

## Compliance Checklist for Nonprofit Hospitals

The following requirements **must** be met for tax years beginning after March 23, 2010:

### 1) *Financial Assistance Policy*

The hospital organization and each hospital facility must have a written financial assistance policy, which includes:

- Eligibility criteria for financial assistance, and whether such assistance includes free or discounted care.
- The basis for calculating amounts charged to patients.
- The method for applying for financial assistance.
- In the case of a hospital that does not have a separate billing and collections policy, the actions the hospital may take in the event of nonpayment, including collections action and reporting to credit agencies.
- Measures to widely publicize the policy throughout the community to be served by the hospital.

### 2) *Emergency Medical Care Policy*

The hospital organization and each hospital facility must have a written emergency medical care policy, which includes:

- The provision of, without discrimination, care for emergency medical conditions (within the meaning of the EMTALA statute) to individuals regardless of their eligibility under the hospital's financial assistance policy.

### 3) *Limitation on Charges*

The hospital organization and each hospital facility must adopt the following charge limitations:

- Amounts charged for emergency or other medically necessary care provided to individuals eligible for assistance under the hospital's financial assistance policy is limited to not more than the amount generally billed to individuals who have insurance covering such care.
- Gross charges are prohibited in such cases.

### 4) *Billing and Collections*

The hospital organization and each hospital facility must adhere to the following limitations:

- It may not engage in "extraordinary collection actions" before making "reasonable efforts" to determine whether the individual is eligible for assistance under the hospital's financial assistance policy.

(The IRS will be providing further guidance as to what constitutes "reasonable efforts" by a hospital to determine eligibility for financial assistance.)

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### 5) Additional Reporting Requirements

The hospital organization must include with its Form 990:

- The audited financial statements of such hospital organization or the consolidated financial statements if the hospital is included on a consolidated basis.

The following requirements **must** be met for tax years beginning after March 23, 2012:

### 6) Community Health Needs Assessment

- For each tax year, the hospital organization and each hospital facility must have conducted a community health needs assessment in the same tax year or in either of the two tax years immediately preceding the tax year.
- The community health needs assessment must take into account input from individuals who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health.
- The community health needs assessment must be made widely available to the public.
- The hospital must adopt an implementation strategy to meet the community health needs identified through the assessment.

*If the hospital organization fails to meet the new community health needs assessment requirements for any tax year, the organization will be subject to a \$50,000 excise tax.*

### 7) Additional Reporting Requirements

For each tax year, the hospital must include with its Form 990:

- A description of how the hospital is addressing the needs identified in each community health needs assessment conducted and a description of any such needs that are not being addressed, together with the reasons why such needs are not being addressed.

For additional information and reform analysis, please contact **Donald B. Stuart** or any member of the **Waller Lansden Healthcare Reform Task Force** at 800-487-6380.

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