

**\*\*\*NEWS RELEASE\*\*\***

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## **Should ‘Non-Profit’ Hospitals Be Taxed? Grassley and *Citizens’ Council for Health Freedom* Say ‘Yes’**

*Many Hospitals Have Lost Their Mission of Care—Rather Than Being Charitable, They Overcharge Patients and Work to Squash the Competition*

**ST. PAUL, Minn.**—Nearly 15 years ago, when Sen. Chuck Grassley (R-Iowa) chaired the Senate Finance Committee, the IRS [sent a letter](#) to the Committee stating that “some tax-exempt health care providers may not differ markedly from for-profit providers in their operations, their attention to the benefit of the community, or their levels of charity care.”

That initiated an investigation by the Committee, as well as a three-year study by the IRS into not-for-profit hospitals. What came about was a new Schedule H—H for hospitals—990 tax form that required tax-exempt providers to answer questions about how they give back to the community.

Today, Grassley is back chairing the Finance Committee and, reported [Modern Healthcare](#), “his concern over tax-exempt status hasn’t waned and coincides with the increased focus in Washington on transparency.”

Grassley’s main question is this: Should “non-profit” hospitals be taxed? He thinks so, and so does [Citizens’ Council for Health Freedom \(CCHF\)](#).

Award-winning author and *CCHF* president and co-founder Twila Brase says hospitals should either pay taxes or return to their charitable mission. Instead, hospitals want to squash the competition, and many have lost their mission of care.

***“Many hospitals are tax exempt for charitable reasons, but they are not charitable,” Brase said. “For example, the Affordable Care Act enacted a moratorium on physician-owned hospitals, supported by hospitals, effectively snuffing out their competition. ‘Not-for-profit’ hospitals also charge astronomical charge-master prices to patients who are uninsured and have significantly cut down on charity since Obamacare. Now, hospitals are buying physician practices, making these doctors part of the hospital and charging patients much more to have a procedure than they’d pay at an independent physician’s office. Buying out doctors lowers competition, ensures that hospital prices stay high and allows hospitals to control the physician’s medical treatment decisions. The fact is, hospitals are big business. Unless they are truly charitable, they should not be exempt from taxation.”***

Rather than extending charity, Brase added, hospitals tell patients who are uninsured or can’t afford treatment to enroll in Obamacare, a government policy that is often unaffordable or significantly subsidized by taxpayers.

***“This is double-dipping,” said Brase. “These hospitals pay no taxes, and they force taxpayers to pay for much of the care given at the hospital. Furthermore, many hospitals are allowed to ask for disproportionate share payments from the federal government to cover the charge-master rate of the care they provide charitably, or to cover any losses sustained from bad debt or any reduced charges to uninsured patients. At***

*almost every turn, taxpayers, not hospitals, are covering the cost of care at many tax-exempt hospitals. Where is the required charitable purpose and ‘community benefit’ of these hospitals?”*

Modern Healthcare also reported that due to Senate Republican rules, “Grassley has two more years chairing the committee, leaving little time to make sure one of his signature oversight accomplishments is doing what he intended: make sure not-for-profit hospitals are providing the right level of care to poor patients and that they’re not playing pricing games or threatening debt collection.”

Grassley recently revived his push in a letter to IRS Commissioner Charles Rettig.

“Making sure that tax-exempt hospitals abide by their community benefit standards is a very important issue for me,” Grassley wrote on Feb. 25. “This issue is still just as important to me now that I am chairman of the Senate Finance Committee.”

In the new book, ***“Big Brother in the Exam Room: The Dangerous Truth About Electronic Health Records,”*** which was recently named a first-place winner for the [Reader Views Literary Awards](#), Brase writes extensively about government health care, socialized medicine, patient privacy, electronic health records, health freedom and how the Affordable Care Act has harmed patients and doctors since its 2010 enactment. Find ***“Big Brother in the Exam Room”*** online wherever books are sold or at [BigBrotherintheExamRoom.com](http://BigBrotherintheExamRoom.com).

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