



A Passionate Voice for Compassionate Care

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 years, policymakers and the public have raised questions about whether not-for-profit hospitals are fully committed to their community service mission and deserving of tax-exemption. These debates have resulted in policy changes promoting greater transparency and accountability. The Internal Revenue Service (IRS), requires tax-exempt hospitals to complete Schedule H of the Form 990 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.

The Affordable Care Act (ACA) added requirements for tax-exempt hospitals to 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. Finally, the ACA requires the IRS to review, once every three years, community benefit activities for each tax-exempt hospital and submit a report annually to Congress regarding levels of charity care provided by tax-exempt, taxable and government hospitals; bad debt; unpaid costs for means-tested government programs; and community benefit costs incurred by tax-exempt hospitals.

These changes have strengthened the community benefit efforts of tax-exempt hospitals by focusing them on addressing and evaluating prioritized community needs, encouraging and strengthening community partnerships to improve community health and setting standards around financial assistance and billing/collections. However, as policymakers evaluate community benefit activities in the future it is important to keep in mind that the full benefit tax-exempt hospitals bring to their communities cannot be captured in a tax form that focuses mostly on dollars spent. Tax-exempt hospitals, through their roles as anchor institutions, policy advocates for poor and vulnerable and community partners are working address the root causes of poor health by changing the policies, systems and environments of their communities. These types of efforts need to be recognized as community benefit along with dollars spent on financial assistance, as both are addressing community health needs.

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 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:

- Publishing guidance on how to plan and report community; how to conduct community health needs assessments and develop implementation strategies; and how to evaluate community benefit efforts. This guidance is aligned with ACA and IRS requirements for tax-exempt hospitals.
- Working with other national hospital organizations to promote changes in the IRS Form 990 Schedule H to clarify that activities addressing the root causes of health problems, such as violence, poverty and housing, can be reported as community benefit.
- Holding webinars and national meetings and on-line resources for tax-exempt hospitals to fully report their community benefit activity and to comply with ACA and IRS requirements.
- Working 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.
- Working with national offices of community-based organizations to promote effective partnerships for effective community health improvement.
- Developing resources for members to address the social determinants of 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.