



What Counts? An Ongoing Question

To be credible, a community benefit report must include only those programs and activities that are undoubtedly community benefit. A recent cartoon in *Modern Healthcare* showed a group of hospital employees listing their community benefit items; the list included “clean air” and “public restrooms.” As cochairs and staff of the CHA-VHA “What Counts? Task Force,” the authors of this article can say they have rarely seen such egregious examples of non-benefits included in community benefit reports. However, the cartoon is a reminder to us that our ministry must diligently make sure we report *only* programs that are truly community benefit.

A *Guide for Planning and Reporting Community Benefit*, developed by CHA in cooperation with VHA, suggests that health care organizations report community benefit in two ways—in a quantifiable report, in which the expenses of community benefit programs are tallied together; and a narrative report, in which community benefit programs are described.

It is vital that each item in the quantifiable report be “squeaky clean”—that there be no

doubt that the item *is* a community benefit. Doing so is important because the expenses are totaled and readers do not see the details. These reviewers need to have confidence that only real benefits are included—not clean air or public restrooms.

What goes in a quantifiable report? CHA’s *Guide for Planning and Reporting Community Benefit* defines community benefit as “programs or activities that provide treatment and promote health and healing and are responsive to identified community needs, not provided for marketing purposes.” The guide goes on to say that, to be counted, the benefit should meet at least one of the following criteria:

- Generate a low or negative margin
- Respond to needs of special populations
- Supply services or programs that would likely be discontinued (or would need to be offered by another not-for-profit or government provider) if the decision were made on a purely financial basis
- Respond to public health needs
- Involve education or research that improves overall community health



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A TASK FORCE TAKES ON THE CHALLENGE

Because questions continue to be raised about what kinds of programs should be included in the quantifiable report, CHA, VHA, Inc., and Lyon Software formed the What Counts? Task Force and developed guideline principles to answer questions.

The task force has had lively discussions about the merits of various programs and services. Should, for example, a dollar value be placed on time spent by volunteers in community benefit programs? (No, but the organization’s expenses should be included.) Should staff time spent helping patients apply for financial assistance be counted? (Yes.) Does giving flu shots to staff

count? (No.) Do health screenings in malls count? (Sometimes.)

To guide the task force deliberations, we have developed certain guiding principles (for a briefer version, see **Box**).

THE PROGRAM OR ACTIVITY DOES

To qualify as community benefit, a program does the following.

Addresses an Identifiable Community Benefit Need

Although not every community benefit may be tied to a formal community needs assessment, the providing organization should have some evidence that a need exists. The organization should ask itself whether an activity that has been continued over a period of years is still needed. For example, a California hospital stopped scheduling visits by its mobile health clinic to an inner city neighborhood when it was learned that a permanent clinic was serving the residents.

Welcomes Underserved Persons Community benefit need not be reserved exclusively for low-income or underserved people, but such populations should always be included.

For example, a Maryland hospital sends a drug and alcohol counselor to local high schools at prom time to talk about the perils of alcohol poisoning and drunk driving. The program includes lectures in both private and public schools and in both affluent and low-income areas.

Has a Relationship to the Organization's Mission Most health care organizations' mission statements are explicit about furthering health in the community. Activities unrelated to health—contributions to the symphony or toward construction of a high school football stadium, for example—would not be counted as community benefit.

Meets a Need that Otherwise Would Have to Be Met by Government or Another Not-for-Profit Organization This is a traditional understanding of community benefit. It would include, for example, subsidizing mental health services that otherwise might not be available. It would also include such public health functions as prevention of and early intervention in risky behaviors.

THE PROGRAM OR ACTIVITY IS NOT

A community benefit program is not one of the following.

Provided Primarily for Marketing Purposes Organizations must ask themselves about the basic purpose of the program. Is it designed to improve access and health? Or is its purpose, rather, to promote the organization's name recognition in

the community? For example, a nursing home has on its campus an annual "fun day," which includes food and children's activities. Its primary purpose is to generate good will. This is a great activity but not one that would be counted as community benefit. But a health screening event concerning a certain kind of cancer, held in a community with a high rate of that cancer, *would* count, even if it included some recreational activities.

Provided for Employees Only Many programs sponsored by human resources departments have a positive impact on health and health care. But they should not be reported as community benefit. Such programs include scholarships for currently employed nurses or flu shots for staff members.

Required of All Health Care Providers as Part of the Cost of Doing Business These include activities required by federal or state government, the Joint Commission, or professional standards of care. Among these required activities are most interpreter services, emergency preparedness programs, and teaching patients about the dietary aspects of their treatment.

The carrying of bad debt, as a result of patients' failure to pay for services rendered, is also considered part of the cost of doing business.

On the other hand, certain related services that go beyond current requirements *can* be described as community benefit. These include:

- Teaching a medical translator course
- Serving as a regional disaster preparedness center
- Teaching community members about healthy eating

Questionable A good rule of thumb is: When in doubt, leave it out. Do not include items that some persons may question and, as a result, lead them to doubt the credibility of the overall report.

DO YOU HAVE A QUESTION?

Do you have a question about whether a particular program or service should be included in a quantifiable community benefit report? Submit your question to CHA's "What Counts" web hotline (www.chausa.org/whatcounts), and we'll try to answer it for you. ■

Guideline Principles for Determining What Counts

The program does:

- Address an identified community need
- Include low-income and underserved persons
- Have a relationship to the organization's mission
- Meet a need that otherwise would have to be met by the government or another not-for-profit organization

The program is not:

- Provided for marketing purposes
- For employees only
- Required of all health care providers as a cost of doing business
- Questionable as to whether it should be reported

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