

HOUSE BILL 2977
By Givens

AN ACT to amend Tennessee Code Annotated, Section 68-11-310, relative to the reporting of community benefits and the reporting of taxes by hospitals, and to define "community benefits" as being donations, education related costs, government sponsored subsidized health care, research related costs, hospital subsidized health care, uncompensated care.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. The General Assembly finds and declares as follows:

WHEREAS, in exchange for the privileges and benefits bestowed to licensed hospitals in this state, hospitals have a responsibility to meet the needs of the communities they serve; and

WHEREAS, both community owned and investor owned hospitals share a corporate responsibility, heightened by their missions of providing an essential service, to do all they can to improve and maintain the health status of members of the communities that sustain them; and

WHEREAS, the communities served by hospitals should be able to ascertain the level of community benefits being provided by the hospitals, which will demonstrate hospitals' allocation of resources to address community health care needs.

NOW, THEREFORE, it is declared to be the intent of the General Assembly to provide a single, uniform procedure for the annual reporting of community benefits provided and taxes paid by hospitals.

SECTION 2. Tennessee Code Annotated, Section 68-11-310, is amended by deleting subsection (a) in its entirety and substituting instead the following:

(a) All hospitals shall make and submit to the department of health a report annually, which shall include all statistical particulars relative to the patients therein, and all other information specified in this section.

SECTION 3. Tennessee Code Annotated, Section 68-11-310, is further amended by adding the following as new subsections:

(c) Every hospital (as defined in Tennessee Code Annotated, Section 68-11-201) shall include in the report required by Tennessee Code Annotated, Section 68-11-310(a), a community benefits report which shall include the information called for in this act.

(d) As used in this section:

(1) "Community benefits" means those services provided or supported by a hospital and/or its hospital foundation for the purpose of improving or sustaining the mental, social, or physical well-being and/or education of the public or an indefinite number of persons. Categories of community benefits include: donations, education related costs, government sponsored subsidized health care, research related costs, hospital subsidized health care, and all uncompensated care (as defined in Tennessee Code Annotated, Section 68-1-109). For the purposes of this section, taxes paid by a hospital shall not be considered community benefits, and are considered a business cost of deriving personal benefit.

(2) "Donations" means the unreimbursed costs of providing cash and in kind services and gifts, including facilities, equipment, personnel, and programs, to not-for-profit or public organizations.

(3) "Education related costs" means the unreimbursed costs to a hospital of providing, funding, or otherwise financially supporting educational benefits, services, and programs, including:

(A) education of physicians, nurses, technicians, and other medical professional and health care providers;

(B) provision of scholarships and funding to medical schools, colleges, and universities for health professionals' education;

(C) education of patients concerning diseases and home care in response to community needs; and

(D) community health education through informational programs, publications, and outreach activities in response to community needs.

(4) "Government sponsored subsidized health care" means the cost of providing health care by a hospital after all reimbursement for such care is received from Medicare, Medicaid, TennCare and other federal, state, or local health care programs.

(5) "Hospital subsidized health care" means the cost of health care not considered government subsidized health care that:

(A) is provided by a hospital, in response to community needs, for which the reimbursement, excluding any discounts, is less than the hospital's cost for providing the care; and

(B) must be subsidized by other hospital or hospital foundation revenues or resources. Hospital subsidized health care may include: emergency and trauma care; neonatal intensive care; free standing community clinics; and collaborative efforts with local government or private agencies in preventative medicine, such as immunization programs.

(6) "Its hospital foundation" means a not-for-profit entity that is created by the reporting hospital to further the charitable purposes of the hospital and that is under the direct ownership and control of the hospital.

(7) "Reimbursement" means any direct payment of funds made to a hospital in exchange for care or services provided.

(8) "Research related costs" means the unreimbursed cost incurred, or expenditures made, for the scholarly or scientific investigation, inquiry, or search for knowledge concerning health related, or other matters, which may directly or indirectly improve the health status or well-being of members of the community, or mankind at large.

(9) "Costs" means the hospital's standard charges in determining the amount of "government sponsored subsidized health care," "hospital subsidized health care," and "uncompensated care".

(10) "Unreimbursed" means the cost of any service, care or activity which is not reimbursed, as defined herein.

(d) Hospitals shall include in the community benefits annual report:

(1) An organizational mission statement that identifies the hospital's commitment to serving the health care needs of the community; and

(2) Identification of the community needs the hospital has targeted which:

(A) Sets out goals and objectives for providing community benefits;

(B) Measures impact of providing targeted community benefits;

and

(C) Identifies the populations and communities targeted to receive community benefits by the hospital.

(3) Disclosure of the amount and types of community benefits actually provided in Tennessee. Hospitals in the same system or chain shall not duplicate the reporting of community benefits.

(e) Each hospital shall prepare a notice to the public that the community benefits annual report is:

- (1) Public information;
- (2) Filed with the department of health;
- (3) Available to the public on request from the department of health; and
- (4) The notice required by this section shall be posted in a prominent

place in the hospital.

(f) Every hospital (as defined in Tennessee Code Annotated, Section 68-11-201) shall include in the report required by Tennessee Code Annotated, Section 68-22-310(a), a report of all taxes actually paid (less all credits, exemptions, and deductions) by the hospital during the reporting period. For purposes of this section, "taxes" include all federal, state, and local taxes, including payroll taxes.

SECTION 4. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 5. This act shall take effect upon becoming a law, the public welfare requiring it.

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