

## Top-Level Highlights



State laws on charity care requirements for nonprofit hospitals vary widely. **Texas has one of the nation's strongest charity care laws**, requiring nonprofit hospitals and hospital systems to meet legislatively prescribed requirements for the amount of charity care delivered.

Texas hospitals and systems provide **hundreds of millions of dollars above the minimum charity and government-sponsored indigent health care** required by law, in part because of the state's uninsured rate. Hospitals also invest in many other types of community benefits.

## Texas' Community Benefit Standards

The federal Affordable Care Act (ACA) requires hospitals to maintain and publicize a financial assistance policy (FAP) for delivering free or discounted care to patients unable to pay. The ACA also limits hospitals' charges, billing, and collection activity for patients eligible for FAP.

**Texas' community benefit law goes beyond the ACA.** Texas nonprofit hospitals must also deliver a minimum amount of charity care each year. **To meet this requirement, hospitals can either be designated as Disproportionate Share Hospitals (DSH) or provide charity care and community benefits in at least the amounts required by Texas law.**



- DSH facilities are those that provide care to the highest numbers of Medicaid and low-income patients.
- Most non-DSH Texas nonprofit hospitals satisfy charity care requirements **by providing charity-care and community benefit shares in a combined amount equal to at least 5% of the hospital's or system's net patient revenue, with charity care and government-sponsored indigent health care comprising at least 4%.**

**In 2022, ALL 127 non-profit hospitals met state charity care standards.**



**100%**

**OF NONPROFIT HOSPITALS  
MET STATE STANDARDS**

- 52 hospitals were designated as DSH hospitals.
- Texas nonprofit hospitals in 2022 provided nearly **\$2.4 billion in charity care**, including \$576 million – or 32% – **more than would be required** by the most commonly used charity care standard.



**TEXAS NONPROFIT HOSPITALS  
PROVIDED 2.4 BILLION  
IN CHARITY CARE**

## Other Community Benefits

Hospitals also make substantial investments in other types of community benefits, offering many programs tailored to the needs of their community – including:



- Health education;
- Screenings;
- Research;



- Transportation;
- Vaccination clinics; and
- Access to housing and healthy foods.

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