After the Needs Assessment: CAH Community Benefit Strategies

John Gale
Maine Rural Health Research Center
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Flex Monitoring Team | University of Minnesota
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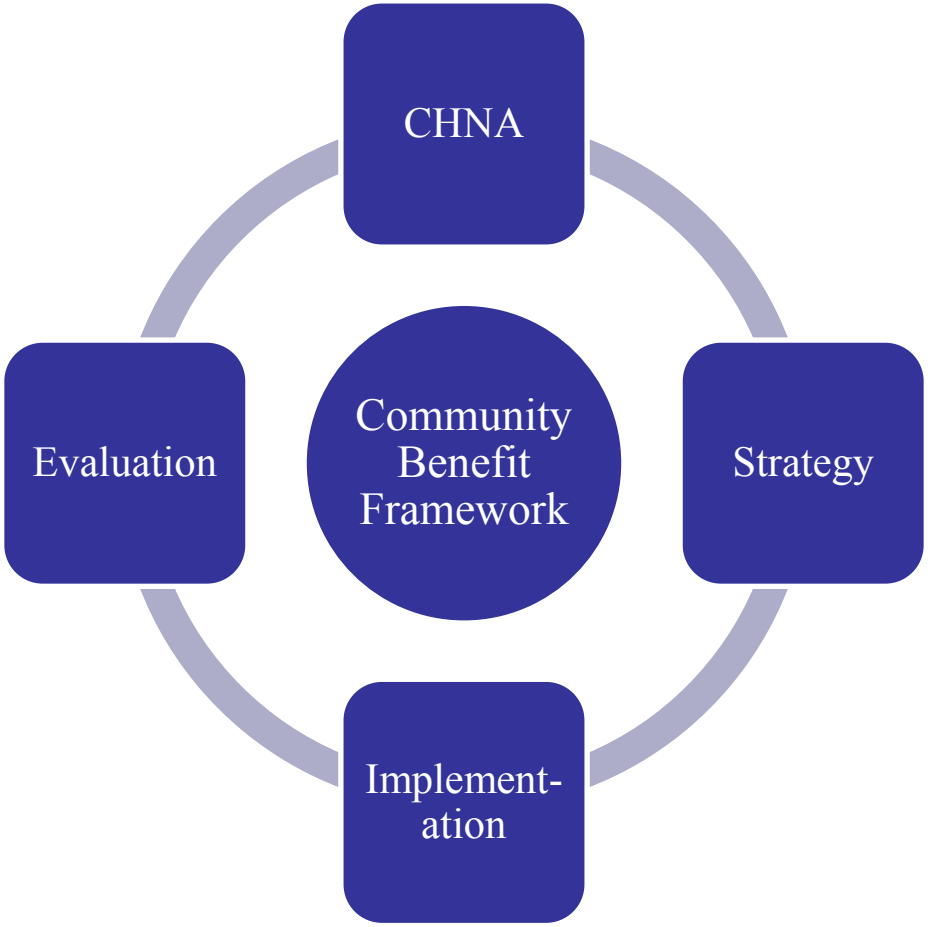
Overview of Today's Session

- Review the IRS community health needs assessments (CHNA) requirements including the required strategy plan
- Disconnect between IRS CHNA guidelines and the IRS community benefit reporting requirements (Form 990)
- Understanding the strategy plan as a bridge from the CHNA to the hospital's community benefit strategy
- Strategy plan requirements
- Sample CAH interventions and strategies
- Resources

CHNA Is Part of a Larger Process



HRET's Description of a Community Responsive Hospital

- Look beyond delivery of medical care to role of hospital leadership in:
  - Community issues (e.g., substance abuse, domestic violence, etc.)
  - Health issues (e.g., oral health, mental health, obesity, etc.)
  - Equity (e.g., barriers to access or health status disparities among vulnerable populations)
  - System barriers (e.g., limited public health infrastructure, limited integration of providers and services, etc.)
  - Community's role in process (e.g., involve residents in addressing above issues, reducing risky behaviors, partnering with schools, etc.)

From: *Where Do We Go from Here? The Hospital Leader's Role in Community Engagement* (2007) by the Health Research and Educational Trust.

