

**ILLINOIS HOSPITAL ASSOCIATION
MEMBERSHIP DUES VARIANCE POLICY**

PAYMENT PLANS

Membership dues are invoiced on an annual basis, with full payment due by January 1st. Members experiencing financial difficulties may request a payment plan. Such plan shall be approved by the Association's Chief Financial Officer.

DUES REDUCTION

In cases of extreme financial difficulty, a member may apply for a reduction in membership dues of no more than 25%. In determining whether or not such a reduction shall be granted, the following criteria shall be taken into account:

- The member has a negative total margin; and
- The member has a debt-to-equity ratio which is at or above the 95th percentile based on the median of the most recent Medicare cost report; and
- The member has cash on hand which averages less than five days and is not expected to be short term in nature.

Reductions shall not be granted to individual hospitals that are part of merged or multi-hospital systems, unless the merged entity or system as a whole qualifies for a reduction.

Applicants must submit the following information to the Association's Chief Financial Officer:

- § A copy of their most recent audited financial statements.
- § A copy of their interim financial statements.
- § Information which demonstrates long term cash flow difficulties.

The Association's President may approve an applicant's request for a reduction of up to 25% of annual dues.

NEW MEMBERS

In the case of new applicants for IHA membership, dues shall be based on the Association's established dues structure for that year and will be prorated based on date of entry; however, the Association's President may negotiate an alternative amount of membership dues for the first year.

ANNUAL REVIEW

The Finance and Audit Committee shall annually review this Policy and a summary of all approved variances.

Adopted March 23, 2010