



American Hospital
Association

ADVOCACY UPDATE

Action Alert!

Monday, October 22, 2007

NEED ACTION FROM *Hospital leaders*
ACTION *Urge your House member to sign
Tubbs Jones/Porter letter to IRS*
WHEN *Immediately*
HOW *Call or e-mail your representative*
WHY *Support full-value reporting for
hospitals*

HAS YOUR LEGISLATOR SIGNED THE HOUSE LETTER ON FULL-VALUE IRS REPORTING?

As of today, 72 members of the House of Representatives have signed a letter urging the IRS to improve the new Schedule H reporting form, which applies only to tax-exempt hospitals, by including the full value of community benefits hospitals provide, including Medicare shortfalls and bad debt, and eliminating reporting burdens unrelated to compliance. The letter is being spearheaded by Reps. Stephanie Tubbs Jones (D-OH) and Jon Porter (R-NV), and will be sent to the IRS November 1.

The letter and a list of those who have already signed are attached. Check the list to see if your legislator has signed. If not, contact your legislator today and urge him or her to sign the letter.

In our earlier [comment letter](#) on Schedule H, the AHA asked that the IRS address numerous concerns, particularly the form's reporting burdens and failure to allow Medicare underpayments and patient bad debt to be reported as part of a hospital's community benefit. Those concerns are echoed in the Tubbs Jones/Porter letter, so it is important that we help our champions secure as many signatures as they can.

Why is full-value reporting critical? Some in Washington want to impose a rigid threshold – at least 5% of expenses going to community benefit – for hospitals to retain their tax-exempt status. Schedule H could become the platform for policymakers at all levels of government to make their own judgments about how much community benefit is sufficient and what fines or other penalties a tax-exempt hospital would face for failing to meet a particular percentage threshold. That is why it is essential that Schedule H reflect the full value of the benefits hospitals provide to their communities.