

**Statement
of the
American Hospital Association
for the
United States House of Representatives
Committee on Ways and Means
“Tax-Exempt Hospital Transparency Act”**

July 1, 2026

On behalf of our nearly 5,000 member hospitals, health systems and other healthcare organizations, as well as our clinician partners — including more than 270,000 affiliated physicians, 2 million nurses and other caregivers — the American Hospital Association (AHA) appreciates the opportunity to comment on H.R. 9504, the “Tax-Exempt Hospital Transparency Act.” Our comments reflect a review of the language we received last night as part of the Notice of Meeting for the Committee’s markup scheduled for July 1, 2026.

The AHA acknowledges the House Ways and Means Committee’s engagement and willingness to revise key provisions of the original discussion draft of the Tax-Exempt Hospital Transparency Act. While improved from the prior draft, we believe the bill, as written, does not yet strike the right balance.

We specifically note the removal of the highly burdensome parallel for-profit tax calculation, the inclusion of standardized definitions and the extension of implementation deadlines. Furthermore, the committee’s decision to establish statutory carve-outs to exempt critical access, rural emergency and small community hospitals from the advanced reporting mandates demonstrates an understanding of the resource constraints many of our nation’s hospitals face. These changes represent steps toward a slightly less burdensome framework than the version in the original discussion draft.

However, the AHA maintains serious concerns and questions regarding the substantial administrative and financial burdens imposed by the remaining provisions, which would



impact, to one extent or another, nearly two-thirds of all hospitals. We believe the focus on financial assistance, to the exclusion of other critical components of community benefit — like Medicaid shortfall — disregards tax-exempt hospitals' already extensive reporting and the many other ways hospitals serve their communities. While the statutory carve-outs protect small facilities from the advanced requirements, these hospitals, which are often among the most financially vulnerable, must still eventually implement new reporting requirements.

Additionally, while we understand the interest in facility-level transparency, delineating system-wide overhead and "non-clinical programming" from spending at individual facilities within a health system presents a cost-accounting hurdle. Mandating that certain health systems first develop a health service line reporting structure and then subsequently map their internal cost structures to an entirely new federal Health Service Line Taxonomy will also entail substantial administrative costs and operational challenges.

We also again submit that utilizing tax documents as a vehicle for 340B reporting is inappropriate because the 340B program is not a federal tax issue and has no bearing on 501(c)(3) or 501(r) status.

These added reporting burdens will further divert scarce resources and not improve patient care and community services. Despite the short extension of the implementation deadline from the original discussion draft, the AHA believes that the significant operational complexity of these new reporting requirements makes the revised timeline still far too aggressive.

The AHA remains fully committed to supporting meaningful transparency that serves communities' and policymakers' interests but does not further shift resources away from patients to regulatory burden. We look forward to continuing our collaborative work with the committee to refine these implementation mechanisms, ensuring that any final reporting requirements are operationally feasible and accurately reflect the diverse ways nonprofit hospitals support their local communities.