The Hilltop Institute

analysis to advance the health of vulnerable populations

All In This Together: Public Health and Community Benefit

ACA Requirements and Context

APHA Midyear – June 27, 2012

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AN HONORS UNIVERSITY IN MARYLAND

Hilltop Hospital Community Benefit Program

The Hilltop Institute

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Hospital Community Benefit Program

Newsletter Subscription

To subscribe to the Community Benefit Briefing, send an e-mail with your request to **hcbp@hilltop.umbc.edu**.

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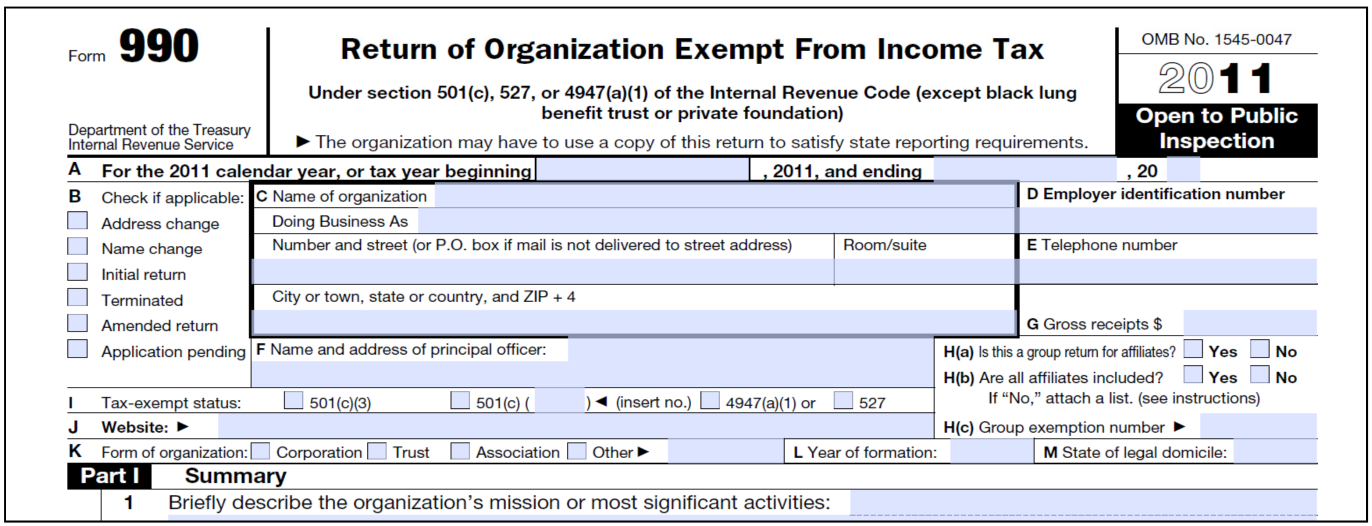
Historical Context: Community Benefit Standard

- Charity care/financial assistance, subsidized health services
- Research and health professions education
- Financial and in-kind donations for community benefit
- **Activities to promote community health improvement**

IRS Reporting

- Report hospital’s expenses associated with providing community benefit
  - Form 990: All tax-exempt entities



Form **990** — Department of the Treasury, Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

OMB No. 1545-0047 — 2011 — **Open to Public Inspection**

A For the 2011 calendar year, or tax year beginning , 2011, and ending , 20

B Check if applicable: Address change; Name change; Initial return; Terminated; Amended return; Application pending

C Name of organization

Doing Business As

Number and street (or P.O. box if mail is not delivered to street address) | Room/suite

City or town, state or country, and ZIP + 4

D Employer identification number

E Telephone number

G Gross receipts $

F Name and address of principal officer:

H(a) Is this a group return for affiliates? Yes No

H(b) Are all affiliates included? Yes No

If “No,” attach a list. (see instructions)

I Tax-exempt status: 501(c)(3) 501(c) ( ) ◀ (insert no.) 4947(a)(1) or 527

J **Website:** ▶

H(c) Group exemption number ▶

K Form of organization: Corporation Trust Association Other ▶

L Year of formation:

M State of legal domicile:

Part I Summary

1 Briefly describe the organization’s mission or most significant activities:

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IRS Reporting Context: Schedule H

- Schedule H: Tax-exempt hospitals report community benefit expenses by category (e.g., financial assistance, subsidized health services, community health improvement services, community benefit operations)

SCHEDULE H (Form 990) Department of the Treasury Internal Revenue Service	**Hospitals** ▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 20. ▶ Attach to Form 990. ▶ See separate instructions.	OMB No. 1545-0047 2011 Open to Public Inspection
Name of the organization		Employer identification number

