



# PLANNING FOR COMMUNITY BENEFIT

**C**ompleted in 1992, the Catholic Health Association's (CHA's) Standards for Community Benefit were the culmination of many years of study and experience. The standards ask Catholic healthcare organizations to show their commitment to addressing community needs (see **Box**, p. 51). The standards call on providers to stress the importance of community service in a variety of contexts—from their statements of philosophy and values to the decisions made in their board and executive staff meetings.

The standards encourage facilities to provide services that improve the community's overall health status; address particular or unique community health problems; reach out to poor, frail elderly, and other underserved persons; promote access to healthcare services; and contain healthcare costs.

## COMMUNITY BENEFIT PLAN

At the heart of the Standards for Community Benefit is the requirement that an organization's governing body adopt a community benefit plan. The plan would define the healthcare organization's mission of community service, identify unmet needs and gaps in service, and describe

*A Seven-  
Step Process  
Helps  
Providers  
Define and  
Address  
Important  
Needs*

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how the organization intends to address community needs, both directly and in collaboration with others.

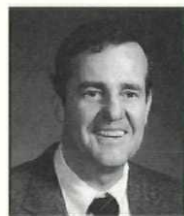
In 1992 CHA and the New York State Catholic Healthcare Conference convened a group of staff from New York Catholic hospitals to dis-

**Summary** The Catholic Health Association's (CHA's) Standards for Community Benefit ask Catholic healthcare organizations to show their commitment to addressing community needs. The standards call on providers to stress the importance of community service in a variety of contexts—from their statements of philosophy and values to the decisions made in their board and executive staff meetings. At the heart of the Standards for Community Benefit is the requirement that an organization's governing body adopt a community benefit plan.

The community benefit plan can help orient staff, physicians, and volunteers to the facility's charitable role. A provider can also use a completed plan to elicit community members' views on the organization's interpretation of community needs, its priorities, and performance.

Not-for-profit healthcare organizations can prepare a community benefit plan by completing the following steps:

- Restate the organization's mission and commitment
- Define the community being served
- Identify unmet community needs
- Determine and describe the organization's leadership role
- Determine and describe the organization's community service role
- Seek public comment on the plan
- Prepare a formal, written community benefit plan



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### STEP 1: RESTATE MISSION AND COMMITMENT

Development of the community benefit plan should begin with a review of the organization's mission and commitment to community service. Most Catholic providers' statements of mission or philosophy already specify a commitment to responding to community needs, especially needs of the poor and underserved. If this is not the case, the governing body should consider amending the statement to clarify the institution's community benefit mission.

Several resources can be helpful in preparing the statement of commitment to community benefit (which may or may not be part of the mission statement). For example, the history of the institution's founding and stories that illustrate its tradition of service can be powerful testimony to commitment. They serve to remind both those within the healthcare community and those outside it of the work, sacrifice, and vision that have distinguished the organization.

Clarifying the basis of the institution's tax exemption can also document its commitment. Federal law does not single out healthcare organizations as a category for tax exemption. Rather, not-for-profit hospitals, nursing homes, and most other human service organizations are exempt from taxes because they have a charitable purpose. Although the definition of "charitable" is often debated, it is generally held to mean providing a gift or benefit to the community.

Once the history, mission, and charitable purpose have been reviewed in light of the organization's commitment to community service, this commitment should be described explicitly in the community benefit plan. For example:

St. Mary's Hospital of Rochester [NY] is a Catholic community hospital, founded in 1857, whose purpose is to extend the healing ministry of Christ in the spirit of St. Vincent de Paul with emphasis on caring for all people with dignity, respect and compassion. Our service to the poor reflects the charism of the Daughters of Charity of St. Vincent de Paul.

As a teaching hospital affiliated with the University of Rochester, we provide community focused educational programs for future physicians and other healthcare professionals. We are dedicated to excellence, accountability and innovation in responding to the community's changing healthcare needs. We strive to provide high standards of care by a competent and caring staff in an atmosphere of concern for the

cuss community benefit plans. The group reviewed such plans' purpose, format, and content, as well as their policy and community relations aspects. This article draws on those discussions and the experience of New York Catholic hospitals in complying with a state mandate that they clarify their community benefit goals and activities.

### A VALUABLE COMMUNICATION TOOL

Community benefit plans can be an important communication tool for a Catholic healthcare institution. A community benefit plan is an explicit statement of how an organization intends to fulfill both its mission of community service and its charitable, tax-exempt purpose. Governing bodies can use the development of the plan as the basis of discussions on the organization's community service role.

When completed, the community benefit plan can help orient staff, physicians, and volunteers to the facility's charitable role. Perhaps most important, a provider can use a completed plan to solicit community members' views on the organization's interpretation of community needs, its priorities, and performance.

Not-for-profit healthcare organizations are frequently advocates of community-wide efforts for the poor.



well-being of the patient and each member of the family. In addition, through a cooperative and supportive role, St. Mary's is committed to working with others to improve the healthcare and social climate for the residents of our neighborhood, the City of Rochester and its surrounding towns.

