



Does Community-Oriented Mission Fit with Health Reform?

Employees of Catholic health care facilities and other not-for-profit, mission-based hospitals focus on improving the health of the communities they serve, continuing the tradition of their founders who responded to the needs of America's emerging communities. They strive to improve access to health care, promote health, prevent disease, and prepare for the future through education and research. Their community mission also involves outreach, usually in partnership with others, to enhance safety, strength and well-being.

Even with this rich tradition of service, new questions are arising about the role of these types of facilities if major health care reform is enacted by Congress in the future, perhaps as soon as this year. The top-of-mind question is: Will their community-oriented mission still be needed if health care coverage expands?

In a word, yes. The need for not-for-profit, mission-based facilities will remain necessary even if new legislation makes a significant step toward universal coverage. Problems with access and coverage will persist, especially in the short term.

Another aspect of the mission question concerns the tax-exempt status of not-for-profit hospitals that meet the IRS community benefit standard. Providing charity care to the uninsured and to the underinsured is only a part of that obligation. The IRS definition of community benefit in its new Form 990 Schedule H requires tax-exempt hospitals to offer additional programs, services, research and education. All of these ser-

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vices will still be essential after reform makes health care affordable for more people.

Considering the question about the future of community-oriented hospitals in a reformed U.S. health system even further, two additional points are worth examining:

- Community benefit programs can help work toward the three main goals of health care reform: access for all, improved population health, and cost containment.

- Not-for-profit, tax-exempt hospitals are good for the communities they serve.

COMMUNITY BENEFIT: CONTRIBUTING TO HEALTH CARE REFORM GOALS

The services available through community benefit programs are designed to respond to unmet public health needs. These services will still be necessary even as reform makes health care affordable for a greater number of persons. Community benefit programs can play a role in each of the following reform goals:

1. Access for All

Tax-exempt community hospitals focus on improving access to health care by assessing gaps in service and working with community partners to plan and deliver programs and services. This commitment to health care access will continue even when greater coverage is available, especially for:

- Persons who have difficulty navigating the health care system because of language, cultural or other barriers.

- Persons who, because of their life circumstances, do not seek preventive services or case management that could improve their health outcomes.

- Persons who need services that are not covered or not completely covered. This may include



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services such as dental, substance abuse treatment and prescription drugs.

2. Improved Population Health

Promoting health and preventing disease and injury are two objectives of improving the health of communities. Not-for-profit, tax-exempt hospitals, through their community benefit programs, work with other providers and agencies to address public health problems such as diabetes, obesity and asthma.

Community benefit programs often focus on prevention. This includes educating the public about how to stay well and manage health issues, screening for early detection of disease, and immunization programs. An example is an outstanding program at St. Joseph Medical Center in Towson, Md., aimed at educating student-athletes about the dangers of performance-enhancing drugs like steroids. This local program is reaching out with the goal to keep students playing “safe, fair and sober.”¹

3. Cost Containment

Not-for-profit, tax-exempt hospitals help to reduce health care costs by tapping community and other philanthropic resources to fund community health programs and to provide capital for needed projects. These hospitals keep resources in the community by using revenue to provide services and make facility improvements.

Employees in these facilities can also promote health and disease prevention. Many not-for-profit hospitals are tracking the occurrence of conditions that could have been prevented or treated earlier if primary care services had been available. Hospitals use this information to form community partnerships that deliver primary care, preventive services and case management to people in the community that needs them. This effort not only improves the lives of those with-

out adequate access to primary care, but also helps to reduce health care costs by preventing avoidable hospitalizations.

DOING GOOD IN COMMUNITIES

Not-for-profit, tax-exempt hospitals, because of their mission focus, are good for their communities and will continue to be even if health care reform becomes reality. They have four main characteristics described in the Catholic Health Association’s publication *Beyond Charity Care: Mission Matters for Tax-Exempt Health Care*. They are:

1. Values

The values of not-for-profit health care organizations shape the way they conduct operations and are reflected in their decision-making process. Examples include determining the mix of services and activities to provide. These values focus on commitment to vulnerable persons and on the welfare of the community. They are often different from those of the marketplace.

2. Governance and Accountability

These two areas shape decisions and behavior. Not-for-profit hospital boards are responsible for making decisions in the best interest of communities, for upholding their organization’s mission, and for being accountable to their communities.

3. Long-term Commitment

Not-for-profit hospitals are community-oriented and have a long-term focus on community need and staying power rather than a short-term market focus. They will try to continue needed programs despite financial hard times.

4. Voluntarism and Philanthropy

Not-for-profit organizations were established and are sustained by the involvement of community members. Tax-exempt organizations offer opportunities for volunteers and donors to help others in their community with their time and/or financial contributions. Tax-exempt, not-for-profit hospitals help make a community a community.

Speaking before the Harvard Business School Club of Chicago in January 1995, the late Cardinal Joseph Bernardin summarized what should be

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the primary goal of health care delivery:

“(Health care) is fundamentally different from most other goods because it is essential to human dignity and the character of our communities. It is, to repeat, one of those goods which by their nature are not and cannot be mere commodities. Given this special status, the primary end or essential purpose of medical care delivery should be a cured patient, a comforted patient, and a healthier community, *not* to earn a profit or a return on capital for shareholders.”²

Catholic health care facilities and other not-for-profit, mission-based hospitals are driven by their storied tradition of service and distinctive characteristics. They will play a critical role in a reformed U.S. health care system as they not only help achieve the primary objectives of health care reform, but also attend to unmet public health needs. ■



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NOTES

1. Learn more about the Powered by Me program at St. Joseph Medical Center by visiting www.poweredbymemd.org.
2. Joseph Cardinal Bernardin, “Making the Case for Not-For-Profit Healthcare” in *Celebrating the Ministry of Healing: Joseph Cardinal Bernardin’s Reflections on Healthcare* (St. Louis: Catholic Health Association, 1999), 87-88.

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