

IRS Form 990 Schedule H

- This schedule will be used to report information to the IRS about the hospital's financial assistance policies and charity care programs.
- The following slides provides reference and information as to how the 990 is used to report this information.

SCHEDULE H
(Form 990)

Hospitals

OMB No. 1545-0047

2010

Open to Public Inspection

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, question 20.**
▶ **Attach to Form 990. ▶ See separate instructions.**

Department of the Treasury
Internal Revenue Service

Name of the organization

Employer identification number

Part I Financial Assistance and Certain Other Community Benefits at Cost

- 1a** Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a
- b** If "Yes," was it a written policy?
- 2** If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year.
- ☐ Applied uniformly to all hospital facilities ☐ Applied uniformly to most hospital facilities
- ☐ Generally tailored to individual hospital facilities
- 3** Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year.
- a** Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care to low income individuals? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care: . . .
- ☐ 100% ☐ 150% ☐ 200% ☐ Other _____%
- b** Did the organization use FPG to determine eligibility for providing *discounted* care to low income individuals? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care:
- ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☐ Other _____%
- c** If the organization did not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care.
- 4** Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?
- 5a** Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?
- b** If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?
- c** If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?
- 6a** Did the organization prepare a community benefit report during the tax year?
- b** If "Yes," did the organization make it available to the public?
- Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.

| | Yes | No |
|-----------|-----|----|
| 1a | | |
| 1b | | |
| 2 | | |
| 3a | | |
| 3b | | |
| 4 | | |
| 5a | | |
| 5b | | |
| 5c | | |
| 6a | | |
| 6b | | |

IRS Form 990 – Financial assistance

| Financial Assistance Policy | | 7 | 8 | 9 |
|--|--|----|---|---|
| Did the hospital facility have in place during the tax year a written financial assistance policy that: | | | | |
| 8 | Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care? | 8 | | |
| 9 | Used federal poverty guidelines (FPG) to determine eligibility for providing <i>free</i> care to low income individuals? | 9 | | |
| If "Yes," indicate the FPG family income limit for eligibility for free care: <input type="text"/> <input type="text"/> <input type="text"/> % | | | | |
| 10 | Used FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? | 10 | | |
| If "Yes," indicate the FPG family income limit for eligibility for discounted care: <input type="text"/> <input type="text"/> <input type="text"/> % | | | | |
| 11 | Explained the basis for calculating amounts charged to patients? | 11 | | |
| If "Yes," indicate the factors used in determining such amounts (check all that apply): | | | | |
| a | <input type="checkbox"/> Income level | | | |
| b | <input type="checkbox"/> Asset level | | | |
| c | <input type="checkbox"/> Medical indigency | | | |
| d | <input type="checkbox"/> Insurance status | | | |
| e | <input type="checkbox"/> Uninsured discount | | | |
| f | <input type="checkbox"/> Medicaid/Medicare | | | |
| g | <input type="checkbox"/> State regulation | | | |
| h | <input type="checkbox"/> Other (describe in Part VI) | | | |
| 12 | Explained the method for applying for financial assistance? | 12 | | |
| 13 | Included measures to publicize the policy within the community served by the hospital facility? | 13 | | |
| If "Yes," indicate how the hospital facility publicized the policy (check all that apply): | | | | |
| a | <input type="checkbox"/> The policy was posted on the hospital facility's website | | | |
| b | <input type="checkbox"/> The policy was attached to billing invoices | | | |
| c | <input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms | | | |
| d | <input type="checkbox"/> The policy was posted in the hospital facility's admissions offices | | | |
| e | <input type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility | | | |
| f | <input type="checkbox"/> The policy was available on request | | | |
| g | <input type="checkbox"/> Other (describe in Part VI) | | | |

IRS Form 990 – Bad debt

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

- 1 Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?
- 2 Enter the amount of the organization's bad debt expense (at cost)
- 3 Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's financial assistance policy
- 4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit.

| | Yes | No |
|----|--------------------------|--------------------------|
| 1 | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 | | |
| 3 | | |
| 4 | | |
| 5 | | |
| 6 | | |
| 7 | | |
| 8 | | |
| 9a | <input type="checkbox"/> | <input type="checkbox"/> |
| 9b | <input type="checkbox"/> | <input type="checkbox"/> |

