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Nonprofit Hospitals Deliver Over 11 Times the Value in Community Benefits Compared to Federal Tax Exemptions

A recent study prepared for the American Hospital Association by Ernst & Young highlights the significant contributions of U.S. nonprofit hospitals to their communities. The analysis, using 2022 data from Medicare hospital cost reports and IRS Form 990 Schedule H filings, compared the federal tax revenue forgone due to nonprofit hospital status with the community benefits these hospitals provide.

In 2022, the estimated federal tax revenue forgone by nonprofit hospitals totaled **\$13.2 billion**, including exemptions from federal corporate income taxes, tax-exempt bond financing and federal unemployment taxes. By comparison, the total community benefits provided by these hospitals were **\$149 billion—over 11 times greater than the value of federal tax exemptions**.

Community benefits include financial assistance, unreimbursed Medicaid costs, community health improvement services, health professions education, subsidized services, research and community-building activities. Of the total, \$65 billion represented direct financial assistance and unreimbursed costs from means-tested programs, while \$43 billion supported broader health and educational initiatives. Another \$40 billion went to Medicare shortfalls, community-building activities and charity care.

For the first time, the study also incorporated state and local tax exemptions, which were estimated at \$41.1 billion in 2022. Combined with federal exemptions, total tax benefits reached \$54.4 billion—still only about a third of the total community benefits provided.

The analysis demonstrates that nonprofit hospitals contribute far more to their communities in services, programs and financial support than the value of the tax exemptions they receive. As communities continue to face healthcare challenges, nonprofit hospitals remain vital in addressing both medical and social needs.

[Read the full report here.](#)



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EDUCATION EVENTS

Dec. 9, 2025

Fall 2025 Annual Survey Training

Jan. 14, 2026

Jan. 28, 2026

2026 WHA Health Care Leadership Academy