Community Health Needs Assessment: A Tool for Improving Community Health

May 30, 2013

Gayle D. Nelson, J.D., M.P.H.

National Association of Counties Webinar:

Using the Community Health Needs Assessment to Inform Policymaking
Overview

- Context of community health needs assessment (CHNA)
- CHNA’s role in Community Health Improvement
- CHNA Requirement and Process for Nonprofit Hospitals
In 1969, the IRS established a broad standard for nonprofit hospital tax exemption based on the extent to which these hospitals provide “community benefits”

“The promotion of health…, is one of the purposes in the general law of charity that is deemed beneficial to the community as a whole…”

(emphasis added)

Affordable Care Act (ACA) Section 501(r)

- Requires every tax exempt hospital organization to:
  - Conduct a CHNA at least once every three years
  - Adopt an implementation strategy to meet the needs identified by the CHNA
  - Conduct CHNAs on a facility-by-facility basis
Community Health Improvement Logic Model

A Framework to Promote Best Practices in Assessment, Planning, and Implementation

Community Health Needs Assessments for Charitable Hospitals

- Notice of Proposed Rulemaking (NPRM) issued by the Treasury Department and IRS

- Provides guidance implementing ACA §501(r) related to:
  - CHNAs
  - Implementation strategies
  - Reporting requirements
  - Consequences for failing to satisfy §501(r) requirements

- NPRM modifies and clarifies previous guidance in IRS Notice 2011-52

78 FR 20523, April 5, 2013
Conducting a CHNA

- Defining the “community” served by the hospital facility
  - Flexible approach – All relevant facts and circumstances
  - General expectation of geographic (hospital service area) definition, but can also take into account
    - Target populations served
    - Specialized functions
    - Populations in addition to its patient populations
    - Geographic areas outside of those in which its patient population resides
Conducting a CHNA continued

- Defining the “community” served by the hospital facility …
  - May not exclude medically underserved, low-income, or minority populations who are a part of its patient populations, live in geographic areas in which its patient populations reside, or are otherwise to be included
  - Exception: if the group is not part of the hospital facility’s target population
Conducting a CHNA continued

Public Input

- At least one state, local, tribal, or regional governmental public health department or equivalent department or agency with knowledge, information, or expertise relevant to the health needs of the community

- Members of medically underserved, low-income, and minority populations in the community or individuals or organizations serving or representing those interests

- Written comments on previous CHNA and implementation strategy
Documenting the CHNA

- Describe process and methods
- Describe community input
- Identify significant health needs
- Describe process used to prioritize the community’s health needs
- Describe possible measures and resources to address the identified needs
CHNA: Significant Health Needs

Elements necessary for improving or maintaining the health status of the community at large and in particular parts of the community:

- Disability incidence and/or prevalence
- Injury
- Disease
- Household income, unemployment
- Inpatient, emergency department, outpatient usage
- Educational attainment
- Home ownership
- Arrests, violent activity
- Availability of healthy food sources
- Parks, sidewalks, open spaces, recreational opportunities
- Safe outdoor spaces
- Availability of basic and social services
- Access to public transportation
Social, Economic, and Environmental Determinants of Health

Health Outcomes
- Mortality (length of life) 50%
- Morbidity (quality of life) 50%

Health Factors
- Health behaviors (30%)
- Clinical care (20%)
- Social and economic factors (40%)
- Physical environment (10%)

Policies and Programs
- Tobacco use
- Diet & exercise
- Alcohol use
- Sexual activity
- Access to care
- Quality of care
- Education
- Employment
- Income
- Family & social support
- Community safety
- Environmental quality
- Built environment
The U.S. Department of Health and Human Services classifies the determinants of health into several broad categories:

- Health services
- Social factors
- Individual behavior
- Biology and genetics
- Policymaking
Making the CHNA Public

- Complete version posted conspicuously on hospital’s website or on another acceptable one as described in the NPRM

- Provide the website address or URL upon request

- Make a paper copy available for public inspection without charge
Collaborative CHNAs

Hospitals can collaborate to prepare a joint CHNA report under specific conditions, including:

- Adopted by the authorized body of each collaborating hospital
- Community defined is the same and CHNA process conducted jointly
- Joint report must identify each hospital
Implementation Strategy

- Must address significant health needs identified in the CHNA

- Description of each significant health need must include:
  - Actions the hospital facility intends to take to address the need, or
  - Explain why the facility does not intend to address that need, and
  - A plan to evaluate the impact of the facility’s action in addressing the need
Implementation Strategies: Timing is Crucial

Implementation strategy must be adopted by the end of the same tax year in which the hospital finishes conducting the CHNA.
Collaborative Implementation Strategies

