

VIRGINIA

Community Benefit Requirement

Virginia may require a nonprofit hospital to provide community benefits as a condition of certificate of public need approval.

The Commissioner of the State Board of Health is authorized to condition approval of applications for certificates of public need on an applicant's agreement to provide an acceptable level of reduced-rate care to indigents, provide care to persons with special needs, or facilitate primary care services in designated medically underserved areas within its service area. [Va. Code §32.1-102.2\(C\)](#); [12 Va. Admin. Code §§5-220-270\(A\)](#) and [5-220-420\(A\)](#). In 2013, an amendment was passed that allows the Commissioner to approve amendments to existing certificates related to the provision of reduced-rate care to indigents, care to patients requiring specialized care, or the facilitation of primary care services in designated medically underserved areas. [Va. Code §32.1-102.4\(G\)](#).

Minimum Community Benefit Requirement

Virginia may require a nonprofit hospital to provide community benefits as a condition of certificate of public need approval; agreed conditions of approval may include quantifiable amounts of community benefit expenditure.

The Commissioner of the State Board of Health is authorized to condition approval of applications for certificates of public need on an applicant's agreement to provide an acceptable level of reduced-rate care to indigents, provide care to persons with special needs, or facilitate primary care services in designated medically underserved areas within its service area. The terms of such agreements (which may specify quantifiable amounts of care that the applicant must provide) must be specified in writing before the Commissioner makes a decision to approve the application. The Commissioner is authorized to impose a civil penalty of \$100 per day for failure to honor the terms of the agreement. [Va. Code §32.1-102.2\(C\)](#); [12 Va. Admin. Code §§5-220-270\(A\)](#) and [5-220-420\(A\)](#).

Community Benefit Reporting Requirement

Virginia requires community benefit reporting by nonprofit hospitals that agree to provide community benefits as a condition of certificate of public need approval.

Nonprofit hospitals whose certificates of public need are conditioned on an agreement to provide reduced rates to indigents must file annual reports detailing their compliance with that condition. [Guidance Document, Virginia Department of Health](#) (2004).



Community Health Needs Assessment

Virginia does not require nonprofit hospitals to conduct community health needs assessments.

Community Benefit Plan/Implementation Strategy

Virginia does not require nonprofit hospitals to develop community benefit plans or implementation strategies.

Financial Assistance Policy

Virginia may require hospitals to adopt or implement financial assistance policies as a condition of certificate of public need approval.

Although Virginia law does not generally require hospitals to adopt or implement financial assistance policies, a hospital that has agreed, as a condition of certificate of public need approval, to provide reduced services to indigents at reduced rates must comply with the terms of the agreement, subject to a civil penalty of \$100 per violation per day of noncompliance. [12 Va. Admin. Code §§5-220-270\(A\), 5-220-420\(A\)](#).

Financial Assistance Policy Dissemination

Virginia requires all hospitals to disseminate their financial assistance policies.

Although Virginia does not generally require hospitals to adopt and implement financial assistance policies, all hospitals are required to provide written information about their free and discounted care policies. This information must be posted conspicuously in public areas of the hospital, including admissions/registration areas, emergency departments, and waiting rooms associated with these areas. In addition, information regarding eligibility and how to apply for free and discounted care must be provided to patients at admission, discharge, or when services are provided; must be included with billing statements to uninsured patients; and must be posted on the hospital's website. [Va. Code §32.1-137.01](#).

Limitations on Charges, Billing, and Collections

Virginia does not limit hospital charges, billing, or collection practices.

Income Tax Exemption

Virginia exempts from state income tax nonprofit corporations that are exempt from federal income tax.



Virginia exempts from state income tax “benevolent or other corporations not organized for pecuniary profit” that are exempt from federal income tax. [Va. Code §58.1-401\(5\)](#).

Property Tax Exemption

Virginia law exempts nonprofit hospitals from state property tax.

Virginia law exempts from state property tax property belonging to and “actually and exclusively occupied and used” by nonprofit hospitals. [Va. Code §58.1-3606\(A\)\(5\)](#).

Sales Tax Exemption

Virginia law exempts nonprofit hospitals from state sales and use taxes.

Virginia law exempts from state sales and use taxes purchases of tangible personal property for use or consumption by a nonprofit entity that is federally tax-exempt under Internal Revenue Code §501(c)(3) and satisfies several additional conditions. [Va. Code §58.1-609.11\(C\)](#).

