



[4830-01-p]

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Parts 1 and 53

[TD 9708]

RIN 1545-BK57; RIN 1545-BL30; RIN 1545-BL58

Additional Requirements for Charitable Hospitals; Community Health Needs Assessments for Charitable Hospitals; Requirements of a Section 4959 Excise Tax Return and Time for Filing the Return; Correction

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Correcting amendment.

SUMMARY: This document contains corrections to final regulations (TD 9708) that were published in the **Federal Register** on December 31, 2014 (79 FR 78954). The final regulations provide guidance regarding the requirements for charitable hospital organizations added by the Patient Protection and Affordable Care Act of 2010.

DATES: This correction is effective on **[INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER]** and applicable beginning December 31, 2014.

FOR FURTHER INFORMATION CONTACT: Amy F. Giuliano, Amber L. MacKenzie, or Stephanie N. Robbins at (202) 317-5800 (not a toll free number).

SUPPLEMENTARY INFORMATION:

Background

The final regulations (TD 9708) that are the subject of this correction is under section 501(r)(3) of the Internal Revenue Code.

Need for Correction

As published, the final regulations (TD 9708) contains errors that may prove to be misleading and are in need of clarification.

List of Subjects

26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

26 CFR Part 53

Excise taxes, Foundations, Investments, Lobbying, Reporting and recordkeeping requirements.

Correction of Publication

Accordingly, 26 CFR parts 1 and 53 are corrected by making the following correcting amendments:

PART 1—INCOME TAXES

Paragraph 1. The authority citation for part 1 continues to read in part as follows:

Authority: 26 U.S.C. 7805 ***

Par. 2. Section 1.501(r)-0 is amended by revising the heading for the table of contents entry §1.501(r)-7 to read as follows:

§1.501(r)-0 Outlines of regulations.

* * * * *

§1.501(r)-7 Effective/applicability date.

* * * * *

Par.3. Section 1.501(r)-1 is amended by revising the first sentence of paragraph (b)(23) and revising paragraph (b)(29)(ii)(B) to read as follows:

§1.501(r)-1 Definitions.

* * * * *

(b) * * *

(23) Partnership agreement means, for purposes of paragraph (b)(22)(ii)(B) of this section, all written agreements among the partners, or between one or more partners and the partnership, and concerning affairs of the partnership and responsibilities of the partners, whether or not embodied in a document referred to by the partners as the partnership agreement. * * *

* * * * *

(29) * * *

(ii) * * *

(B) Without paying a fee to the hospitality facility, hospital organization, or other entity maintaining the Web site; and

* * * * *

Par.4. Section 1.501(r)-2 is amended by revising the second sentence of paragraph (c) to read as follows:

§1.501(r)-2 Failures to satisfy section 501(r).

* * * * *

(c) * * * For purposes of this paragraph (c), a “willful” failure includes a failure due to gross negligence, reckless disregard, or willful neglect, and an “egregious” failure includes only a very serious failure, taking into account the severity of the impact and the number of affected persons. * * *

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Par.5. Section 1.501(r)-3 is amended by revising the introductory text of paragraph (c)(2) to read as follows:

§1.501(r)-3 Community health needs assessments.

* * * * *

(c) * * *

(2) Description of how the hospital facility plans to address a significant health need. A hospital facility’s implementation strategy will have described a plan to address a significant health need identified through a CHNA for purposes of paragraph (c)(1)(i) of this section if the implementation strategy –

* * * * *

Par. 6. Section 1.501(r)-6 is amended by:

1. Revising paragraph (c)(4)(i)(A).

2. Revising the first sentence of paragraph (c)(4)(iii)(A).
3. Revising the second of paragraph (c)(4)(iv), Example 2.
4. Revising paragraph (c)(6)(i)(C)(1).

The revisions read as follows:

§1.501(r)-6 Billing and collection.

* * * * *

(c) * * *

(4) * * *

(i) * * *

(A) Provides the individual with a written notice that indicates financial assistance is available for eligible individuals, that identifies the ECA(s) that the hospitality facility (or other authorized party) intends to initiate to obtain payment for the care, and that states a deadline after which such ECA(s) may be initiated that is no earlier than 30 days after the date that the written notice is provided.

* * * * *

(iii) * * *

(A) Otherwise meets the requirements of paragraph (c)(4)(i) of this section but, instead of the notice described in paragraph (c)(4)(i)(A) of this section, provides the individual with a FAP application form and a written notice indicating that financial assistance is available for eligible individuals and stating the deadline, if any, after which the hospital facility will no longer accept and process a FAP

application submitted (or, if applicable, completed) by the individual for the previously provided care at issue. * * *

* * * * *

(iv) * * *

Example 2. * * * Y also makes numerous attempts to encourage G to apply for financial assistance, including by calling G to inform her about the financial assistance available to eligible patients under Y’s FAP and to offer assistance with the FAP application process. * * *

* * * * *

(6) * * *

(i) * * *

(C) * * *

(1) If the individual is determined to be eligible for assistance other than free care, provides the individual with a billing statement that indicates the amount the individual owes for the care as a FAP-eligible individual and how that amount was determined and that states, or describes how the individual can get information regarding, the AGB for the care.

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PART 53—FOUNDATION AND SIMILAR EXCISE TAXES

Para. 8. The authority citation for part 53 continues to read in part as follows:

Authority: 26 U.S.C. 7805 ***

Par. 9. In §53.4959-1(c), the paragraph heading is revised to read as follows:

§53.4959-1 Taxes on failures by hospital organizations to meet section 501(r)(3).

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(c) Effective/applicability date. * * *

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