

Community Benefit Information from Non-Profit Hospitals: Lessons Learned from the 2006 IRS Compliance Check Questionnaire

A Report Prepared for the American Hospital Association

By Ernst & Young LLP

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Executive Summary

The Internal Revenue Service (IRS) is considering whether additional information from tax-exempt hospitals should be provided as part of or supplemental to the Form 990. To obtain information to assist in making this determination, IRS sent surveys to over 500 non-profit hospitals in late May/early June 2006 about their community benefit programs, among other things. Given the depth and complexity of the IRS Compliance Check Questionnaire, the American Hospital Association requested that Ernst & Young LLP tabulate and analyze the community benefit answers to the questionnaires submitted by their members to the IRS, as part of a “Best Practices Initiative”.

Ernst & Young received the submissions of 132 non-profit hospitals, almost 30% of the total hospitals responding to the IRS survey. The 132 non-profit hospitals include a representative sample of the non-profit hospital industry: small, medium and large hospitals; rural and urban hospitals; teaching and non-teaching hospitals; and hospitals from all regions of the country.

This report presents the key findings from these 132 non-profit hospitals on a number of dimensions of community benefit. The report also notes some lessons learned about how the IRS can better collect information about non-profit hospitals’ community benefits. Most of the non-profit hospitals used the IRS Compliance Check Questionnaire to tell their story about the benefit they provide to the community beyond simply amounts expended and numbers of participants in programs.

In summary, based on our review of the questionnaires submitted to us by the participants in the AHA Best Practices Initiative, it appears that all participants are meeting the community benefits standard as articulated by the IRS in Revenue Ruling 69-545.

Key Survey Findings; Lessons Learned; Conclusions Drawn

Survey Findings

As evidenced by the following points, hospitals are providing a broad range of programs that benefit the health of the communities they serve and hospitals are providing substantial charity care.

- One hundred percent of the general/medical hospitals in the Best Practices Initiative operated an emergency room. The specialized hospitals that responded (4 in total), such as psychiatric, orthopedic, and acute long term care hospitals, did not have emergency rooms. All of the hospitals that operated an emergency room indicated that the emergency room was open 24 hours a day, 365 days a year. 100% of the hospitals indicated that their emergency room provided services to all members of the community regardless of the patient’s ability to pay.
- One hundred percent of the hospitals indicated that all patients were charged the same price for the same services, regardless of insurance or ability to pay.
- One hundred percent of the hospitals have a written policy stating the circumstances under which the hospital would provide uncompensated care to patients. All of the hospitals that provided additional detail on their policy reported using an income test with a sliding scale based on the federal poverty level to determine the amount of charity care provided.
- The hospitals reported providing uncompensated care to, on average, 12% of their total patients during the past year. The amount spent on uncompensated care averaged \$14

million per hospital. Just as there is variation in the size and type of hospital, there is a range of uncompensated care. For example, when the hospitals are divided into quartiles based on size (using the total number of patients reported), the smallest hospitals (first quartile) averaged \$3 million in uncompensated care, while the largest hospitals (fourth quartile) averaged \$27 million.

- One hundred percent of the hospitals indicated that they provided additional community programs in addition to uncompensated care and charity care programs, including such offerings as community medical screening programs, immunization programs, and health education.
- More than 90% of hospitals indicated that they did not deny medical services, regardless of the type of patient. However, this question is just one example of the confusion that resulted from an imprecisely worded question. 10% of hospitals that answered yes to this question also explained the specific and temporary circumstances that led to the "denial," such as lack of bed capacity or transfer to a different facility to meet a special need for pediatric trauma services. When the answers are read in their entirety, it becomes clear that 100% of hospitals do not deny medical services; rather they divert patients or direct them to more specialized facilities when specific circumstances require them to do so.

Lessons Learned from the Surveys

- Before additional information reporting requirements are considered for non-profit hospitals, it is useful to take account of the lessons learned from the 2006 IRS Compliance Check Questionnaire; they include:
 - Allow hospitals to tell their community benefit story, in more than just yes/no or simple number responses.
 - Request and enable hospitals to provide a copy of their community benefit report with their form 990 filing in order to obtain information on the full range of community benefits provided, including those that are not readily quantifiable.
 - Incorporate community benefit information from hospital systems rather than only from single hospitals within a system.
 - Provide for clarity of definitions to ensure uniformity of answers.
 - Seek input from the hospital industry to obtain accurate and meaningful information that reflects the full range of community benefits.

