



*A Passionate Voice for Compassionate Care*

**March 2017**

## **COMMITMENT TO COMMUNITY BENEFIT**

### **THE ISSUE**

Catholic and other not-for-profit health care organizations were established to respond to community needs. They are charitable institutions, reaching out to low-income and other vulnerable persons to improve access to health care and working with local partners to make their communities healthier places to live, work, and raise families.

Over the last several years policymakers and the public have raised questions about whether not-for-profit hospitals were still fully committed to their community service mission and deserving of tax-exemption. These debates led to two major changes in hospital tax-exemption policy that are aimed at promoting transparency and accountability. First, in 2007 the Internal Revenue Service (IRS), at the urging of congressional committees, revised its 990 reporting form for exempt organizations and added Schedule H for hospitals to report their community benefit and other information related to tax-exemption. This hospital reporting form uses the community benefit reporting framework developed by the Catholic Health Association.

Second, in 2010, as part of the Affordable Care Act (ACA), new requirements were added for tax-exempt hospitals: conduct and publish an assessment of community health need with input from the community and public health experts; adopt an implementation strategy for addressing needs identified in the assessment; and develop and publish financial assistance policies. The ACA also limits what hospitals can charge persons eligible for financial assistance, reinforces existing federal requirements regarding emergency medical care and addresses billing and collections policies and procedures. Final rules for these requirements were published by the IRS in 2014.

### **MINISTRY TRADITION**

As members of the Catholic health ministry, our mission of community service is based upon social justice teachings that call us to respect the human dignity of each person, promote the common good, have special concern for low-income and other vulnerable persons, and be responsible stewards of resources. These foundational beliefs drive the Catholic health ministry's long-standing commitment to ensure that every patient has access to quality care regardless of ability to pay, and that all persons in our communities reach their highest potential for health possible.

### **CHA'S POSITION AND ACTIVITIES**

Catholic health organizations welcome the opportunity to be more transparent and accountable to their communities about how they are fulfilling their tax-exempt purpose. Our members also view the requirements of the ACA to assess and address community needs as a catalyst to work more closely with public health and other community partners to improve the access to health care and to improve the health of people in their communities. Some of CHA's activities have included:

- Revising CHA's *Guide for Planning and Reporting Community Benefit*, a comprehensive resource for building a sustainable community benefit infrastructure, assessing community health

needs and planning and implementing and evaluating strategies for improving community health. The guide also presents a standardized approach for accounting and reporting community benefit, consistent with instructions for completing the IRS Form 990 Schedule H.

- Revising CHA's *Assessing and Addressing Community Health Needs*, a guide for conducting community health needs assessments, developing implementation strategies and planning community benefit programs. This book will incorporate the IRS final rules for needs assessment and planning.
- Developing a guide for evaluation, *Evaluating Your Community Benefit Impact*, to help hospitals improve the quality and effectiveness of their programs; meet IRS requirements for identifying the anticipated impact of programs in their implementation strategies; and to report on the impact of these actions in subsequent needs assessments.
- Commenting on yearly revisions of the IRS Form 990 Schedule H and emphasizing the need for including activities that address the root causes of health problems, such as violence, poverty and housing, as community benefit.
- Holding webinars and national meetings and developing written and on-line resources for tax-exempt hospitals to comply with ACA and IRS reporting requirements.
- Working closely with national public health associations and federal public health offices to encourage collaboration between hospitals and public health officials, and to ensure that tax-exempt hospitals have access to public health resources on evidence-based approaches for improving community health.

#### **CHA SUPPORTS:**

- The ACA requirements for tax-exempt hospitals to conduct community health needs assessments and develop implementation strategies.
- Regulations that continue to promote transparency and accountability but that preserve flexibility in approaches that hospitals use to meet identified community health needs.
- Hospital input in discussions of the ways hospitals can work with public health organizations and community members to further public health goals such as prevention and population health management.
- Reporting as community benefit a full range of services that improve community health, including activities that impact the social, environmental and economic determinants of health such as increasing availability of safe, affordable housing and improving safety.
- Adequate federal funding for public health activities and services.