ACA Additions to Tax Code for Tax Exempt Hospitals

- Sections 501(r)(3)
  - Community health needs assessments every 3 years
  - Effective for tax years beginning after March 2012
- Sections 501(r)(4-6)
  - Financial assistance and emergency care policies; limitations on patient charges; limits on billing and collection practices
  - Effective for tax years beginning after March 2011
- Must be viewed within the context of changes to Form 990 community benefit reporting requirements (Schedule H)

Community Health Needs Assessment (CHNA)

- CHNA must:
  - Be conducted not less than every three years
  - Adopt strategy to address needs identified through CHNA
  - Incorporate input from persons representing the broad interests of the community, including those with interest/expertise in public health
  - Be made widely available to the public
- As part of its Form 990 filing, hospital must describe:
  - Its CHNA process
  - How it is meeting identified needs through CHNA
  - Any needs that are not being addressed and why

Status of IRS Guidelines

- Notice 2011-52 details provisions that the Treasury Department/IRS anticipate will be in proposed regulations
  - Recognizes that hospitals may start CHNA prior to the effective date
- Hospitals can rely on the terms of Notice 2011-52 with respect to their CHNAs until further guidance is issued
- Applies to all 501(c)(3) hospitals
  - Includes government hospitals with dual status even though they do not currently file Form 990

Key Issues Covered in 2011-52

- Hospital organizations affected – multi-hospital facilities
- CHNA documentation – When/how to conduct CHNA
- Definition of community served
- Community input into process and plan
- Widely available to the public
- Implementation strategy - how/when to adopt strategy
- Excise taxes
- CHNA reporting requirements
- Effective date

Defining the Community Served

- Hospital must describe the community it serves and how it was determined. Options:
  - Geographic location (i.e., city, county, or metropolitan region)
  - Target populations served (i.e., children, women, or the aged)
  - Principal functions (i.e., specialty area or targeted disease)
- May not be defined in a manor to exclude:
  - Medically underserved populations, low-income persons, minority groups, or chronic disease needs
- Can use billing/patient records to identify areas where the majority of the hospital's patients come from
- Key is to be reasonable in defining service area

Six Parts of Schedule H

I. Charity care and certain other community benefits
II. Community building activities
III. Bad debt, Medicare, and collection practices
IV. Management companies and joint ventures
V. Facility Information
VI. Supplemental information

Community Benefit

- Programs or activities that provide treatment and/or promote health in response to an identified community need. Key criteria:
  - Generates a low or negative margin;
  - Responds to needs of special populations (e.g., uninsured);
  - Supplies a service/program that would likely be discontinued if based on financial criteria;
  - Responds to public health needs; or
  - Involves education or research that improves overall community health.

Community Benefits Arising from Patient Care

- Charity care
  - Free or discounted services provided to persons who cannot afford to pay and meet criteria for financial assistance.
- Bad debt
  - Uncollectible charges from persons that have failed to pay.
- Government-Sponsored Health Care
  - Unpaid costs of care provided to Medicaid, SCHIP, local or state public or indigent care programs, and Medicare beneficiaries.

Community Benefit: Programs and Activities

- Community Benefit Services categories:
  - Community Health Improvement Services
  - Health Professions Education
  - Subsidized Health Services
  - Research
  - Financial and In-Kind Contributions
  - Community-Building Activities
  - Community Benefit Operations

Community Health Improvement Services

- Community health education
  - Lectures, presentations, support groups, self-programs that are open to the publics
- Community-based clinical services
  - Screenings, one-time or occasionally held clinics, health fairs, free clinics, mobile units
- Health care support services; and
  - Enrollment assistance in public programs, information and referral, transportation for vulnerable patient to/from community resources

Health Professions Education

- Physicians/medical students, nurses/nursing students; other health professions
  - Internships and residencies
  - Job shadowing and mentoring projects
  - Scholarships/funding for professional education (for community residents not only hospital staff)
- In-service programs available to all professionals in the community (not just hospital staff)

Subsidized Health Services

- Services provided to the community that are not expected to be self sustaining
  - Emergency and trauma care services
  - Hospital outpatient services
  - Women's and children's services
  - Renal dialysis services
  - Subsidized continuing care
  - Behavioral health services
  - Outpatient palliative care