Key Conclusions

Based on our review of the questionnaires submitted to us by the participants in the AHA Best Practices Initiative, it appears that all participants are meeting the community benefit standard as articulated by the IRS in Rev. Rul. 69-545. In addition, though not required under Rev. Rul. 69-545, all participants had adopted a written charity care policy. Those that provided details concerning their charity care policy (75% of respondents) based their policies on an income test tied to federal poverty guidelines by family size based on the patient's geographic location.

The 2006 IRS Compliance Check Questionnaire is providing the IRS with a useful window into the broad array of community benefit programs provided by the non-profit hospital sector. The AHA's Best Practices Initiative provides an important early view of the submissions of 132 non-profit hospitals, and some lessons that can help shape any additional information reporting

requirement on non-profit hospitals. Transparency is important, but uniformity, clarity, and most importantly, asking the right questions are key to sound policymaking. The AHA has recently provided a framework with which non-profit hospitals could present a comprehensive picture of the value of services provided to and for the community.¹

Before imposing additional reporting requirements on non-profit hospitals, it is important that lessons learned from the 2006 IRS Compliance Check Questionnaire and industry experience be carefully analyzed to ensure that any new reporting requirement produce consistent and uniform information of value to policymakers.

¹ See AHA website link to their community benefit framework:
<http://www.aha.org/aha/content/2006/pdf/061113cbreporting.pdf>

Community Benefit Information from Non-Profit Hospitals: Lessons Learned from the 2006 IRS Compliance Check Questionnaire

The important role of non-profit hospitals in the U.S. medical system receives periodic scrutiny. Non-profit hospitals qualify for federal income tax exemption if they provide health care that benefits the community. The community benefit standard for hospitals was last modified by the Internal Revenue Service in 1969. Recent Congressional hearings on non-profit hospitals and community benefits highlighted the many dimensions of the community benefit standard. The House Ways and Means Oversight Subcommittee held hearings in June of 2004 examining whether the level of charity care provided by nonprofit hospitals was sufficient to justify exemption. The full House Ways & Means Committee held hearings on May 26, 2005 focusing on tax-exemption for hospitals. The Senate Finance Committee recently held hearings on September 13, 2006 titled, "Taking the Pulse of Charitable Care and Community Benefits at Nonprofit Hospitals".

Background on the IRS Compliance Check Questionnaire and the AHA Best Practices Initiative

The Internal Revenue Service (IRS) sought to understand better the level, composition, and mix of community benefits provided by tax-exempt hospitals by surveying a number of non-profit hospitals in the summer of 2006. The Compliance Check Questionnaire was sent to over 500 randomly selected non-profit hospitals. The IRS told the hospitals that the survey was an opportunity for hospitals to "tell their story" about the community benefits they provide.

Given the depth and complexity of the IRS Compliance Check Questionnaire, the American Hospital Association requested that Ernst & Young LLP tabulate and analyze the community benefit answers to the questionnaires submitted by their members to the IRS, as part of a "Best Practices Initiative". Ernst & Young received the submissions of 132 non-profit hospitals, almost 30% of the hospitals responding to the IRS questionnaire.

This report presents the key findings from these 132 non-profit hospitals on a number of dimensions of community benefit. The report also notes some lessons learned about how the IRS can collect better information about non-profit hospitals' community benefits. Most of the non-profit hospitals used the IRS Compliance Check Questionnaire to tell their story about their roles in the community beyond simply amounts expended and numbers of participants in programs.

IRS Compliance Check Questionnaire

The IRS sent a Compliance Check Questionnaire to 544 tax-exempt hospitals which were randomly selected. The IRS indicated that they attempted to exclude public hospitals and any "non-hospitals" from the pool of selected organizations.

The questionnaires were sent to tax-exempt hospitals in late May, early June 2006 and were due back to the IRS by June 15th, 2006, with 20-day extensions (until July 5th, 2006) being granted routinely. Those responding for more than one hospital were able to get 30-day extensions (until July 15th, 2006).

A copy of the Compliance Check Questionnaire is included in the Appendix.

