

REPLY TO:

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## United States Senate

CHARLES E. GRASSLEY

WASHINGTON, DC 20510-1501

July 9, 2012

REPLY TO:

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The Honorable Timothy F. Geithner  
Secretary  
U.S. Department of the Treasury  
1500 Pennsylvania Avenue NW  
Washington, DC 20220

Dear Secretary Geithner:

Recent public statements by the staff of the American Hospital Association (AHA) seem to indicate that the Department of Treasury (Treasury) has been unresponsive to the AHA's concerns about regulations needed to implement Internal Revenue Code section 501(r). Senator Baucus and I authored this provision when we were Chairman and Ranking Member of the Senate Finance Committee. This provision, which takes only baby steps to hold charitable hospitals accountable for their tax-exempt status, was written after years of oversight. More importantly, it was written with significant input from the AHA, the Catholic Health Association (CHA) and various other stakeholders.

Since the provision was enacted, all but the AHA have remained in contact with my staff. I understand that Treasury and Internal Revenue Service (IRS) staff developing section 501(r) regulations also have not been in contact with my staff.

As a result, I ask that Treasury and IRS staff meet with my staff as soon as possible and request the following information.

- 1) The dates of all meetings, phone conferences or other discussions held with the AHA, the CHA, and all other stakeholders, including patient advocate groups such as Community Catalyst.
- 2) For each such discussion, provide a summary of the topics discussed.
- 3) A summary of the major issues that were discussed, especially the AHA's concerns, and an explanation of whether and how AHA's concerns were addressed in the recently released regulations.

Thank you for your attention to this matter. Please contact my staff with any questions.

Sincerely,



Charles E. Grassley  
United States Senator

Committee Assignments:

AGRICULTURE  
BUDGET  
FINANCE

CO-CHAIRMAN,  
INTERNATIONAL NARCOTICS  
CONTROL CAUCUS

RANKING MEMBER,  
JUDICIARY