



Engaging Your Community

A Guide for Nonprofit Hospitals



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Introduction

Charitable institutions are facing growing scrutiny to justify their tax-exempt status as state and local governments seek to replace depleted revenues resulting from declining tax bases, tax cuts, the loss of sales taxes to internet commerce, legislatively prescribed restrictions on municipal fines and the conversion of previously taxable property to charitable use. As a result, local officials are the most likely source of inquiry into a hospital's tax-exempt status. These include county assessors, county commissions, city councils and school boards, who will seek new sources of funding when revenues decrease. Challenges to charitable organizations' exempt status have been cropping up around the nation, often because the community benefit provided by nonprofit institutions is overlooked or misunderstood.

Nonprofit hospitals provide an array of community benefits in support of their benevolent missions that go beyond the provision of charity care. Today's hospitals are in the business of improving population health, expanding health care access, providing targeted community interventions, enhancing health care knowledge and ensuring a viable health care workforce to sustain the future of health care. Further, many states, including Missouri, have failed to expand Medicaid. This means hospitals and others continue to shoulder a heavy uncompensated care load. All of these services validate both their charitable missions and low tax burden. The current Internal Revenue Service rules include incentives for hospitals to move from hospital-based charitable care to activities that benefit the community at large through support for community and public health services, research, education and workforce development.

Many of these activities are captured on IRS Schedule H to IRS Form 990. However, Schedule H alone does not capture the vast contributions that hospitals make to the betterment of their communities. As nonprofit hospitals are held increasingly accountable for their tax-exempt status, it is important they both maximize and promote the fulfillment of their charitable mission and community investment. Schedule H captures the dollar value of an organization's charitable activities, but is only the starting point of the narrative. Hospitals must be able to quantify outcomes and ensure that the positive impacts of vital community services are known to the public, including local government officials.

The Missouri Hospital Association convened a hospital tax-exempt work group to assess existing and future threats to nonprofit hospitals' tax-exempt status and identify solutions. The group recommended the creation of a toolkit to guide nonprofit hospitals in identifying and leveraging community benefit activities, both for the purpose of IRS reporting and in promoting services and programs that foster healthy communities.

This toolkit is not intended to provide legal or accounting advice, but to assist hospitals in maximizing the provision of charitable programs and services, population health improvement and other functions that relieve governmental burdens, in exchange for which nonprofit institutions are granted tax-exempt status. Hospitals can use this document to evaluate existing community benefit activities, better communicate the value they provide and educate local officials about the investments hospitals make in their communities.

While financial assistance programs, bad debt and the cost of care provided under means-tested government programs generates substantial value to the community and furthers a nonprofit hospital's charitable mission, those services are readily captured and reported in terms of dollars alone. This toolkit focuses on those programs and services offered as "Other Benefits" under Part I of Schedule H and Community Building Activities reported under Part II, which encompass programs and services with tangible and intangible benefits to the community. This toolkit is intended to assist hospital executives in thinking about community benefit and community building programs in new and strategic ways.

Key Community Benefit Concepts

To qualify as a community benefit activity, there must be an identified need for the program or service. Demonstration of need can occur in one of three ways.

- request for the activity from a public health agency or other community group
- collaboration with unrelated tax-exempt or governmental entities in activities expressly intended to improve community health
- identified through a community health needs assessment

For both tax-exempt status and population health improvement, the CHNA is the best starting point for analyzing every program or service designated as a community benefit activity. The CHNA is a key component of health care reimbursement reform, as hospitals move from fee-for-service to value-based care. Ultimately, the CHNA will guide hospitals past clinical-based service models, to population-based preventive services.

By identifying prevailing community issues (e.g., substance abuse, violent crime), dominant health concerns (e.g., obesity, behavioral health) and health care equity and access, hospitals can create targeted programs to satisfy community benefit obligations while reducing cost and improving outcomes, as required by new payment models. MHA offers a number of community health resources at mhanet.com/community-health-resources, along with a CHNA guidance publication, titled “**Completing a Community Health Needs Assessment.**”

Schedule H makes it clear that programs or services cannot be reported as community benefit if they are primarily provided for marketing purposes or are more beneficial to the hospital than the community. For instance, a health fair designed primarily to generate referrals of commercially insured individuals cannot be deemed a community benefit. Scholarships provided only to current staff members may not be reported as a community benefit activity. Eligible programs must be targeted to address a defined societal need.

Community benefit programs and activities that serve the population at large can include increasing health care access, enhancing public health, advancing generalizable health care knowledge and relieving the government of a population health function. The instructions to Schedule H list a number of factors to be considered in evaluating whether a program meets a community benefit objective.