Process and Methodology

The American Hospital Association Best Practices Initiative began with a conference call on June 19th, 2006. The call was open to any hospital that had received the questionnaire from the IRS. Also participating on the call were E&Y professionals and IRS personnel. The purpose of the call was to help clarify some of the issues regarding the Questionnaire by providing the hospitals the opportunity to ask questions of the IRS.

Hospitals that had received the Compliance Check Questionnaire were asked to participate in the Best Practices Initiative by sending a copy of their questionnaire and attachments as submitted to the IRS to E&Y. Since the Initiative was focused on community benefits, hospitals were asked not to include information from Part III of the questionnaire regarding compensation practices or board of directors. All responses were kept confidential, with identifying information kept separate from the questionnaire data.

E&Y developed a database based on the transcribed community benefit sections, such as the yes/no and dollar amount questions. A large portion of the questionnaire contained open-ended text fields; the responses to these open-ended questions ranged from a sentence or two to many pages of attachments. The database noted whether a text response or attachment was associated with an answer, including marginal notations where an additional explanation was not requested. For many questions, the additional text explanation, supplemental material, or marginal notations provided important insights to the non-profit hospital's answers.

Since many of the hospitals responded with text even when not required to do so, this system enabled the E&Y analysis to focus quickly on those text responses that provided additional insight. For example, only 7% of the hospitals indicated that not all members of the community were eligible for their medical screening program, yet 18% of the hospitals provided a text response, even though only those who indicated "no" were required to explain. E&Y was able to compare both sets of text responses and found that any limitations were for valid reasons, such as mammography screenings being limited only to women. The text responses were important to understand the yes/no responses and the quantitative answers. In some cases, the yes and no responses were similar after reviewing the text explanations.

Participants

For the American Hospital Association Best Practices Initiative, the E&Y analysis looked at the community benefit sections of the submitted IRS questionnaires from 132 hospitals.* This represents almost 30% of the total hospitals responding to the IRS survey.

The hospitals participating in the Best Practices Initiative (BPI) are representative of the non-profit hospital industry, based on a comparison with AHA's Annual Survey of Hospitals. Some of the hospital characteristics include:

- 93% of the BPI participants are general medical/surgical hospitals, which is exactly the same percentage for the industry.
- The BPI participants are somewhat more likely to be teaching hospitals, 39%, compared to 27 percent for the industry.
- 69% of the BPI participants' location is urban, 31% rural, compared to 64% and 36%, respectively, for the industry.

* One hospital submitted information for their entire hospital system.

- The BPI participants are somewhat more likely to be larger hospitals:

Bed Size Category	BPI Participants	AHA Hospital Survey
99 or less	26%	41%
100-199	24%	24%
200-299	20%	15%
300 or more	29%	20%
- The BPI participants included tax-exempt hospitals throughout the country ,with greater representation from the New England, Mid-Atlantic and East North Central regions.

Principal Findings from the Best Practices Initiative

The Best Practices Initiative enabled the participating hospitals to “tell their story” about their community benefits programs and outreach. Most of the hospitals provided significant responses to the open-ended questions in the Questionnaire, provided supplemental material documenting additional programs, and provided unsolicited marginal notations describing in more detail their answers to yes/no questions or simple numerical questions. This additional information is an important part of the hospitals’ story on community benefits.

Emergency Room

In the questionnaires examined, all of the general hospitals operated an emergency room. The four hospitals that did not operate an emergency room were specialized hospitals, including hospitals focused on acute long term care, orthopedics, and psychiatric care. All of the hospitals that operated an emergency room indicated that the emergency room was open 24 hours a day, 365 days a year.

One hundred percent of the hospitals indicated that their emergency room provided services to all members of the community regardless of the patient’s ability to pay.

Ninety-four percent of the hospitals indicated they did not deny emergency room services to any individuals that requested such services. All of the hospitals that indicated they denied services did so only if the hospital or emergency room was at capacity and unable to take on new patients. Other exceptional circumstances that resulted in denial of services included a hospital that had a flood in its emergency room and a hospital that redirected a pediatric trauma patient to a hospital specializing in such care. In summary, in each case, the responding hospital had a valid reason for indicating they had denied service. Outside of these special circumstances, no hospital denied emergency room services to any individuals.

While only those hospitals that denied services were asked to provide explanations, many hospitals that did not deny services provided additional explanations to their answers. In some cases, hospitals that answered “no” were similar to hospitals that answered “yes”, with a similar explanation that lack of capacity could result in denial of service.

