



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 health systems provide billions of dollars above the minimum charity and government-sponsored indigent health care required by law, in part because of the state's uninsured rate.

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.

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 benefits equal to at least 5%** of the hospital's or health system's net patient revenue, with **charity care and government-sponsored indigent health care comprising at least 4%**. Government-sponsored indigent health care includes unreimbursed Medicaid and other state or local indigent care costs remaining after all payments.

In 2023, ALL 127 nonprofit hospitals met state charity care standards.



100%

**OF NONPROFIT HOSPITALS
MET STATE STANDARDS**

- 52 hospitals were designated as DSH hospitals.
- Texas nonprofit hospitals in 2023 provided **\$12.9 billion** in unreimbursed charity care, government-sponsored indigent health care and community benefits including **\$2.8 billion more** in unreimbursed charity care and government-sponsored indigent health care than would be required by the most commonly used charity care standard.



**TEXAS NONPROFIT
HOSPITALS PROVIDED
\$12.9 BILLION IN
UNREIMBURSED
CARE AND BENEFITS**

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.