

# CONNECTICUT

## Community Benefit Requirement

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## Minimum Community Benefit Requirement

Connecticut law does not expressly require nonprofit hospitals to provide community benefits.

## Community Benefit Reporting Requirement

Connecticut requires hospitals that voluntarily develop community benefit programs to satisfy specific reporting requirements.

Connecticut law requires both nonprofit and for-profit hospitals to file annually with the state Office of the Healthcare Advocate (Advocate) their policies on charity care and reduced cost services to the indigent and their debt collection practices. A hospital shall file its audited financial statements no later than February 28th of each year; a health system may file one such statement that includes the audited financial statements for each hospital within the health system (2015). The reports must include, among other things, the total number of applicants and the number of approved applicants for uncompensated care, and the total and average charges and costs of the uncompensated care provided. [Conn. Gen. Stat. §19a-649 \(a\), \(b\)](#).

Connecticut also requires each hospital to report biennially to the Advocate whether or not it has a community benefit program in place. A hospital that has elected to develop a community benefit program must include in its annual report 1) a community benefit policy statement; 2) a mechanism for securing community input and its incorporation into the program; 3) a description of the community health needs that the hospital considered in developing and implementing its community benefit program; 4) a narrative describing the community benefits, community services, and preventive health education provided or proposed; (5) evaluation measures and proposed program revisions; 6) to the extent feasible, a community benefit budget and a good-faith measurement of expenditures and administrative costs; and 7) a summary reporting the extent to which the hospital has developed and met community benefit guidelines “intended to promote preventive care and to improve the health status for working families and populations at risk” focusing on principles the statute specifies. A hospital’s community benefit report must be provided to members of the public upon request. [Conn. Gen. Stat. §19a-127k\(c\)-\(d\)](#).



Each nonprofit hospital that is exempt from federal taxation under Internal Revenue Code §501(c)(3) shall also submit a complete copy of the hospital's most recently completed Form 990, including all parts and schedules. [Conn. Gen. Stat. §19a-649\(c\)](#).

## Community Health Needs Assessment

Connecticut does not require nonprofit hospitals to conduct community health needs assessments.

However, a hospital that voluntarily develops a community benefit program must report how it secured community input and incorporated it into the program. [Conn. Gen. Stat. §19a-127k\(d\)](#). Nonprofit hospitals that are exempt from federal corporate income tax pursuant to Internal Revenue Code §501(c)(3) must submit data compiled to prepare the hospital's community health needs assessment. [Conn. Gen. Stat. §19a-649\(c\)](#).

## Community Benefit Plan/Implementation Strategy

Connecticut does not require nonprofit hospitals to develop community benefit plans or implementation strategies.

However, a hospital that voluntarily develops a community benefit program must describe in its annual report to the Advocate specified community benefit planning and implementation activities, including: a description of the community health needs that the hospital considered in developing its community benefit program; a narrative describing the community benefits, community services, and preventive health education proposed; a program budget; and report of expenditures and administrative costs. [Conn. Gen. Stat. §19a-127k\(d\)](#).

## Financial Assistance Policy

Connecticut does not require nonprofit hospitals to develop or implement financial assistance policies.

Hospitals are required to annually file their policies on charity care and reduced cost services to the indigent with the Office of Health Care Access division of the Department of Public Health. [Conn. Gen. Stat. §19a-649\(a\)](#).

## Financial Assistance Policy Dissemination

Connecticut law does not generally require nonprofit hospitals to adopt, implement, or disseminate financial assistance policies.

A hospital that administers a "hospital bed fund" (a "gift ... made by any donor for the purpose of establishing a fund to provide medical care to patients") must post information regarding the availability of those funds in conspicuous places. In addition, a one-page summary describing the fund and its application process, as well as other hospital charity and reduced-cost care policies for the indigent,



must be made available in the admissions office, emergency room, social services department, and patient billing office. Collection agencies must include a copy of the summary when sending all bills and collection notices. A copy of the summary must also be provided to any patient who appears to have limited ability to pay during admission or during review of his or her financial resources. [Conn. Gen. Stat. §19a-509b](#).

## Limitations on Charges, Billing, and Collections

Connecticut law limits the billing and collection practices of both nonprofit and for-profit hospitals.

Connecticut law requires hospitals to include in their bills to patients an explanation of any items identified by a code or initials, and must provide an itemized bill to a self-pay patient upon request. [Conn. Gen. Stat. §19a-509\(b\)](#). Connecticut prohibits hospitals from initiating an action to collect fees for hospital care unless the hospital has determined whether the individual 1) has an income at or below 250 percent of the federal poverty level, 2) has applied for and been denied eligibility for the state-administered general assistance program (Medicaid), and 3) is not eligible for coverage under Medicare or any other health insurance program, including any hospital bed fund(s). [Conn. Gen. Stat. §§19a-673; 673b](#). No hospital that has provided health care services to an uninsured patient may collect from that patient more than the cost of providing the services. [Conn. Gen. Stat. §§19a-673\(b\)](#).

Hospitals may initiate an action to collect coinsurance and deductibles where these amounts may be eligible for reimbursement through a judicial award or where they have been paid or reimbursed, or are likely to be paid or reimbursed, directly to the patient. [Conn. Gen. Stat. §19a-673\(b\)](#).

If, at any point during the debt collection process, a hospital or collection agency becomes aware that a patient is eligible for hospital bed funds, free or reduced price hospital services, or any other program, then collection efforts must be stopped until an eligibility determination is made. [Conn. Gen. Stat. §19a-673d](#).

## Income Tax Exemption

Connecticut law exempts from its corporation business tax nonprofit hospitals that are exempt from federal corporate income tax. [Conn. Gen. Stat. §12-214\(a\)\(2\)\(B\)](#); [Conn. Dept. Revenue, 2011 Form CT-1120 Instructions, p. 7](#).

## Property Tax Exemption

Connecticut law exempts from taxation real and personal property owned by a corporation organized and used exclusively for charitable purposes, provided no officer, member, or employee receives any pecuniary profit from its operation, except as reasonable compensation for services or as a proper beneficiary of its strictly charitable purposes. [Conn. Gen. Stat. §12-81\(7\)](#).



Connecticut also exempts all property of any Connecticut hospital corporation, provided no officer, member, or employee receives any pecuniary profit from the operation thereof, except as reasonable compensation for services. [Conn. Gen. Stat. §12-81\(16\)](#).

## Sales Tax Exemption

Connecticut law exempts nonprofit hospitals from state sales and use taxes.

Connecticut law exempts from state sales and use taxes sales of tangible personal property and services to or by nonprofit charitable hospitals. [Conn. Gen. Stat. §12-412\(5\)\(A\)](#). Also exempt are sales of tangible personal property by any organization that is exempt from federal income tax under Internal Revenue Code §501(a) when those sales are made on hospital premises. [Conn. Gen. Stat. §12-412\(5\)\(B\)](#).

