

Determining What Counts as Community Benefit



The following tables provide examples of activities and programs that should and should not be counted as community benefit, along with a supporting rationale for the determination. The examples are shown by community benefit category.

Community Health Improvement Services:

Activity or Program	Report	Example Rational
Immunization for low-income children	Yes	Public health priority, relief of government burden
Flu shots for employees	No	Cost of doing business, more benefit to organization than community
Health screening program in low-income community	Yes	Enhances access, health education
Health screening program in upscale mall for marketing purposes	No	More benefit to organization than community
Health education regarding diabetes	Yes	Public health priority
Health education for organization's patients with diabetes	No	Cost of doing business, part of organization's patient clinical care
Marketing material for orthopedic program	No	Marketing focus, more benefit to organization than community
Outreach to help seniors remain independent in their homes	Yes	Public health priority

...continued

Community Health Improvement Services *(continued)*:

Activity or Program	Report	Example Rational
Discharge planning function	No	Represents the current standard of care, required for licensure
Taxi vouchers for low-income persons	Yes	Provides access to care for vulnerable persons
Van service between wealthy retirement community and only the organization	No	Benefits the organization more than the community

Health Professions Education:

(currently appears in the instructions for IRS Form 990, Schedule H)

Activity or Program	Report	Example Rational
Scholarships for community members	Yes	More benefit to community than organization
Scholarships for staff members	No	More benefit to organization than community
Continuing medical education for community physicians	Yes	Accessible to all qualified physicians
Continuing medical education for own medical staff	No	Restricted to own medical staff members
Nurse education if graduates are free to seek employment at any organization	Yes	More benefit to community than organization
Nurse education if graduates are required to become the organization's employees	No	Program designed primarily to benefit the organization

Subsidized Health Services:

Activity or Program	Report	Example Rational
Clinics for low-income persons	Yes	Enhances access
Prenatal classes for mostly insured persons	No	Current standard of care
Mental health service with high census and Medicaid patients	Yes	Responds to need and provides access for low-income consumers
Mental health service with low census that loses money	No	Need not established and may reflect poor business decision
Cosmetic surgery and other elective care for which financial assistance is not available	No	Difficult to establish community need and inaccessible for patients needing financial assistance

Research:

Activity or Program	Report	Example Rational
Research on how to reduce disparities in cancer	Yes	Community need
Study on whether to open a new cardiac unit	No	Market research
Study on how to triage ER patients, results published in a professional journal	Yes	Results shared with others
Quality assurance study on reducing medication errors	No	Finding used solely by the organization

Cash and In-Kind Contributions:

All cash contributions must be restricted in writing to a community benefit purpose.

Activity or Program	Report	Example Rational
Donation to community clinic	Yes	Enhances access
Executive time at a charity golf outing	No	Unrelated to health/mission
Cost of staff working in a free clinic while on hospital payroll	Yes	Commitment of organization's resources
Value of staff time when volunteering on their own time	No	Benefit provided by the staff, not the organization
Equipment with remaining useful life donated to community clinic	Yes	Equipment has financial value, and donation results in net financial cost
Equipment that has been fully depreciated	No	Equipment has been fully expensed — only new cost for delivery can be reported
Emergency funds provided to local Red Cross	Yes	Benefits the community more than the organization
Emergency funds provided a) to employee support fund or b) by employees	No	a) Benefits only people internal to the organization and b) not an expense of the organization

Community-Building:

Activity or Program	Report	Example Rational
Housing for low-income seniors	Yes	Community need/access to housing
Housing for employees	No	Restricted to individuals affiliated with the organization
Crime prevention program	Yes	Public health/social need

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Community-Building (continued):

Activity or Program	Report	Example Rational
Staff in-service education on domestic abuse	No	In-service education is a cost of doing business and of the standard of care
Advocacy on access to transportation, affordable housing, early childhood development programs	Yes	Community need
Advocacy for enhanced reimbursement	No	Benefits the organization
Proper disposal of radioactive waste	No	Required by law
Waste reduction to minimize incineration	Yes	Contributions to improved air quality and related asthma prevention

→ **NOTE:** *If any of the reportable community-building activities meet the IRS definition of community benefit, they can be reported as community health improvement services.*

Community Benefit Operations:

Activity or Program	Report	Example Rational
Costs of conducting a CHNA	Yes	Critical for an effective community benefit program
Consultant fees for a feasibility study of a new service line	No	Related to operations of the organization
Fundraising for organization community benefit activities	Yes	Related to community need
Fundraising for new technology	No	Related to operations of the organization
Attending a workshop of community benefit program evaluation	Yes	Directly related to the community benefit program
Attending a workshop on management skills	No	Not related to the community benefit program

Community Benefit + A Mission to Care: A Commitment to Community



About The Catholic Health Association of the United States (CHA)

For over 35 years, CHA has been the leading source of information and tools for planning and reporting hospital community benefit. In 2008, CHA's accounting system for reporting community benefit was used in the development of the IRS Form 990 Schedule H.

CHA represents more than 650 hospitals and 1,600 long-term care and other health facilities in all fifty states. Our hospitals were established to address health needs in their communities and that tradition continues today. Catholic hospitals are a critical source of care and services in their communities. This includes community-based services that address significant health and health-related needs reported as community benefit.

Note: The information provided in this document does not constitute legal or tax advice. The information is provided for informational/educational purposes only. Please consult with counsel regarding your organization's particular circumstances.