

# UNDERSTANDING THE HOSPITAL COMMUNITY BENEFIT REQUIREMENT AND THE COMMUNITY HEALTH NEEDS ASSESSMENT

Jessica L. Curtis JD  
Director, Hospital Accountability Project  
Community Catalyst

Julie Willems Van Dijk RN PhD  
Deputy Director, County Health Roadmaps

July 16, 2013



---

---

---

---

---

---

---

---

# TODAY'S PRESENTERS



**Jessica L. Curtis**  
Director, Hospital Accountability Project  
Community Catalyst



**Julie Willems Van Dijk**  
Deputy Director, County Health Roadmaps  
University of Wisconsin Population Health Institute

---

---

---

---

---

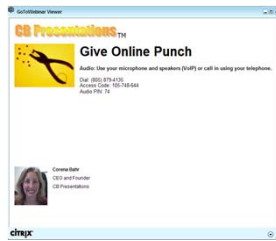
---

---

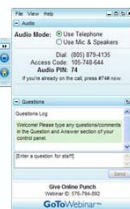
---

# GO TO WEBINAR ATTENDEE INTERFACE

**1. Viewer Window**



**2. Control Panel**



---

---

---

---

---

---

---

---

## ACKNOWLEDGEMENTS

- ▶ Robert Wood Johnson Foundation
  - Including Abbey Cofsky, Joe Marx, Michelle Larkin, Jim Marks, Naima Wong, Paul Kuehnert
- ▶ Wisconsin *County Health Rankings & Roadmaps* Team
  - Including Bridget Catlin, Patrick Remington, Amanda Jovaag, Angela Russell, Alison Bergum, Kate Konkle, Karen Odegaard, Jan O'Neill, Kirstin Siemerling
- ▶ Our Partners
  - Including Burness Communications, Community Catalyst, United Way Worldwide, NACO, NBCH, ASTHO, NACCHO, NNPHI, Dartmouth Institute, CDC, NCHS

---

---

---

---

---

---

---

---

## GOALS FOR TODAY

- ▶ Discuss community benefits and key legal requirements
- ▶ Connect community benefits to other health policy goals and strategies for improving health
- ▶ Explore examples of how hospitals, public health and other community partners are working together to improve health

---

---

---

---

---

---

---

---

## WWW.COUNTYHEALTHRANKINGS.ORG



---

---

---

---

---

---

---

---

County Health Rankings & Roadmaps  
A Division of the Robert Wood Johnson Foundation

## WHAT CAN I DO?

**Take Action**  
The Roadmaps to Health Action Center provides tools to help groups working together to create healthier places to live, learn, work and play.  
[ACTION CENTER >>](#)

**Learn to Use the Rankings Data**  
Find and use all the data on this site and beyond.  
[USING THE RANKINGS DATA >>](#)

**Find Policies & Programs**  
What Works for Health provides communities with information to help select and implement evidence-informed policies and programs.  
[WHAT WORKS FOR HEALTH >>](#)

7

---

---

---

---

---

---

---

---

---

---

## Hospital Community Benefit: Legal Imperative, Local Opportunity to Improve Community Health

Jessica L. Curtis, JD  
Hospital Accountability Project Director  
Special Topics: Understanding the Hospital Community Benefit Requirement and the Community Health Needs Assessment  
July 16, 2013

---

---

---

---

---

---

---

---

---

---

## ROADMAP

1. Understand community benefit and key legal requirements
2. Connect community benefit to other health policy goals and strategies for improving health