Section B. Medicare

- 5 Enter total revenue received from Medicare (including DSH and IME)
- 6 Enter Medicare allowable costs of care relating to payments on line 5
- 7 Subtract line 6 from line 5. This is the surplus (or shortfall)
- 8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used:
☐ Cost accounting system ☐ Cost to charge ratio ☐ Other

Section C. Collection Practices

- 9a Did the organization have a written debt collection policy during the tax year?
- b If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI

IRS Form 990 – Collections

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

- | | | Yes | No |
|---|--|--------------------------|--------------------------|
| 1 | Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15? | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 | Enter the amount of the organization's bad debt expense (at cost) | | |
| 3 | Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's financial assistance policy | | |
| 4 | Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit. | | |

Section B. Medicare

- | | | |
|---|--|--|
| 5 | Enter total revenue received from Medicare (including DSH and IME) | |
| 6 | Enter Medicare allowable costs of care relating to payments on line 5 | |
| 7 | Subtract line 6 from line 5. This is the surplus (or shortfall) | |
| 8 | Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other | |

Section C. Collection Practices

- | | | |
|----|---|--|
| 9a | Did the organization have a written debt collection policy during the tax year? | |
| b | If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI | |

Form 990 – Medicare short-fall

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

| | | Yes | No |
|---|--|--------------------------|--------------------------|
| 1 | Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15? | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 | Enter the amount of the organization's bad debt expense (at cost) | | |
| 3 | Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's financial assistance policy | | |
| 4 | Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit. | | |
| | | | |

Section B. Medicare

| | | | |
|---|--|---|--|
| 5 | Enter total revenue received from Medicare (including DSH and IME) | 5 | |
| 6 | Enter Medicare allowable costs of care relating to payments on line 5 | 6 | |
| 7 | Subtract line 6 from line 5. This is the surplus (or shortfall) | 7 | |
| 8 | Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: | | |
| | <input type="checkbox"/> Cost accounting system <input type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other | | |

Section C. Collection Practices

| | | | | |
|----|---|----|--------------------------|--------------------------|
| 9a | Did the organization have a written debt collection policy during the tax year? | 9a | <input type="checkbox"/> | <input type="checkbox"/> |
| b | If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI | 9b | <input type="checkbox"/> | <input type="checkbox"/> |

IRS Form 990 – Collections

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

| | | Yes | No |
|---|--|--------------------------|--------------------------|
| 1 | Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15? | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 | Enter the amount of the organization's bad debt expense (at cost) | | |
| 3 | Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's financial assistance policy | | |
| 4 | Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit. | | |

Section B. Medicare

| | | |
|---|--|--|
| 5 | Enter total revenue received from Medicare (including DSH and IME) | |
| 6 | Enter Medicare allowable costs of care relating to payments on line 5 | |
| 7 | Subtract line 6 from line 5. This is the surplus (or shortfall) | |
| 8 | Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other | |

Section C. Collection Practices

| | | |
|----|---|--|
| 9a | Did the organization have a written debt collection policy during the tax year? | |
| b | If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI | |

IRS Form 990 –Part V Billing and Collections

| Billing and Collections | | | | |
|-------------------------|--|----|--------------------------|--------------------------|
| 14 | Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy that explained actions the hospital facility may take upon non-payment? . . . | 14 | <input type="checkbox"/> | <input type="checkbox"/> |
| 15 | Check all of the following collection actions against a patient that were permitted under the hospital facility's policies at any time during the tax year: | | | |
| a | <input type="checkbox"/> Reporting to credit agency | | | |
| b | <input type="checkbox"/> Lawsuits | | | |
| c | <input type="checkbox"/> Liens on residences | | | |
| d | <input type="checkbox"/> Body attachments | | | |
| e | <input type="checkbox"/> Other actions (describe in Part VI) | | | |
| 16 | Did the hospital facility engage in or authorize a third party to perform any of the following collection actions during the tax year? If "Yes," check all collection actions in which the hospital facility or a third party engaged (check all that apply): | 16 | <input type="checkbox"/> | <input type="checkbox"/> |
| a | <input type="checkbox"/> Reporting to credit agency | | | |
| b | <input type="checkbox"/> Lawsuits | | | |
| c | <input type="checkbox"/> Liens on residences | | | |
| d | <input type="checkbox"/> Body attachments | | | |
| e | <input type="checkbox"/> Other actions (describe in Part VI) | | | |
| 17 | Indicate which actions the hospital facility took before initiating any of the collection actions checked in line 16 (check all that apply): | | | |
| a | <input type="checkbox"/> Notified patients of the financial assistance policy on admission | | | |
| b | <input type="checkbox"/> Notified patients of the financial assistance policy prior to discharge | | | |
| c | <input type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills | | | |
| d | <input type="checkbox"/> Documented its determination of whether a patient who applied for financial assistance under the financial assistance policy qualified for financial assistance | | | |
| e | <input type="checkbox"/> Other (describe in Part VI) | | | |

