



Submitted via email.

22 September 2011

Douglas H. Shulman  
Commissioner of Internal Revenue  
Room 5203  
Internal Revenue Service  
Courier's Desk  
1111 Constitution Avenue, N.W.  
Washington, DC 20224

**Re: Holding Hospitals Accountable for Financial Assistance and Community Benefit**

Dear Commissioner Shulman:

We were disappointed to learn of the Internal Revenue Service's ("the Service") recent decision to make reporting on compliance with consumer protections in the Patient Protection and Affordable Care Act ("ACA") optional for tax-exempt hospitals for tax year 2010. These protections, found in Section 9007 of the ACA and codified as Section 501(r) of the Internal Revenue Code, offer significant relief from medical debt and improve access to health care for low- and middle-income families.

Georgia Watch is a multi-issue consumer advocacy organization that represents all Georgians, though we pay particular attention to the issues of those who are most vulnerable to predatory practices and unfair financial policies. Through our Georgia Hospital Accountability Project and Health Access Program, we work to broaden accessibility to affordable, safe and effective care at the state's hospitals for uninsured, underinsured and low-income Georgians by promoting state-level regulations, advocating for hospital policy changes and promoting consumer empowerment through research and analysis, the publication of relevant reports, hospital and stakeholder engagement, and consumer education. Georgia Watch, along with seven other statewide advocacy organizations, submit the following comments.

In Georgia, an overwhelming majority of our hospitals are nonprofit facilities. While some of these facilities excel at providing accessible and transparent information in regards to their policies, unfortunately, many do not. We hear often from consumers who have faced tremendous hurdles in accessing information about financial assistance; all too often patients are told financial assistance applications are considered on a case by case basis, giving the patient little to no parameters or standards to which their application would be considered.

Additionally, it is difficult to understand what benefits many hospitals have in place to satisfy their obligations to their local community due to their tax-exempt status. Here, there is no community benefits legislation in place, and the state Department of Revenue has previously stated it relies solely on the Service for both oversight and enforcement.

We are concerned that the optional reporting on compliance with key ACA measures deemphasizes that importance of those crucial consumer protections, leaving consumers with little recourse when met



with barriers when attempting to access necessary care. Requiring every tax-exempt hospital to report detailed information about these programs is consistent with the ACA requirements and a strong step forward to ensuring that communities have consistent, comparable information about the programs offered by their local hospitals. We are concerned that the Service's decision to delay reporting on ACA compliance will unintentionally keep communities and individual consumers in the dark about programs that can give them access to timely health care they can afford.

Based on our observations of the issues facing our community, we believe that:

- The requirements for tax-exempt hospitals found in Section 501(r) are a critical, if underappreciated, building block for successful implementation of the Affordable Care Act.
- Though tax-exempt hospitals could face additional reporting and may need to adjust their policies to comply with the Affordable Care Act's requirements, the brunt of the burden of inadequate financial assistance, billing and community benefit practices falls on consumers. When establishing reporting metrics and guidance, the Service should place equal weight on the impact its policies will have on vulnerable populations and communities served by tax-exempt hospitals.
- There is significant and immediate need for the Service to issue additional guidance on Section 501(r) that prioritizes the needs of vulnerable communities.

We urge the Service to ensure reporting requirements are thorough and enforced for tax year 2011 and beyond, and to develop consumer-friendly guidance on these provisions this tax year and beyond. We welcome the opportunity to discuss our recommendations and experiences in Georgia in greater detail with you and your staff, if helpful. Thank you for your efforts thus far, and thank you in advance for your thoughtful consideration of our comments.

Sincerely,

Holly Lang

Hospital Accountability Project Director, Georgia Watch

Georgians for a Healthy Future

Georgia Women for a Change

HealthSTAT

Georgia Psychological Association

The Health Initiative

Healthy Mothers, Healthy Babies

Georgia Rural Urban Summit