© 2013

---

---

---

---

---

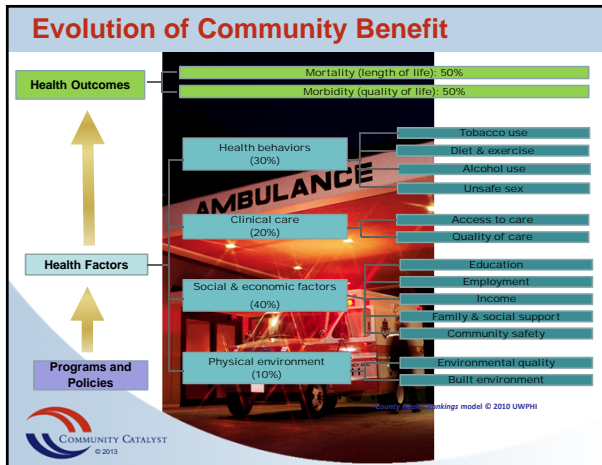
---

---

---

---

---




---

---

---

---

---

---

---

---

---

---

---

---

### Key Federal Requirements

- **Tax exemption is source of the federal legal standard**
  - IRS and Treasury Department develop guidance and handle oversight
  - IRS has defined "community benefit" through guidance for tax-exempt hospitals (1969 Revenue Ruling): does the hospital promote the health of a class of persons broad enough to benefit the community?
- **Tax-exempt hospitals must report their community benefits annually to IRS on Form 990, Schedule H**
- **Affordable Care Act added new requirements for tax-exempt hospitals (2010)**
  - Financial assistance policies
  - Reasonable billing & collections
  - End overcharging
  - More reporting
  - **Conduct regular community health needs assessments (CHNA) & develop implementation strategies**

---

---

---

---

---

---

---

---

---

---

---

---

### IRS Community Benefit

- Community health improvement services
- Financial assistance
- Subsidized health services
- Medicaid shortfall
- Health research, training and education
- Cash and in-kind contributions to community groups
- Other

**Demonstrated Community Need**

- Documented request from public agency or community group
- Community Health Needs Assessment
- Partnership with a government agency or non-profit organization

**Meets Program Objective**

- Reduced barriers to care
- Leverages public health efforts
- Reduces health disparities
- Increases community knowledge
- Reduces government burden

---

---

---

---

---

---

---

---

---

---

---

---

## Examples of Community Benefit Programs



---

---

---

---

---

---

---

---

## IRS and Treasury Rulemaking

- Gave **initial guidance** on CHNAs and implementation strategies that hospitals could rely on (2011, Notice 2011-52)
- Issued **proposed rules** in two batches
  - Financial assistance, billing and collections (June 2012)
  - CHNAs, implementation strategies, and penalties for noncompliance (April 2013)
- Has indicated they will issue **final rules** all together
  - When will IRS issue final rules? See the Ma



---

---

---

---

---

---

---

---

## ACA + IRS Rules

- Require hospitals to **assess** community health **needs** and **adopt an implementation strategy**
- Require **input from public health and community members** and representatives
- Encourage (but do not require) collaboration with other partners, a focus on health equity, access, and public health issues impacting the community
- Require hospital board approval
- CHNA and implementation strategy open to the public



---

---

---

---

---

---

---

---

## State Requirements Vary



---

---

---

---

---

---

---

---

## State Requirements

- Some planning process indicated = 14 states
- CHNAs\* = 10 states
- Implementation plans\* = 9 states
- Community input = 10 states
- Public health input = 6 states
  - \*Also voluntary in MA and CT

---

---

---

---

---

---

---

---

## Hospital Spending on Community Benefit

During fiscal year 2009, hospitals spent 7.5% of their operating expenses on Community Benefit (average)

- More than **85% of these expenditures** were devoted to access (charity care, etc.)
- Only **5%** was spent on **community health improvements**
- The rest was spent on education, research and community group contributions.

Source: Young, et al (2013). N Engl J Med 368:16.

