



## Community Benefit Briefing

May 2012

*Through news updates, state research and policy analysis, and policy questions, this newsletter is meant to assist state and local policymakers to understand and monitor hospital community benefit activities. The Community Benefit Briefing will report, discuss, and analyze various aspects of hospital community benefits, including the effects of the Affordable Care Act (ACA).*

### News

#### 2012 State Legislation Update

##### Minnesota

Hilltop's [October 2011](#) and [March 2012](#) Community Benefit Briefings explored Minnesota's 2011 law requiring the alignment of hospital community benefit activities and health maintenance organization (HMO) collaboration plans with the state health needs and priorities identified by Minnesota's Statewide Health Improvement Program (SHIP). In April 2012, Minnesota legislators voted unanimously, and the Governor approved that law's repeal (2012 Minn. Laws).

A protracted budget battle in 2011 sparked the enactment of a two-year state budget that reduced SHIP's 2012-2013 funding to \$15 million, a 70 percent decline (Hilltop, 2011). Because the SHIP budget cut would necessarily reduce the scope of SHIP implementation to fewer counties, officials anticipated a reduction in health care cost savings. Before its enactment in 2011, the budget bill was amended to include the new hospital and HMO community benefit requirements (2011 Minn. Laws). This was intended to offset the expected negative fiscal effects of the SHIP budget cut by ensuring that hospitals' community benefit investments (and HMO collaboration plans) addressed SHIP goals and priorities. The Minnesota Hospital Association (MHA) registered strong opposition to these provisions—most pointedly to the requirement that the Minnesota Department of Health (MDH) “review and approve” hospital community benefit plans. In addition, MHA (2012b) expressed its view that the new requirements were unnecessarily duplicative of existing federal requirements.

MDH initiated a public, transparent process that included town hall meetings to elicit input from stakeholders and the public. Discussion at these meetings informed MDH's 2012 Implementation Plan, which proposes to the legislature that it “comment and suggest” changes to hospital community benefit and HMO collaboration plans in lieu of operationalizing the law's “review and approve” authority (MDH, 2012). Nevertheless, MHA and its members continued to oppose the 2011 law (MHA, 2012a); in April 2012, provisions in the 2012-2013 budget

(enacted in 2011) requiring community benefit alignment with SHIP were repealed. Although MHA and MDH both support the restoration of SHIP's original funding levels, this is not expected to occur. MDH sources have observed that, notwithstanding the repeal of last year's budget amendment, Minnesota hospitals continue to engage with public health and community-based organizations in collaborative discussions about community needs assessments, strategies, SHIP goals, and community health improvement.

## **Washington**

In its 2012 legislative session, Washington lawmakers rejected provisions in a bill that would have quantified Washington nonprofit hospitals' provision of community benefits as either (1) "reasonable" in relation to community needs, as determined in a hospital's "prudent judgment," (2) at least equal to the hospital's tax-exempt benefits, or (3) at least equal to 5 percent of the hospital's net patient revenue (HB 2341, 2011-2012).

Negotiations leading to the bill's passage resulted in the excision of these provisions. As enacted, the new law focuses on transparency, community involvement in the needs assessment and implementation strategy development processes, and ensuring that hospitals' community benefit initiatives are either evidence-based or subject to evaluation (Wash. Senate Bill Report, 2012).

The law, which will go into effect June 7, 2012, imposes responsibilities on the state's nonprofit hospitals in addition to those established by the ACA and the Internal Revenue Service (IRS).

For tax years beginning after March 23, 2012, the ACA requires hospitals to conduct community health needs assessments at least once every three years, describe how identified community health needs are being addressed, and explain why any assessment-identified needs are not being addressed. The ACA also requires that needs assessments be made widely available to the public (ACA §9007(d)). In addition, IRS guidance and Schedule H call for 1) documentation (but not submission to IRS) of community health needs assessments, making them widely available to the public, and, in Part VI of Schedule H, answers to a series of questions about the hospital's needs assessment process and 2) submission of implementation strategies to the IRS (by attachment to Schedule H), but does not require that these implementation strategies be made widely available to the public.

Washington's new law directs Washington hospitals that are tax-exempt under IRC §501(c)(3) to make their federally required community health needs assessments widely available to the public within 15 days of submitting them to the IRS. It also instructs these hospitals to make their implementation strategies widely available to the public within a year of conducting their community health needs assessments. In addition, either implementation strategies must be evidence-based "when available," or innovative programs and practices must be supported by evaluation measures. Hospitals should consult community-based organizations, stakeholders, and local public health jurisdictions during the development of their implementation strategies and explain the reasons "for not accepting recommendations for community benefit proposals identified in the assessment through the stakeholder consultation process..." (2012 Wash. Laws, Ch. 103).

