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NCHA Statement on North Carolina State Health Plan and Johns Hopkins Bloomberg School of Public Health Report on Hospitals' Charity Care

Cary, NC – October 28, 2021 – A report released Wednesday by the North Carolina State Health Plan and Johns Hopkins Bloomberg School of Public Health paints an inaccurate and misleading picture of North Carolina hospitals' community investments and charity care spending.

The Treasurer claims that hospitals' charity care spending and community benefit requirements are not regulated or transparent. That is not true. Through federal oversight by the Internal Revenue Service, nonprofit hospitals' charity care and community benefits spending is regulated, reported, and audited. Enforcement is the responsibility of the secretary of the United States Treasury. Non-compliance can result in a revocation of a hospital's tax-exempt status. North Carolina hospitals put their charity care policies, collection policies and community benefit reports on their websites for anyone to see.

While the report itself contains multiple data inaccuracies - such as getting numbers entirely wrong for the UNC Health system – it also has inconsistencies such as toggling back and forth in places between hospital-specific and systemwide data and using the non-standard term "excess profit margin" to dramatize a claim. Importantly, the report also sells the public short by using data that is now nearly three fiscal years old, before the COVID-19 pandemic placed unprecedented financial pressures on our state's nonprofit hospitals and health systems.

It is this kind of misinformation and demonizing that has divided our country, pitting people and groups against each other. For the Treasurer to call North Carolina's hospitals 'bad actors' after they've literally been a lifeline to our state's people the past 19 months is disgraceful. They have heroically risen to meet the needs of communities in every county across the state, as well as continued to invest in critically important services such as subsidized health services, community health improvements, health professions education and training, health-related research, and future disaster and pandemic preparedness.

About NCHA

Founded in 1918, North Carolina Healthcare Association (NCHA) is the united voice of the North Carolina healthcare community. Representing more than 130 hospitals, health systems, physician groups and other healthcare organizations, NCHA works with our members to improve the health of North Carolina communities by advocating for sound public policies and collaborative partnerships and by providing insights, services, support and education to expand access to high quality, efficient, affordable and integrated health care for all North Carolinians.