### STEP 2: DEFINE COMMUNITY BEING SERVED

Organizations can define the community they serve in terms of geographic boundaries and target populations within and outside of the boundaries. Geographically, the service area could be defined in terms of a general or specific location. An alternative approach would be to use a map with markings for civil boundaries such as census tracks or counties.

In terms of population, the plan could describe the special emphasis the organization places on serving certain groups. For example, it might state that a hospital is committed to serving all persons within a community but has a special tradition of serving mothers and children or frail elderly. Specialty facilities, such as rehabilitation hospitals, substance abuse facilities, or homes for the aged, should describe their populations.

The plan could describe the special emphasis the organization places on serving certain groups.

Community benefit plans may also define the community by describing special populations within the service areas. For example, after describing the counties and metropolitan areas it serves, the plan produced by Sisters of Charity Hospital in Buffalo, NY, discusses particular populations of concern to the hospital—older adults; women of childbearing age; infants, children, and adolescents; people with low incomes; and minority groups.

### STEP 3: IDENTIFY UNMET COMMUNITY NEEDS

The next step is to summarize the process and results of the community needs assessment. The summary should include the documents or reports used, persons or organizations participating in the assessment or otherwise consulted, and, if applicable, any original data collection methods such as surveys, focus groups, or medical record review.

The statement of unmet needs could include overall healthcare needs, such as barriers to or limitation of primary care, acute care, mental health, or long-term care services. It could also present specific healthcare problems within the community such as AIDS, teen pregnancy, cancer, or respiratory problems. The statement could

## CHA STANDARDS FOR COMMUNITY BENEFIT

*As members of the Catholic Health Association of the United States, we share a historical mission and tradition of community service. In order to continue our tradition of providing benefit to the community, we affirm that:*

1. The organization's mission statements and philosophy should reflect a commitment to benefit the community and that policies and practices be consistent with these documents including

- Consideration of operational and policy decisions in light of their impact on the community served, especially the poor, the frail elderly, and the vulnerable

- Adoption of charity care policies that are made public and are consistently applied

- Incorporation of community healthcare needs into regular planning and budgeting processes

2. The governing body should adopt, make public, and implement a community benefit plan that

- Defines the organization's mission and the community being served

- Identifies unmet healthcare needs in the community, including needs of the poor, frail elderly, minorities, and other medically underserved and disadvantaged persons

- Describes how the organization intends to take a leadership role in advocating community-wide responses to healthcare needs in the community

- Describes how the organization intends to address, directly and in collaboration with physicians, other individuals, and organizations,

- Particular or unique healthcare problems of the community

- Healthcare needs of the poor, the frail elderly, minorities, and other medically underserved and disadvantaged

persons

- Describes how the organization sought the views of the community being served and involved community members and other organizations in identifying needs and developing the plan

3. The healthcare organization should provide community benefits to the poor and the broader community that are designed to

- Comply with the community benefit plan

- Improve health status in the community

- Promote access to healthcare services for all persons in the community

- Contain healthcare costs

4. The organization should make available to the public an annual community benefit report that describes the scope of community benefits provided directly and in collaboration with others.



## ADDITIONAL RESOURCES

*Executive Summary, The Hospital Community Benefits Standards Program*, Robert R. Wagner Graduate School of Public Service, New York University, New York City, 1989

Hospital Association of New York State, *New York State Hospitals, Vital Community Resources: An Overview of Hospitals' 1991 Community Service Plans*, Hospital Trustees of New York State, Albany, 1992

*Reporting Community Benefits: A Guide for Communicators*, Catholic Health Association, St. Louis, 1991

*Social Accountability Budget: A Process for Planning and Reporting Community Service in a Time of Fiscal Constraint*, Catholic Health Association, St. Louis, 1989

*Social Accountability Program: Continuing the Community Service Tradition of Not-for-Profit Homes and Services for the Aging*, Catholic Health Association, St. Louis, and the American Association of Homes for the Aging, Washington, DC, 1993

also specify healthcare needs of such special populations as children, the frail elderly, the homeless, low-income families, and immigrant groups. Health-related needs may be addressed as well, such as problems connected to education, employment, housing, nutrition services, transportation, violence, or sanitation.

### STEP 4: DETERMINE AND DESCRIBE LEADERSHIP ROLE

CHA's *Social Accountability Budget* and the joint CHA/American Association of Homes for the Aging *Social Accountability Program* (see **Box**, above) describe the characteristics that make not-for-profit charitable healthcare organizations leaders and facilitators in initiating community benefit projects.

**Community Benefactor** One key factor is that these organizations have traditionally been community oriented and sensitive to the needs of underserved persons. They have given community members and underserved persons opportunities to provide input into the organization's decision-making processes, collaborated with government and other agencies to coordinate activities for persons in need, and maintained a presence in the community despite the economic disadvantage of doing so.

**Information Source** Another factor is the willingness to share information to further community benefit efforts. Whether or not they conduct full-scale needs assessments, not-for-profit healthcare organizations play a key role in helping identify unmet needs when they contribute information that furthers community-wide responses to healthcare and other needs.

Providers become economic development catalysts when they address housing, employment, educational, or environmental needs and concerns.