Patient Access

When hospitals were asked if their hospital denied medical services to *any* individual, the vast majority answered no. Ninety-one percent of the hospitals did not deny service to those with private insurance, 90% did not deny services to those without insurance, and 96% of the hospitals did not deny services to Medicare or Medicaid patients.

Similar to the responses for emergency room services, the few hospitals that indicated that they denied services had specific temporary or case specific reasons. Most of those hospitals indicated they would deny services if the hospital was at capacity. In addition, some hospitals

indicated that they would deny elective procedures that were not covered by insurance. Again, each responding hospital had a valid reason for indicating that they had denied service. Outside of these reasons, no hospital denied services to individuals.

Billing Practices

100% of the hospitals indicated that all patients were charged the same price for the same services, regardless of insurance or ability to pay.

Medical Staff Privileges

When asked if all qualified physicians in the community were eligible for medical staff privileges, 88% of the hospitals indicated yes.

Ninety-seven percent of the hospitals indicated they have not denied any qualified physician's application for medical staff privileges. The four hospitals that denied an application did so because the hospital had full staff for the physician's specialty (e.g., there was already a full staff of anesthesiologists when another one applied for a position).

Medical Research

About a third (36%) of the hospitals conducted medical research programs, with those hospitals spending an average of \$19 million on the medical research programs. Almost all of the hospitals (87%) that conducted research programs did not limit access to the findings or results. Those hospitals that limited access usually did so due to contractual obligations that limited public release of findings until released by the other party.

Forty-two percent of the hospitals conducted medical trial studies. Again, most hospitals (80%) did not limit access to the findings. Similar to their research programs, those hospitals that did limit access to medical trial studies did so due to contractual obligations.

Professional Medical Education and Health Professions Training

Sixty-four percent of the hospitals indicated that they conducted professional medical education and training programs. These hospitals spent an average of \$7 million annually on these programs.

Uncompensated Care

One hundred percent of the hospitals reported having a written policy stating the circumstances under which the hospital would provide uncompensated care to patients. Some of the details regarding these uncompensated care policies are addressed in the section below entitled "Written Charity Care Policies".

The hospitals reported providing uncompensated care to, on average, 12% of their total patients during the past year. The amount spent on uncompensated care averaged \$14 million per hospital. Just as there is variation in the size and type of hospital, there is a range of uncompensated care.

There is a variance in the amount of uncompensated care reported. This is affected by a number of factors, such as hospital size. For example, when the hospitals are divided into quartiles based on size (using the total number of patients reported), the smallest hospitals (first quartile) averaged \$3 million in uncompensated care, while the largest hospitals (fourth quartile) averaged \$27 million.

What is considered uncompensated care varied from hospital to hospital. For example, half of the hospitals indicated that bad debt was included as uncompensated care.

Written Charity Care Policies

One hundred percent of the hospitals reported having a written charity care policy. Most of the hospitals provided additional explanation and supplemental material about their written charity care policy.

In the responses and supplemental material provided regarding the written charity care policies provided by the hospitals, three-quarters of the hospitals specifically indicated that they had an income test for qualifying for charity care. It is possible that the remaining one-quarter also had an income test, but did not specifically describe it in their additional material because the questionnaire did not require them to include the details of their policy.

Two-thirds of the hospitals provided specific details of their income test. The hospitals indicated that their income test is applied on a sliding scale based on the federal poverty level (FPL); e.g., \$20,000 for a family of 4 in the continental U.S. Typically, a hospital provides a 100% discount on care up to a certain FPL threshold. As income rises above that threshold, the percentage discount decreases, until above a multiple of the FPL, the discount phases out.

**Table 1
Typical Charity Care Policy Based on Income***

Income as Percent of Federal Poverty Level	Amount of Discount
150% FPL or less	100%
151% - 200% FPL	75%
201% - 250% FPL	50%
251% - 300% FPL	25%
300% or greater	0%

*This is an example of a charity care policy, not a specific average of the policies.

Half of the hospitals indicated that they also have an asset test, in addition to an income test, with 6% of the hospitals specifically stating they use an asset test only if the individual has a medical hardship (catastrophic care that is prohibitively expensive) but did not qualify under the income test. A few of the hospitals specifically indicated that their asset test does not include the primary residence of the patient.

