

AHA: New EY Analysis - Nonprofit Hospitals' Value to Communities Ten Times Their Federal Tax Exemption

A new analysis by the international accounting firm EY (also known as Ernst and Young) for the AHA shows that tax-exempt hospitals and health systems delivered \$10 in benefits to their communities for every dollar's worth of federal tax exemption in 2020, the most recent year for which comprehensive data is available. This represents an increase from \$9 in benefits the prior year despite serving on the front lines of a once-in-a-century pandemic.

In 2020, the estimated federal tax revenue forgone due to the tax-exempt status of nonprofit hospitals was \$13.2 billion. In comparison, the benefit tax-exempt hospitals provided to their communities, as reported on the Form 990 Schedule H, was estimated to be \$129 billion, almost 10 times greater than the value of tax revenue forgone.

"All of America's hospitals and health systems are cornerstones of their communities — delivering not only around-the-clock care and essential services but a broad range of critical health, social and other programs that advance community health," said AHA President and CEO Rick Pollack. "Nonprofit hospitals have a special obligation to those they serve and this new analysis from EY shows these efforts are more than a worthy investment and that improving the health of their communities remains at the heart of the mission of the hospital field."

Nonprofit hospitals are required by law to identify the range of challenges faced by their communities through input from residents, support programs and services aimed at addressing these issues, and to publicly report data on these community investments. This includes reporting on the provision of financial assistance (charity care and Medicaid shortfall) for those in need, and a wide range of tailored programs, initiatives and services designed to meet the current and future health needs of all they serve. In addition, hospitals and health systems support emergency preparedness for all types of disasters, provide education and training for the next generation of caregivers, and invest in cutting-edge technology and medical equipment to ensure access to high-quality care.

For more information on how the entire hospital field is providing for their communities, click [here](#).

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- [Governor's Council Releases Workforce Resource](#)
- [AHA: New EY Analysis - Nonprofit Hospitals' Value to Communities Ten Times Their Federal Tax Exemption](#)
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