Tips and Tools: Community Benefit Reporting and Community Health Needs Assessments

December 6 – 7, 2011

Nashville, Tennessee

Hospital Alliance of Tennessee

- Champion for Tennessee’s not-for-profit hospitals
- Government relations, education, public relations
- State-wide membership
- 501C (3) or government owned
- United voice for Tennessee’s not-for-profit hospitals
Voluntary reporting process
Tool for advocacy
Standard set of categories and definitions
Community Benefit Inventory for Social Accountability (CBISA)
Community Benefit Reporting Task Force

Implementation of HAT CBISA Online
Tool for the collection of aggregate community benefit data by a hospital association
Developed by Lyon Software
Webhosted platform
CBISA for Hospitals
CBISA Survey
Seminar Objectives

- Importance of community benefit as a mission and public trust imperative and legal obligation
- Definition of what counts and how to count community benefit
- Collection of quantifiable information using HAT CBISA Online
- Review community health needs assessment process
- Update on IRS 990 Schedule H

Community Benefit Overview

Patsy Matheny, Community Benefit Consultant

1:45 p.m. session
December 6, 2011
Community Benefit Overview

Evolving from:

- Isolated programs to strategic thinking
- Fringe to core business
- Counting to evaluation
- The basement to the boardroom
- ‘Fluff’ to professionalism, accountability, transparency
Community Benefit Programs

Community benefits are programs or activities that provide treatment and/or promote health and healing as a response to identified community needs.

Community benefits are not:
- Provided for marketing purposes
- Required for licensure or accreditation
- Restricted to employees and physicians affiliated with the organization

Community Benefit Objectives

Programs or activities that provide treatment or promote health as a response to identified community needs and meet at least one community benefit objective:
- Improve access to health services
- Enhance public health
- Advance knowledge
- Relieve government burden
Community Benefit

- Financial Assistance
- Government Sponsored (means tested)
- Programs/Activities
  - Community Health Improvement
  - Health Professions Education
  - Subsidized Health Services
  - Research
  - Financial & In-kind Contributions
  - Community Benefit Operations
  - Community Building Activities 990 H part III

Medicare Shortfalls & Bad Debt
990H Part III

501c3 Hospitals Deemed Charitable Organizations

Purpose:
Must benefit the broad public interest
(versus the interests of its members)

In exchange:
- Tax-exempt donations
- Federal tax exemptions
- State and local tax exemptions
- Tax-free bonds

Are charitable organizations benefiting the broad public interest?
The Community Benefit Standard
Revenue Ruling 69-545

- Organized and operated exclusively for charitable purposes
- Promote the health of a class of persons broad enough to benefit the community as a whole
- Research and medical education, explicitly mentioned

Questions to Charitable Organizations

- Rationale for charges
- Billing and collection policies
- Charity care policies
- Bad debt policies
- Executive compensation
- Joint ventures
- Fulfilling community benefit expectations
States with Community Benefit Reporting

As of June 1, 2009
The Catholic Health Association

Twelve States with Mandates for Community Assessments and Implementation Strategies

As of August 1, 2010
The Catholic Health Association
Patient Protection and Affordable Care Act

Pub. L. No. 111-148
Signed Mar. 23, 2010

Amended by the Health Care & Education Affordability Reconciliation Act, which was signed into law March 30th

Applies to any Section 501(c)(3) organization operating a state-licensed hospital or otherwise having hospital care as its principal purpose or function. Requirements apply to each facility.

New Requirements for Tax Exempt Hospitals

1. Community Health Needs Assessments (CHNA)
2. Adoption of financial assistance policy
3. Limitation on charges for emergency or other medically necessary care provided to individuals eligible for assistance
4. Fully explore eligibility for assistance prior to engaging in extraordinary billing and collection activities

Consequences for non-compliance
- Jeopardize 501(c)(3) status
Community Health Needs Assessments

At least once every three years:
- Conduct assessment and publish report
- Develop written implementation strategy adopted by the Board
- Must be completed by end of tax year beginning after March 23, 2012 or prior two year

Include input from persons who:
- Represent the broad interest of the community
- Have public health knowledge or expertise

Make assessment widely available to the public
Failure to comply results in excise tax penalty of $50,000 per year per facility

Community Health Needs Assessments

Additional Reporting Requirements with IRS:

Form 990 filings
Attach copy of adopted Implementation Strategy

Form 990 Schedule H
- Part VI 2. “Needs assessment. Describe how the organization assesses the health care needs of the communities it serves.”
- Part V, Section B Facility Information (optional for 2010 and 2011 tax year)
Additional Disclosure

- Treasury/IRS must review the community benefit activities of every 501(c)(3) hospital at least once every three years
- Treasury Secretary in consultation with the Secretary of Health and Human Services (HHS), annually report to Congress comparisons for taxable, private tax-exempt and government-owned hospitals:
  - Charity care
  - Bad debt expense
  - Unreimbursed cost of means and non-means tested government programs
  - And include costs of community benefit activities by private tax-exempt hospitals
- Treasury Secretary with HHS, submit to Congress within 5 years, a report on trends in above information

IRS 990 Schedule H

- Part I: Financial Assistance and Other Community Benefits
- Part II: Community-building Activities
- Part III: Bad debt, Medicare, Collection Practices
- Part IV: Management Companies and Joint Ventures
- **Part V: Facility Information**
- Part VI: Supplemental Information
## Facility Information

