



A Passionate Voice for Compassionate Care

October 2015

COMMITMENT TO COMMUNITY BENEFIT

THE ISSUE

Catholic and other not-for-profit health care organizations were established to respond to community need. They are charitable institutions, reaching out to low-income and other vulnerable persons in order to improve access to health care and engaging in activities designed to make communities healthier places to live, work, and raise families.

In recent years, questions have been raised about whether not-for-profit hospitals deserve tax-exemption. 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 and published in CHA's *Guide for Planning and Reporting Community Benefit*.

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 limited what can be charged to 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 respect the human dignity of each person, acknowledge the importance of the common good, have special concern for low-income and other vulnerable persons, and call for responsible stewardship of resources. These foundational beliefs inspire 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 the highest level of health possible is realized by all persons in our communities.

CHA'S POSITION AND ACTIVITIES

Catholic health organizations welcome the opportunity to be more accountable by telling our community benefit story and to describe how we continue to fulfill our tax-exempt purpose. Our organizations view the requirements of the ACA to assess and address community needs as an opportunity 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 our 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 the IRS proposed rules on community health needs assessment, financial assistance, emergency medical care and billing and collections
- 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 numerous webinars and national meetings and developing written and on-line resources for the ministry 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 CHA members 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 designed to impact the social, environmental and economic determinants of health such as housing and improving safety