

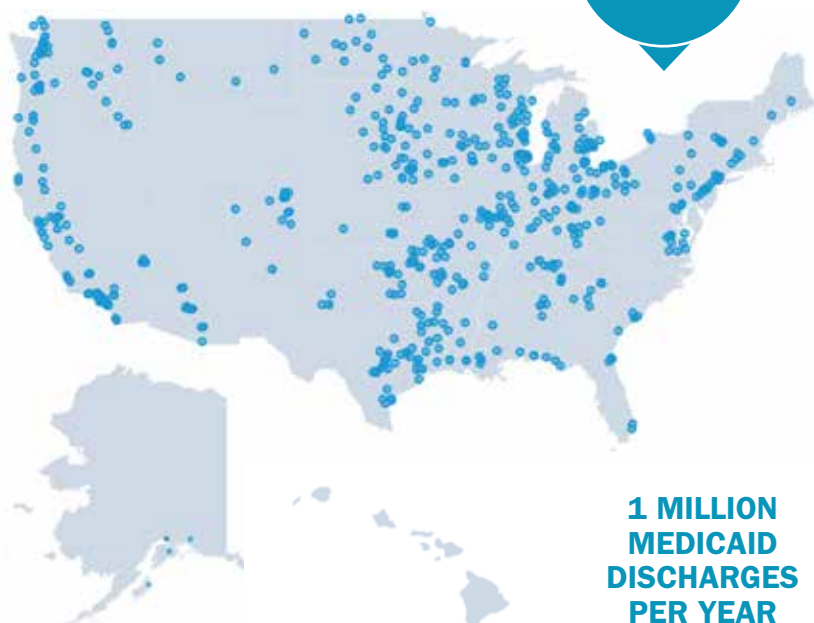
Catholic Healthcare

A Mission to Care ✦ A Commitment to Our Communities

TOTAL INVESTMENTS IN COMMUNITY HEALTH

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 647
CATHOLIC
HOSPITALS



Employees
480,747 Full-time
211,227 Part-time



4.5 million admissions
99 million outpatient visits
19 million emergency room visits



Visit chausa.org to learn more and access resources and tools to assess, plan and report nonprofit hospital community benefit and comply with federal requirements.

MORE THAN
\$14.3 billion
in Community Benefit

\$3.0 billion
Financial assistance at cost
(charity care)

\$7.3 billion
Unreimbursed Medicaid and costs
of other means-tested programs

\$2.2 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

\$7.9 billion
in Other Investments
in Community Health

\$7.6 billion
Unreimbursed cost of Medicare

\$71 million
Community building activities

\$200 million
Bad debt attributable to financial assistance

Based on an analysis of available data from 370 TY23 IRS Form 990 Schedule H filings representing approximately 634 Catholic hospitals.

MISSION-DRIVEN NOT-FOR-PROFIT HOSPITALS:

- ✦ Put patients and community first, especially vulnerable populations
- ✦ Reinvest surplus funds into the health and wellness of the community, not shareholders
- ✦ Are more likely to provide essential services because of community need even if unprofitable
- ✦ Pay payroll taxes, unrelated business income taxes, as well as other taxes and fees
- ✦ Comply with all the transparency and quality requirements that other hospitals have from HHS/CMS, and are subject to additional transparency requirements by the IRS
- ✦ Investments in community benefits far exceed the value of federal revenue forgone from their nonprofit tax-exempt status

Commitment to Community Benefit

Community benefit is an extension of Catholic and other not-for-profit hospitals' historic mission to meet the needs of their communities, especially those who experience poverty, vulnerabilities and are underserved.

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 assessment (CHNA), (2) create an implementation plan (3) report on their community benefit programs and expenses through their publicly available IRS Form 990 Schedule H, (4) meet IRS requirements regarding financial assistance, billing and collections and (5) reinvest surplus funds into the health and wellness of the community.

FAQs

Is community benefit another way to say charity care?

No. Charity care (called "financial assistance at cost" by the IRS) is **only one of the eight** categories of community benefit that hospitals provide and report on the IRS Form 990 Schedule H. All eight categories of community benefit are important to the health and well-being of our communities.

