



Taxing Healthcare Hurts Communities



REJECT COSTLY TAX ON CHICAGO HEALTHCARE PROTECT HEALTHCARE ACCESS FOR CHICAGOANS

Issue: A new local tax—referred to as a payment in lieu of taxes or “PILOT”—on nonprofits is being considered to support the City of Chicago’s billion-dollar budget gap.

IHA Position: IHA opposes any new tax on Chicago’s community hospitals. Nonprofits, such as hospitals, are granted their tax-exempt status by meeting rigorous statutory requirements for charity care and community benefit spending. These hospitals provide substantial free or reduced-cost care to low-income and underserved individuals and lead initiatives that improve public health. A PILOT is a tax that would deprive hospitals of needed resources for patient care and community-based health initiatives.

Background: Chicago hospitals are anchors in their communities, treating all who come for care, regardless of their ability to pay. In addition to providing high-quality, lifesaving care every day, in fiscal years ending Dec. 2022 through Sept. 2023, Chicago’s nonprofit hospitals provided \$3 billion in various community benefits, including over \$175 million in direct charity care.

Hospitals are economic engines that contribute more than \$37.7 billion to the local and state economy, creating more than 58,000 direct jobs and generating an additional 75,000 indirect jobs. Chicago hospitals are valuable community partners, and every dollar hospitals dedicate to payroll, supplies and capital generates an additional \$1.40 in spending in the state and local economy.

These significant community benefits demonstrate that hospitals reach beyond their four walls to improve their patients’ health every day. Chicago hospitals are working to address social determinants of health, developing career pathways for local young people, addressing food insecurity, establishing medical respite beds and more.

Ten of Chicago’s largest health systems are working together to address root causes of gun violence as part of the Chicago HEAL Initiative, a six-year project to provide economic and health interventions in 18 of Chicago’s neighborhoods with the highest rates of violence, poverty, and inequality. Hospitals are also anchor institutions in city wide collaboratives to reduce life expectancy gaps and improve community health on the West and South sides of Chicago, including West Side United and Southland RISE.

Any additional taxes on hospitals would jeopardize access to patient care and hospitals’ continued ability to make these critical upstream investments.

OPPOSE A TAX INCREASE ON CHICAGO HEALTHCARE