nonprofit entity that is federally tax-exempt under Internal Revenue Code §501(c)(3) and satisfies several additional conditions. [Va. Code §58.1-609.11\(C\)](#).





WASHINGTON

Community Benefit Requirement

Washington requires both nonprofit and for-profit hospitals to provide free and discounted care to indigent patients. [Wash. Rev. Code §70.170.060\(5\)](#).

Minimum Community Benefit Requirement

Washington law does not specify a minimum level of community benefits that nonprofit hospitals must provide.

Community Benefit Reporting Requirement

Washington requires nonprofit and for-profit hospitals to report charity care provided.

Washington law requires hospitals to compile and report to the Washington Department of Health the amount of free and discounted care provided. [Wash. Admin. Code §246-453-080](#).

Community Health Needs Assessment

Washington requires nonprofit hospitals that have been federally recognized under §501(c)(3) of the Internal Revenue Code to make their federally required community health needs assessment widely available to the public within 15 days of its submission to the IRS. [Wash. Rev. Code §70.41.470\(1\)](#).

Community Benefit Plan/Implementation Strategy

Washington requires nonprofit hospitals to make community benefit plans and implementation strategies publically available.

Washington requires each federally recognized 501(c)(3) tax-exempt hospital to make widely available to the public, within one year of completing its community health needs assessment, its federally required implementation strategy. Either as part of the implementation strategy or separately, the hospital must explain why any recommendations for community benefit proposals identified in the hospital's community health needs assessment through stakeholder consultation were not accepted. If data are available, the implementation strategy must be evidence-based; innovative programs and practices should be supported by evaluation measures. [Wash. Rev. Code §70.41.470](#) (2012).



Financial Assistance Policy

Washington requires nonprofit and for-profit hospitals to adopt and implement financial assistance policies. [Wash. Rev. Code §70.170.060\(5\)](#).

Washington requires hospitals to provide free and discounted care to patients whose responsible parties are identified as indigent, based on specified criteria: responsible parties with family income not exceeding 100 percent of the federal poverty level are indigent and qualify for “charity sponsorship” for the full amount of hospital charges not otherwise covered by public or private sources. [Wash. Admin. Code §246-453-040\(1\)](#). Responsible parties with family income of 101 to 200 percent of the federal poverty level are indigent and qualify for discounted charges in accordance with the hospital’s sliding fee schedule and policies regarding individual financial circumstances. [Wash. Admin. Code §246-453-040\(2\)](#). Hospitals also have discretion to identify responsible parties with higher income as indigent and eligible for discounted charges based on individual financial circumstances. [Wash. Admin. Code §246-453-040\(3\)](#). Hospitals must implement a sliding fee schedule for patients identified as indigent for discounted charges following mandated guidelines. [Wash. Admin. Code §246-453-050\(1\)](#).

Financial Assistance Policy Dissemination

Washington requires hospitals to make publicly available notice that hospital charges incurred by indigent responsible parties may be waived or reduced. [Wash. Admin. Code 246-453-020\(2\)](#).

Limitations on Charges, Billing, and Collections

Washington limits nonprofit hospital billing and collection practices.

A nonprofit or for-profit hospital may not begin collection activities until it has made an initial determination of whether the patient has public or private insurance and whether the responsible party is indigent and eligible for free or discounted care. [Wash. Admin. Code 246-453-020\(1\)](#); [Wash. Rev. Code §70.170.060\(6\)](#). If a hospital’s initial determination finds that the patient may be an indigent person, collection efforts must cease until a final determination is made. [Wash. Admin. Code 246-453-020\(1\)\(c\)](#).

Income Tax Exemption

Washington does not have a state income tax.

Property Tax Exemption

Washington law exempts nonprofit hospitals from state property tax.

Washington law exempts from taxation the real and personal property used by nonprofit hospitals. [Wash. Rev. Code §84.36.040\(1\)\(e\)](#).



Sales Tax Exemption

Washington law does not exempt nonprofit hospitals from sales tax.

In general, Washington nonprofit organizations must pay sales tax on goods and services they purchase. [Wash. Rev. Code §82.08.020\(1\)](#); [Washington State Department of Revenue](#). However, Washington law exempts sales to hospitals that do not charge patients for health care. [Wash. Rev. Code §82.08.02795](#).



WEST VIRGINIA

Community Benefit Requirement

West Virginia nonprofit hospitals must demonstrate that their property is used for charitable purposes in order to qualify for property tax exemption.