A hospital facility that adopts a joint CHNA report may also adopt a joint implementation strategy if:

- It is clearly identified as applying to each hospital facility
- It clearly identifies the hospital’s role and responsibilities
- It includes a summary or other tool to help the reader understand the document
CHNA/Implementation Strategy Reporting Requirements

- Hospital organization must attach its most recently adopted implementation strategy to its IRS Form 990, filed annually

- Hospitals must:
  - Describe actions taken to address the significant health needs
  - OR
  - Explain why no actions were taken
## Schedule H (Form 990)

### Part V Facility Information (continued)

#### Section B. Facility Policies and Practices

(Complete a separate Section B for each of the hospital facilities or facility reporting groups listed in Part V, Section A)

<table>
<thead>
<tr>
<th>Name of hospital facility or facility reporting group</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

For single facility files only. List number of hospital facility (from Schedule H, Part V, Section A)

<table>
<thead>
<tr>
<th>Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If &quot;No,&quot; skip to line 9.</td>
</tr>
<tr>
<td>a. □ A definition of the community served by the hospital facility</td>
</tr>
<tr>
<td>b. □ Demographics of the community</td>
</tr>
<tr>
<td>c. □ Existing health care facilities and resources within the community that are available to respond to the health needs of the community</td>
</tr>
<tr>
<td>d. □ How data was obtained</td>
</tr>
<tr>
<td>e. □ The health needs of the community</td>
</tr>
<tr>
<td>f. □ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups</td>
</tr>
<tr>
<td>g. □ The process for identifying and prioritizing community health needs and services to meet the community health needs</td>
</tr>
<tr>
<td>h. □ The process for consulting with persons representing the community’s interests</td>
</tr>
<tr>
<td>i. □ Information gaps that limit the hospital facility’s ability to assess the community’s health needs</td>
</tr>
<tr>
<td>j. □ Other (describe in Part VI)</td>
</tr>
<tr>
<td>2. Indicate the tax year the hospital facility last conducted a CHNA: 20</td>
</tr>
<tr>
<td>3. In conducting its most recent CHNA, did the hospital facility take into account input from representatives of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If &quot;Yes,&quot; describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted</td>
</tr>
<tr>
<td>4. Was the hospital facility’s CHNA conducted with one or more other hospital facilities? If &quot;Yes,&quot; list the other hospital facilities in Part VI</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Failure to Satisfy ACA §501(r) Requirements

1. Minor and inadvertent errors and omissions – not considered a failure if:
   ■ Minor, inadvertent, and due to a reasonable cause, and
   ■ Hospital facility corrects the error or admission as promptly as is reasonable

2. If not willful or egregious, will be excused if:
   ■ Hospital facility corrects the failure, and
   ■ Discloses
     • In accordance with yet-to-be published IRS guidance
3. IRS will consider all circumstances to determine whether an error or omission is willful or egregious

- Revocation of §501(c)(3) status is a possible result
Failure to Satisfy ACA §501(r) Requirements continued

- $50,000 excise tax
  - Imposed for each hospital failure
  - For each year the failure occurred

- Loss of tax exemption

- Income of each noncompliant hospital could be considered taxable income
Conclusion

Proposed Rules

- Complex, but important step
- Advances federal policy for:
  - Inclusive and transparent community health needs assessment processes
  - Collaboration among hospital facilities
  - Flexibility
  - Accountability
About The Hilltop Institute

The Hilltop Institute at UMBC is a non-partisan health research organization—with an expertise in Medicaid and in improving publicly financed health care systems—dedicated to advancing the health and wellbeing of vulnerable populations. Hilltop conducts research, analysis, and evaluations on behalf of government agencies, foundations, and nonprofit organizations at the national, state, and local levels. Hilltop is committed to addressing complex issues through informed, objective, and innovative research and analysis.

www.hilltopinstitute.org
About Hilltop’s Hospital Community Benefit Program

Hilltop’s Hospital Community Benefit Program is a resource for state and local policymakers who seek to ensure that tax-exempt hospital community benefit activities are responsive to pressing community health needs. The program provides tools to these and other stakeholders in support of their efforts to improve population health and to promote a more accessible, coordinated, and equitable community health system. The program is funded by the Robert Wood Johnson Foundation and the Kresge Foundation.

http://www.hilltopinstitute.org/hcbp.cfm
Contact Information

Gayle D. Nelson, JD, MPH, Policy Analyst
Hospital Community Benefit Program
The Hilltop Institute
University of Maryland, Baltimore County (UMBC)
410.455.6803
gnelson@hilltop.umbc.edu
www.hilltopinstitute.org