The Washington law is notable in that it requires federally tax-exempt hospitals to make their implementation strategies (as well as their needs assessments) widely available to the public and to explain not only why identified community health needs are not being addressed, but

also why any community benefit proposal made by stakeholders in the context of implementation strategy development was rejected.

### Hospital Financial Assistance and Debt Collection Policies

Articles appearing recently in a number of media outlets indicate that—despite the ACA’s requirements regarding hospital financial assistance policies and limitations on debt collection practices—some nonprofit hospitals continue to aggressively pursue collection against patients with limited resources. See the following articles:

- Illinois: “[Tax Man Cometh for Hospitals that Flout Charity-Care Mission.](#)” *Forbes*.
- Minnesota: “[Debt Collector Is Faulted for Tough Tactics in Hospitals.](#)” *The New York Times*.
- North Carolina: “[Hospital Suits Force New Pains on Patients.](#)” *The Charlotte Observer*.
- Ohio: “[Nonprofit Hospitals Faulted for Stinginess with Charity Care.](#)” *The Lund Report*.

### Community Commons Beta 2.0

Community Commons is an initiative of [Advancing the Movement](#) and the [Institute for People, Place, and Possibilities](#) (IP3), a partnership between Community Initiatives, the Center for Applied Research and Environmental Studies at the University of Missouri, and [Transtria](#). Community Commons is an interactive mapping, networking, and learning tool for individuals and organizations interested in community health improvement. Users can access over 7,000 GIS data layers at state and local levels, search profiles of place-based community initiatives (multi-sector collaboratives), and join peer learning forums to explore similar interests and challenges. Financial support for Community Commons has been provided by the Centers for Disease Control and Prevention (CDC), Kaiser Permanente, Ascension Health, the YMCA of the USA, the Convergence Partnership, and IP3. Additional information is available at <http://www.communitycommons.org/>.

### County Health Rankings and Roadmaps: Expanded Website and New Measures

The University of Wisconsin Population Health Institute’s County Health Rankings recently expanded its website to feature a more robust database—County Health Rankings and Roadmaps—which features new measures, tools, and resources to further community health improvement, including data on:

- Uninsured individuals
- Physical inactivity
- High school graduation rates
- Limited access to health foods
- Fast food restaurants
- Cost barriers to physician access
- Per capita Medicare spending
- Dentist provider rates

The expanded four-part “Roadmaps” Program includes Roadmaps to Health Action Center, Roadmaps to Health Community Grants, Roadmap to Health Prizes, and Roadmap to Health

Partners. More information on County Health Rankings and Roadmaps can be found at <http://www.countyhealthrankings.org/roadmaps>.

### **CDC Community Health Needs Assessment and Implementation Strategy Forum**

In February 2011, the Public Health Institute (PHI) submitted to the CDC its report of the proceedings from the CDC's July 2011 public forum, "Best Practices for Community Health Needs Assessment and Implementation Strategy Development: A Review of Scientific Methods, Current Practices, and Future Potential," as well as key informant interviews that were conducted before the forum. The report describes the impetus for the forum as a request to the Department of Health and Human Services/CDC by the IRS to provide technical guidance that would inform the IRS's development of regulations implementing ACA changes to the tax code concerning nonprofit hospitals' community benefit responsibilities (Barnett, 2012). Key themes and issues discussed at the forum and in the report pertain to community health needs assessment (including shared ownership for community health, defining community jurisdictional issues, data collection and analysis, and community engagement) and implementation strategy development and execution (including priority setting, alignment of opportunities, monitoring and evaluation, institutional oversight, shared accountability and regional governance, strategic investment and funding patterns, and public reporting).