- Is the program or service available to the general public and especially low-income or underserved individuals?
- Does the program or service reduce access barriers (geographic, financial or cultural) or would such barriers increase if the program ceased?
- Does the program or service advance governmental health care priorities, such as eliminating disparities?
- Does the program or service build on public health department offerings?
- Does the program or service strengthen community health resilience by improving its ability to withstand and recover from public health emergencies?
- Would the program or service otherwise be the responsibility of the government or another charitable organization?
- Does the program or service increase general health knowledge for the benefit of the general public?

In sum, a program or activity that is strategically designed to address a demonstrated community need, particularly those targeted at low-income, minority or underserved populations, will satisfy the IRS criteria for community benefit. As hospitals face increased pressure to demonstrate community investment in exchange for their tax-exempt status, they must not only quantify the cost of such services, but also the significance of outcomes achieved and effective population health improvement. Hospitals must begin to think and communicate about community benefit in new ways to capture the true value of such services to the community.

Key Terms From Schedule H, Part I

Activities that promote a nonprofit hospital's tax-exempt status are defined by Schedule H. The following terms form the basis for identifying activities deemed charitable by the IRS.

Community Health Improvement Services – Hospital-subsidized activities or programs carried out for the express purpose of improving community health and that do not generate inpatient or outpatient revenue (although a nominal or sliding scale fee may be permissible).

Community Benefit Operations – Activities associated with conducting CHNAs, administration of a community benefit program, or fundraising or grant-writing for community benefit programs.

Health Professions Education – Educational programs resulting in a degree, certificate or training necessary to be licensed as a health professional under state law, or continuing education necessary to retain licensure or certification.

Subsidized Health Services – Clinical services provided despite a financial loss to the hospital, measured after removing losses associated with bad debt, financial assistance, Medicaid and other means-tested government programs.

Research – Studies or investigations with a goal of increasing generalizable health-related knowledge made available to the public.

Cash and In-kind Contributions – Contributions made by the hospital to health care or community organizations and restricted, in writing, to one or more community benefit activities.

Community Benefit Activities Under Schedule H, Part I

Schedule H, Part I identifies several categories of “Other Benefits” that qualify as community benefit activities. These include community health improvement services, community benefit operations, health professions education, subsidized health services, research, and cash and in-kind contributions. This section will describe each category in turn and assist in identifying programs and services that qualify.

Community health improvement services and **community benefit operations** must address identified need(s). The CHNA provides a logical starting point for identifying eligible programs and services. Hospitals can strategically align these activities with their CHNA by assessing the following.

- What community health needs were identified in the CHNA?
- What programs and services are needed to address the identified need(s)?
- What is the likelihood that a program or activity will improve identified health needs?
- Will a program or activity produce a measurable community benefit?
- How will outcomes be measured?
- Are any other organizations addressing identified need(s)?
- Are there partnership opportunities for addressing identified need(s)?
- Have there been previous attempts to address an identified need, and what was the success or failure rate of such programs or services?
- How does addressing the identified need(s) fulfill the hospital's mission and vision?
- How does addressing the identified need(s) fall within the hospital's capabilities and existing services?
- Will the activity or service require subsidization?

Eligible **health professions education** must have the primary purpose of educating health professionals in the broader community and cannot benefit only the hospital's employees. Therefore, in-service training and orientations generally are not considered community benefit activities. Costs associated with medical residents and interns may be included. Training programs for health care providers and funding or scholarships for education programs fall under this category. A hospital may consider both direct and indirect costs as part of the charitable expense. Direct costs include salaries, benefits, supplies and other expenses directly related to the conduct of a program. Indirect costs are shared across multiple activities or programs, and may include facilities and infrastructure costs (for example, utilities, administrative costs and information systems).

Subsidized health services that would become the responsibility of another charitable institution or the government, or otherwise be unavailable to residents, demonstrate a significant charitable investment in the community. Under the instructions to Schedule H, the financial loss for subsidized health services is calculated after removing losses associated with bad debt, financial assistance, Medicaid and other government means-tested assistance. Services that generate a negative margin and meet the criteria described above fall into this category. They can include inpatient programs, such as psychiatric units, and outpatient services, such as satellite clinics that serve low-income individuals.

Research activities include studies and investigations for the purpose of increasing general knowledge of the health care community and the public on a variety of health-related topics, including clinical and community health or health care delivery systems. Both the direct and indirect costs of research may be considered, as well as research costs that are funded by a charitable institution or government agency. The salaries and benefits of researchers, their staff, facility costs, equipment, supplies and testing costs are among those items that can be reported as community benefit.

Hospitals also provide **cash and in-kind contributions**, including grants, to support unrelated health care organizations or community groups as an investment in their communities. Such services and support must be designated in writing to support a specific community benefit activity to be reported on Schedule H.

In-kind contributions are staff hours devoted to such activities while on the hospital's payroll. Indirect costs, such as space provided to nonprofit community organizations or donated equipment and supplies, may be counted.

