

July 14, 2020

The Honorable Steven Mnuchin
Secretary
U.S. Department of Treasury
1500 Pennsylvania Avenue NW
Washington, DC 20220

The Honorable Charles Rettig
Commissioner
Internal Revenue Service
1111 Constitution Avenue NW
Washington, DC 20220

Dear Secretary Mnuchin and Commissioner Rettig:

On behalf of Vizient, Inc. and our hospital members throughout the country, I am writing to request an extension of the deadline for tax-exempt hospitals to complete their Community Health Needs Assessment (CHNA) and implementation strategy.

Vizient is the nation's largest health care performance improvement company. Vizient provides solutions and services that improve the delivery of high-value care by aligning cost, quality and market performance for more than 50% of the nation's acute care providers, which includes 95% of the nation's academic medical centers, and more than 20% of ambulatory providers. Vizient provides expertise, analytics, and advisory services, as well as a contract portfolio that represents more than \$100 billion in annual purchasing volume, to improve patient outcomes and lower costs. Headquartered in Irving, Texas, Vizient has offices and members throughout the United States.

Under the Affordable Care Act, tax-exempt hospitals must conduct a thorough CHNA and implementation strategy every three years. A failure to meet this requirement results in a \$50,000 excise tax penalty and, worse, potential revocation of Section 501(c)(3) tax-exempt status. IRS regulations implementing the CHNA provision are extensive and, among other things, require hospitals to engage significantly with their communities to determine its needs.

From a practical standpoint, engaging with individuals and communities in a significant way during the COVID-19 pandemic is both impractical and unwise. From a strategic public health standpoint, CHNAs completed during this period are unlikely to fully capture the true short and long term health challenges communities will face as a result of this pandemic. For instance, hospitals will need to address not only the significant direct care needs from COVID-19, but also the residual community and economic impacts, as well as impact on mental health, housing, family supports, dietary needs and other social determinants of health. Community health needs are very fluid at this moment in history and for these reasons, we believe an extension of time is warranted.

In addition, and perhaps more importantly, our hospital members are currently in the middle of this pandemic and must be singularly focused on serving their patients and communities. Throughout this pandemic, the administration has taken essential and appropriately aggressive steps to offer our health systems needed flexibilities to allow for care to be prioritized and non-essential administrative and regulatory burdens to be postponed or cancelled. We are deeply appreciative of the leadership from the administration and believe an extension of the CHNA requirement is a similarly appropriate step.

In sum, tax-exempt hospitals should not be forced to make the untenable choice of submitting a less comprehensive CHNA due to the inability to engage with the community or potentially facing tax consequences.

Given that many of our hospital members are under a July 15, 2020 deadline, we urge Treasury and the IRS to act immediately to provide for a clear extension of the deadline to complete a CHNA and implementation strategy. We suggest the administration allow for at least 6 months post-public health emergency for hospitals to complete their CHNA and implementation strategy.

Please do not hesitate to contact me at shoshana.krilow@vizientinc.com or (202) 354-2607 if you have any questions or if there is any way we can be of assistance.

Sincerely,

A handwritten signature in black ink that reads "Shoshana Krilow". The signature is fluid and cursive, with the first name being more prominent.

Shoshana Krilow
Vice President, Public Policy & Government Relations