Research

- Clinical research; and
  - Unreimbursed/unfunded costs of studies on therapeutic protocol
- Community health research.
  - Studies on health issues for vulnerable populations
  - Research studies on innovative health care delivery models

Financial and In-Kind Contributions

- Cash donations; grants; in-kind donations; and cost of fund-raising for community programs
  - Contributions and/or matching funds to not-for-profit organizations
  - Event sponsorship (less cost of benefits received)
  - Meeting space for not-for-profit organizations and groups
  - Services of hospital grant writer to assist local health agencies

Community-Building Activities

- Physical and environmental improvements
  - Community vegetable gardens or walking trails
- Support system and workforce enhancement
  - Recruitment of providers for medically underserved areas
- Leadership development for community members
  - Advocacy training for community members
- Coalition building
  - Disaster preparedness committees
- Community health improvement advocacy
  -

Implementation Strategy

- As part of its CHNA process, a hospital is expected to develop a written implementation strategy describing how it plans to meet each of the health needs identified through the CHNA
- The hospital is required to attach a copy of the most recently adopted implementation strategy to its annual Form 990
- For multi-hospital organizations, each hospital must meet this requirement separately
- The written plan must describe:
  - How the hospital plans to meet identified needs, or
  - Identify the health needs that the hospital does not intend to meet and explain why it does not intend to meet it

Details of Implementation Strategy

- Describe how the hospital plans to meet each health need that it intends to address
  - Identify programs and resources used to meet the health need
  - Describe anticipated impact of the commitment of programs/resources
  - Describe any planned collaboration with other organizations (related organizations, other hospitals, nonprofit organizations, state and local agencies, etc.) – All organizations must be specifically identified
- Each hospital must adopt its implementation strategy by the last day of the first tax year beginning after March 23, 2012
  - Strategy must be adopted in same tax year as the CHNA was conducted
  - Strategy is considered adopted when it is approved by the governing body of the hospital

Linking the CHNA and Form 990: Implementation Strategy

- IRS guidance doesn't explicitly link CHNAs to Form 990 community benefit reporting requirement
- How does it all fit together?
  - **CHNA** – Posted on hospital website/internet and made widely available
  - **Implementation Strategy** – Submitted each year as part of each hospital's Form 990 filing
  - **IRS Form 990, Schedule H** – Hospital community benefit activity reported on Schedule H
- How might the IRS use this information?
  - Compare community benefits reported in Schedule H to the needs identified in CHNA and those addressed in the implementation strategy

Recommendations

- Focus strategy implementation plan on priority needs identified through CHNAs
- Review IRS/Catholic Health community benefit guidelines
- Align strategies with key community benefit activities
- Make sure the two reports are in sync
- Form 990 community benefit activities encompass activities not likely to appear in a CHNA
- Capture/report full range of allowable community benefits

Community Benefit Operations

- Senior staff to manage community benefit program
- Other dedicated staff
- Community health needs/health assets assessments
- Program evaluation
- Administrative resources
- Other resources and expenses

Justifying Chosen Strategies

- How does a hospital support/defend its decisions to regarding the needs addressed in its strategy plan?
- **Implement a robust, transparent process to set priorities**
- Method(s) less critical than process
- Meaningful community engagement/involvement is critical
- Meaningful community collaboration
  - Public health system
  - Representatives from vulnerable populations
  - Key community stakeholders

Why Justify

- Leadership direction
- Limited resources
- Urgency
- Competing health issues to address
- Program effectiveness/efficacy
- Program efficiency
- Performance/quality improvement and project identification
- Supports/defends decisions

Selecting a Method

- How rigorously objective do you want the process to be?
- What level of participation/number of participants is ideal?
- Balance high participation / buy-in with manageability
- Maintain awareness of biases
- How time/energy-intensive a process will you commit to?