Community Programs

One hundred percent of the hospitals indicated that they provided community programs in addition to uncompensated care and charity care programs. Ninety-six percent of the hospitals provided medical screening programs for the community. Over half (55%) of the hospitals provided immunization programs. 98% of the hospitals conducted lectures, seminars, or other educational programs for the community.

Hospitals undertook a number of activities to promote access to health care in the community. Over half of the hospitals conducted studies on the unmet health care needs of the community within the previous twelve months. 89% had programs to improve access to health care for the uninsured, including satellite clinics in impoverished areas and staff tasked with assisting patients with Medicaid applications or staff that can help set up installment payment options with a patient. 93% produce or distribute newsletters or other publications that provide information to the community on health care issues.

**Table 2
Community Benefit Programs**

Community Benefit Programs	% of hospitals with program
Community Benefit Programs	100%
Lectures, Seminars & Other Education Programs	98%
Medical Screening Programs	96%
Newsletters or Other Publications	93%
Programs for Improving Access to Health Care for the Uninsured	89%
Immunization Programs	55%
Studies on Unmet Health Needs	53%

Hospitals identified a number of additional community programs in response to the open-ended question to “describe any other programs” and in marginal notations and supplemental submissions beyond the programs specifically identified above. For example, in the case of studies on unmet health needs of the community, several hospitals noted that they do such studies every 3-5 years, not annually. Several hospitals noted that they conduct such studies jointly with other hospitals in the community or as part of their hospital system rather than individually. In some cases, educational programs are done by the hospital system, rather than individual hospitals, to take advantage of economies of scale.

Lessons Learned from the 2006 IRS Compliance Check Questionnaire for Future Information Reporting Requirements

The Internal Revenue Service is considering whether additional information from tax-exempt hospitals should be provided as part of or supplemental to the Form 990. It is important that any future additional reporting requirements on tax-exempt hospitals take advantage of the experience and lessons learned from the 2006 Compliance Check Questionnaire.

The IRS will gain insight about the focus, design and phrasing of the questions in their tabulation and analysis of the full set of submissions. Based on our analysis of the AHA Best Practices Initiative submissions, we believe there are a number of important insights that can maximize the usefulness of the information from tax-exempt hospitals.

- Allow hospitals to tell their community benefit story. Relying on only yes/no or quantitative responses does not tell everything about the community benefit that a hospital provides. As the survey responses indicate, community benefit can be difficult to measure. A simple yes/no or simple number can be misleading. For example, some hospitals indicated that they denied services to patients, but then explained that the hospital was at capacity and unable to take on new patients at the time. The free text fields on the questionnaire allowed the hospitals to clarify and amplify their answers, whereas a simple yes/no response may have been misunderstood.
- Request and enable hospitals to provide a copy of their community benefit report with its form 990 filing in order to obtain information on the full range of community benefits provided, including those that are not readily quantifiable. A community benefit report will contain both quantifiable information and information about programs and services that cannot be reduced to a simple dollar amount. Both types of information are required to illustrate adequately community benefit.
- Find a way to incorporate hospital system information in addition to information from single hospitals. The 2006 Questionnaire was designed for responses from a single hospital, not from a system of hospitals. When there are system-wide services undertaken on behalf of all

of the system hospitals, some community benefits may be reported inconsistently without a framework for reporting that takes into account both the individual hospital and system-level services. For example, a hospital system affiliate that produces an education program for all its hospital communities might not be accounted for in a hospital-level questionnaire, since the activity is performed by a system affiliate.

- Provide clarity of definitions to promote uniformity of answers. As the 2006 Compliance Check Questionnaire was designed, many responses were not uniform, since the questions often led to ambiguous responses. For example, one question asked if a hospital denied services to *any* individuals. In a literal reading, if a single individual were denied for any reason, the answer should be yes. This could be one denial out of several hundred thousand patients. It could be a result of a one day flood or electrical outage in the city in which the hospital is located. A hospital that is “at capacity” or incapacitated would indicate to ambulances that they are unable to take on new cases, redirecting them to other hospitals. The literal hospital would answer “yes, we did deny services”. On the other hand, another hospital may consider this a normal hospital operation and answer no, since they would not consider this a denial of services per se.
- Obtain input from the not-for-profit hospital industry on how to ask questions to get meaningful results. As can be seen by the questions related to uncompensated care, the definition of uncompensated care varies widely from hospital to hospital. Getting input from key industry stakeholders can help the IRS obtain more accurate and meaningful information without creating an undue burden on the respondent hospitals.