IRS Form 990 –Part V Emergency Policy

Schedule H (Form 990) 2010

Page **6**

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

- 18** Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?

| | Yes | No |
|-----------|--------------------------|--------------------------|
| 18 | <input type="checkbox"/> | <input type="checkbox"/> |

If "No," indicate the reasons why (check all that apply):

- a** ☐ The hospital facility did not provide care for any emergency medical conditions
- b** ☐ The hospital facility did not have a policy relating to emergency medical care
- c** ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)
- d** ☐ Other (describe in Part VI)

| | | |
|--|--|--|
| | | |
| | | |
| | | |
| | | |

Charges for Medical Care

- 19** Indicate how the hospital facility determined the amounts billed to individuals who did not have insurance covering emergency or other medically necessary care (check all that apply):

- a** ☐ The hospital facility used the lowest negotiated commercial insurance rate for those services at the hospital facility
- b** ☐ The hospital facility used the average of the three lowest negotiated commercial insurance rates for those services at the hospital facility
- c** ☐ The hospital facility used the Medicare rate for those services
- d** ☐ Other (describe in Part VI)

| | | |
|--|--|--|
| | | |
| | | |
| | | |
| | | |

- 20** Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?

| | | |
|-----------|--------------------------|--------------------------|
| | | |
| 20 | <input type="checkbox"/> | <input type="checkbox"/> |

If "Yes," explain in Part VI.

- 21** Did the hospital facility charge any of its patients an amount equal to the gross charge for any service provided to that patient?

| | | |
|-----------|--------------------------|--------------------------|
| | | |
| 21 | <input type="checkbox"/> | <input type="checkbox"/> |

If "Yes," explain in Part VI.

IRS Form 990 –Part V Charges

Schedule H (Form 990) 2010

Page **6**

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

- 18** Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?

If "No," indicate the reasons why (check all that apply):

- a** ☐ The hospital facility did not provide care for any emergency medical conditions
b ☐ The hospital facility did not have a policy relating to emergency medical care
c ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)
d ☐ Other (describe in Part VI)

| | Yes | No |
|-----------|--------------------------|--------------------------|
| 18 | <input type="checkbox"/> | <input type="checkbox"/> |
| | | |
| | | |
| | | |

Charges for Medical Care

- 19** Indicate how the hospital facility determined the amounts billed to individuals who did not have insurance covering emergency or other medically necessary care (check all that apply):

- a** ☐ The hospital facility used the lowest negotiated commercial insurance rate for those services at the hospital facility
b ☐ The hospital facility used the average of the three lowest negotiated commercial insurance rates for those services at the hospital facility
c ☐ The hospital facility used the Medicare rate for those services
d ☐ Other (describe in Part VI)

| | | |
|--|--|--|
| | | |
| | | |
| | | |
| | | |

- 20** Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?

If "Yes," explain in Part VI.

- 21** Did the hospital facility charge any of its patients an amount equal to the gross charge for any service provided to that patient?

If "Yes," explain in Part VI.

| | | |
|-----------|--------------------------|--------------------------|
| 20 | <input type="checkbox"/> | <input type="checkbox"/> |
| | | |
| 21 | <input type="checkbox"/> | <input type="checkbox"/> |

Schedule H (Form 990) 2010

Financial assistance costs on general ledger

- Charity care is reported at full-established charges amount in general ledger revenues.
- Charity amounts are reported in the general ledger as the difference between full-established charges and amount that patient has an obligation to pay.

