

Report on Medicare Compliance Volume 28, Number 9. March 11, 2019 Grassley Questions IRS Again About Nonprofit Hospital 501(r) Compliance

By Nina Youngstrom

Trouble is brewing for nonprofit hospitals over their charity care and other aspects of compliance with the 501(r) regulation on tax-exempt organizations. Sen. Charles Grassley (R-Iowa), chairman of the Senate Finance Committee, has asked the IRS to produce detailed information on its compliance reviews of tax-exempt hospitals.

According to a Feb. 19 letter to the IRS commissioner, Grassley wants to know how many hospitals have been reviewed for compliance with the 501(r) regulation, which requires tax-exempt hospitals to have a well-publicized financial-assistance policy (FAP) for emergency and medically necessary care and perform a community health needs assessment. Noncompliance has already cost at least one hospital its tax exemption (“IRS Revokes Hospital Tax Exemption For Noncompliance With 501(r),” *RMC* 26, no. 30). The senator also requested details from the IRS about the results of the reviews, including the number of hospitals that were out of compliance with 501(r) and how the IRS responded.

This document is only available to subscribers. Please log in or purchase access.

[Purchase Login](#)