It is important that the IRS enables hospitals to report uncompensated care in a uniform manner, which would allow policymakers to assess uncompensated care uniformly across the industry. Also, the IRS can take particular care to address questions by those surveyed that arose repeatedly, such as how employee and volunteer time spent on community programs should be accounted for, so that hospitals report this information consistently.

The 2006 IRS Compliance Check Questionnaire is providing the IRS with a useful insight to the community benefit programs of the non-profit hospital sector. The AHA's Best Practices Initiative provides an important early view of the submissions of 132 non-profit hospitals, and some lessons that can help shape any additional information reporting requirement imposed on non-profit hospitals. Transparency is important, but uniformity, clarity, and most importantly, asking the right questions are key to sound policymaking. The AHA has recently provided a framework with which non-profit hospitals could present a comprehensive picture of the value of services provided to and for the community.²

Before imposing additional reporting requirements on non-profit hospitals, it is important that lessons learned from the 2006 IRS Compliance Check Questionnaire and industry experience be carefully analyzed to ensure that any new reporting requirement produce consistent and uniform information of value to policymakers.

² See AHA website link to their community benefit framework:
<http://www.aha.org/aha/content/2006/pdf/061113cbreporting.pdf>

Appendix

IRS Compliance Check Questionnaire

Form 13790

**COMPLIANCE CHECK QUESTIONNAIRE
TAX-EXEMPT HOSPITALS**

*This questionnaire asks for information about your hospital and how it operates. Answer the questions based on your hospital's **most recently completed tax period**. If additional space is needed, attach additional sheets. Please complete the questionnaire and follow the instructions in the letter for returning the information to us.*

PART I – ORGANIZATION

Name of Hospital:	EIN:	Most Recently Completed Tax Period:
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PART II – OPERATIONS

1) Please indicate the category below that best described your hospital or the type of service it provided to the majority of admissions. Check only one box.

- | | |
|---|--|
| <input type="checkbox"/> General medical and surgical
<input type="checkbox"/> Hospital unit of an institution (<i>prison, college etc</i>)
<input type="checkbox"/> Hospital unit within an institution for the mentally retarded
<input type="checkbox"/> Surgical
<input type="checkbox"/> Psychiatric
<input type="checkbox"/> Tuberculosis and other respiratory diseases
<input type="checkbox"/> Cancer
<input type="checkbox"/> Heart
<input type="checkbox"/> Alcoholism and other chemical dependency
<input type="checkbox"/> Organization is not a §501(c)(3) hospital. If you checked this box, stop here and return the questionnaire to us. | <input type="checkbox"/> Obstetrics and gynecology
<input type="checkbox"/> Eye, ear, nose and throat
<input type="checkbox"/> Rehabilitation
<input type="checkbox"/> Orthopedic
<input type="checkbox"/> Chronic disease
<input type="checkbox"/> Institution for the mentally retarded
<input type="checkbox"/> Acute long-term care
<input type="checkbox"/> Other — Specify:
<hr style="width: 100%;"/> |
|---|--|

Patients

	Inpatients	Outpatients	Emergency Room Patients
2) What were the total number of:			
3) How many had private insurance?			
4) How many had Medicare?			
5) How many had Medicaid?			
6) How many had other public insurance?			
7) How many had no insurance?			

8) Did your hospital deny medical services to any individuals with:

a) private insurance? Yes No
 If yes, please explain.

b) Medicare? Yes No
 If yes, please explain.

c) Medicaid? Yes No
 If yes, please explain.

d) other public health insurance? Yes No

If yes, please explain.

e) no insurance? Yes No

If yes, please explain.

Emergency Room

9) Did your hospital operate an emergency room? Yes No

If no, please explain.

10) What were the emergency room's hours of operation?

24 hours a day, 365 days a year

Other — please explain. _____

11) Did your hospital's emergency room have a trauma center? Yes No

12) If yes, what was the trauma center's level of certification?

Level I

Level IV

Level II

Level V

Level III

Other — please describe. _____

13) Did your hospital's emergency room provide services to all members of the community regardless of their ability to pay?

Yes No

If no, please explain.

14) Did your hospital's emergency room deny services to any individuals that requested such services? Yes No

If yes, please explain.