The IRS recognizes eight reportable community benefit categories:

- Financial assistance at cost (charity care)
- Unpaid costs of Medicaid
- Unpaid costs of other means-tested government programs
- Community health improvement services and community benefit operations
- Health professions education
- Subsidized health services
- Research
- Cash and in-kind contributions for community benefit

Can hospitals report any community service activity as community benefit?

No. To qualify, an activity must address an identified community health need, benefit the community more than the hospital (i.e., not marketing/referral-driven) and advance at least one community health objective, such as: improving access to care; enhancing public health; advancing generalizable health knowledge; reducing government burden to improve health.

How is hospital compliance with these requirements monitored?

The IRS ensures compliance. The Affordable Care Act (ACA), Section 9007(c), requires the IRS to review each hospital's community benefit activity at least once every three years. Accordingly, the IRS reviews about one-third of all tax-exempt hospitals annually. Noncompliance can result in 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 to impose taxes on all net income of the hospital that is out of compliance.

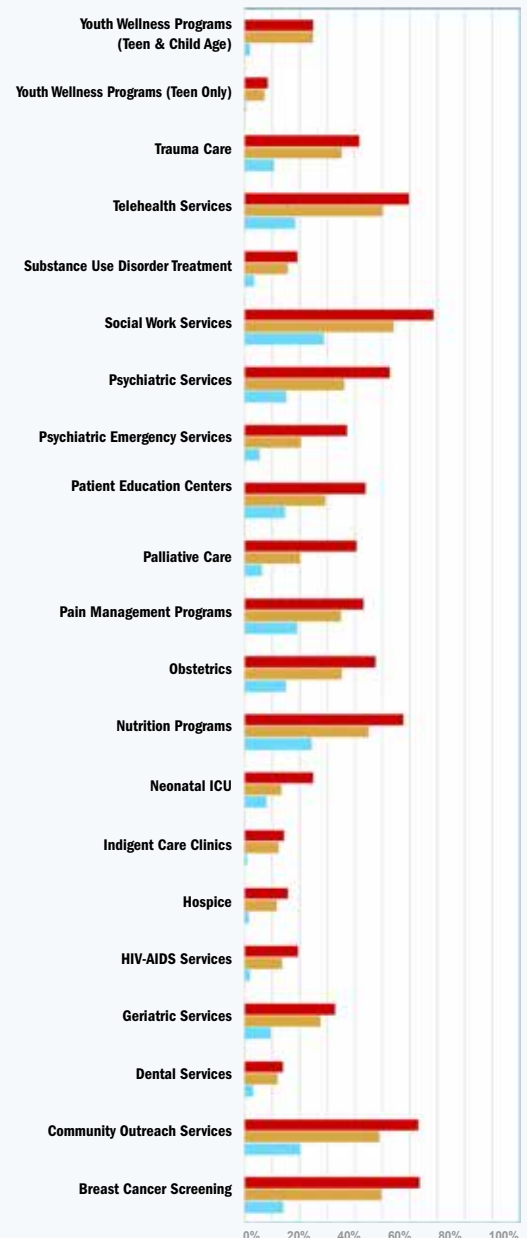
Why do some studies and reports show differing community benefit numbers and percentages?

There are a number of data sets that researchers, other organizations or members of the media can use to tell a story about community benefit. However, they often only focus on one or a couple of aspects of community benefit, leading to a narrow or incomplete picture of the full scope of community benefit activities. The best way to understand the full picture of a not-for-profit hospital's impact is to look at its community needs assessment and see its IRS Form 990 Schedule H report on community programs.

PERCENT OF U.S. HOSPITALS OFFERING SELECTED PUBLIC HEALTH AND SPECIALTY SERVICES*

Catholic hospitals often provide a higher percentage of public health and specialty services than other healthcare providers. These organizations' dedication to the common good often leads them to offer these traditionally "unprofitable" services.

■ Catholic ■ State/Local Govt ■ Investor Owned (For Profit)



*2024 AMERICAN HOSPITAL ASSOCIATION ANNUAL SURVEY

†THE CATHOLIC HEALTH ASSOCIATION OF THE UNITED STATES



A Mission to Care + A Commitment to Community

Catholic and other not-for-profit healthcare organizations respond to the unique needs of their communities and work to improve the health and well-being for all. They do this through their primary charitable purpose of providing healthcare, community benefit programs, as well as other activities and investments in health.

Learn more at chausa.org/communitybenefit