All In This Together: Public Health and Community Benefit

ACA Requirements and Context

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

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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
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)
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?

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

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American Hospital Association

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