Board of Directors

15) How many directors were on your hospital's board? _____

16) What was the professional background of each director?

Please indicate the number of directors in each category listed below.

_____ Accounting

_____ Government

_____ Philanthropy

_____ Banking/Finance

_____ Insurance

_____ Public/Elected Official

_____ Business

_____ Law

_____ Religion

_____ Community Service

_____ Management

_____ Retail

_____ Education/Academia

_____ Manufacturing

_____ Social Services

_____ Fine Arts

_____ Medicine/Health Care

_____ Other (*specify*) _____

17) How often did the board of directors meet?

Monthly

Quarterly

Annually

Other — please describe. _____

18) On average, how many of the directors were present at each meeting? _____

Medical Staff Privileges

19) Were all qualified physicians in your community eligible for medical staff privileges at your hospital? Yes No
If no, please explain.

20) Have you denied any qualified physician's application for medical staff privileges? Yes No
If yes, please explain.

Medical Research

21) Did your hospital conduct any medical research programs? Yes No
If yes, please answer questions 22 through 24. If no, go to question 25.

22) How much did your hospital spend on medical research programs? \$ _____

23) How much of your hospital's funding for medical research came from:

a) public sources (for example, government grants) \$ _____

b) private sources (for example, contracts with for-profit corporations) \$ _____

24) Did your hospital limit public access to the findings or results from any of its medical research programs? Yes No
If yes, please explain.

25) How much did your hospital provide in grants to individuals or organizations to fund medical research programs? \$ _____

26) Was public access limited to the findings or results from any medical research programs for which your hospital provided grants? Yes No
If yes, please explain.

27) Did your hospital conduct any medical trial studies? Yes No
If yes, answer questions 28 and 29. If no, go to question 30.

28) How much of your hospital's funding for medical trial studies came from:

a) public sources (for example, government grants) \$ _____

b) private sources (for example, contracts with for-profit corporations) \$ _____

29) Did your hospital limit public access to the findings or results from any of its medical trial studies? Yes No
If yes, please explain.

Professional Medical Education and Training

30) Did your hospital conduct any professional medical education and training programs? Yes No
If yes, answer questions 31 and 32. If no, go to question 33.

31) How much did your hospital spend on professional medical education and training programs? \$ _____

32) How much of your funding for professional medical education and training came from:

a) public sources (for example, government grants) \$ _____

b) private sources (for example, contracts with for-profit corporations) \$ _____

33) Did your hospital provide grants to individuals or organizations to fund professional medical education and training programs? Yes No

If yes, how much did it spend? \$ _____

Uncompensated Care

34) Did your hospital have a written policy stating the circumstances under which it would provide uncompensated care? Yes No

Please explain.

35) How many individuals received uncompensated care from your hospital? _____

36) How much did your hospital spend on uncompensated care? \$ _____

37) Did your hospital treat as uncompensated care the excess of what it charged for services and the amount:

a) private insurance paid or allowed for such services (including any patient co-payments and deductibles)? Yes No

If yes, please explain.

b) Medicare paid or allowed for such services (including any patient co-payments and deductibles)? Yes No

If yes, please explain.

c) Medicaid paid or allowed for such services (including any patient co-payments and deductibles)? Yes No

If yes, please explain.

d) other public insurance paid or allowed for such services (including any patient co-payments and deductibles)? Yes No

If yes, please explain.

e) individuals without insurance paid your hospital for such services? Yes No

Please explain.

38) Did your hospital treat bad debts as uncompensated care? Yes No

Please explain.

39) Did your hospital treat any other items or costs as uncompensated care? Yes No

If yes, please explain.

40) Did your hospital report its expenditures for uncompensated care to a state government? Yes No

If yes, what amount did it report? \$ _____

41) Did your hospital provide:

a) inpatient services to any individual without compensation? Yes No
If yes, please describe your policy.

b) outpatient services to any individual without compensation? Yes No
If yes, please describe your policy.

c) emergency room services to any individual without compensation? Yes No
If yes, please describe your policy.

42) If you answered yes to 41 a, b, or c, indicate below, for each category of patient, when your hospital determined that it would provide services to any individual without compensation? Check all that apply.