Financial assistance as community benefit

- Financial assistance should be reported on IRS 990 at cost, not charges.
 - Worksheet 1 can be used to determine the cost of financial assistance program.
 - Worksheet 2 can be used to determine the ratio of costs to charges.
 - Organizations with a cost accounting system or a cost accounting method more accurate than Worksheet 2 can rely on that system or method to estimate the cost.

IRS Form 990 – Financial assistance

| 7 Financial Assistance and Certain Other Community Benefits at Cost | | | | | | |
|--|---|-------------------------------|-------------------------------------|-------------------------------|-----------------------------------|------------------------------|
| Financial Assistance and Means-Tested Government Programs | (a) Number of activities or programs (optional) | (b) Persons served (optional) | (c) Total community benefit expense | (d) Direct offsetting revenue | (e) Net community benefit expense | (f) Percent of total expense |
| a Financial Assistance at cost (from Worksheets 1 and 2) | | | | | | |
| b Unreimbursed Medicaid (from Worksheet 3, column a) | | | | | | |
| c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b) | | | | | | |
| d Total Financial Assistance and Means-Tested Government Programs | | | | | | |
| Other Benefits | | | | | | |
| e Community health improvement services and community benefit operations (from Worksheet 4) | | | | | | |
| f Health professions education (from Worksheet 5) | | | | | | |
| g Subsidized health services (from Worksheet 6) | | | | | | |
| h Research (from Worksheet 7) | | | | | | |
| i Cash and in-kind contributions to community groups (from Worksheet 8) | | | | | | |
| j Total Other Benefits | | | | | | |
| k Total Add lines 7d and 7j | | | | | | |

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Cat. No. 50192T

Schedule H (Form 990) 2010

Counting activities/persons

| 7 Financial Assistance and Certain Other Community Benefit | | |
|--|---|-------------------------------|
| Financial Assistance and Means-Tested Government Programs | (a) Number of activities or programs (optional) | (b) Persons served (optional) |
| a Financial Assistance at cost (from Worksheets 1 and 2) | | |

Activities* - One
Persons served* - number of
inpatient and outpatient
accounts

*recommendation of Catholic Health Association

Financial assistance – cost

Worksheet 1. **Financial Assistance at Cost (Part I, line 7a)**

Keep for Your Records



Gross patient charges

1. Amount of gross patient charges written off pursuant to financial assistance policies 1. _____

Total community benefit expense

2. Ratio of patient care cost to charges (from Worksheet 2, if used) 2. _____

3. Estimated cost (multiply line 1 by line 2, or obtain from cost accounting) 3. _____

4. Medicaid provider taxes 4. _____

5. Total community benefit expense (add lines 3 and 4; enter on Part I, line 7a, column (c)) 5. _____

See note below

Direct offsetting revenue

6. Revenues from uncompensated care pools or programs (enter on Part I, line 7a, column (d)) 6. _____

7. Net community benefit expense (subtract line 6 from line 5; enter on Part I, line 7a, column (e)) 7. _____

8. Total expense (enter amount from Form 990, Part IX, Line 25, column (A), and include the organization's share of joint venture expenses.) 8. _____

9. Percent of total expense (divide line 7 by line 8; enter on Part I, line 7a, column (f)) 9. _____ %

NOTE: Do not offset grants or contributions.

