



NEWS RELEASE

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Leading Hospital Associations Challenge Assessor's Valuation of Non-Profit, Tax-Exempt Hospitals in Cook County

The Metropolitan Chicago Healthcare Council (MCHC) and the Illinois Hospital Association (IHA) today challenged the Cook County Assessor's report, *Exempt Hospitals: Valuation Estimates and Appraisal Methodology*, as a flawed attempt to estimate the property value of 54 tax-exempt hospitals in Cook County. The associations, which represent more than 200 hospitals and health systems in the Chicago area and across the state, are calling on policymakers, the news media and the public to dismiss the report, which is based on incorrect assumptions and incomplete data.

"Non-profit, tax-exempt hospitals in Cook County provide more than \$2.3 billion dollars annually in free care, research, education and other charitable community benefits; more than three times the budget of the County Bureau of Health and ten times the Assessor's estimated tax liability. We are confident that the efforts of the hospitals more than justify their tax exempt status," said Scott Ziomek, MCHC director of government affairs. "The non-profit hospital community remains a critical partner to the County – together, we create the health care safety net for the region. The non-profit, mission driven hospitals have shouldered the burden of last year's \$100 million cut in services to the County's health system."

The report purports to estimate the property value of the 54 tax-exempt hospitals in Cook County as well as the aggregate tax liability of these properties if they were on the tax rolls. However, the report is based on methods that the Assessor's Office has labeled as "subjective" and had previously disregarded. Furthermore, the report makes no adjustments for the normal and customary appeals process which can decrease these numbers by as much as 40%.

"The report is based on a subjective methodology with incomplete data. Using 54 inaccurate hospital property values adds up to an inaccurate and misleading aggregate number," said IHA Senior Vice President Howard Peters. "Moreover, this exercise has been fundamentally flawed from the very beginning. The notion of taxing hospitals is simply wrong. Hospitals provide far more in charitable community benefits than their "theoretical" tax liability and taking money out of our financially fragile hospitals will shred the County's health care safety net."

While the Assessor's Office has the authority to value all hospital property in Cook County, neither the office nor the Cook County Board of Commissioners has the statutory authority to place tax exempt property on the tax rolls. "We believe this report may be interpreted as the 'silver bullet' to solve the County's budget crisis. Seventy percent of the hospitals have negative patient margins.

We are deeply concerned that imposing taxes will force many hospitals to cut services or worse yet, contemplate closing,” said Ziomek.

The associations expressed confidence that the charitable work of their members more than justifies their tax exemptions. In 2003, the state passed the Illinois Community Benefits Act requiring non-profit, tax-exempt, urban hospitals with more than 100 beds to report their charitable community benefits to the Illinois Attorney General’s Office. The latest reports filed detail more than \$2.3 billion in charitable community benefits provided by the non-profit hospitals in Cook County alone.

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[[Attached](#) is a backgrounder on MCHC’s and IHA’s response to the Assessor’s Office report.]

About the Metropolitan Chicago Healthcare Council

The Metropolitan Chicago Healthcare Council is a membership and service association comprising more than 140 hospitals and health care organizations dedicated to helping members care for their communities through access to health care and improved delivery of services. For more information, visit www.mchc.org.

About the Illinois Hospital Association

The Illinois Hospital Association, with offices in Naperville and Springfield, represents approximately 200 hospitals and health systems and the patients and communities they serve. Association members range from teaching hospitals, to community hospitals, to rural facilities, to specialty institutions. For more information, visit www.ihatoday.org.