

Healthy People Healthy Bay

Partnering For A Healthier Bay

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What's Involved-Why?

- Major revisions to Form 990 started in 2008
- IRS Commissioner and Sen. Grassley announced greater Not-for-Profit oversight in 2007
- More responsibility outline for Board Members, Quality indicators for providers
- Resulted in Form 990 revised to provide large amounts of detailed information as basis for examination

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What's Involved

- Form 990 revisions resulted in 35 additional schedules added to collect information on:
 - Charity Care & Community Benefit
 - Bad Debt Expense
 - Community Health Improvement
 - Joint Operating Agreements
 - Research
 - Billing and Collection process
 - Executive Compensation
 - Excess Benefits Transactions, Loans and Grants
- All Phased in between 2009 and 2013

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What's Involved

- IRS Code Section 501(r)
 - Requires each hospital to conduct a Community Needs Assessment every three years
 - Failure to perform the assessment automatically implements an excise tax penalty of \$50,000 per occurrence
 - Continued noncompliance can result in the loss of your tax exemption.
 - If tax exemption rescinded, could make tax exempt bond or entire bond issues fully taxable

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What's Involved

- Needs Assessment to be posted on hospital web site
- Must file implementation plan of the needs assessment with 2012 Form 990 and post on web site
- Does not have to be done independently. Hospital and Health Department can partner to develop.
- Can have independent implementation plans

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What's Involved-Final Thoughts

- Requirements of revised Form 990 very clear
- Section 501 (r) requirements and penalties for non-compliance
- Working with County Health Department to develop the Community Needs Assessment common sense approach
- Allows hospital providers to maintain and develop need services for community

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What's Involved-Final Thoughts

- Supports other IRS/CMS initiatives
- COMPLIANCE IS NOT OPTIONAL... IT'S REQUIRED