



*We Will Empower Bold Change to Elevate
Human Flourishing.™*

June 30, 2026

The Honorable Jason Smith
Chairman
House Committee on Ways and Means
Washington, DC 20515

The Honorable Richard E. Neal
Ranking Member
House Committee on Ways and Means
Washington, DC 20515

Dear Chairman Smith and Ranking Member Neal:

On behalf of the Catholic Health Association of the United States (CHA)—the national leadership organization representing more than 2,200 Catholic health care systems, hospitals, long-term care facilities, clinics, and service providers—I am writing to express our concerns with H.R. 9504, the *“Tax Exempt Hospital Transparency Act.”*

CHA represents the Catholic health ministry, the largest group of not-for-profit health care providers in the nation. Last year, Catholic hospitals provided care to 1 in 7 patients, employed 750,000 people, and had more than 5 million admissions, including one million Medicaid admissions. In collaboration with member hospitals and health systems, CHA developed the first uniform standards for community benefit reporting by not-for-profit groups and worked closely with congressional leaders and the IRS to develop the community benefit guidelines.

As longtime leaders in community benefit, we appreciate that H.R. 9504 reflects improvements from prior discussions and that the Committee has sought to address concerns raised by hospitals and other stakeholders. However, we remain concerned that the bill adds numerous new, duplicative, and costly reporting requirements that would provide little clear value to patients and policymakers while diverting resources from patient care and community health. For example, the bill would require hospitals to report financial assistance, advertising, and other information that is already available on their current Schedule H or CMS S-10 Medicare Cost Reports.

We are also particularly concerned that the bill appears to narrow community benefit reporting by emphasizing financial assistance while failing to capture the broader ways not-for-profit hospitals serve their communities. Financial assistance is critically important, and Catholic hospitals are proud of their commitment to care for patients regardless of their ability to pay. The average not-for-profit hospital provides free care to households at or below 200% of the federal poverty level and discounted care at or below 400% of FPL, meaning a family of four earning \$132,000 may qualify for assistance. But financial assistance alone does not tell the full story. Not-for-profit hospitals also support community health improvement, health professions education, subsidized services, research, emergency preparedness, behavioral health, maternal and infant health, housing, nutrition, and other efforts that address the root causes of poor health.

This is especially important as Medicaid underpayments and shortfalls continue to grow. Medicaid shortfalls are a core part of the not-for-profit hospital community benefit story because they reflect the cost of caring for low-income patients when reimbursement falls short. As the

number of individuals without insurance increases due to changes to Medicaid programs, federal law should continue to recognize the full range of community benefit activities, including Medicaid shortfalls, rather than moving toward a narrower framework that overlooks not-for-profit hospitals' role in sustaining the safety net.

We are also concerned that the proposed changes to community health needs assessments (CHNAs) may not reflect the complexity of community needs. CHNAs are community-driven processes informed by public health experts, community organizations, local leaders, patients, and residents. Limiting reporting to a small number of priority needs could create an incomplete picture and unintentionally discourage hospitals from addressing broader challenges. In addition, the requirement for hospitals to also report on community needs not included in their CHNA means hospitals would be forced to report on an almost endless list of needs they cannot meet. The reality is that CHNAs are based on the idea that local communities know what they need better than a one-size-fits-all federal mandate. Federal policy, therefore, should support a flexible CHNA and community benefit reporting process that reflects local realities.

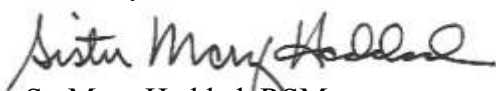
We also urge the Committee to review the proposed 340B provisions, which would further burden Catholic and other not-for-profit hospitals. The proposed reporting requirements risk creating a misleading and incomplete picture of the program by focusing on selected financial metrics while failing to capture its full value to patients and communities.

In addition, by creating different reporting requirements for all tax-exempt hospitals, "large" tax-exempt hospitals, and "high revenue" tax-exempt hospitals, the bill would add complexity to both reporting and oversight. Under the bill, more than 1,500 hospitals would be designated as "large" and "high revenue" hospitals. That means that the bill's most excessive and costly reporting requirements would affect a significant number of hospitals. This would mean the financial cost of implementing and overseeing the new multi-tiered requirements would further divert health care dollars from the bedside to reporting and overhead.

Finally, H.R. 9504 would grant broad new authority to HHS, IRS, and other federal agencies, even as existing oversight obligations remain incomplete or underfunded. Before expanding agency discretion, as directed in the bill, to create costly and complicated new reporting frameworks, service-line taxonomies, and cost-allocation methodologies, Congress should first review existing oversight findings and determine whether additional requirements are necessary, targeted, and workable.

We thank you for your leadership on behalf of the communities we are privileged to serve. We stand ready to work with you to address these concerns and to strengthen the community benefit standard to avoid unnecessary burdens and advance the shared goal of expanding access, affordability, and community health.

Sincerely,



Sr. Mary Haddad, RSM
President and CEO