Worksheet 2. **Ratio of Patient Care
Cost to Charges**
(can be used for other
worksheets)

Keep for Your Records



Patient care cost

1. Total operating expense 1. _____

Less adjustments

2. Nonpatient care activities 2. _____

3. Medicaid provider taxes 3. _____

4. Total community benefit expense 4. _____

5. Total community building expense 5. _____

6. **Total adjustments** (add lines 2 through 5) 6. _____

7. **Adjusted patient care cost** (subtract line 6 from line 1) 7. _____

Patient care charges

8. Gross patient charges 8. _____

Less: adjustments

9. Gross charges for community benefit programs 9. _____

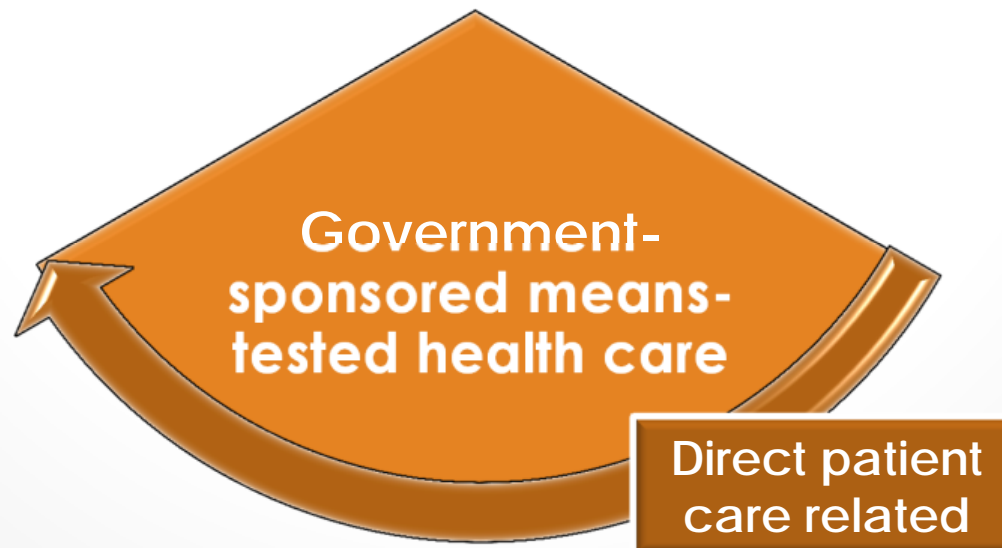
10. **Adjusted patient care charges** (subtract line 9 from line 8) .. 10. _____

**Calculation of ratio of patient care costs to
charges**

11. Ratio of patient care cost to charges (divide line 7 by line 10;
report on the applicable lines of Worksheets 1, 3, or 6) 11. _____ %

Please note that the ratio of patient care cost to charges from this form may be used in calculating the costs of other benefits which relate to patient care activities (i.e. Medicaid and other means tested short-falls.

Government sponsored means-tested health care includes health programs where eligibility for coverage is determined by income and/or assets.



Means-tested programs

- Medicaid is an example of a means-tested governmental program.
- Medicaid is separately reported from other governmental means-tested programs.
- Revenue and costs are reported in terms of total and net cost.
 - Not the same as a contractual allowance.

Means-tested programs

- COUNT
 - Revenues and costs related to:
 - Medicaid
 - State Children's Health Insurance Program (SCHIP)
 - State and local indigent care: Medicaid programs for low-income and medically indigent persons
 - Days, visits or services not covered by Medicaid or other indigent care programs

Means-tested programs

- DO NOT COUNT
 - Medicare short-fall
 - Other government programs that are not means-tested, such VA, CHAMPUS, and Indian Health Service

Means-tested program accounting

- Losses or gains incurred for **cost** of Medicaid patients and other means-tested governmental programs are included in community benefits.
- Cost may be based on overall hospital cost to charge ratio or other cost finding method.
- Cost must be offset by revenue received.

Means-tested program short-falls

7 Financial Assistance and Certain Other Community Benefits at Cost

| Financial Assistance and Means-Tested Government Programs | (a) Number of activities or programs (optional) | (b) Persons served (optional) | (c) Total community benefit expense | (d) Direct offsetting revenue | (e) Net community benefit expense | (f) Percent of total expense |
|--|---|-------------------------------|-------------------------------------|-------------------------------|-----------------------------------|------------------------------|
| a Financial Assistance at cost (from Worksheets 1 and 2) . . . | | | | | | |
| b Unreimbursed Medicaid (from Worksheet 3, column a) . . . | | | | | | |
| c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b) . . . | | | | | | |
| d Total Financial Assistance and Means-Tested Government Programs . . . | | | | | | |
| Other Benefits | | | | | | |
| e Community health improvement services and community benefit operations (from Worksheet 4) . . . | | | | | | |
| f Health professions education (from Worksheet 5) . . . | | | | | | |
| g Subsidized health services (from Worksheet 6) . . . | | | | | | |
| h Research (from Worksheet 7) . . . | | | | | | |
| i Cash and in-kind contributions to community groups (from Worksheet 8) . . . | | | | | | |
| j Total. Other Benefits . . . | | | | | | |
| k Total. Add lines 7d and 7j . . . | | | | | | |

