

COMMUNITY BENEFIT

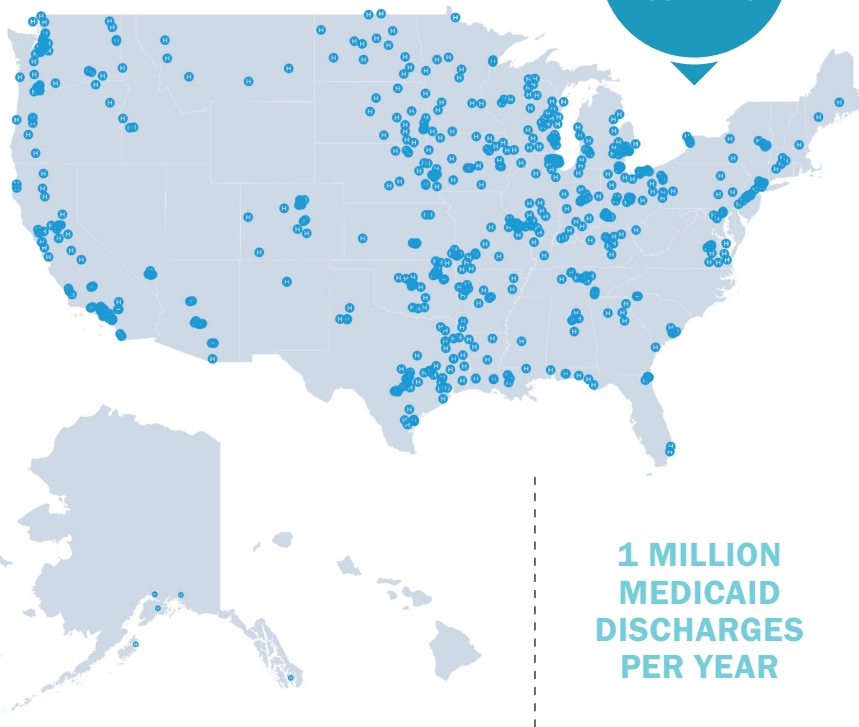
TOTAL COMMUNITY BENEFIT*

MORE THAN
\$14.6 BILLION

From the very beginning, civic leaders and congregations of religious women and men courageously responded to the needs of the communities they were called to serve. Today, that same call to provide health and hope is being answered in unique and creative ways through community benefit programs.

H

646
CATHOLIC
HOSPITALS



INVESTMENT*

\$2.7 billion

Financial assistance
at cost (charity care)

\$7.9 billion

Unreimbursed
Medicaid and costs of other
means-test programs

\$3.2 billion

Community health improvement,
subsidized health services and
cash and in-kind contributions for
community benefit

\$1.7 billion

Health professions education

\$100 million

Health research

* Based on an analysis of available data from 343
TY22 IRS Form 990 Schedule H filings representing
approximately 646 Catholic hospitals



Visit chousa.org for additional
resources around community benefit
news, policy and worksheets.



COMMITMENT TO COMMUNITY BENEFIT

Integral to the mission of Catholic and other not-for-profit health care organizations, community benefit is an extension of not-for-profit hospitals' historic mission to meet the needs of their communities, especially the needs of vulnerable and under-served members in their communities. For over 30, years, CHA has been the leader in the community benefit field, helping not-for-profit health care organizations fulfill their community benefit mission and compliance with federal tax-exemption.

COMMUNITY BENEFIT REQUIREMENTS

Community benefit programs are a well-defined set of activities that provide treatment or promote health and healing as a response to identified community needs. Tax-exempt hospitals are required to work with their communities to (1) conduct a community health needs assessments (CHNA), (2) create an implementation plan and (3) report on their community benefit programs and expenses through their publicly available IRS Form 990 Schedule H and (4) meet IRS requirements regarding financial assistance, billing and collections.

The Internal Revenue Service (IRS) identifies eight categories of community benefit that are reportable on tax-exempt hospitals' IRS Form 990 Schedule H:

- ✦ Financial assistance at cost (also known as charity care),
- ✦ Unreimbursed Medicaid
- ✦ Costs of other means-tested government programs,
- ✦ Community health improvement services and community benefit operations,
- ✦ Health professions education,
- ✦ Subsidized health services,
- ✦ Research, and
- ✦ Cash and in-kind contributions for community benefit.

COMMON COMMUNITY BENEFIT QUESTIONS

Isn't community benefit just a different way of saying charity care? No. Charity care, or financial assistance (the term used by the IRS), is just one of the eight categories of community benefit that hospitals provide and report on their IRS Form 990 Schedule H. All eight categories of community benefit are important to the health and well-being of our communities

How is hospital compliance with these requirements monitored? The IRS [as mandated by the Affordable Care Act (ACA)] is required to review each hospital's community benefit activity at least once every three years. Noncompliance can result in the loss of federal tax exemption. Failure to meet a CHNA requirement can result in a \$50,000 excise tax for each year of noncompliance. The IRS also has the option of imposing taxes on all net income of a hospital that is out of compliance with the CHNA or other ACA requirements in a given year.

Can hospitals report any community service activity as a community health improvement service on IRS Form 990 Schedule H? No. To be reported as a community health improvement service, an activity must address an identified community health need, not benefit the organization more than the community (for example, activities designed primarily for marketing or to generate referrals) and must meet a community benefit objective such as improving access to health care services, enhancing public health, promoting medical knowledge, or reducing a government burden.

Why do some studies and reports give differing community benefit numbers and percentages? There are a number of data sets that researchers or members of the media could be using in order to try to tell a story about community benefit. These often only focus on one or a couple of aspects of community benefit. The best way to understand the full picture of a nonprofit's hospitals impact is to look at its community needs assessment and see its IRS Form 990 Schedule H report on community programs.