West Virginia exempts from taxation “property used for charitable purposes and not held or leased out for profit” and “property belonging to ... any hospital not held or leased out for profit.” [W. Va. Code §11-3-9\(a\)\(12\)](#) and [\(a\)\(17\)](#). Regulations establish that the primary factor in determining the charitable purpose of a hospital is the provision of charity care. [W. Va. Code R. §110-3-24](#). Additional factors include “[t]he provision of activities which promote the health of the community served by the hospital and/or decrease the burdens of state, county and municipal governments ...” [W. Va. Code R. §§ 110-3-24.2](#). Charity care is uncompensated care provided to “indigent and medically indigent people” as part of a written mission or charity care policy. [West Virginia Health Care Authority, 2013 Annual Report](#).

Minimum Community Benefit Requirement

West Virginia law does not specify a minimum level of community benefits that nonprofit hospitals must provide.

As a condition of property tax exemption, nonprofit hospital property must be used for a charitable purpose. A hospital may demonstrate charitable use of its property by providing charity care “in a volume and frequency determined by the hospital board of trustees, as articulated in the charity care plan ...” [W. Va. Code R. §§ 110-3-24.2.1](#).

Community Benefit Reporting Requirement

West Virginia nonprofit hospitals must report charity care discharge data to the state Health Care Authority.

West Virginia requires hospitals to report data extracted from billing systems with respect to all hospital inpatient stays, regardless of the expected source of payment, expressly including “charity discharges.” [West Virginia HealthCare Authority, Data Collection Policies and Procedures](#), p.1.

Community Health Needs Assessment

West Virginia does not require nonprofit hospitals to conduct community health needs assessments.



Community Benefit Plan/Implementation Strategy

West Virginia does not require nonprofit hospitals to develop community benefit plans or implementation strategies.

Financial Assistance Policy

West Virginia nonprofit hospitals that rely on the provision of charity care to establish their property's "charitable use" and qualification for property tax exemption must develop a charity care plan.

A hospital's charity care plan must be reviewed by its Boards of Trustees at least every two years. [W. Va. Code R. §§110-3-24.9.3 - 110-3-24.9 .8.5.](#)

Financial Assistance Policy Dissemination

West Virginia nonprofit hospitals that rely on the provision of charity care to establish their property's "charitable use" and qualification for property tax exemption must disseminate their financial assistance policies.

West Virginia requires that such hospitals post in the emergency and admitting areas a notice containing a statement of the existence of their obligation to provide free and below-cost care and of the criteria and mechanism for receiving such care. Written notices must also be provided to each person admitted or treated who does not demonstrate payment coverage under governmental programs or private insurance. [W. Va. Code R. §110-3-24.9.4.5.](#)

Limitations on Charges, Billing, and Collections

West Virginia does not limit nonprofit hospital charges, billing, or collection practices.

Income Tax Exemption

West Virginia law exempts nonprofit hospitals from state income tax.

West Virginia law exempts from state income tax corporations that are exempt from federal income tax. [W. Va. Code §11-24-5\(a\).](#)

Property Tax Exemption

West Virginia law exempts from state property tax real and personal property that is used for a "charitable purpose."

West Virginia exempts from taxation "property used for charitable purposes and not held or leased out for profit" and "property belonging to ... any hospital not held or leased out for profit." [W. Va. Code §11-](#)



[3-9\(a\)\(12\)](#) and [\(a\)\(17\)](#). Regulations establish that the requisite charitable uses include charity care and “the provision of activities which promote the health of the community served by the hospital and/or decrease the burdens of state, county and municipal governments ...” [W. Va. Code R. §§ 110-3-24.2](#). Charity care is uncompensated care provided to “indigent and medically indigent people” as part of a written mission or charity care policy. [West Virginia Health Care Authority, 2013 Annual Report](#).

Sales Tax Exemption

West Virginia law does not generally exempt nonprofit organizations from sales tax. [W. Va. Code §11-15-9\(a\)\(6\)](#).



WISCONSIN

Community Benefit Requirement

Wisconsin law does not expressly require nonprofit hospitals to provide community benefits.

Minimum Community Benefit Requirement

Wisconsin law does not expressly require nonprofit hospitals to provide community benefits.

Community Benefit Reporting Requirement

Wisconsin requires nonprofit and for-profit hospitals to report charity care.

