June 30, 2026

The Honorable Jason Smith
Chairman, U.S. House Committee on Ways and Means
Washington, DC 20515

Dear Chairman Smith:

We write today to ask you to continue your efforts at increasing basic, common sense transparency for tax-exempt hospitals, especially large and high income entities.

Past hearings at the Ways and Means Committee have revealed disturbing trends, including but not limited to: excessive executive compensation more befitting Fortune 500 companies; board meetings and retreats held in exotic locations; patients overcharged for routine services without any price transparency; urban hospitals pretending to be rural ones for government benefits; acquisition of community and taxpaying hospitals by these large, tax-exempt hospitals leveraging their tax status; abuse of federal programs like 340B; left wing and partisan political activism; and liberal cultural warmongering. This all serves to move tax-exempt hospitals away from their core mission, which is to care for the sick.

If these "hedge funds with hospital beds" (to quote your turn of phrase) have nothing to hide, they should have no fear of disclosing their activities in greater detail on their annual IRS Form 990. In fact, they should welcome the opportunity. If a tax-exempt entity has an exempt purpose, it's the proper role of the IRS and Congress to ensure that exempt purpose is still being met.

**We ask you to draft legislation which would require tax-exempt hospitals to disclose more information in greater depth on their IRS Form 990.** For instance, on the income side, hospitals should report revenue earned by each category of health service, the net financial surplus derived from 340B participation, and how much federal income tax is avoided annually as a result of their exempt status. On the expense side, they should justify what's spent on advertising and sponsorships, what's spent on charitable care and financial assistance for needy patients, and what's spent implementing their community health needs assessment.

These disclosures are modest and common-sense. Tax-exempt hospitals have this information already, but taxpayers should be able to see it on the 990 tax form. These efforts will help ensure that tax-exempt hospitals which use their status to serve their communities are protected, and those which may be using that status to enrich themselves come under greater scrutiny.

Sincerely,

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|---|---|---|
| **Charles Sauer**<br>Market Institute | **Ryan Ellis**<br>Center for a Free Economy | **Grover Norquist**<br>Americans for Tax Reform |

**Peter Sepp**
National Taxpayers Union

**Joel White**
Council for Affordable Health Coverage

**Phil Kerpen**
American Commitment

**Steve Moore**
Committee to Unleash Prosperity

**James L. Martin**
60 Plus

**Saulius "Saul" Anuzis**
American Association of Senior Citizens

**John Goodman**
Goodman Institute

**Andrew Langer**
Institute for Liberty

**Thomas A. Schatz**
Citizens Against Government Waste

**Daniel Perrin**
HSA Coalition

**Ryan McGowan**
Institute for Legislative Analysis

**Dan Faoro**
National Center for Public Policy Research

**James Edwards**
Conservatives for Property Rights

**Daniel J. Mitchell**
Center for Freedom and Prosperity

**Matthew Kandrach**
Case for Consumers

**Kent Kaiser**
Trade Alliance to Promote Prosperity

**George Landrith**
Frontiers of Freedom

**Yael Ossowski**
Consumer Choice Center

**Norm Singleton**
US Policy

**Christopher G. Sheeron**
Action for Health

**C. Preston Noell III**
Tradition, Family, Prosperity

**Seton Motley**
Less Government

**Annette Meeks**
Freedom Foundation of Minnesota

**Patrick M. Brenner**
Southwest Public Policy Institute

**Ralph Benko**
Capitalist League

**Julio Rivera**
Reactionary Times

**Larry Ward**
Constitutional Rights PAC

**Joshua Delano**
Southwest Texans for Liberty

**Thomas J. Norton**
The America PAC

**Autry Pruitt**
New Journey PAC

**Jeff Cargerman**
Market Institute Foundation

**Alfredo Ortiz**
Job Creators Network

**Jane Orient**
Association of American Physicians and Surgeons

**Paul Gessing**
Rio Grande Foundation