Contributions under this category do not include payments for which the hospital receives a service or product in exchange. Payments in lieu of taxes may not be counted as cash or in-kind contributions for community benefit purposes either. Donations and in-kind contributions are considered a community benefit activity if they would be so considered when provided by the hospital itself.

As hospitals develop and implement community benefit activities, they should be cognizant of opportunities to solidify their tax-exempt status. Challenges to a hospital's tax-exempt status most likely are to be initiated locally, when elected officials do not know of, or understand, the value of charitable services provided. Community health improvement services and community benefit operations offer hospitals unique opportunities to partner with local government to their mutual benefit. As hospitals identify and evaluate community benefit activities, services that strategically align with the needs of local public entities help to demonstrate the facility's investment in the locality, and justify a lower tax burden.

For example, hospitals may consider partnering with school districts to provide the following community benefit activities in schools.

- school-based health clinics
- school nurses
- annual physicals
- early childhood development programs
- health education
- food and nutrition education
- violence prevention
- behavioral health services
- health screenings (such as asthma, hearing, vision, scoliosis)
- substance use treatment programs and education
- tobacco prevention and cessation programs

Some of the same or similar services can be provided within the community at large, along with a host of other activities that provide substantial value to primary local governing bodies.¹

- hospital-subsidized health care in local community health centers or public health agencies
- health fairs
- subsidized health services
- health education sessions
- health screenings (with referrals for follow-up care regardless of insurance status)
- immunization programs
- obesity prevention and treatment programs
- tobacco prevention and cessation programs

- substance use cessation programs
- medical/mental health hotlines
- violence prevention
- food and nutrition services and education
- poison control
- prenatal and child health programs
- support groups
- health care support services, such as enrollment through a public exchange
- case management services
- caregiver training programs
- pastoral programs and spiritual care
- grants or loans to support local health initiatives, local public health agencies or community health centers
- cultural competency programs
- financial or in-kind support of public health activities
- health care cost containment activities
- clinical and community health research
- subsidized clinical programs (that meet the conditions for eligibility)
 - emergency departments
 - EMT training (where no profit is realized)
 - obstetrics
 - women’s wellness programs
 - hospice services
- providing clinical settings for undergraduate or vocational training for medical students, nursing students and other health professionals
- internships for health professionals
- residency education
- continuing education for health professionals (not limited to staff)
- research development costs
- studies of treatment protocols and efficacy
- research papers
- studies on health disparities
- community health studies
- Studies on delivery system access and efficacy
- Technical assistance or support of another nonprofit’s community benefit activities
- Contributions to charitable organizations
- Community grants
- Donated equipment and supplies to governmental entities
- Emergency medical care for community events
- Meeting room space for nonprofit community groups

Hospitals must ensure that such programs are not geared toward marketing its services or provide more benefit to the hospital than its target audience. For example, health education programs designed to generate referrals or health screenings for which more than a cost-based fee is charged should not be considered community benefit activities. Selecting those activities that meet an identified need and do not generate revenue or other tangible benefits to the hospital will help ensure that the programs and services truly are charitable.

Key Community Building Concepts

Community building activities target the root causes underlying optimum population health, such as poverty, inadequate housing, food deserts and environmental threats. These and other social determinants serve as impediments to improved health outcomes for a community or portions thereof. Community building activities should address persistent sociodemographic conditions that exacerbate chronic health issues, hinder access to needed services, lower the collective health status of the community or produce unmet needs.

Often, a program or service may appear to satisfy both the criteria for designation as a community health improvement activity and a community building activity. Items that meet the definition of both should be reported as community health improvement activities under Part I of Schedule H. Generally, community health improvement services are intended to improve the health of individuals and populations in the community, while activities associated with community building strengthen the community's ability to support the health and welfare of its residents.

Because of the eligibility criteria for community building activities, such programs or services allow hospitals to partner directly with local officials to provide tangible contributions to the community that also solidify their tax-exempt status. Hospitals that report community building activities on Schedule H also must describe how each program or service promotes the health of the community it serves.

Key Terms From Schedule H, Part II

Community Building Activities – Activities to protect or improve the community's health or safety by addressing underlying environmental and socioeconomic hazards. They include the following.

