A Well-Kept

Cancer registries are powerful, essential tools in the battle against cancer. Successful cancer programs mine the data contained within their cancer registries to identify areas where they can improve health for patients, at-risk populations, and their communities.

For cancer care providers immersed in the daily battle to eradicate cancer, staying apprised of the latest policy changes that apply to their work can be challenging. One significant policy that is important for cancer care leaders to be aware of—and recognize their role in supporting—relates to hospital community-benefit reporting. The cancer registry's role in providing benefits to the community and improving public health is essential for cancer care providers to convey to hospital leaders, who are under mounting pressure to justify their non-profit tax exemption to government officials.

With the countless laws and regulations that govern healthcare providers, cancer programs may not be aware that the cancer registry can be counted as part of a hospital's community-benefit costs, specifically as a research activity. And while it is nearly impossible to stay on top of every new healthcare policy, this one is certainly worth exploring since it ties not only to hospitals' missions but also to their non-profit tax status.

Federal Community-benefit Requirement

The majority of U.S. community hospitals (57.9 percent) are 501(c)(3) organizations, or what are commonly referred to as non-profit hospitals.[1] Caring for the most vulnerable members of our society has always been central to non-profit hospitals' missions.

In recognition of the important role that non-profit hospitals play in either reducing government burden or providing community-benefit, these hospitals are exempted from certain taxes at the federal, state, and local levels. In exchange for these tax exemptions, non-profit hospitals are expected—and their missions back them up—to provide charitable services to the communities they serve. At the federal level, the criteria for ensuring that non-profit hospitals are fully addressing the needs of the community have changed over time. In addition to federal laws that govern non-profit hospitals, many states and local governments have community-benefit requirements that non-profit hospitals must comply with if they want to be exempted from state and local taxes.[2]

Section 501 of the Internal Revenue Code (IRC) describes the criteria most organizations must meet to qualify for federal tax exemptions. Given the complex nature of tax law, from time to time the Internal Revenue Service (IRS) issues rulings to help clarify its policies. The history of the requirements guiding non-profit hospitals' tax exemption at the federal level—and how the community-benefit standard was established—can be traced by reviewing key IRS rulings over the years (see timeline on pages 58-59).

The past decade witnessed increased activity and scrutiny from members of Congress keen on investigating hospitals' charitable contributions and community-benefit activities. The culmination of this activity led to the redesign of IRS federal tax Form 990 in 2007, which is the federal reporting form that tax-exempt organizations have been required to file since 1950.[3] Form 990 provides state and federal regulators with access to financial and programmatic information about exempt organizations; as such it serves as an oversight tool.

BY AMBER GREGG, MSHCPM

Secret

The cancer registry's link to community-benefit reporting

Schedule H

The redesign of Form 990 led to a core tax form that all tax-exempt organizations must file, supplemented with various schedules that are required, depending on a non-profit organization's type and activities. Of particular significance to the hospital community was the creation of Schedule H, which was designed to gather more detailed information about hospitals' community-benefit activities and to increase transparency. Community-benefits are defined as programs and services designed to improve health in communities and increase access to care. Under this definition, a hospital's cancer registry expenses should be reported as a research expense (see Figure 1, page 58).

The Cancer Registry's Link to Community-benefit

Community-benefit costs include the amount a hospital spends on charity care, as well as the unreimbursed amounts spent on programs targeted at vulnerable populations, community-based programs, donations, research, and education initiatives. Many hospital administrators may not be aware that expenses related to their cancer registries can be counted toward their healthcare institution's community-benefit contribution. Often overlooked, the expenses associated with a hospital's cancer registry can show a substantial amount of added value to what is already being provided to the community.

Tracking and reporting expenses that support community-benefit initiatives is important when demonstrating a hospital's community-benefit contribution. Cancer registry expenses can be added to each hospital's list of community-benefit expenses and are relatively straightforward calculations compared to some of the other items that might be included on a hospital's community-benefit reporting.

Guidance from the Catholic Health Association of the United States suggests that hospitals should report expenses for cancer registries under the "research" community-benefit category. The rationale is that in addition to meeting a need identified in the community, the cancer registry meets the community-benefit objective of advancing knowledge because information is shared broadly.[6]

Cost of the Cancer Registry

Cancer registries provide invaluable data, yet the costs to healthcare institutions are not insignificant. Smaller hospitals with a caseload of 100 to 500 new cases per year could require a cancer registry staff of 1.6 full-time employees (FTEs).[7] For larger facilities with 5,000+ new cases per year, registry staffing could require 15 to 20 FTEs. According to Toni Hare, RHIT, CTR, Commission on Cancer-trained consultant and vice president of CHAMPS Oncology, "When all of the costs associated with maintaining a cancer registry are added up—including software, staffing, and workspace and equipment fees—total annual cancer registry costs can range from $100,000 for a small hospital to upwards of $1 million for a large healthcare system."

