



SPONSOR: Rep. Baumbach & Rep. Dorsey Walker & Sen. Pinkney
Reps. Harris, Heffernan, Minor-Brown, Morrison,
Osienski; Sens. Gay, Hoffner, S. McBride, Sokola, Walsh

HOUSE OF REPRESENTATIVES
152nd GENERAL ASSEMBLY

HOUSE SUBSTITUTE NO. 1
FOR
HOUSE BILL NO. 326

AN ACT TO AMEND TITLE 16 OF THE DELAWARE CODE RELATED TO THE DELAWARE HEALTH CARE COMMISSION.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

1 Section 1. Amend Part VIII, Title 16 of the Delaware Code by making deletions as shown by strike through and
2 insertions as shown by underline as follows:

3 Chapter 93A. COMMUNITY BENEFITS REPORTING

4 § 9301A. Definitions.

5 (a) As used in this chapter:

6 (1) “Community benefit program” means the activities of a hospital that are intended to address community
7 needs and priorities primarily through disease prevention and improvement of health status, including any of the
8 following:

9 a. Health care services rendered to vulnerable populations. Such free or discounted services may include
10 charity care and the unreimbursed cost of providing services to individuals who are uninsured, underinsured, or
11 eligible for Medicaid.

12 b. Financial or in-kind support of public health programs.

13 c. Donations of funds, property, or other resources that contribute to a community priority.

14 d. Services that are intended to enhance access to health care or related services that contribute to a
15 healthier community.

16 e. Services offered to meet a community need in the service area of the hospital, and other services
17 including health promotion, health education, prevention, and social services.

18 f. The provision of food, shelter, clothing, education, transportation, and other goods or services that help
19 maintain a person’s health.

20 (2) “Community health needs assessment” means the process by which unmet community health care needs
21 and priorities are identified by a nonprofit hospital in accordance with 26 C.F.R. § 1.501(r)-3.

22 (3) “Hospital” means a nonprofit entity under Internal Revenue Code Section 501 licensed as a hospital in the
23 State of Delaware pursuant to Chapter 10 of this title that is required to file annually Internal Revenue Service
24 Form 990.

25 § 9302A. Community Benefit Activity Reporting.

26 (a) Hospitals must develop an annual community benefits activity report. The community benefit activity report
27 shall include at a minimum the following:

28 (1) A publicly available website link to the reporting hospital’s most recent community health needs
29 assessment, updated on three-year reporting cycles in accordance with applicable federal regulatory requirements,
30 including 26 C.F.R. § 1.501(r)-3.

31 (2) A list of the activities that were undertaken by the hospital to address the identified community health
32 needs within the hospital’s community.

33 (3) The cost to the hospital of each community benefit activity.

34 (4) A description of gaps in the availability of providers to serve the community.

35 (5) A description of efforts undertaken by the hospital to track and reduce health disparities in the community
36 that the hospital serves.

37 (6) A list of the unmet community health needs identified in the most recent community health needs
38 assessment.

39 (7) Any additional information the hospital deems relevant to its community benefit activities, including
40 Medicare and Medicaid shortfalls.

41 (8) Amount of community benefit funding going to community-based organizations, with a list of
42 organizations and the funding amounts.

43 (9) Total amount of community benefits, not including Medicare and Medicaid shortfalls.

44 (b) Hospitals under the common control of a single corporation or another entity may file a consolidated report if
45 the report includes the community benefit financial data of each hospital and describes the benefits provided to the
46 communities in the geographic area of each hospital.

47 (c) Hospitals must make their community benefits activity report available to the public in a manner that is easily
48 accessible.

49 (d) The report must be submitted no more than 30 calendar days after the date of filing of a hospital's federal Form
50 990 for the prior fiscal year, to the Delaware Health Care Commission, the Department of Health and Social Services, the
51 Office of Management and Budget, the Department of Finance, the Office of the Governor, the Clerk of the House of
52 Representatives, the Secretary of the Senate, and the Director and Librarian of the Division of Research. The report can be
53 submitted by email with a link to a public-facing website consistent with the requirement set forth in paragraph (3) of this
54 section.

SYNOPSIS

This is a substitute for House Bill No. 326.

Non-profit hospitals are granted tax-exempt status on the premise that they serve a vital role in promoting the health and well-being of the communities they serve. Community benefit spending is a means by which hospitals fulfill this obligation. Such spending includes activities like providing uncompensated care, supporting medical research, offering health education and prevention programs, subsidizing community clinics, and addressing social determinants of health.

Like House Bill No. 326, this substitute bill requires Delaware's non-profit hospitals to provide the state and public with an annual report outlining their community benefits spending, bringing Delaware in line with 31 other states, including all of Delaware's neighboring states, that require reporting.

Like House Bill No. 326, this substitute bill defines "community benefits program," outlines the minimum contents that must be included in a community benefits activity report, and requires that the report be made available to the public. This substitute contains provisions allowing the report to be submitted electronically to State officials on an annual basis. It differs from the original bill in that the deadline for submitting the report is changed from January 31 of each year to 30 days after a hospital files a federal Form 990.

This substitute also contains technical changes to reference and accord with appropriate law and regulations, and broadens the list of information that must be included in the community benefits report.