

## 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.**



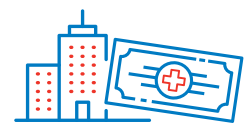
- DSH facilities are those that provide care to the highest numbers of Medicaid and low-income patients.
- Most non-DSH Texas nonprofit hospitals satisfy charity care requirements **by providing charity care and community benefits equal to at least 5%** of the hospital's or health system's net patient 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 2024, ALL 127 nonprofit hospitals in Texas required to meet state charity care standards did so.**



**100%**  
OF NONPROFIT HOSPITALS  
MET STATE STANDARDS

- 50 hospitals were designated as DSH hospitals.
- Texas nonprofit hospitals in 2024 provided **\$14.9 billion** in unreimbursed low-income charity care, government-sponsored indigent health care and community benefits including **\$3.4 billion – or 162% – more** in unreimbursed charity care and government-sponsored indigent health care than would be required by the commonly used 4% charity care standard.



**TEXAS NONPROFIT  
HOSPITALS PROVIDED  
\$14.9 BILLION  
IN UNREIMBURSED  
LOW-INCOME CARE AND  
COMMUNITY 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.

Of note, nonprofit hospitals are not allowed to claim as community benefits any expenditures for which the primary purpose is advertising.

Visit [www.tha.org](http://www.tha.org) for additional information |  | 1108 Lavaca, Austin TX, 78701-2180