	At or before providing services	Less than 30 days after providing services	30 to 90 days after providing services	More than 90 days after providing services	When insurance denied all or part of claim	Other (explain below)
Inpatient	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Outpatient	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Emergency Room	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you checked the other box, please describe:

Billing Practices

43) Did your hospital require all individuals to pay, or make arrangements to pay, prior to, or at the time it provided:

a) inpatient services? Yes No
b) outpatient services? Yes No
c) emergency room services? Yes No

44) In the space provided below, please explain your payment policies for:

a) inpatients

b) outpatients

c) emergency room patients

45) How many days after your hospital provided services did it send the patient a bill? _____

46) How many days after the billing date did the patient have to pay for services? _____

47) If a patient failed to pay for services, how many notices did your hospital send before it began collection actions? _____

48) Did your hospital refer all past due bills to collection agencies? Yes No

49) Did your hospital enter into installment agreements or other extended payment arrangements with patients who were unable to pay? Yes No

50) Please describe the circumstances in which you would enter into installment agreements or other extended payment arrangements with patients who were unable to pay.

51) How many days after a patient had not paid all or part of a bill did your hospital classify it as a bad debt? _____

52) Did your hospital charge all patients the same price for the same services? Yes No
If yes, go to question 57. If no, answer questions 53-56.

53) Did your hospital charge patients with private insurance higher prices for hospital services than patients with public insurance (including Medicare and Medicaid)? Yes No
Please explain.

54) Did your hospital charge patients with no insurance higher prices for hospital services than patients with public insurance (including Medicare and Medicaid)? Yes No
Please explain.

55) Did your hospital charge patients with no insurance higher prices for hospital services than patients with private insurance? Yes No
Please explain.

56) Did your hospital charge individuals different prices for hospital services based on their income, assets or ability to pay for such services? Yes No
Please explain.

Community Programs

- 57) Did your hospital provide medical screening programs for the community? Yes No
If yes, answer questions 58 through 60. If no, go to question 61.
-
- 58) How much did your hospital spend on medical screening programs for the community? \$ _____
-
- 59) Were all members of the community eligible for your hospital's medical screening programs? Yes No
If no, please explain.
-
- 60) Did the hospital charge a fee for any community medical screening programs? Yes No
If yes, please explain.
-
- 61) Did your hospital provide immunization programs for the community? Yes No
If yes, answer questions 62 through 64. If no, go to question 65.
-
- 62) How much did your hospital spend on immunization programs for the community? \$ _____
-
- 63) Were all members of the community eligible for your hospital's immunization programs? Yes No
If no, please explain.
-
- 64) Did your hospital charge a fee for its community immunization programs? Yes No
If yes, please explain.
-
- 65) Did your hospital provide any lectures, seminars or other educational programs for the community? Yes No
If yes, answer questions 66 through 68. If no, go to question 69.
-
- 66) How much did your hospital spend on lectures, seminars and other educational programs for the community? \$ _____
-
- 67) Were all members of the community eligible for your hospital's community educational programs? Yes No
If no, please explain.
-
- 68) Did your hospital charge a fee for its community education programs? Yes No
If yes, please explain.
-
- 69) Did your hospital conduct studies on the unmet health care needs of the community? Yes No
If yes, how much did your hospital spend on these studies? \$ _____
-
- 70) Did your hospital have programs to improve access to health care for individuals who lacked insurance? Yes No
If yes, how much did your hospital spend on these programs? \$ _____
-
- 71) Did your hospital produce or distribute newsletters or publications that provided information to the community on health care issues? Yes No
If yes, how much did your hospital spend on these newsletters or publications? \$ _____
-

6) Please check the appropriate boxes, in the following chart, regarding factors included in the comparability data used by your hospital:

COMPARABILITY FACTORS:	YES	NO	Was factor checked used for all § 4958(f)(4) employees? *	
			Yes	No*
Level of Employee Education and Experience				
Specific Responsibilities of Position				
Same Geographic or Metropolitan Area				
Services of a Similar Nature Provided				
Similar Number of Beds, Admissions, or Outpatient Visits				
Other Factors. Please explain.				

*If no, please explain.

7) Did your hospital's comparability data include information from other tax-exempt hospitals? Yes No
If no, please explain.

8) Was your hospital's actual compensation set within the range of comparability data? Yes No
If no, please explain.

9) Did your hospital have a business relationship with any of its officers, directors, trustees or key employees other than through their position as officers, directors, trustees, or key employees? Yes No
If yes, identify the individuals and describe the business relationship below.

Name	Title	Description of Business Relationship

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