



*We Will Empower Bold Change to Elevate  
Human Flourishing.<sup>SM</sup>*

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## **CHA STATEMENT ON RECENT LOWN INSTITUTE REPORT**

*Statement by Sr. Mary Haddad, RSM, President and Chief Executive Officer,  
Catholic Health Association of the United States*

WASHINGTON, DC – "Once again, the Lown Institute has published a [misleading report](#) on community benefit spending among tax-exempt hospitals and health systems that cherry-picks data to fit their political agenda. The report's failure to include hospital costs for unreimbursed Medicaid, health professional education, and research, demonstrates an utter disregard for reporting on the actual community benefit impact, as set out by the IRS. Instead, the report's findings promote a distorted view of nonprofit hospital community benefit programs and completely ignore the ways nonprofit hospitals, even in the midst of the pandemic, went above and beyond to serve their communities as critical health care providers and anchor institutions.

"The Catholic Health Association of the United States (CHA) and our members are committed to building a just health care system that works for everyone. Since our founding, Catholic health care has prioritized investing in the communities we serve to address the problems of access to care, chronic illness, disease, poverty, disparities, environmental dangers, and other social determinants of health that directly affect our patients and neighbors. According to the most recent publicly available data, the amount of community benefit for nonprofit Catholic hospitals in the United States was 8.46% of total spending, which is higher than the 5.9% that the Lown Institute arbitrarily decided is a 'fair share' expenditure.

"As in past reports, the Lown Institute did not include all of the [IRS community benefit categories](#) for their analysis. It is unfortunate that their report explicitly ignores several categories when comparing community benefit expenses and taxes not collected from nonprofit hospitals, giving an incomplete picture of hospitals' investments in their communities. The IRS is clear in its reporting requirements that a community benefit must respond to an identified community need and meet a community benefit objective, such as improving community health, increasing access to health services, enhancing public health, educating health professionals, or relieving the government burden to improve health. Also, it is important to recognize that the IRS provides comprehensive guidance to nonprofit hospitals to ensure complete and accurate reporting of community benefit. Tax-exempt hospitals can only report actual costs to the organization; they must subtract offsetting revenues for each category of community benefit and make adjustments to ensure there is no double-counting.

"The fact that the Lown Institute explicitly excludes a hospital's Medicaid shortfall in their analysis ignores the fact that Medicaid and other means-tested programs play a vital role in filling the gap in health care coverage, so all may receive the care they need. And, given the significant shortage of medical and nursing professionals across the country and the impact that has on access to care should

reinforce the necessity of the IRS inclusion of professional education and call into question the Lown Institute's complete disregard of the costs of health profession education as a community benefit.

"By choosing which IRS categories to use in their report, the Lown Institute shows that it is more interested in advancing a narrative that benefits its donors rather than providing a fair analysis of the important work of nonprofit hospitals and health systems. Reports like this from the Lown Institute continue to distract the public from the critical work being done by our nonprofit hospitals and the vital role they play in the communities served."

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*The Catholic Health Association of the United States is the national leadership organization of the Catholic health ministry, representing the largest nonprofit provider of health care services in the nation.*

- *1 in 7 patients in the U.S. is cared for in a Catholic hospital each day.*
- *Catholic health care, which includes more than 2,200 hospitals, nursing homes, long-term care facilities, systems, sponsors, and related organizations, serves the full continuum of health care across our nation.*
- *Learn more at [www.chausa.org](http://www.chausa.org).*