

# RHODE ISLAND

## Community Benefit Requirement

Rhode Island requires hospitals to provide charity care, uncompensated care, and other community benefits as a condition of licensure.

Rhode Island has established statewide standards for the provision of charity care, uncompensated care, and community benefits as conditions of initial and continued hospital licensure and for hospital conversions. [R.I. Gen. Laws §23-17-43](#); [23-17 R.I. Code R. §8.7](#); [23-17.14 R.I. Code R. §§11.0 – 11.6](#).

Rhode Island’s hospital licensing regulations expressly require that hospital charity and uncompensated care and community benefit standards be consistent with the rules and regulations applicable to hospital conversions. [23-17 R.I. Code R. §8.7](#). These define “community benefit” broadly to include the provision of hospital services that meet the community’s needs, charity care, uncompensated care, programs to meet the needs of medically indigent individuals, non-revenue-producing programs available in the community (e.g., health screenings or transportation services), scientific or medical research, education activities, forming linkages with community partners focused on improving community health, and engaging in community health advocacy. [23-17.14 R.I. Code R. §1.9](#).

## Minimum Community Benefit Requirement

Rhode Island does not specify a minimum level of community benefits that hospitals must provide.

## Community Benefit Reporting Requirement

Rhode Island law requires hospitals to submit annual community benefit reports to the Director of the Department of Health (Director).

The reports must include detailed descriptions, with supporting documentation, of the costs of charity care, bad debt, and contracted Medicaid shortfalls. [R.I. Gen. Laws Ann. § 23-17.14-15\(d\)](#). If the Department of Health receives “sufficient information” indicating that a licensed hospital is not in compliance with state community benefit standards, then the Director is required to hold a hearing, issue written findings, and impose appropriate penalties. [R.I. Gen. Laws Ann. § 23-17.14-15\(e\)](#).

## Community Health Needs Assessment

Rhode Island requires each hospital to develop a formal Board-approved community benefit plan that includes a comprehensive assessment of the health care needs of its community.



The assessment must include needs related to the goals articulated in [A Healthier Rhode Island by 2010: A Plan for Action](#), and a statement of priorities consistent with the hospital's resources. [23-17.14 R.I. Code R. §11.5 \(b\)](#).

## Community Benefit Plan/Implementation Strategy

Rhode Island requires hospitals to develop a formal Board-approved community benefit plan that considers the health care needs of the community or communities served.

A hospital's community benefit plan, to be updated every three years, must specify the communities (including racial or ethnic minority populations) that will be the focus of the plan. Representatives of the designated community or communities must be involved in the planning and implementation process. The plan must reflect a comprehensive assessment of the health care needs of these designated communities. It must also specify the actual or planned dates when the activities and proposals included in the plan will be implemented. [23-17.14 R.I. Code R. §11.5\(b\)](#).

## Financial Assistance Policy

Rhode Island law establishes a statewide community standard for the provision of free and discounted care.

Rhode Island hospitals must make full or partial charity care available to uninsured low-income state residents who are ineligible for government or employer-sponsored health coverage. [23-17.14 R.I. Code R. §11.3\(b\)](#). Hospitals may expand their financial assistance policies beyond what the state requires but may not reduce the amount of assistance or make their financial assistance eligibility standards more restrictive than the state prescribes.

Hospitals must provide free care for patients with annual income at or below 200 percent of the federal poverty level (FPL) and must provide discounted care for patients with annual income between 200 and 300 percent of the FPL. Each hospital's discounted care policy must be based on a sliding fee scale that the hospital determines based on its evaluation of the needs of its service area and the hospital's financial resources. [23-17.14 R.I. Code R. §11.3\(f\)](#).

In determining a patient's eligibility for free or discounted care, a hospital has discretion to consider, in addition to income, a patient's assets pursuant to a criterion establishing an assets protection threshold. If assets are considered in determining whether a patient qualifies for free care, additional restrictions on permissible hospital billing and collections against the patient apply. [23-17.14 R.I. Code R. §11.3\(d\)-\(f\)](#).

## Financial Assistance Policy Dissemination

Rhode Island requires hospitals to develop a public "Notice of Hospital Financial Aid" and post it prominently in emergency departments, admissions areas, outpatient care areas, and on the hospital's website.



Each hospital is required to develop a “Notice of Hospital Financial-Aid” on a specified template for approval by the Director, as well as include the notice on each patient bill. Each hospital’s financial aid criteria for financial assistance eligibility, including the sliding fee schedule for discounted care, are also subject to the Director’s approval. Hospitals must also make their financial aid criteria available to all persons upon request. [23-17.14 R.I. Code R. §11.3\(h\)-\(j\)](#).

## Limitations on Charges, Billing, and Collections

Rhode Island law limits nonprofit hospital billing and collection practices.

Regulations promulgated under Rhode Island’s Hospital Conversions Act, which applies to both hospital licensing and conversions, require each hospital to formally adopt a written collections policy and make it available to all persons upon request. [23-17.14 R.I. Code R. §11.3\(n\)](#). Although a hospital may attach a patient or guarantor’s primary residence due to non-payment of medical debt, it may not force a foreclosure of the primary residence. [23-17.14 R.I. Code R. §11.4](#).

## Income Tax Exemption

Rhode Island exempts non-profit hospitals from state Business Corporation tax. Rhode Island Department of Revenue, [R.I. Gen. Laws §44-11-1\(1\)\(c\)\(4\)\(iv\)](#).

## Property Tax Exemption

Rhode Island law exempts from taxation the property of a hospital “for the sick or disabled.”

Real and personal property held by or for a hospital for the sick and disabled and used exclusively for that purpose is exempt. [R.I. Gen. Laws §44-3-3\(12\)](#); [Lifespan Corporation v. City of Providence](#), 776 A.2d 1061 (R.I. 2001). State law also exempts intangible personal property owned by, or held in trust for, a charitable organization if the principal or income is used or appropriated for charitable purposes. [R.I. Gen. Laws §44-3-3\(7\)](#).

## Sales Tax Exemption

Rhode Island sales and use tax does not apply to sales of personal property to nonprofit hospitals. [R.I. Gen. Laws §44-18-30\(5\)](#); [Rhode Island Sales Regulation SU 07-48](#).

