



AHA & CHA STATEMENT ON HUMAN RIGHTS WATCH REPORT ON HOSPITAL BILLING & COLLECTION PRACTICES

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America's hospitals and health systems, regardless of size, location, or type, are committed to treating all patients with respect and dignity while providing high quality, accessible care, regardless of ability to pay or health insurance status.

The report released today from Human Rights Watch — based in part on research funded by an organization with a track record for bias — conspicuously focuses on tax-exempt hospitals, largely in the absence of other sectors of health care, such as commercial insurers, drug, or device companies that contribute to hospital expenses as well as consumer debt. It all but ignores that [the root cause of medical debt](#) is inadequate commercial health care coverage.

Importantly, the report does not even attempt to present a comprehensive understanding of the community benefits tax-exempt hospitals provide or the IRS regulations they are subject to. For example, tax-exempt hospitals are required to report to the IRS Medicaid shortfalls for the low-income patients they treat, which is the difference between the actual costs of caring for a patient versus what the Medicaid program covers. The report gives these shortfalls, which for some hospitals make up more than 60 percent of community benefit work, short shrift.

In fulfillment of their tax-exempt obligations, [hospitals provided more than \\$110 billion in total benefits to their communities in 2019 alone](#), and total community benefits were 13.9 percent of hospitals' total expenses. Another indicator that hospitals are more than meeting their tax-exempt obligations is found in a comprehensive report by the international accounting firm EY that shows the community benefits provided by tax-exempt hospitals far outweighs the value of their federal tax exemption. [In the most recent analysis](#), the value was 9 to 1: for every one dollar in tax exemption, hospitals

provided nine dollars of community benefit.

As a field, hospitals provide far more benefit to their communities than any other part of the health care sector. While many hospitals and health systems are fighting to make ends meet due to inflation, workforce challenges, and other financial headwinds, other parts of the health system, including commercial insurers and drug companies, are experiencing record profits. It's time we all commit to working together toward a system that offers quality, affordable health care for everyone.

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