---

---

---

---

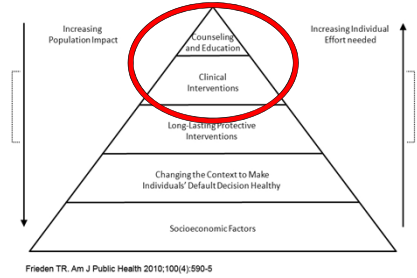
---

---

---

---

## Still Focused on Access...



Frieden TR. Am J Public Health 2010;100(4):590-5




---

---

---

---

---

---

---

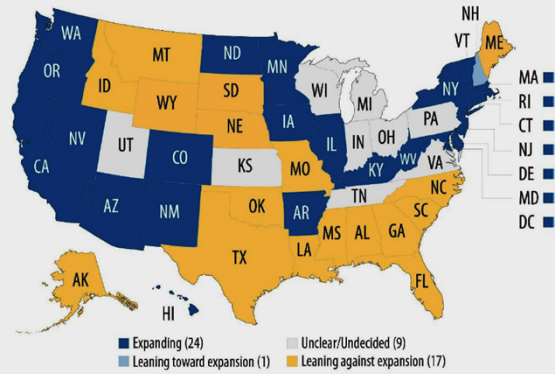
---

---

---

## Impact of Medicaid Expansion

Figure 1. Status of State Medicaid Expansion for 2014




---

---

---

---

---

---

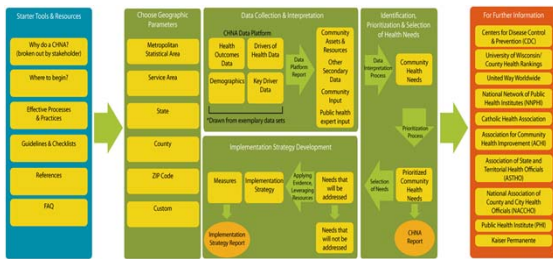
---

---

---

---

## A Sample Community Benefit Process



Source: CHNA.org




---

---

---

---

---

---

---

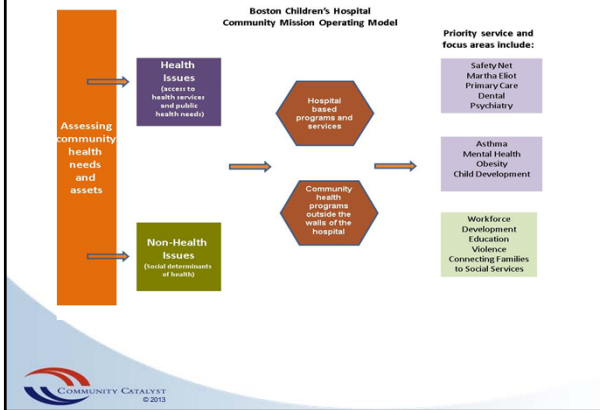
---

---

---



## A Sample Community Benefit Process




---

---

---

---

---

---

---

---

---

---

---

---

## Key Questions

- Who was involved in the assessment? Who was left out who should be included?
- Who should be involved in implementation?
- How were needs prioritized? What (and who) was left out? Does the assessment square with community perception of unmet need?
- What and how were data gathered, analyzed and presented to the community?
- Are there missing pieces or relationships that you can bring to the table that are crucial to success?




---

---

---

---

---

---

---

---

---

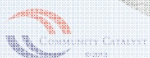
---

---

---

## What if my hospital isn't non-profit?

- State and local requirements
- Certificate of Need Agreements
- Mission statements
- If public hospital – look at charter, governing authority, and mission
- Receipt of public dollars
- Social/corporate responsibility
- **Good will, good governance, good idea!**




---

---

---

---

---

---

---

---

---

---

---

---



# Thank You



Jessica Curtis  
[jcurtis@communitycatalyst.org](mailto:jcurtis@communitycatalyst.org)

---

---

---

---

---

---

---

---



## PUBLIC HEALTH ACCREDITATION BOARD LAUNCHED SEPTEMBER, 2011

- First national accreditation system
- Requires public health leadership in multi-sector partnerships
- Focuses public health systems on multiple determinants of health



---

---

---

---

---

---

---

---



---

---

---

---

---

---

---

---

## INTEGRATED COLLABORATIVE APPROACH

- ▶ Shared Resource, Independent Assessment
- ▶ Shared Governance, Shared Resources, One Agency Primary Responsibility for Work
- ▶ Shared Governance, Pooled Resources, Collaborative Employs Staff

---

---

---

---

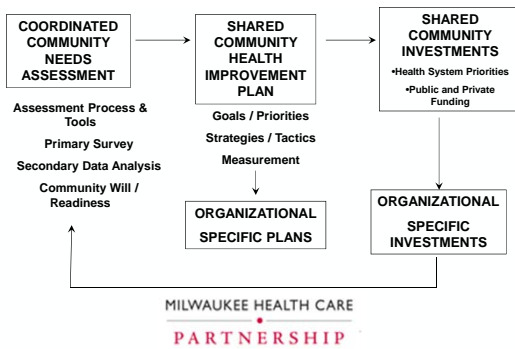
---

---

---

---

## COLLABORATIVE COMMUNITY HEALTHCARE IMPROVEMENT MODEL



---

---

---

---

---

---

---

---

## DISCUSSION

Julie Willems Van Dijk RN PhD  
[willemsvandi@wisc.edu](mailto:willemsvandi@wisc.edu)

Jessica Curtis  
[jcurtis@communitycatalyst.org](mailto:jcurtis@communitycatalyst.org)

---

---

---

---

---

---

---

---

## UPCOMING WEBINARS

**July 23, 3-4 pm ET**

Choose Effective Policies and Programs—Choosing Policy!

**July 30, 3-4 pm ET**

Choose Effective Policies and Programs—In-depth

(Registration limited to the first 40 registrants)

---

---

---

---

---

---

---

---

## STAYING CONNECTED



**e-Newsletter: [chr@match.wisc.edu](mailto:chr@match.wisc.edu)**

---

---

---

---

---

---

---

---