

Dear Member of Congress:

On behalf of our nonprofit health system, I am writing regarding draft legislation expected to be considered during the House Committee on Ways and Means markup scheduled for May 20, 2026. We are deeply concerned that the proposal would significantly expand reporting requirements for nonprofit hospitals in ways that would impose substantial administrative and financial burdens without improving patient care or meaningful transparency.

Our mission is to improve the health of the people in the communities we serve. As a nonprofit health system, we provide essential hospital, outpatient, preventive, and community-based services to patients across our region, including many individuals and families who rely on us for charity care, financial assistance, Medicaid services, behavioral health programs, chronic disease management, and other vital services.

The draft legislation would dramatically expand IRS Schedule H reporting requirements and require nonprofit hospitals to build new systems, hire additional staff, and establish new auditing and compliance processes. These mandates would come without any funding or offset, diverting critical resources away from patient care, community benefit programs, and local health initiatives. Rather than improving transparency, the proposal would layer duplicative reporting obligations on top of already extensive federal requirements.

Nonprofit hospitals already provide detailed information through IRS Form 990 Schedule H, Medicare cost reports, Community Health Needs Assessments, implementation strategies, and 340B program audits and oversight. The proposed legislation would require hospitals to report much of the same information in different formats, creating unnecessary administrative strain, potential inconsistencies, and conflicting compliance obligations.

We are also concerned about provisions affecting the 340B Drug Pricing Program. For nonprofit hospitals, 340B savings are essential to maintaining access to care, supporting pharmacy services, oncology care, rural and underserved clinics, chronic disease management, and other programs that serve vulnerable patients. The draft language appears to characterize 340B savings as “profit,” which disregards Congress’s intent that these resources support uncompensated care and community health needs. Public reporting of “net revenue” without appropriate context risks serious misinterpretation and could undermine a program that helps sustain access to care for low-income and underserved patients.

In addition, the draft legislation would require disclosure of sensitive financial and strategic information at a level of detail that could be exploited by competitors, including for-profit hospitals. Service-line-level costs, revenues, and related financial data can be easily misunderstood when viewed outside the broader context of hospital operations. These figures do not capture the complex cross-subsidization required to maintain essential but often unprofitable services, such as emergency care, neonatal care, trauma services, behavioral health, and other community-critical programs.

The proposal also would require hospitals to report the “tax that would be imposed if the hospital were not exempt.” This metric is misleading and unrelated to the actual community benefit

nonprofit hospitals provide. It depends on accounting assumptions rather than patient care, and it frames tax-exempt status as a tax avoidance issue rather than recognizing it as the foundation of a public mission: delivering community benefit, charity care, and essential services that otherwise may not be available.

Nonprofit hospitals take that mission seriously. Across the country, tax-exempt hospitals provided \$149 billion in community benefits in 2022, representing a nearly 50 percent increase over five years. These benefits include charity care, financial assistance, unreimbursed Medicaid services, community health programs, medical education, research, workforce training, subsidized services, screenings, vaccination clinics, and initiatives addressing food insecurity, access to coverage, and other social drivers of health.

For these reasons, I strongly urge you to oppose this legislation and advocate for its removal from the Committee's markup on May 20. Rather than imposing new administrative burdens on nonprofit hospitals, we hope to work with Congress on policies that strengthen our ability to deliver high-value, community-focused care and improve the health of the people in the communities we serve.

Thank you for your service and for your attention to this important issue. We would welcome the opportunity to discuss these concerns with you or your staff before the markup.

Sincerely,

[Name]

[Title]

[Organization]

[Contact Information]