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HEALTH SERVICES COST REVIEW COMMISSION

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Memorandum

To: CFO's of Maryland's Specialty Hospitals

From: Steve Ports, Acting Executive Director

Re: Requirement to file a hospital community benefit report on an annual basis

Date: May 14, 2013

Under the authority of Health General (HG) §19-303, Maryland Annotated Code, the Health Services Cost Review Commission (the "Commission"), receives an annual community benefit report from each hospital in a standard reporting format. The report details the community benefits provided by each hospital during the preceding year. The Commission compiles the reports into an annual Nonprofit Hospital Community Benefit Report made available to the public in general. In the past, specialty hospitals were not required to report on their community benefit activities. However, as you may be aware, the Affordable Care Act ("ACA") added Section 501(r) to the Internal Revenue Code (the "Code") that requires tax exempt Section 501(c)(3) hospitals to, among other requirements, conduct a community health needs assessment ("CHNA") starting with the tax year beginning after March 23, 2012. Section 501(r) also requires the CHNA to be made widely available to the public.

You should consult your tax accountant for further information regarding requirements under the Code. Since all tax exempt hospital organizations are required to meet the CHNA provisions under the ACA, the Commission has determined that its community benefit reporting requirements will be extended to all hospital organizations in Maryland that are subject to the authority of the Commission. Therefore, specialty hospitals will be required, under the authority of HG 19-303, to submit their first annual report of community benefit activities, in a standard reporting format, covering its activities in FY2014. The report due date will be December 15, 2014. Currently, the requirements for FY2013 are available on the Commission's website at http://www.hscrc.state.md.us/init_cb.cfm, as well as the statewide reports for FY2004-2011.

The requirements for FY2014 will be made available on the Commission's website in the fall of 2013. If you have questions regarding this memo, please contact Amanda Vaughan at 410-764-2597.