**Advocate** Not-for-profit healthcare organizations are also frequently advocates and promoters of community-wide efforts for the poor and improved health in the community. Such organizations often lead efforts for just and responsive public policies on the local, state, or federal level. Initiating collaboration among community groups to respond to needs is another form of advocacy.

**Conduit for Philanthropy** A charitable organization can also serve as a vehicle for attracting and effectively using donated funds and volunteer services. By acting as a conduit for philanthropy, the facility translates private-sector resources into needed services for the community.

**Educator** Charitable healthcare organizations play an important role educating the community and medical professionals about the special needs of underserved populations. Such education includes activities for medical residents, nursing students, and students in allied health professions. These organizations also perform valuable research, including studies and papers on healthcare delivery, health promotion, treatment, and related issues.

**Economic Development Catalyst** A final area in which healthcare organizations can play an important role is in strengthening the local economy. Providers become economic development catalysts when they address housing, employment, education, or environmental needs and concerns.

### STEP 5: DETERMINE AND DESCRIBE COMMUNITY SERVICE ROLE

The next step is to describe the programs and services the Catholic healthcare organization offers to meet compelling community needs. Some of these services may be quantified in terms of dollars spent, numbers served, or other units of measurement. Less-quantifiable services should also be described because they too are of value to the community and persons served. The **Box** on the next page presents the categories of community services described in the *Social Accountability Budget*.

The Community Benefits Standards Program has also grouped activities into categories that could be helpful in describing services. These include programs designed to:

- *Improve health status.* Programs aimed at preventing disease or promoting health of individuals or the community fall into this category. They include preschool immunization programs, mobile mammography units, stop-smoking clinics, health fairs and other screening programs, recycling and other environmental protection



programs, and public education programs on staying well.

- *Address the health problems of minorities, the poor, and other medically underserved populations.* Such programs include collaborative efforts to reduce infant mortality, programs to increase awareness of minorities' healthcare needs, early-evening free clinics for working poor, transportation and day care for frail elderly, dental clinics for developmentally disabled persons, and nurse practitioner services in a homeless shelter.

- *Contain community healthcare costs.* Activities that reduce healthcare costs for individuals and the community include nutrition and homemaker services for the elderly (enabling them to stay in their homes), primary care clinics (providing early treatment for childhood and adult illnesses that could otherwise lead to hospitalization), adolescent maternity programs (to combat low birthweight), elimination of redundant healthcare services, case management services for high-risk persons, and community development programs (such as adding a satellite facility in an area where both health services and jobs are needed).

#### STEP 6: SEEK PUBLIC COMMENT

Once the preliminary draft of the community benefit plan is complete, the organization should

The organization should solicit public comment before making the community benefit plan final.

solicit public comment before making the plan final. Public review will accomplish at least three objectives: It will provide an additional opportunity for learning about community needs and priorities; it will allow the plan's developers to assess public opinion about the healthcare organization; and, most important, it will validate the findings, conclusions, priorities, and other aspects of the community benefit plan.

Public comment can be achieved in a number of ways. Planners can ask the governing body or advisory group to respond to an early draft. They can also convene a representative group and ask for reaction to the plan. Or they can hold a healthcare forum, where findings and plans are presented and members of the public are invited to respond.

Distributing the plan through the mail and asking for a general reaction or answers to specific questions is another way to solicit public comment. Finally, the community benefit plan can be presented to various consumer or community groups.

#### STEP 7: PREPARE A FORMAL COMMUNITY BENEFIT PLAN

The final, written community benefit plan, which presents the work accomplished in the previous steps, will:

- Define the organization's mission and community service role
- Describe the community served
- Identify community health and related needs
- Describe how the organization intends to take a leadership role in addressing community needs and problems
- Present the organization's plans for providing community service activities to persons in the area, both independently and in collaboration with other organizations
- Describe how other community members and organizations participated in the assessment of need and development of the plan
- Invite feedback from persons and groups not yet involved in the organization's community benefit plan

#### STRENGTHENING THE CHARITABLE TRADITION

Community benefit plans, a critical part of CHA's Standards for Community Benefit, can help a mission-driven organization clarify its community service role to persons and groups both within and outside of the organization. In doing so, such plans strengthen the not-for-profit facility's charitable tradition and distinguish it as a true community benefit organization. □

## SUMMARY OF COMMUNITY BENEFIT ACTIVITIES

**Charity Care** is free or discounted health and health-related services provided to persons who cannot afford to pay.

**Unpaid cost of public programs** is the shortfall resulting from the difference between a facility's cost in providing service to public beneficiaries and the reimbursement it receives. Such shortfalls arise when healthcare financing programs do not reimburse providers for the full cost of providing service.

**Cash and in-kind donations** include contributions from the facility to community agencies, to other healthcare organizations, and to special funds used for charitable activities.

**Services generating low or negative margins** are those which the healthcare organization continues to provide, despite financial losses or marketing disadvantages, because these services are needed in the community.

**Nonbilled services** are activities provided because of community need for which no individual patient bill exists. Generally, these services are not expected to be financially self-supporting, although some may be supported by grants or other outside funding.