### **Upcoming Webinars**

#### **County Health Rankings and Roadmaps**

- Take Action: Assess Needs and Resources – June 12, 2012, 3:00 – 4:00 pm EST  
<http://www.countyhealthrankings.org/content/take-action-assess-needs-resources>
- Take Action: Focus on What's Important – July 10, 2012, 3:00 – 4:00 pm EST  
<http://www.countyhealthrankings.org/content/take-action-focus-what%E2%80%99s-important>

### **Notable Archived Webinar**

#### **Community Health Needs Assessment (CHNA) Done Right: A Practical Guide**

McGladrey, October 19, 2011: <http://mcgladrey.com/Events/CHNA-Done-Right-A-Practical-Guide>

### **Upcoming Conferences**

#### **Hilltop to Present on Community Benefit at Two Upcoming Conferences:**

#### **National Network of Public Health Institutes: Leveraging Public Health Institutes for Systems Change – May 21 – 23, 2012, in New Orleans, LA**

Hilltop Hospital Community Benefit Program Director Martha Somerville will participate in a May 23 plenary panel discussion, *Community Health Assessments: Opportunities for Collaboration*, at the National Network of Public Health Institutes' 2012 Annual Conference, entitled *Leveraging Public Health Institutes for Systems Change*. The conference will explore collaborative opportunities for public health institutes and their partners to catalyze systems change in the context of ACA implementation, health impact assessments, national voluntary accreditation, the National Public Health Improvement Initiative, and community health

assessments. Additional information about the conference is available at <http://nnphi.org/news-events/events/2012/05/21/nnphi-2012-annual-conference>.

### **American Public Health Association (APHA): The New Public Health, Rewiring for the Future – June 26 – 28, 2012, in Charlotte, NC**

Hilltop Interim Executive Director Michael A. Nolin will participate on June 27 in a breakout panel discussion, *All In This Together: Public Health and Community Benefit*, at the APHA's mid-year meeting, entitled *The New Public Health – Rewiring for the Future*. The meeting will feature educational, policy, and advocacy tools for staying informed on anticipated changes needed to “rewire” the public health infrastructure. For more information and registration, go to <http://www.apha.org/Midyear/>.

### **Catholic Health Association to Hold Conferences in June and July:**

#### **Community Benefit: Strategies to Improve Community Health – June 3, 2012**

This event, presented by the Catholic Health Association of the United States (CHA) will provide participants with examples of how Catholic health care organizations use the strategies of community engagement, collaboration, and program evaluation to identify community health needs and plan programs that effectively address those needs. For more information and registration, go to [http://chausa.org/Pre-Assembly\\_Community\\_Benefit.aspx](http://chausa.org/Pre-Assembly_Community_Benefit.aspx).

#### **Assessing and Addressing Community Health Needs (with the VHA) – July 24 – 25, 2012, in St. Louis, MO**

This event will (1) delineate the legal requirements for community health needs assessments and implementation strategies and (2) present information on assessment and planning steps: accessing and using public health and other data, translating data into useful information, collaborating with community partners, setting priorities, and building on organization and community assets to develop plans for community health improvement. The keynote speaker, Preston Quesenberry, JD, MA, Office of Chief Counsel, Tax-Exempt and Government Entities Division of the IRS, will discuss agency guidance on federal requirements for tax-exempt hospitals relating to community health needs assessments and implementation strategies. For more information and registration, go to [http://chausa.org/Pages/Events/Programs/Assessing\\_Community\\_Needs/Overview/](http://chausa.org/Pages/Events/Programs/Assessing_Community_Needs/Overview/).

## **References**

### **Minnesota**

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## Washington

ACA §9007(d), IRC §§ 501(r) and 6033 (b)(15)

HB 2341, 2011-2012 Leg., (Wash. 2012), (as introduced)

<http://apps.leg.wa.gov/documents/billdocs/2011-12/Pdf/Bills/House%20Bills/2341.pdf>

2012 Wash. Laws, Ch. 103 (Wash. 2012) <http://apps.leg.wa.gov/documents/billdocs/2011-12/Pdf/Bills/Session%20Law%202012/2341-S.SL.pdf>

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## CDC Forum

Barnett, K. (2012, February). Best practices for community health needs assessment and implementation strategy development: A review of scientific methods, current practices, and future potential. Washington, DC: Public Health Institute. Retrieved from <http://phi.org/pdf-library/2012-3-12CDCReportOfProceedings.pdf>

*The Hilltop Institute at the University of Maryland, Baltimore County (UMBC) is a nationally recognized policy and research center dedicated to improving 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's Hospital Community Benefit Program** is the central resource created specifically for state and local policymakers who seek to assure that tax-exempt hospital community benefit activities are responsive to pressing community health needs. The program provides tools to state and local health departments, hospital regulators, legislators, revenue collection and budgeting agencies, and hospitals, as these stakeholders develop approaches that will best suit their communities and work toward a more accessible, coordinated, and effective community health system. The program is funded for three years through the generous sponsorship of the Robert Wood Johnson Foundation ([www.rwjf.org](http://www.rwjf.org)) and the Kresge Foundation ([www.kresge.org](http://www.kresge.org)).

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