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

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TODAY’S PRESENTERS

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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 Catin, Patrick Remington, Amanda Jovaag, Angela Russell, Alison Bergum, Kate Konkle, Karen Odegaard, Jan O’Neill, Kirstin Siemering
• 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
WHAT CAN I DO?

**ROADMAP**

1. Understand community benefit and key legal requirements

2. Connect community benefit to other health policy goals and strategies for improving health
Evolution of Community Benefit

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

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

- 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 Magic 8 Ball

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.

Still Focused on Access…

Impact of Medicaid Expansion

A Sample Community Benefit Process
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

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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

PHAB
Helping raise the standard for public health.

United Way

WPHCA

CAP Services
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

- Coordinated Community Needs Assessment
- Shared Community Health Improvement Plan
- Shared Community Investments
  Health System Priorities
  Public and Private Funding

ORGANIZATIONAL SPECIFIC PLANS

Organizational Specific Investments

MILWAUKEE HEALTH CARE PARTNERSHIP

DISCUSSION

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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)

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