Medicaid short-fall – counting activities/ persons

| 7 Financial Assistance and Certain Other Community Benefits | | |
|--|---|-------------------------------|
| Financial Assistance and Means-Tested Government Programs | | |
| | (a) Number of activities or programs (optional) | (b) Persons served (optional) |
| a Financial Assistance at cost (from Worksheets 1 and 2) . . . | | |
| b Unreimbursed Medicaid (from Worksheet 3, column a) . . . | | |

Activities* - one for each State Medicaid program

Persons served* - number of inpatient and outpatient accounts

Use similar logic for other means-tested programs

*recommendation of Catholic Health Association

Means-tested short-fall - expenses

Worksheet 3. Unreimbursed Medicaid and Other Means-Tested Government Programs (Part I, lines 7b and 7c)

Keep for Your Records



| | | (A) Medicaid | (B) Other means-tested government programs |
|--|-----|-----------------|---|
| 1. Gross patient charges from the programs | 1. | | |
| Total community benefit expense | | | |
| 2. Ratio of patient cost to charges (from Worksheet 2, if used) | 2. | % | % |
| 3. Cost (multiply line 1 by line 2, or obtain from cost accounting) | 3. | | |
| 4. Medicaid provider taxes | 4. | | |
| 5. Total community benefit expense (add lines 3 and 4; enter amount from column (A) on Part I, line 7b, column (c); and enter amount from column (B) on Part I, line 7c, column (c)) | 5. | | |
| Direct offsetting revenue | | | |
| 6. Net patient service revenue | 6. | | |
| 7. Payments from uncompensated care pools or programs | 7. | | |
| 8. Other revenue | 8. | | |
| 9. Total direct offsetting revenue (add lines 6 through 8; enter amount from column (A) on Part I, line 7b, column (d) and enter amount from column (B) on Part I, line 7c, column (d)) | 9. | | |
| 10. Net community benefit expense (subtract line 9 from line 5; enter amount from column (A) on Part I, line 7b, column (e); enter amount from column (B) on Part I, line 7c, column (e)) | 10. | | |
| 11. Total expense (enter amount from Form 990, Part IX, line 25, Column (A), and include the organization's share of all joint ventures, in both columns (A) and (B)) . . . | 11. | | |
| 12. Percent of total expense (line 10 divided by 11; enter amount from column (A) on Part I, line 7b, column (f); enter amount from column (B) on Part I, line 7c, column (f)) . . . | 12. | % | % |

Worksheet 2. **Ratio of Patient Care
Cost to Charges**
(can be used for other
worksheets)

Keep for Your Records



Patient care cost

1. Total operating expense 1. _____

Less adjustments

2. Nonpatient care activities 2. _____

3. Medicaid provider taxes 3. _____

4. Total community benefit expense 4. _____

5. Total community building expense 5. _____

6. **Total adjustments** (add lines 2 through 5) 6. _____

7. **Adjusted patient care cost** (subtract line 6 from line 1) 7. _____

Patient care charges

8. Gross patient charges 8. _____

Less: adjustments

9. Gross charges for community benefit programs 9. _____

10. **Adjusted patient care charges** (subtract line 9 from line 8) .. 10. _____

**Calculation of ratio of patient care costs to
charges**

11. Ratio of patient care cost to charges (divide line 7 by line 10;
report on the applicable lines of Worksheets 1, 3, or 6) 11. _____ %

Organizations with a cost accounting system or a cost accounting method more accurate than Worksheet 2 can rely on that system or method to estimate the cost.

Whew! That's a lot to remember!



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Now . . . go out and find some
community benefits you can
count!

