Health Care Tax-Exempt Organizations

Congress, the IRS and state attorney generals closely scrutinize the operations of exempt organizations. Seyfarth counsels a diverse group of tax-exempt and nonprofit organizations, including hospitals, health systems, physician groups and other healthcare organizations as well as their officers, directors, and contributors. We regularly counsel exempt clients on:

- Corporate governance and fiduciary duty issues, including conflicts of interest, investment and other policies and procedures
- Executive and director compensation, with particular emphasis on compliance with the intermediate sanction rules
- Acquisitions, dispositions, spin-offs, mergers, for-profit and nonprofit conversions, joint ventures and other transactions
- Income and property tax audits, appeals, litigation, alternative dispute resolution and other controversies, including proposed revocations of tax-exempt status
- Internal investigations and embezzlement
- Fundraising and charitable solicitation compliance issues
- Unrelated business taxable income issues, including determining whether income from particular endeavors such as corporate sponsorships will be treated as related or unrelated, how to shelter unrelated income from tax, and what degree of unrelated business is permissible without jeopardizing tax-exempt status
- IRS Form 990 and Form 990-T information and tax reporting (review, not return preparation)

In addition to a comprehensive array of tax services to exempt organizations, we provide a full range of other legal services tailored to tax-exempt organizations, including taxable and tax-exempt bond financing, real estate leases, acquisitions and dispositions, litigation, labor and employment (including various issues relating to volunteers and interns), corporate, antitrust, insurance, intellectual property, data privacy and other issues.

Our Difference

- Our team has authored or co-authored five books and treatises and more than 100 articles concerning tax-exempt organizations and health care issues
- Our team includes the former president of the American Health Lawyers Association
- Recognized as a leading, nationwide Health Law practice by The Legal 500 (2012-2014, 2016)
Demonstrated Track Record of Results

Members of Seyfarth’s Health Care Tax-Exempt Practice have been engaged in the following matters:

- Representing a west coast provider of medical and surgical services in the overhaul of its governance, including bylaws, conflict policies, gift acceptance policies, donor advised fund agreements, and investment policies. Seyfarth is also working with the client to establish a real estate investment holding company.

- Representing one of the nation’s largest organ and tissue procurement organization on various governance matters, including the development and adoption of a director compensation program.

- Represented the California Healthcare Institute in connection with its merger with Bay Area Bioscience Association. Both life sciences and biotechnology trade associations were each merged with and into California Life Sciences Association, a newly created California nonprofit mutual benefit corporation that counts among its membership a substantial portion of the life sciences and biotechnology ecosystem in California.

- Represented Baylor Health Care System in its merger with Scott & White Healthcare to create one of the largest not-for-profit health systems in Texas.

- Represented one of the largest independent Federally Qualified Community Health Centers in the U.S. in its $13 million acquisition of a medical group.

- Represented a health and medical insurance provider as tax counsel in connection with its acquisition of Care 1st Health Plan, Inc.

- Represented one of the largest independent Federally Qualified Community Health Centers in the U.S. in connection with the sale of $101.56 million in tax-exempt bonds through health facilities related financing authority.

- Represented an unincorporated nonprofit association in its merger with and into Sonoma County Medical Association Alliance Foundation, a nonprofit corporation.

- Serve as primary tax-exempt counsel to a nonprofit, private university. Our attorneys regularly advise on complex joint ventures and address the broad range of unique issues faced by tax-exempt organizations.