



FLORIDA HOSPITAL ASSOCIATION

POLICY DOCUMENT

# CHARITY CARE

## — EXECUTIVE SUMMARY —

JANUARY 2023

- Charity care is one component of Florida hospitals' larger community benefit.
- Nonprofit hospitals must provide charity care to maintain their tax-exempt status.
- There are no legal or regulatory requirements for how much charity care hospitals should or must provide.
  - Hospitals set their own eligibility policies for charity care, typically based on a patient's income compared to the federal poverty level.
- Benchmarking charity care amounts against the value of property tax exemption or other valuation are misguided and misleading and not based in statute or regulation.
- Florida hospitals provide an increasing amount of charity care each year.
  - \$1.8 billion in FY 2021–22, up from \$1.5 billion in FY 2018–2019
- Hospitals and other health care providers receive some Medicaid supplemental payment funding through the state's low-income pool (LIP) to offset some of their charity care costs.
  - LIP requires federal and state approval and the provision of the non-federal share of the payment to draw down federal funds.
    - The non-federal share is provided by local intergovernmental entities, including hospital taxing districts.
  - In 2021–2022, the total pool allocation was \$1.8 billion.
  - Qualifying hospitals received \$1.056 billion, \$346 million of which was the non-federal share provided by intergovernmental transfer (IGT) entities, which include hospital taxing districts.

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