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Georgia Watch releases report on nonprofit hospital compliance with new rules

ATLANTA, GA, May 14, 2015 – Today, the Health Access Program at Georgia Watch [released a report on Georgia nonprofit hospital compliance with new federal regulations](#) that mandate thoughtful community benefit planning and increased transparency. Nonprofit hospitals classified by the Internal Revenue Service (IRS) as 501(c)(3) charitable organizations have long been obligated to provide community benefits as a condition of their tax-exempt status, but little regulation existed to ensure benefit spending was aligned with community health needs.

"The rationale for providing nonprofit hospitals with tax exemptions is based on the assumption that, as charitable organizations, they contribute to society by providing certain health benefits to their communities, such as financial assistance to indigent patients, health screenings, and community education campaigns," said Health Access Program Director Beth Stephens.

A new requirement in the 2010 Patient Protection and Affordable Care Act (ACA) mandates that all nonprofit hospitals conduct a Community Health Needs Assessment (CHNA) every three years with input from community members and public health officials and develop an Implementation Strategy for addressing significant health needs in the community served by the hospital. "These assessments can be an important tool in hospitals' efforts to expand access to affordable, quality care in their communities and improve population health," Stephens explained.

Many hospitals published their first CHNAs in 2012 and 2013. Georgia Watch collected and analyzed data from 38 CHNAs and 29 Implementation Strategies to assess compliance with the new federal requirements, show trends, and identify strengths and weaknesses. As part of this work, Georgia Watch prepared [an in-depth analysis of the IRS's 2011 and 2013 proposed rules and 2014 final regulations governing the new CHNA requirements for hospitals](#). After analyzing and comparing Georgia nonprofit hospital CHNAs and Implementation Strategies, Georgia Watch identified several steps hospitals should take to improve future CHNA processes and better target community benefit spending to address community members' most critical needs.

This project was funded solely by a grant from Healthcare Georgia Foundation. Created in 1999 as an independent private foundation, the Foundation's mission is to advance the health of all Georgians and to expand access to affordable, quality healthcare for underserved individuals and communities.

Founded in 2002, Georgia Watch is a statewide consumer advocacy organization whose mission is to empower and protect Georgia consumers on matters that impact their wallets and quality of life. Through education, advocacy and policy development, Georgia Watch works to influence public policies that positively impact consumers, safeguard consumer protections in the area of personal finance, promote access to safe and affordable healthcare, encourage fair utility rates and renewable energy options, protect the right to trial by jury and promote access to the courts.