

JACKIE WALORSKI
2ND DISTRICT, INDIANA

COMMITTEE ON WAYS AND MEANS

SUBCOMMITTEE ON WORKER
AND FAMILY SUPPORT
RANKING MEMBER

SUBCOMMITTEE ON OVERSIGHT

COMMITTEE ON ETHICS

419 CANNON HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-3915

202 LINCOLNWAY EAST
SUITE 101
MISHAWAKA, IN 46544
(574) 204-2645

Congress of the United States
House of Representatives
Washington, DC 20515-1402

February 3, 2020

The Honorable Charles P. Rettig
Commissioner
Internal Revenue Service
1111 Constitution Avenue, NW
Washington, D.C. 20224

Dear Commissioner Rettig:

America's tax-exempt hospitals provide important community benefits to improve health and well-being, including programs that improve access to health care services, address public health issues, and advance patient knowledge.

In speaking with officials at tax-exempt hospitals in my state, I've learned of barriers they face when reporting community benefit activities to the Internal Revenue Service (IRS) on IRS Form 990 Schedule H. One issue pertains to whether hospitals can report community benefit activities related to the social determinants of health. Such activities are listed in Part II of IRS Form 990 Schedule H as community-building activities, but confusion persists despite clarifications from IRS that they may be reportable as community benefits. A second issue relates to the requirement that hospitals offset the restricted grants they use for community benefit activities when reporting the total expense of these efforts. This policy results in hospitals appearing to provide significantly less community benefit than is actually the case.

I am requesting that the IRS review these concerns with IRS Form 990 Schedule H and work with stakeholders to revise the form instructions in order to address these reporting problems.

Keeping community benefits policy in alignment with broader health goals and ensuring transparency require health care expertise that is beyond what the IRS currently possesses. I am also recommending that the IRS consider establishing an interagency advisory committee consisting of health care experts from across the Department of Health and Human Services (HHS) to advise the agency on the categories of community-wide health improvements.

Thank you for your continued leadership on behalf of the American taxpayer. I stand ready to work with you and your agency to identify solutions that will benefit and improve communities across the country. If you have any questions, please have your staff reach out to Martin Schultz with my office at martin.schultz@mail.house.gov or 202-225-3915.

Sincerely,



Jackie Walorski
Member of Congress