

Hospital Community Benefits Plans Public Transparency Program

Since 1996 Health and Safety Code Sections 127340 - 127360 has required the Department of Health Care Access and Information (HCAI) to collect and make publicly available private not-for-profit hospitals' community benefit plans for the purpose of public transparency.

Not-for-profit hospitals assume a social obligation to provide community benefits, in exchange for federal tax exemptions governed by the Internal Revenue Service.¹ These hospitals are required to provide a description in a community benefit plan of the activities that the hospital has undertaken to address identified community needs within its mission and financial capacity, and the process by which the hospital developed the plan in consultation with the community. These community benefit plans are then submitted to HCAI and posted both to HCAI's and to the hospitals' internet websites.

Historically, HCAI has not had the authority to develop regulations to standardize the data collection and reporting of community benefits. However, Assembly Bill 204 (Chapter 535, Statutes of 2019) removed the prohibition on standardizing report formatting and gives HCAI the authority to:

- Standardize report data submitted by hospitals for the benefits of transparency and comparability
- Prepare and post on HCAI's website:
 - The amount hospitals spend on community benefits
 - The amount of community benefit spending attributable to charity care, the unpaid cost of government-sponsored health care programs, and community benefit programs and activities
 - A list of hospitals that failed to report community benefits spending
- Grant extensions and impose fines for failure to adopt, update, or submit community benefit plans

Additionally, the passage of Assembly Bill 1204 (Chapter 751, Statutes of 2021) updated the definition of "vulnerable populations" for community benefits planning purposes and adds racial and ethnic groups experiencing disparate health outcomes and socially disadvantaged groups to the definition. The bill also required HCAI to develop and administer a hospital equity reporting program to collect and post hospital equity reports and convene the Health Care Equity Measures Advisory Committee. For more information, please visit the [Hospital Equity Reporting Program webpage](#).

HCAI has developed regulations to standardize community benefits reporting, per the authority granted to HCAI by Assembly Bill 204, by specifying the community benefit

¹ Internal Revenue Services – Requirements for 501(c)(3) Hospitals Under the Affordable Care Act – Section 501(r): <https://www.irs.gov/charities-non-profits/charitable-organizations/requirements-for->

[501c3- hospitals-under-the-affordable-care-act-section-501r](#)

categories and other requirements to be included in reporting. For more information about new reporting requirements please visit the [Laws and Regulation](#) section of our [Community Benefits Plan Website](#). If you need additional assistance, you may reach out to us directly at communitybenefit@hcai.ca.gov or by phone at (916) 326-3830.

The list of activities below describes the rulemaking process and includes program activities through August 2025 and ongoing.

Projected Time	Period Program Activities
January 2025 to March 2025	<ul style="list-style-type: none">• Regulations became effective January 31, 2025.• Publish data submission guidance and other resources.• Complete system changes to accept collection of 2025 reporting.• Conduct communications campaign for data submitters.• Assist data submitters with account creation and report submission.
April 2025 to July 2025	<ul style="list-style-type: none">• Commence collection of updated Community Benefits Plan reports and data for hospitals with fiscal year end dates occurring after January 31, 2025. Reports are due no later than 150 days after the hospital's fiscal year-end date; hospitals may request a 60-day extension.• Continue to provide technical assistance to data submitters.
August 2025 and ongoing	<ul style="list-style-type: none">• Publish first updated Community Benefits Plan reports and data received between April 1, 2025 and August 31, 2025; continue to regularly publish new reports after they are received.• Continue to provide technical assistance to data submitters.

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