**Part V Section B.**

(Complete for each facility; do not complete for non-hospital facilities)

<table>
<thead>
<tr>
<th>Community Health Needs Assessment</th>
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<tbody>
<tr>
<td>Financial Assistance Policy</td>
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### Supplemental Information

1. **Required description:** Provide the descriptions required in Part I, Items 2, 4, and 7; Part II, Items 4, 5, 6, and 10; and Part III, Items 3, 4, 5, 6, and 7.
2. **Needs assessment:** Describe how the organization assesses the health care needs of the community it serves, in addition to any community assessment required in Part II, Section B.
3. **Community information:** Describe the community the organization serves, taking into account the geographic area and demographic characteristics.
4. **Prevention of community health:** Provide any other information deemed necessary in describing how the organization’s hospital facilities or other health care facilities are dedicated to preventing the health of the community (e.g., open medical staff, community health fairs, health education programs).
5. **Affiliated health care system:** If the organization is part of an affiliated health care system, describe the executive roles of the organization and its affiliates.
6. **State filing of community benefit report:** Identify all states in which the organization, or a related organization, files a community benefit report.
Basic Steps in Community Benefit Planning and Implementation

Building a Sustainable Infrastructure
Chapter 2

Accounting For Costs
Chapter 5

Planning
Chapter 3

Evaluating
Chapter 6

Determining What Counts
Chapter 4

Communicating
Chapter 7

* A Guide for Planning and Reporting Community Benefit
Basic Steps in Community Benefit Planning and Implementation

Someday, they'll be doctors and engineers, writers and artists. Right now, they're our sons and daughters, our nieces, nephews, neighbors and friends. More than anything, they're our future. We can't think of a more important investment.

Education - Inspiring young minds, in and out of the classroom.

Meet the people who inspire us:

- **Danielle & Robert**

**Teachers + Classrooms**

- Dream in Color
  celebrate the rich legacy of African American voices with Dr. Maya Angelou.

Our History of Giving

Since 1946, our company has contributed 5% of federally taxable income to support communities where we do business. These funds help support the arts, supplement educational efforts, and strengthen families and communities. Today, this giving equates to over $2 million a week—and the amount continues to grow.

**Areas of Focus**

What benefits a community must strong families, a connection with the past, and a vision for the future.
An Opportunity – Not a Burden

Develop a Community Benefit Communications Plan

- Identify objectives
- Find the information
- Target key audiences
- Identify different methods
- Develop key messages
Everyday Opportunities

- Newsletters
- Website
- Meetings
  - Board
  - Executive
  - Staff
- Community groups
- Churches
- Encounters with policy leaders

The Power of One

- Branded community benefit with visual and writing style guidelines (usage, tagline, tools)
- Shared a few personal accounts from our own employees.
- Highlighted how one individual can create a significant difference by their own involvement in the community.
- Called this “the power of one.”
Don’t Tell . . . Expect to Fail

- Don’t assume your community knows
- Success in internal clinical outcomes is far different than success in external community outcomes
- Identify and embrace your greatest external adversaries and important stakeholders

Union files for vote at OMHS
NLRB receives petitions from Steelworkers

READERS WRITE
Union forces OMHS to seek greater employee input
Chart the Course: A 12-month Cycle

The Message and the Messenger

- CEO and Board Chair are spokespersons for organizational story
- Community benefit story framed across all organizational pillars not just charity care
- Going Forward By Giving Back message branding
- Culmination of message in a community-wide celebration/report out
Internal Efforts: External Focus

- Build transparency into community benefit operations
- Use both internal and external vehicles to communicate outreach
- Create new opportunities and vehicles to communicate message and value
- Write your own headlines

Community Benefit aims to get the most from philanthropy projects

Last year, the OHSU Community Benefit program provided more funding for us.

Funds awarded to children's agency

Memorial Healthcare, a non-profit agency that prevents youth in drought, has received a $20,000 grant.

Community Benefit – A Two-way Street

- Openness and honesty builds trust
- Seek to understand not just to be understood
- Seek community input in every vehicle

President's Letter

June 2008

"We can seldom feel that what we are doing is just a drop in the ocean. But the ocean would be dry because of that missing drop.

Mother Teresa

We need your feedback...

We want your feedback...
Turning the Corner: Sustaining the Momentum

- Embrace openness
- Be accountable
- Communicate often
- Use every vehicle and opportunity
- Expect scrutiny
- Shift is incremental
- Celebrate the milestones

Resources for Community Benefit

Affordable Care Act (healthcare reform)  http://www.healthcare.gov
2010 IRS 990, Schedule H

(released July 7, 2011)
Resources for Community Benefit

- Advancing the State of the Art of Community Benefit (ASACB)
  www.ASACB.org

- Association for Community Health Improvement (ACHI)
  www.communityhlth.org

- Catholic Health Association  www.chausa.org/communitybenefit

- Community Benefit Inventory for Social Accountability, Lyons Software
  http://www.lyonsoftware.com/

- Healthcare Financial Management Association (HFMA)
  www.patientfriendlybilling.org

- Healthy Communities Institute (HCI)
  http://www.healthycommunitiesinstitute.com

- VHA Inc. https://www.vha.com/AboutVHA/CommunityBenefit

- Hospital Alliance of Tennessee www.hospitalalliancetn.com