

## NOVANT RESPONSES TO QUESTIONS ON HOSPITAL PROPERTY TAX EXEMPTIONS

### **Do you think the tax exemptions you receive are justified and if so, why? In what ways are you giving back to the community and what is the value of those contributions?**

Maintaining tax exemptions for hospitals and other nonprofit organizations ensures hospitals can continue to provide uncompensated care and other community benefits.

Specifically, the tax exemption we receive in North Carolina helps Novant Health continue its mission to provide critical services to our communities through unreimbursed health services which totaled \$1.1 billion in total community benefit, including \$192.7 million in financial assistance to members of the communities we serve.

*(Note: In a follow-up email, Novant said it provided \$464.4 million in community benefit just in the Charlotte market in 2021. The system was unable to provide a figure for its benefit just in Mecklenburg County.)*

Novant Health's robust [financial assistance policy](#) is a cornerstone of our culture and is an essential element in allowing us to provide remarkable healthcare to all members of our communities, regardless of their ability to pay.

Novant Health's financial assistance program is one of the most generous in North Carolina and provides free care or care at a reduced price to uninsured patients who have a household income of up to 300 percent of the federal poverty level. This means that an uninsured family of four making less than \$90,000 per year is eligible for a 100 percent write-off.

This financial assistance program covers about 90 percent of all uninsured patients. For the other 10 percent of uninsured patients who do not qualify because their incomes are above the guidelines, we offer additional support on an individual basis, including significant discounts and interest-free payment plans for those who need the option of paying their balance over time.

Unlike some other businesses, Novant Health does not employ aggressive debt collection measures. Novant Health does not place liens on patient homes or sue patients regarding payments or bills.

### **What is your response to critics who say that hospital community benefit calculations should not include losses incurred by serving Medicaid and Medicare patients?**

Calculation of community benefit is defined by the IRS, not health systems. Their methodology acknowledges that the losses incurred by serving Medicare and Medicaid patients correspond to community benefit objectives, which include increasing access to health services, enhancing public health, advancing knowledge through education or research and relieving or reducing the burden of government to improve health.

### **The law allows hospital authorities (unlike nonprofit hospitals) to get exemptions for their property no matter what its use. Do you think it's fair that Atrium and other hospital authorities can buy land and get exemptions no matter what the use, while Novant doesn't get an exemption unless the property is being used for something that advances its charitable mission?**

This question is better asked to elected officials.

**Given the increasing value of your property holdings and reserve fund as Novant has grown and expanded, would you be open to offering payments in lieu of taxes back to cities/counties as hospital systems have done in other states? I think this is particularly relevant since Novant is about to take over the two for-profit hospitals in Iredell County that pay taxes.**

We will invest more in the community as more people access free care, investments are made in new and current team members and through other community health investments. Once finalized, we look forward to welcoming Lake Norman Regional Medical Center and Davis Regional Medical Center into the Novant Health system, including our nonprofit status and culture.

**The amount of savings Novant gets from its exemptions might look a little mind-boggling to the average taxpayer. What do you want those readers to know?**

Novant Health has significantly invested in the state of North Carolina for decades by offering quality health care services, products and community outreach programs to state residents and businesses. Our mission to improve the health of our communities includes a focus on the economic vitality in the regions we serve. The jobs and investments Novant Health contributes are key economic drivers for the state of North Carolina, positively affecting employment and revenue for other industries, including construction, wholesale trade, real estate, restaurant and more.

Novant Health is actively addressing the deep and complex social factors that have long influenced access to care and health outcomes by investing in strategic partnerships with community organizations, including local libraries, housing organizations, food banks, minority-owned businesses and more.