Last Words

Cancer registries are integral to helping hospitals across the country achieve their collective mission of serving communities by providing outstanding patient care. Since the first hospital cancer registry was created in 1926 at Yale-New Haven Hospital, the number of cancer registries has grown, as has their ability to

Figure 1. 990 Form Schedule H+

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)						
b Medicaid (from Worksheet 3, column a)						
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs						
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)						
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)						
j **Total.** Other Benefits						
k **Total.** Add lines 7d and 7j						

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inform and improve cancer care.[8] Today, cancer registries play a central role in helping us understand the effectiveness of different cancer treatments, learn where new cancer cases are coming from, and pinpoint where to target outreach activities.

Beyond implications for public health, the costs associated with cancer registries can help hospitals demonstrate to government officials, patients, and other stakeholders the myriad ways they benefit members of the community. While cancer care experts recognize the importance of cancer registries, communicating the value of cancer registries to other hospital leaders, clinical teams, government officials, and community members is a more challenging yet vital task.

1956

Initially, hospitals were required to provide charity care to qualify for tax exemption at the federal level. A 1956 IRS ruling required hospitals to provide as much charity care as they could afford to qualify for and maintain their tax-exempt status. Thus, the volume of charity care provided by non-profit hospitals was initially the federal standard that guided hospital tax exemption.[3]

1969

A shift occurred in 1969 when the community-benefit standard became the legal standard for hospital tax exemption at the federal level. The 1965 creation of the Medicare and Medicaid programs, and the assumption that hospitals would be providing less uncompensated care given that more people would have access to health insurance, prompted the IRS to issue a new ruling. This new ruling expanded the requirements hospitals must meet to qualify for and maintain tax exemptions at the federal level beyond charity care alone. IRS Ruling 69-545 suggested that hospitals must provide benefits to the community, commonly termed "the community-benefit standard," to qualify for and maintain tax exemption at the federal level.[4]

Over time, healthcare leaders expect that the amount hospitals spend on charity care and uncompensated care will lessen as key provisions of the Affordable Care Act (ACA) are implemented and fewer individuals are uninsured. This healthcare trend is a step in the right direction, but it heightens the importance of hospitals thinking broadly about the vast array of community-benefits they provide. Tracking the expenses associated with cancer registries is crucial for hospitals that want to demonstrate the benefit they provide. OI

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3. Folkemer DC, Hospital Community-benefits after the ACA: The Emerging Federal Framework. The Hilltop Institute. January 2011. Available online at: www.hilltopinstitute.org/publications/HospitalCommunityBenefitsAfterTheACA-HCBPIssueBrief-January2011.pdf. Last accessed March 30, 2015.

4. IRS. Revenue Ruling 69-545. Available online at: www.irs.gov/pub/irs-tege/rr69-545.pdf. Last accessed March 30, 2015.

5. IRS. Revenue Ruling 83-157. Available online at: www.irs.gov/pub/irs-tege/rr83-157.pdf. Last accessed March 30, 2015.

6. Catholic Health Association of the United States. What Counts Q&A: Research. Available online at: www.chausa.org/communitybenefit/what-counts-q-a/research. Last accessed March 30, 2015.

The National Cancer Registrars Association (NCRA) defines a cancer registry as "an information system designed for the collection, management, and analysis of data on persons with the diagnosis of a malignant or neoplastic disease (cancer)." According to NCRA there are three main types of cancer registries:

- Healthcare institution-specific registries (data is maintained for all cancer cases diagnosed and/or treated at an institution, such as a hospital, and then submitted to the central or state registry as required by law)
- Central registries (population-based for a specific geographic region)
- Special purpose registries (e.g., brain tumor registry).[8]

Every Commission on Cancer accredited hospital must have a cancer registry. As of January 1, 2015, all current cancer registrars must have achieved Certified Tumor Registrar (CTR) credentials to collect and submit data to the National Cancer Data Base. (Note: There is a three-year grace period for newly hired cancer registrars to achieve CTR certification.)

7. Chapman SA and Lindler V. Summary: NCRA Workload and Staffing Study. National Cancer Registrars Association. January 2011.

8. NCRA. The Cancer Registry and the Registrar. Available online at: www.ncra-usa.org/files/public/CancerRegistryandRegistrarFactSheet2014.pdf. Last accessed March 30, 2015.

1983

Another important IRS ruling further clarified the community-benefit standard (83-157) by finding that the "operation of a full time emergency room providing emergency medical services to all members of the public regardless of their ability to pay for such services is strong evidence that a hospital is operating to benefit the community."[5]

2007

IRS federal tax Form 990—which tax-exempt organizations have been required to file since 1950—is redesigned.[3]