Selecting a Method

- "Dotmocracy" method (aka "Quick and colorful" approach)
- Nominal group planning
- Strategy map
- Simplex method
- Hanlon (PEARL) method
- Criteria weighting
- Prioritization matrix

Key Considerations

- Use priority-setting methods creatively
- Ordering priorities
- Logical
- Temporal
- Impact
- Consider barriers to implementation
- Use data from assessments wisely
- Use within the context of a planning process

Summary Points for Priority Setting

- Collect background data and documentation
- Clarify goals and objectives at outset
- Establish criteria for 'judging' potential options
- Determine participants for the prioritization process
- Select appropriate method
- Have needed materials for the prioritization method selected
- Implement process, follow-up and follow-through

Center for Disease Control and Prevention Involvement

- CDC's prevention branch has been engaged to provide guidance to the IRS in developing CHNA requirements
- CDC focus is on public health not hospital activities
- Heavy focus on collaboration – exceeds ACA requirements
- Strong emphasis on public health activities and evidence base
- Developing mapping and data tools for small hospitals
- Recruiting CAHs to "pilot test" tools
- Advisory group recruited to work with CDC includes rural hospital stakeholders

After the CHNA: Next Steps

- Develop an implementation strategy
- Choose evidence-based strategies:
  - Centers for Disease Control and Prevention, Catholic Health Association, Public Health Institute, and St. Louis University School of Public Health are sources of evidence-based strategies
  - Critically evaluate existing "legacy" activities
- Develop ways to measure and communicate progress
  - Develop performance indicators tied to community priorities
  - Look for and use proven tactics to address priorities
  - Share information with community – A crucial step in building trust

Shift from Counting Activities to Addressing Community Needs

- Many community benefit programs focus on counting dollars rather than the impact of activities and extent to which they address community needs
- Coming "full circle" to reconnect hospitals to their communities and **re-emphasize** their charitable mission
- Goal: move focus away from "random acts of kindness" to:
  - Community engagement
  - Collaboration between providers
  - Accountability to identified local needs
  - Focus on accessibility of services and prevention
  - Focus on population health issues

Activities to Build Integrated and Sustainable Delivery Systems

- Reach out to and enroll individuals into eligible programs
- Provide culturally competent medical homes
- Assure access to prevention and wellness services
- Address population health issues
- Provide access to affordable prescription drugs
- Assure access to specialty and hospital care
- Manage chronic care
- Coordinate comprehensive care
- Develop strategies to cover low-wage workers

Potential Partners by Issue Area

- Community: Schools, businesses/employers, elected officials, organizational trustees, faith community, media
- Health: Physicians, dentists, nurses, pharmacists, mental health specialists, community providers/agencies, insurers
- Equity: Community-based groups, activists, safety net providers, faith community, public health leaders
- System barriers: Health care and public health leaders, physicians, insurers
- Community's role: Patients/consumers, schools, service organizations, neighborhood associations, organizational trustees

Examples of CAH Initiatives

- Regional Medical Center
  - Developed a continuum of mental health services in three rural Iowa counties - currently re-organizing to provide behavioral health services through provider-based RHCs
- Weiser Memorial Hospital's WACHAT Program
  - Washington/Adams County Health Action Team provides primary care for uninsured individuals
  - Collaboration of 18 community organizations, social service agencies, and providers in Weiser, Council, and Cambridge.

Examples of CAH Initiatives

- Nor-Lea General Hospital
  - Created the Heritage Program for Senior Adults in 2003 to provide outpatient mental health services to seniors
  - Staffed by psychiatrist, therapists, registered nurse, and MH technicians
- Teton Medical Center' Wellness Program
  - Collaborated with the high school, Teton Community Development Cooperative, County Extension Office, Great Falls Clinic, and others
  - Includes exercise programs, nutrition, health education, diabetes, stroke, and heart rehabilitation
  - Serves general community and has a special focus on health and fitness for high school students, firefighters, and persons with chronic illness

Moving the Community Benefit Needle

- Choose evidence-based strategies:
  - Centers for Disease Control and Prevention, Catholic Health Association, Public Health Institute, and St. Louis University School of Public Health are sources of evidence-based strategies
  - Critically evaluate existing "legacy" activities
- Develop ways to measure and communicate progress
  - Develop performance indicators tied to community priorities
  - Share information with community – A crucial step in building trust
- Focus on charity/discounted care policies to expand access
- Look carefully at bad debt levels to understand access issues

Contact Information

John A. Gale, M.S., Research Associate

Flex Monitoring Team

Maine Rural Health Research Center –U. of Southern Maine

207-228-8246

jgale@usm.maine.edu