



- **Ways and Means Chair Proposes Federal Charity Care Legislation**
- **CBO Releases Reports on Non-Profit Hospital Practices**

### ***Proposed legislation would mandate minimum levels of charity care***

On Dec. 8, 2006 House Ways and Means Chairman Rep. Bill Thomas introduced legislation to create a minimum federal standard for tax-exempt hospitals - H.R. 6420, - the *Tax Exempt Hospital Responsibility Act*, which would require non-profit hospitals to provide a minimum level of charity care to America's poor.

Chairman Thomas said in a news release that "For those institutions that have been given much by their communities and by the American taxpayer, it's reasonable to expect a minimum benefit to the community in return. Additionally, this legislation would create a more level playing field among hospitals. It's my hope that this bill might serve as a discussion point in the next Congress. The Committee has done a lot of work in this area and I think it requires further legislative action."

For the *American Health Lawyers Association's* overview of how the *Tax Exempt Hospital Responsibility Act* might impact tax-exempt hospitals and other tax-exempt medical care providers, [read here](#).

You can view the Dec. 12 *House Committee on Ways and Means* press release and text of H.R. 6420 [here](#).

### ***CBO issues reports on hospital community benefit & tax-exempt hospital bonds***

Earlier, in a Dec. 6 letter to Chairman Thomas, CBO issued two separate research reports on *hospital community benefit* and *tax-exempt hospital bonds*. In a news release, CBO stated that "not-for-profit hospitals spend more on uncompensated care and are more likely to subsidize certain money-losing services than for-profit hospitals; however, for-profit hospitals provide more care for Medicaid patients."

For the *American Health Lawyers Association's* overview of CBOs reports, [read here](#).

Read CBO *Hospital Community Benefit Report* [here](#).

Read CBO *Tax-Exempt Hospital Bond Report* [here](#).

We hope you have found this *NDH Tax Alert* informative. This *NDH Tax Alert* is intended to inform our clients of recent developments in tax law. It is not intended as a substitute for specific tax planning advice, which should be tailored to your particular situation.

If you would like further details regarding the above or would like to discuss how the proposed legislation may impact your organization, please contact us at your earliest convenience to discuss.

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