

Grassley eyes not-for-profit tax advantages

Iowa Sen. Chuck Grassley, the highest ranking Republican on the Senate Finance Committee, today called on federal auditors to study how not-for-profit hospitals meet the somewhat loose standards that dictate their favorable tax-exempt status.

In a letter sent to the Government Accountability Office, Grassley said he is concerned that not-for-profit hospitals are doing the bare minimum-or even less-to satisfy federal requirements that call on them to report on community benefit and other public services. Grassley also said he wants the GAO to investigate hospital executive and board compensation with an eye toward those individuals who are involved with for-profit business ventures with the not-for-profit hospital.

Hospitals that qualify for not-for-profit status are exempt from federal income taxes and typically receive other advantages, including access to charitable donations and tax-exempt bond financing, Grassley said in the letter. Additionally, Grassley wants the GAO to examine community benefit standards developed at the state level, not-for-profit uncompensated-care, charity-care and bad-debt policies. -- by [<mailto:mdobias@crain.com>] Matthew DoBias