December XX, 2015

The Honorable John Koskinen
Commissioner
Internal Revenue Service
1111 Constitution Avenue, NW
Washington, DC 20224

Dear Commissioner Koskinen,

We are writing to request that the Internal Revenue Service (IRS) modify its Form 990 Schedule H, which is used by nonprofit hospitals to report their community benefits and other data related to tax-exemption. We ask that the IRS move Part II of the Form 990 Schedule H, which contains "Community Building" activity, into Part I, where hospitals account for "Community Benefit" activity. This modification would encourage evidence-based housing interventions and other activities that promote community health by allowing them to count as "community benefit" rather than "community building."

According to recent public health reports, the physical environment in which an individual lives— in addition to socio-economic factors—may be responsible for up to 50 percent of an individual or community's health outcomes. Moreover, public health experts believe that interventions targeting these determinants of health can be even more effective in improving the health of individuals and communities than clinical care alone. There is widespread consensus that affordable, healthy and safe housing in particular is essential for positive health outcomes. The reverse is also true: homelessness or unsafe and unhealthy housing can cause illness, aggravate chronic conditions and lead to lifelong health issues. The longer a child experiences homelessness or unsafe housing and the younger they are, the greater the cumulative toll of negative health outcomes on the child, family and community.

The clearest example of the relationship between poor health outcomes and inadequate housing is lead poisoning. Children from low-income communities and communities of color disproportionately live in distressed, older housing with a significant presence of lead-based paint hazards. As a result, they have increased rates of lead poisoning, which can result in behavioral problems; intellectual disabilities; barriers to academic success; and higher rates of incarceration. Childhood lead poisoning is estimated to result in an average lifetime earnings loss of $723,000 per child[1] and $50.9 billion in lost economic productivity per year.[2]

Poor housing can also cause or aggravate childhood asthma, which is the single most common chronic illness in children. In 2009, the Robert Wood Johnson Foundation's Commission to Build a Healthier America reported that approximately 40 percent of asthmatic episodes are

[1]National Center for Environmental Health, Centers for Disease Control and Prevention. Grosse et al. "Economic Gains Resulting from the Reduction in Children's Exposure to Lead in the United States," Environmental Health Perspectives 110:563–569, June 2002.
[2] Reducing The Staggering Costs Of Environmental Disease In Children, Estimated at $76.6 Billion in 2008. Health Affairs. May 2011.Leonardo Trasande,* and Yinghua Liu.

caused by home-based environmental triggers.[3] Further, the NIH Guidelines for the Diagnosis and Management of Asthma include the control of environmental factors.[4] According to research, childhood asthma costs the United States health system $56 billion annually in direct costs and lost productivity.

We know how to address the physical and financial burden caused by unsafe housing and environmental hazards. Hospitals across the country, in partnership with public health agencies and community stakeholders, are working to address inadequate housing in their communities. These partnerships have created safe and affordable housing in at-risk neighborhoods; helped rid buildings of lead paint; and used creative strategies to eliminate asthma triggers from the homes of asthmatic children. Efforts like these provide more than just health benefits. For every dollar invested in lead poisoning prevention, taxpayers save up to $221.00[5]. Moreover, the government saves up to $14.00[6] per every dollar spent on asthma deterrence.

Unfortunately, housing improvements and other upstream activities are not included as Community Benefits in Part I of the Form 990 Schedule H, but only in Part II, as Community Building. The delineation between Part I and Part II results in many hospitals being unsure if upstream activities can be considered a Community Benefit, which discourages hospitals from embarking on housing-related activities.

We urge the IRS to address this unintended consequence of the Form 990 Schedule H, and encourage hospitals to support housing improvements and other upstream health activities. The IRS should make community building activities a category under Community Benefit in Part I of the Form 990 Schedule H. This will make it clear to hospitals that they can report housing improvements and other upstream activities as community benefit and that the cost of these activities are counted in the total community benefit calculation. As with other community benefit activities, in order to be reported, these activities would be required to address a documented community health need and meet a community benefit objective.

Hospitals have the capacity to improve the health of their communities. This revision would remove a barrier that limits their ability to address the needs of their local community. Given the significant evidence about the connection between preventive health activities like safe housing and positive health and economic outcomes, the IRS should act quickly to amend and clarify the Form 990 Schedule H. As Congress continues to work to improve the health and well-being of all Americans, we look forward to hearing from you regarding the agency's progress on modifying the Form 990 Schedule H.

Sincerely,

[3] Robert Wood Johnson Foundation Commission to Build A Healthier America. Beyond Health Care: New Directions To A Healthier America Report. April 2009

[4] NIH NHLBI. Guidelines for the Diagnosis and Management of asthma. (EPR-3). Section 3. 2007.

[5] Elise Gould, Childhood Lead Poisoning: Conservative Estimates of the Social and Economic Benefits of Lead Hazard Control. "Environmental Health Perspectives." Volume 117 Issue 7. July 2009.

[6] Tursynbek A.Nurmagambetov, Ph.D, Sarah Beth L. Barnett, MA, Verughese Jacob, PhD, Sajal K. Chattopadhyay, PhD, David P. Hopkins, MD, MPH, Deidre D. Crocker, MD, Gema G. Dumitru, MD, MPH, Stella Kinyota, MD, MPH. Task Force on Community Preventive Services. "Economic Value of Home-Based, Mult-Trigger, Multicomponent Interventions with an Encitronmental Focus for Reducing Asthma Morbity: A Community Guide Systematic Review." Elsevier Inc. on behalf of American Journal of Preventive Medicine. May 11, 2011.

cc: The Honorable Jacob J. Lew
Secretary
Treasury
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The Honorable Sylvia Mathews Burwell
Secretary
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