



The Hilltop Institute

analysis to advance the health of vulnerable populations

All In This Together: Public Health and Community Benefit

ACA Requirements and Context

APHA Midyear – June 27, 2012

Michael Nolin

Hilltop Hospital Community Benefit Program



The Hilltop Institute

analysis to advance the health of vulnerable populations

Hospital Community Benefit Program

Newsletter Subscription

To subscribe to the Community Benefit Briefing, send an e-mail with your request to hcbp@hilltop.umbc.edu.

Funded by the Robert Wood Johnson Foundation
and the Kresge Foundation



The Hilltop Institute

Historical Context: Community Benefit Standard

- Charity care/financial assistance, subsidized health services
- Research and health professions education
- Financial and in-kind donations for community benefit
- **Activities to promote community health improvement**

IRS Reporting

- Report hospital's expenses associated with providing community benefit
 - Form 990: All tax-exempt entities

Form 990		Return of Organization Exempt From Income Tax		OMB No. 1545-0047	
Department of the Treasury Internal Revenue Service		Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)		2011 Open to Public Inspection	
▶ The organization may have to use a copy of this return to satisfy state reporting requirements.					
A For the 2011 calendar year, or tax year beginning		, 2011, and ending		, 20	
B Check if applicable:		C Name of organization		D Employer identification number	
<input type="checkbox"/> Address change	Doing Business As				
<input type="checkbox"/> Name change	Number and street (or P.O. box if mail is not delivered to street address)		Room/suite	E Telephone number	
<input type="checkbox"/> Initial return	City or town, state or country, and ZIP + 4				
<input type="checkbox"/> Terminated			G Gross receipts \$		
<input type="checkbox"/> Amended return	F Name and address of principal officer:		H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input type="checkbox"/> No		
<input type="checkbox"/> Application pending			H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)		
I Tax-exempt status:	<input type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		H(c) Group exemption number ▶		
J Website: ▶					
K Form of organization:	<input type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		L Year of formation:	M State of legal domicile:	
Part I Summary					
1 Briefly describe the organization's mission or most significant activities:					

IRS Reporting Context: Schedule H

- Schedule H: Tax-exempt hospitals report community benefit expenses by category (e.g., financial assistance, subsidized health services, community health improvement services, community benefit operations)

SCHEDULE H (Form 990) Department of the Treasury Internal Revenue Service	Hospitals ▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 20. ▶ Attach to Form 990. ▶ See separate instructions.		OMB No. 1545-0047 2011 Open to Public Inspection						
	Name of the organization		Employer identification number						
Part I Financial Assistance and Certain Other Community Benefits at Cost									
1a Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a . . .			<table border="1"> <tr> <td></td> <td>Yes</td> <td>No</td> </tr> <tr> <td>1a</td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </table>		Yes	No	1a	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No							
1a	<input type="checkbox"/>	<input type="checkbox"/>							

The Judicial/State Context: Provena

- Revocation of (property) tax exemption:
 - 2004 County Board of Revenue
 - State Dept of Revenue
 - Illinois Supreme Court (2010)

The ACA Context

- Legislative context: Charity care dramatically changes under the ACA
 - Additional insurance coverage for over 32 million
 - Other expectations/limitations for hospitals

ACA Requirements: CHNA

- Community Health Needs Assessment (CHNA)
- CHNA implementation strategy
- Community input/public health
- Report on meeting needs via Tax Form 990

Additional ACA Requirements

- Written emergency care policy
- Financial assistance policy
- Limitation on hospital charges
- Billing and collection requirements

Standards: How much is enough?

- No minimum amount
- “Facts and Circumstances” approach

Sanctions

- \$50,000 excise tax
- Loss of tax exemption

State Health Policy Factors

State Policy: CHNA Examples

- SHIP Coordination
 - Review and Approve – Minnesota
 - Voluntary Cooperation – North Carolina
 - Regional Collaboration - Oregon
- Increased State Budget Attention

Hospital Pushback?

News Room



Email



Print Friendly



Share

SOURCE: VHA Inc.

May 16, 2012 12:12 ET

VHA Calls for Simplification of Burdensome Hospital Tax-Exempt Status Regulations

Schedule H Needs Streamlining to Reduce Redundant and Overly Prescriptive Requirements

Hospital Centric Planning?

Managing Population Health: The Role of the Hospital

April 2012



About The Hilltop Institute

The Hilltop Institute at the University of Maryland, Baltimore County (UMBC) is a nationally recognized research center dedicated to improving the health and wellbeing of vulnerable populations. Hilltop conducts research, analysis, and evaluations on behalf of government agencies, foundations, and nonprofit organizations at the national, state, and local levels.

www.hilltopinstitute.org

Contact Information

Michael Nolin

Interim Executive Director

The Hilltop Institute

mnolin@hilltop.umbc.edu

www.hilltopinstitute.org