1. **Q:** When can we report the cost of care to discharged patients who are low-income?

**A:** The following is from CHA’s What Counts website:

**Recommendation:** *We recommend that programs and services that assist low-income persons be reported as community health improvement if the primary purpose of the activity is to provide or improve access to needed services and/or to improve their health, so long as other criteria for community benefit are met.* *(See Chapter 2, A Guide for Planning and Reporting Community Benefit, for example, do not report if the activity benefits the organization more than the community or if the primary purpose is to prevent readmissions to avoid penalties)*. Take care not to double count, that is, assure that the cost is not already reported as financial assistance (charity care), Medicaid shortfall, or as part of a subsidized health service. For example, do not report as community health improvement any clinic services that are billed and treated as financial assistance.

**Examples of services that could be reported in category A3, Community Health Improvement/Health Care Support Services:**

- Taxi vouchers and other transportation for patients who otherwise could not afford to access the service.
- Services that support the well-being of low-income patients, such as wigs and follow-up and case management services that help patients connect with primary care and other needed services, beyond routine discharge planning.

**Examples of services not to report:**

- Services that are part of routine care of all patients.
- Follow-up care that is part of discharge planning or is primarily designed to avoid readmissions penalties or in other ways financially benefit the organization.
- Taxi vouchers and other transportation with a primary purpose to increase revenue for the hospital, such as transporting insured seniors from a community retirement center.
2. **Q:** Can staff involvement on community-based non-profit boards be reported as community benefit? For example, the time spent on the non-profit’s board.

   **A:** If a staff member is serving on a board of an organization as a representative of the hospital and the purpose of the organization is related to a community health need, then count the cost of participation. Report costs in Category E3.

3. **Q:** Can we count as community benefit expenses incurred by the hospital under the United Way Campaign? (Staff time, printing, giveaways, prizes, etc.)

   **A:** Yes, count as community benefit the actual expense to the hospital, but not the employee donations collected for the campaign. Report expense in Category E3.

4. **Q:** Does our organization’s advocacy for policy change count if there is a person on staff (i.e., Vice President of Government Affairs) who uses their paid time to meet with lobbyists?

   **A:** If the organization is advocating for policy changes related to a community health need, figure out of the percentage of time spent on community health issues and report that cost as community benefit. Do not count the cost of advocacy that benefits the organization more than the community (i.e. increased reimbursement rates). Report costs in Category F7 or A4.

5. **Q:** Can we report as community benefit the cost of the program and staff for a pastoral care education program? In our program participants receive two-year training, receive a salary and then graduate and are free to go elsewhere.

   **A:** Yes, the cost of pastoral care education can be reported in Category B3.
6. **Q:** What is the justification for not counting workforce programs under A4? I’m specifically referring to a program that recruits, provides soft-skill training and then hires people from low-income neighborhoods.

**A:** This question will be referred to the What Counts Task force.

7. **Q:** Are there any other regulatory requirements that influence community benefit besides IRC 501(r)?

**A:** Besides 501(r), there are regulations that stipulate tax-exempt hospitals must complete the IRS Form 990 Schedule H.

8. **Q:** A rural hospital pays for their EMS employees and ambulance to sit at every home football game. If the ambulance is used to transport someone it is charged to that patient (or their insurance). If it is not used, there are unpaid costs in having the ambulance there. Can those costs be counted as community benefit? Or is it seen as a cost of doing business? (This hospital is the community’s only hospital. They are 30-45 minutes from our larger metro hospital/area.)

**A:** The following is from CHA’s What Counts website:

**Recommendation:** Consider the primary purpose of providing the ambulance service: Was it to have a presence at the events for public relations reasons or to ensure that any emergencies came to your facility? If so, then it would be considered marketing and not a community benefit. If the primary purpose was to provide a service, and if you did not provide the ambulance service, the responsibility might fall to a government entity, then we recommend it be reported as community benefit. If it is reported, be sure to document why you are providing this service.
9. **Q:** During Hurricane Irma we sheltered special needs, homeless and other community members. How do we determine what to report as community benefit? For example, space allowance or food?

**A:** Work with your accounting department to determine the actual cost of caring for these special needs persons.

10. **Q:** I know that staff’s personal time spent on community benefit is not counted. However, most of our outreach programs are staffed by employees who are asked to volunteer their time at company-sponsored outreach events (always unpaid). Do I count costs of event and materials? Do I not count staff time? I would be interested in hearing how other systems/hospitals meet this challenge.

