



# COMMUNITY BENEFIT REPORTING IS WORTHWHILE

**T**he dedication Catholic healthcare providers feel toward their mission is intrinsic. But the times are changing, and today many hospitals are feeling pressure to prove their commitment to charity. Healthcare's dynamic environment is motivating many hospital administrators to take the initiative in cutting budgets and streamlining operations while maintaining and even expanding community outreach programs. This is happening even as community hospitals' tax-exempt status is threatened.

But how do not-for-profit hospitals prove to critics that they must remain tax exempt so they can continue to provide those "free" community services many persons need? The best way Mercy Hospital Medical Center, Des Moines, identified to communicate this message was to document our impact on the community's health, determining how community benefit services affect the hospital's bottom line. We created the Mercy Health Center of Central Iowa's "Community Benefits Report"—a 14-page report listing all charitable projects among eight distinct subsidiaries of Mercy Health Center.

## GETTING STARTED

Documenting community benefit is something healthcare providers simply must do. Like planning retirement or committing to an exercise program, however, the hardest part is getting started.



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*A Central  
Iowa  
Healthcare  
Provider  
Annually  
Distributes a  
Report to Its  
Community*

**BY THOMAS A.  
REITINGER**

Mercy did that by working with two Catholic Health Association publications: *Reporting Community Benefits; A Guide for Communicators* (1991) and *Social Accountability Budget: A Process for Planning and Reporting Community Service in a Time of Fiscal Constraint* (1989). The guides were invaluable as blueprints; they served as the tool Mercy used in creating our community benefits report.

An important aspect of getting started is acquiring information. Mercy department heads are responsible for this task. Administrators emphasize to them the importance of documenting community benefit services. Department heads are expected to label and prioritize their department's contributions. Their lists are then compiled into the report.

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**Summary** To document our impact on the community's health, Mercy Health Center of Central Iowa has created a "Community Benefits Report"—a 14-page report listing all charitable projects among eight distinct subsidiaries of Mercy Health Center.

The Mercy report lists all the charitable works provided to the community in the past year by Mercy Hospital Medical Center, the Mercy Clinic System, the Clark Street House of Mercy, the Bishop Drumm Care Center, and a few smaller affiliate hospitals in rural Iowa.

Mercy's community benefits report serves not only as a summary, but as the blueprint for the work Mercy leaders are planning. This documentation helps in many ways, including identifying the needs of Des Moines and central Iowa and showing Mercy's role in meeting those needs.





Clinic System, the Clark Street House of Mercy (a freestanding home for pregnant teens and young mothers fighting substance abuse [see Judy Cassidy, "Independence and Dignity for Homeless Women," *Health Progress*, November 1991, pp. 74-77]), the Bishop Drumm Care Center, and a few smaller affiliate hospitals in rural Iowa. The report categorizes each community, listing the groups to whom the service was provided: the poor, special needs groups, and the greater community. During the 1993 fiscal year alone (the second year the report was published), the cost of those contributions totaled nearly \$9.2 million. In addition, the unreimbursed amounts based on charges forgone for Medicaid services amounted to \$11 million.

#### CHARTING THE FUTURE

Mercy's community benefits report serves not only as a summary, but as the blueprint for the work Mercy leaders are planning. This documentation helps in many ways, including identifying the needs of Des Moines and central Iowa and showing Mercy's role in meeting those needs. The Hospital Association of Greater Des Moines is planning a community assessment in which all its member hospitals will participate. Assessing the status of health needs routinely allows Mercy to set realistic goals to meet the community's needs.

Mercy's community benefits report also serves as a road map. Because of the report, we have been able to identify specific community problems and upgrade services in those areas. Examples include improving prenatal care to pregnant teens, identifying areas of Des Moines where the elderly are not receiving proper nutrition, and increasing awareness of the need to immunize children.

This type of commitment is expected to be a key part of future healthcare reform plans. The major reform proposals require that tax-exempt healthcare organizations assess and address local healthcare needs. Local hospitals need to be at the center of this effort. In many cases, a community hospital is not only providing care to those in need, but is also a major employer, and the community leaders naturally look to hospital administrators for answers to health issues concerning the entire area.

It is a time of collaboration between healthcare providers and community leaders. Each January, 250 copies of Mercy's community benefits report

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are distributed to hospital administrators and others who need the information, including elected leaders in city, county, and state government; large employers; community activists; members of Mercy's various boards; administrators of rural hospitals; and the local business and healthcare media.

#### EVALUATING THE REPORT

The task at hand now is to evaluate the success of the report. The feedback we receive from business leaders, legislators, and community activists helps us evaluate the report's impact. Such feedback will be a key factor in redesigning the 1994 report, a process that will begin later this year. The Hospital Association of Greater Des Moines is using it as a reference piece in creating a similar document for all the area's hospitals.


Although the community benefits report is still considered a new document, we are continuing to monitor what people think of it. We do know that the information is taken very seriously. In the past, the city of Des Moines had a task force exploring the possibility of requiring not-for-profit organizations such as hospitals and schools to pay an annual fee in lieu of taxes. Since Mercy Health Center of Central Iowa presented the report's findings to city officials, the city has taken another look at its contribution to the community and has deferred this discussion for now.

The city's reconsideration of an annual payment best illustrates the impact reports of this nature can have. After all, we are providing services the government would otherwise have to pay for.

#### MANAGING BETTER

Mercy-Des Moines has also realized that collecting data and sharing this information via a community benefits report is not the end of the process, but only the beginning.

The analysis we have done during the past couple of years has identified our areas of strength and those areas in the community where Mercy can improve services. That identification of strengths and weaknesses is an integral part of management so we can now better manage those areas. □

 For more information or a copy of Mercy Health Center of Central Iowa's "Community Benefits Report," contact Kevin Waetke, Mercy Public Relations, 515-247-3052.