

## New IRS Requirements for Hospitals

The Affordable Care Act establishes specific statutory requirements that hospitals must meet to qualify as organizations described in Section 501(c)(3) of the Internal Revenue Code and allow them to be exempt from federal income tax. The statutory requirements specified in the Affordable Care Act state:

- Each hospital facility must conduct a Community Health Needs Assessment at least once every three tax years and adopt an implementation strategy to meet the community health needs identified through the assessment.
- The Community Health Needs Assessment must take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health.
- Must be made widely available to the public.
- Assessment may be based on current information collected by a public health agency or nonprofit organization.
- Hospital must disclose in Form 990 how it is addressing all the needs identified in the assessment and if not, why not (e.g., lack of resources).

Further, the Community Health Needs Assessment requirement is the only requirement with a specific penalty for failure to comply. Under the newly added Section 4959 of the Internal Revenue Code, a hospital which fails to satisfy the Community Health Needs Assessment requirement is subject to a \$50,000 excise tax for each tax year in which the requirement is not met beginning March 2012.

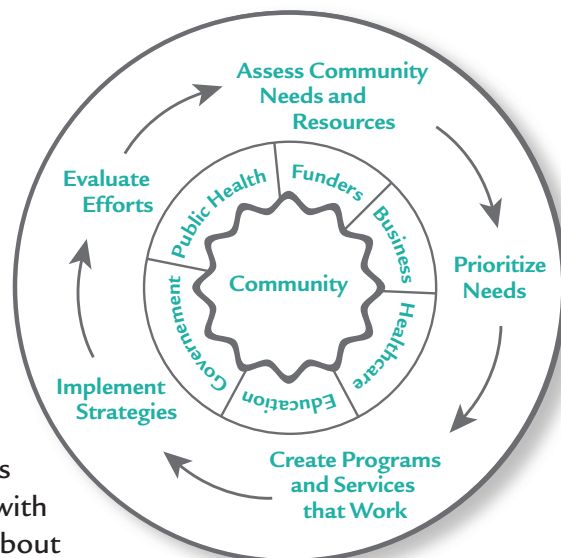
## What is a Community Health Needs Assessment?

As part of the new IRS requirements, hospitals are to conduct a Community Health Needs Assessment—an essential tool for developing a health improvement plan for the communities your hospital serves. A Community Health Needs Assessment poises hospitals as leaders who have identified the health needs of their communities and are working towards solutions to meet those needs.

A Community Health Needs Assessment is typically customized to meet each client's purposes. However, the general process of a needs assessment includes:

- define the community
- gather qualitative and quantitative data
- analyze the data
- identify unmet needs and service gaps
- prioritize needs

Hospitals can use this report as a call to action, engaging community members through public awareness messages, creating programs and policies that work, and collaborating with other organizations to bring about positive change.



## WellFlorida Council is the Region's Leading Consultant for Community Health Needs Assessments

WellFlorida has a long-standing reputation for producing professional and objective Community Health Needs Assessments. Established in 1969, WellFlorida is a private, nonprofit organization specializing in needs assessments, evaluations and coalition building. Employing a range of tools, including strategic focus groups, WellFlorida's needs assessments are thoroughly researched and reliable. Data in assessments typically includes demographic, socioeconomic and health status information that is used to identify areas where targeted interventions and policy changes may have the greatest impact. WellFlorida is uniquely positioned to help hospitals focus their efforts and meet the new IRS requirements, including Form 990. *Contact WellFlorida today for more information:*

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