**A:** You would not count staff time if it is not a cost to the hospital. If the event is considered community benefit, you can count the expense to the hospital.

11. **Q:** Our hospital is in a hurricane zone and we spend a lot of time planning. Would community-wide disaster drills count?

**A:** Disaster preparedness over and above what is required by law would be counted as F3, Community Support in the Community Building category. However, keep in mind that disaster preparedness represents an expense to all health care organizations, regardless of tax status and is required by federal regulations.

12. **Q:** Can we report staff time spent at school career fairs as community benefit? If so, in what category?

**A:** You can this expense in F8, Workforce Development. Remember, for activities reported in Community Building categories you need to explain how the health of the community will be improved by the activity (in Part 6, Question 1).
13. **Q:** Regarding mission trips what questions do we ask to determine if related expenses can be reported as community benefit?

**A:** The first questions to ask is why are you doing the mission trip? If the answer is to give your staff an experience or to teach about global poverty, it should not be reported as community benefit. Report mission trips only if it has been clearly determined that the services of your staff are needed and will not interfere with local providers. If your staff’s expertise is needed, count only the cost to the hospital. For example, if staff are donating their time (using PTO) you would not count their time, only what the hospital paid for (travel, supplies, etc.) Also remember that you want most of your community benefit dollars to be spent locally. Report expenses in Category E3.

14. **Q:** Should we report costs related to walks/runs (participating, volunteering, organizing) whether sponsored by our organization or outside organizations?

**A:** Report only the cost to the hospital (paid staff time planning, preparing, organizing the walk) and not the donated personal time of other employees (the walkers). Also, make sure that the walk/run is health related and the purpose is not for marketing. Report expenses in Category E3.

15. **Q:** We have a healthier community department with the sole purpose of convening community partners to improve health, facilitate health education within the community, develop community portals for community members and organizations to locate necessary health and social support services in the community. We are intentional about not driving business directly to the hospital. Can the cost associated with this department be recorded as community benefit?

**A:** Category G1, community benefit operations, may be used to capture the costs (or a percentage of the costs) of an entire department whose main purpose is community benefit.
16. **Q:** If we give $10,000 for the American Cancer Society Gala event, can we count $10,000 as community benefit or do we need to reduce this sum by any amount?

**A:** Always reduce the amount of a donation by any benefit you receive, for example the value of the meal. Many times, the organization receiving the donation will let you know the portion or percentage that is tax deductible or will be used for the dinner, entertainment, etc. Also, all cash donations must be restricted in writing to a community benefit purpose. This might not be possible in the case of a gala event so the expense might not be countable as community benefit. Report expenses in Category E1.

17. **Q:** Can you provide more guidance or criteria for distinguishing marketing vs. community benefit screening/education events?

**A:** In the instructions for IRS Form 990, Schedule H, it specifically says not to count programs that are primarily for marketing purposes. A marketing program seeks to increase the bottom line of, promote good will for, or advertise the hospital and its services. A marketing program benefits the hospital more than the community. When trying to decide if a program is marketing or community benefit, ask the question, “Why are we doing the program?” If the answer is “To make the community a healthier place” then see if it meets the definition of community benefit and meets at least one of the community benefit objectives. If the answer is “To benefit our organization” then do not count the program costs as community benefit.

18. **Q:** When we count our time for this meeting to report as community benefit, do we include travel time?

**A:** Yes. If the activity is community benefit, then count all the costs. However, consider reasonable costs (i.e. not first-class airfare, etc.) Report costs in Category G3.
19. **Q:** Our ministry gives money to another organization to provide needed housing in a low-income area. In what category do we report this donation?

**A:** If the need for housing has been identified as a community health need, count the cost in Category A4.

20. **Q:** Does Chamber of Commerce membership and hours spent at Chamber meetings count as community building? Would sponsorship of Chamber events count?

**A:** Often membership in the Chamber of Commerce is to protect the interests of the organization or to make business contacts. Only count time spent at meetings (coalitions, boards, etc) if the meetings are related to addressing a health need and benefits the community more than the organization. If the supported service is more closely related to a community building activity, report in the appropriate F Category. If it is directly related to a health need report in E3.

21. **Q:** What are the proper ways to put in writing our restrictions for cash gifts?

**A:** Make sure the letter explicitly says that the donation is restricted to a community benefit purpose. See an example on Lyon Software’s resource page.

For more information about community benefit categories and definitions, and to view more What Counts questions and answers, visit CHA’s website at www.chausa.org/whatcounts.