Part I Financial Assistance and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a . .	1a		

The Judicial/State Context: Provena

- Revocation of (property) tax exemption:
  - 2004 County Board of Revenue
  - State Dept of Revenue
  - Illinois Supreme Court (2010)

The ACA Context

- Legislative context: Charity care dramatically changes under the ACA
  - Additional insurance coverage for over 32 million
  - Other expectations/limitations for hospitals

ACA Requirements: CHNA

- Community Health Needs Assessment (CHNA)
- CHNA implementation strategy
- Community input/public health
- Report on meeting needs via Tax Form 990

Additional ACA Requirements

- Written emergency care policy
- Financial assistance policy
- Limitation on hospital charges
- Billing and collection requirements

Standards: How much is enough?

- No minimum amount
- “Facts and Circumstances” approach

Sanctions

- $50,000 excise tax
- Loss of tax exemption

State Health Policy Factors

State Policy: CHNA Examples

- SHIP Coordination
  - Review and Approve – Minnesota
  - Voluntary Cooperation – North Carolina
  - Regional Collaboration - Oregon

- Increased State Budget Attention

Hospital Pushback?

News Room

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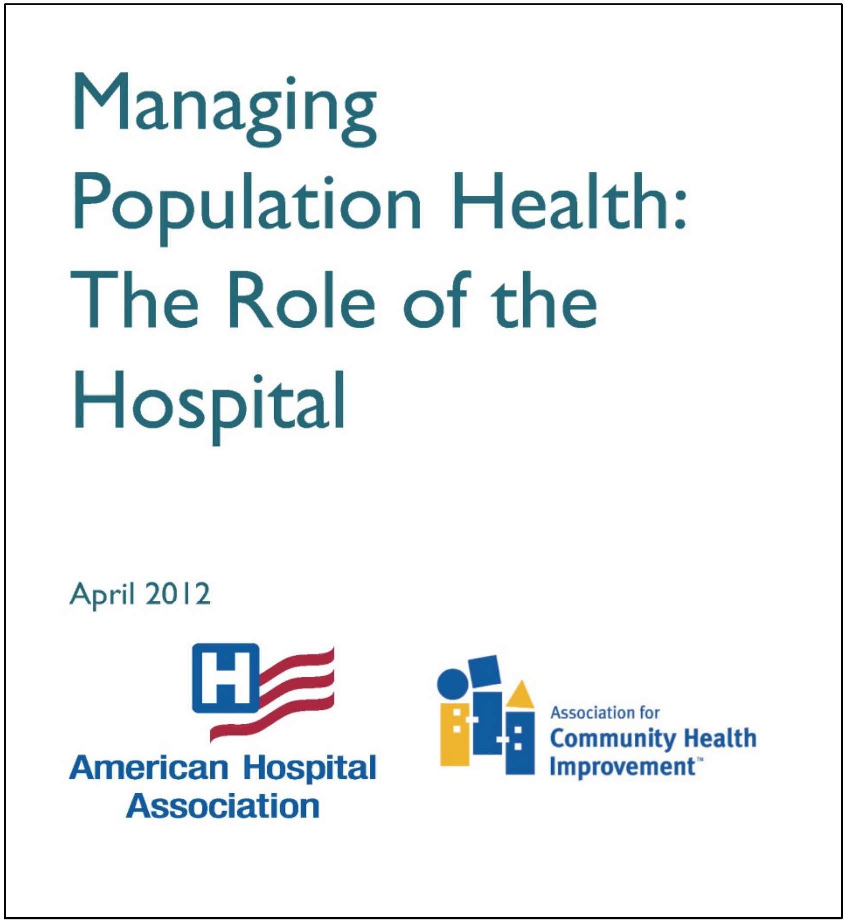
SOURCE: VHA Inc.

May 16, 2012 12:12 ET

VHA Calls for Simplification of Burdensome Hospital Tax-Exempt Status Regulations

Schedule H Needs Streamlining to Reduce Redundant and Overly Prescriptive Requirements

Hospital Centric Planning?



Managing Population Health: The Role of the Hospital

April 2012

American Hospital Association

Association for Community Health Improvement™

About The Hilltop Institute

The Hilltop Institute at the University of Maryland, Baltimore County (UMBC) is a nationally recognized research center dedicated to improving the health and wellbeing of vulnerable populations. Hilltop conducts research, analysis, and evaluations on behalf of government agencies, foundations, and nonprofit organizations at the national, state, and local levels.

www.hilltopinstitute.org

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