



## Alerts

### Report of Hospital's Collection Practices Angers Senator Charles Grassley

January 26, 2015

Health Law Alert

Reacting to a [report published by NPR and ProPublica](#), Senator Charles Grassley harshly criticized a Missouri Hospital's patient account collection practices. [Grassley has sent a letter to Mosaic Life Care](#), a not-for-profit hospital in St. Joseph, Missouri, stating that the hospital "made a \$45 million profit last year, while suing its patients for millions of dollars they could not afford" and that Mosaic "may not be meeting the requirements to be a non-profit, tax-exempt hospital." Grassley also said, "While Mosaic's compliance with the letter of the law is in question, it is arguably not following the spirit of the law when it comes to providing community benefit and adhering to the charitable hospital requirements." Grassley's letter criticizes Mosaic for failing "to identify patients who would qualify for financial assistance and who have since been subject to abusive billing and collection practices."

According to the NPR/ProPublica report "Grassley says the [ACA] may need to be strengthened in order to force nonprofit hospitals to offer financial assistance to support patients." Grassley is quoted as saying "If they do not get the message now, we will have to work toward getting the ideal language in the legislation."

The ACA and recently published implementing regulations set forth requirements for the adoption and publication of information regarding a charitable hospital's financial assistance policy as well as billing and collection requirements. In order to assure their continued status as exempt organizations under IRC Section 501(c)(3), tax exempt hospitals should take steps to review and, as necessary, revise their policies, practices and procedures.

Hinshaw's Health Care Law attorneys have experience helping tax exempt hospitals develop and implement policies and procedures to assure compliance with these important requirements, including developing policies and procedures to identify patients who qualify for financial assistance, and can respond to any questions or issues you may have.

[Click here to see related Health Law Alert: IRS Issues Final 501\(r\) Regulations for Federal Tax Exemption for Hospitals.](#)

*This alert has been prepared by Hinshaw & Culbertson LLP to provide information on recent legal developments of interest to our readers. It is not intended to provide legal advice for a specific situation or to create an attorney-client relationship.*

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