Each Wisconsin hospital must annually submit a fiscal survey reporting the number of patients to whom it provided “uncompensated health care services” during the prior year and the total accrued charges for those services. The report must include a breakdown of charity care and bad debt expenses. [Wis. Admin. Code \[DHS\] §120.12\(2\)\(b\)\(2\)](#).

Community Health Needs Assessment

Wisconsin does not require nonprofit hospitals to conduct community health needs assessments.

Community Benefit Plan/Implementation Strategy

Wisconsin does not require hospitals to develop community benefit plans or implementation strategies.

However, each Wisconsin hospital must submit an annual uncompensated health care service plan that projects the number of patients to whom the hospital expects to provide uncompensated health care services in the upcoming year and the expected charges for those services. [Wis. Stat. §153.20\(2\)](#).

Financial Assistance Policy

Wisconsin requires nonprofit and for-profit hospitals to submit their financial assistance policies to the state Department of Health and Family Services.



Wisconsin requires that each hospital's annual uncompensated health care service plan indicate how the hospital notifies the public about the availability of charity care and must describe the procedure for obtaining such care. [Wis. Admin. Code \[DHS\] §120.12\(1\)\(a\)\(3\)](#). In 2007, The Wisconsin Hospital Association issued the voluntary, nonbinding, [Billing and Collection Guidelines for Wisconsin Hospitals](#), which also addresses financial assistance.

Financial Assistance Policy Dissemination

Wisconsin law implicitly requires nonprofit and for-profit hospitals to inform the public about their financial assistance policies.

Wisconsin hospitals must annually submit an uncompensated health care service plan that includes an indication of how it informs the public "about charity care available at that hospital and a description of the procedure for obtaining the care." [Wis. Admin. Code \[DHS\] §120.12\(1\)\(a\)\(3\)](#).

Limitations on Charges, Billing, and Collections

Wisconsin law does not limit nonprofit hospital charges, billing, or collection practices.

In 2007, The Wisconsin Hospital Association issued the voluntary, nonbinding, [Billing and Collection Guidelines for Wisconsin Hospitals](#).

Income Tax Exemption

Wisconsin law exempts nonprofit corporations from state income tax.

Wisconsin law exempts from taxation "income ... of all religious, scientific, educational, benevolent, or other corporations or associations of individuals not organized or conducted for pecuniary profit." [Wis. Stat. §71.26\(1\)\(a\)](#).

Property Tax Exemption

Wisconsin law exempts nonprofit hospitals from property tax.

Wisconsin exempts from property tax real property owned and used, and personal property used exclusively for, the charitable purposes of any [nonprofit] hospital of 10 beds or more. [Wis. Stat. §70.11\(4m\)](#).

Sales Tax Exemption

Wisconsin exempts nonprofit charitable organizations from state sales and use tax.

Wisconsin law exempts from state sales and use tax corporations organized and operated exclusively for religious, charitable, scientific, or educational purposes. [Wis. Stat. §77.54\(9a\)\(f\)](#).





WYOMING

Community Benefit Requirement

Wyoming law does not expressly require nonprofit hospitals to provide community benefits.

Minimum Community Benefit Requirement

Wyoming law does not expressly require nonprofit hospitals to provide community benefits.

Community Benefit Reporting Requirement

Wyoming does not require nonprofit hospitals to report community benefits.

Community Health Needs Assessment

Wyoming does not require nonprofit hospitals to conduct community health needs assessments.

Community Benefit Plan/Implementation Strategy

Wyoming does not require nonprofit hospitals to develop community benefit plans or implementation strategies.

Financial Assistance Policy

Wyoming does not require nonprofit hospitals to adopt or implement financial assistance policies.

Financial Assistance Policy Dissemination

Wyoming does not require nonprofit hospitals to adopt or implement financial assistance policies.

Limitations on Charges, Billing, and Collections

Wyoming does not limit nonprofit hospital charges, billing, or collection practices.

Income Tax Exemption

Wyoming does not have a corporate income tax.



Property Tax Exemption

Wyoming property tax law exempts property used for hospitals “to the extent they are not used for private profit.” [Wyo. Stat. § 39-11-105\(a\)\(xxv\)](#).

Sales Tax Exemption

Wyoming law exempts nonprofit hospitals from state sales tax.

Wyoming law exempts sales to organizations operated primarily for charitable purposes. [Wyo. Stat. §39-15-105\(a\)\(iv\)\(B\)](#); [Wyoming Department of Revenue, Sales Tax Exemptions for Nonprofit Organizations, p. 8](#).





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