- **Physical improvements and housing** – the provision or rehabilitation of housing for vulnerable populations
- **Economic development** – activities that promote economic growth in areas with vulnerable populations, including assistance with small business development or the creating of employment opportunities
- **Community support** – programs that address the root causes of health outcomes, such as child care or mentoring programs in at-risk neighborhoods, violence prevention, disaster preparedness or public health activities
- **Environmental improvements** – activities that address environmental hazards affecting community health, such as the remediation of lead or other pollutants or waste removal
- **Leadership development and training for community members** – includes activities, such as conflict resolution, civic, cultural or language skills, or medical interpreter skills for residents

- **Coalition building** – participation in community coalitions or collaborations to address health and safety issues
- **Community health improvement advocacy** – efforts to support policies and programs that maintain or improve public health, health care access, housing, the environment and transportation
- **Workforce development** – recruitment of professionals to underserved or medical shortage areas and collaboration with educational institutions to train and recruit needed health professionals

Community Building Activities Under Schedule H, Part II

Schedule H itemizes several categories under which hospitals can report community building activities: physical improvements and housing, economic development, community support, environmental improvements, leadership developing and training, coalition building, community health improvement advocacy, and workforce development.

Like community benefit activities, a hospital's community building offerings also may correlate to needs identified in its CHNA. In fact, hospitals may use community building concepts to derive unique, out-of-the-box solutions to unmet needs that address deep-rooted and longstanding sociodemographic issues within the community that affect health outcomes. Hospitals can use their CHNA to delve into social determinants of population health issues by asking the following questions.

- What are the root causes of the most prevalent health conditions in the community?
- What population(s) within the community are most affected by the identified health conditions?
- What barriers exist that prevent affected populations from meeting identified needs?
- What local governmental entities, if any, are responsible for addressing the most prevalent health conditions and their root causes?
- What types of assistance would help responsible government entities meet identified need(s)?
- Are there opportunities to fund programs or services to address the root causes of the most prevalent chronic conditions in the community?
- How can the hospital engage community leaders on addressing the root causes of the most prevalent health conditions in the community?
- How can the hospital educate community leaders and the general public on means to address the root causes of the most prevalent health conditions in the community?
- What recruiting strategies are needed to address underrepresented health professions in the community?
- What skill sets are most needed to create community resilience and help to address the root causes of the most prevalent health conditions in the community?

Similar to community benefit activities, community building activities must have a primary purpose of promoting population health and not the hospital's interests. Thus, **physical improvements** to hospital facilities that may be made available to the general public are not considered a community building activity. Providing or rehabilitating low-income housing or Habitat for Humanity projects may be counted. The establishment or maintenance of playgrounds or parks to encourage fitness would qualify. Contributions to public works projects to improve or revitalize at-risk neighborhoods also may be reported on Schedule H.

Economic development programs often are a priority for elected officials; therefore, providing funding and assistance not only serves a tax-exempt purpose, but also strengthens relationships between a hospital and local politicians. Hospital executives can serve on local economic development councils or chambers of commerce and provide grants to small businesses in underserved areas of the community. To qualify as community building activities, such programs should be targeted to resolving issues of public health and safety or improving conditions for minorities or vulnerable populations.

Community support activities may be community- or facility-based. In general, these services are intended to support community groups or government agencies to improve the well-being of residents. Subsidized child care services, after school programs, mentoring programs for at-risk youth and neighborhood watch programs fall into this category. Community support activities also include disaster preparedness programs, so long as they exceed any federal or state licensure requirements. Assisting a local public health agency with disease surveillance or disaster readiness training would qualify as community support.

Environmental improvements include activities to alleviate environmental threats affecting community health. Grants for the remediation of lead paint would constitute a community building activity. A hospital also may include efforts to reduce environmental hazards caused by its activities, if the goal of such efforts is to improve community health. For example, clean energy programs or reductions in the amount of incinerated medical waste intended to improve local air quality may be considered. A hospital may not include the expenses of compliance with environmental laws and regulations — activities intended to achieve a cost saving for the organization.

The support of **leadership development and training** for the public also is considered a charitable activity and need not be directly related to the health needs of the community. Educational programs in conflict resolution, leadership development, language or life skills fall under this category. Similarly, coalition building activities, such as participation in committees or collaborations with community groups dedicated to community building activities fulfill a charitable purpose. However, hospitals should not count training opportunities for their own employees.

Community health improvement advocacy may address a wide variety of issues; however, to best serve the community, it should align with the needs identified on the hospital's CHNA. Issues that create identified barriers to health care access and positive health outcomes can include crime, drug use, a lack of public transportation, food deserts, the lack of accessible outlets for physical fitness or substandard housing. Hospitals' efforts to support governmental policies or community programs to eradicate these issues are community building activities.

General **workforce development** activities, such as programs to recruit minorities to the community, decrease local unemployment numbers and create jobs, may be reported as community building. Alternatively, a hospital may elect to focus its workforce development activities on health-related careers, so long as the programs address communitywide needs and not the workforce needs of the hospital itself. For example, programs to encourage the pursuit of health care occupations or that provide mentoring in the health professions are eligible community building activities. A hospital may sponsor or provide health care educational programs in career centers. It can partner with adult learning and higher education institutions to create programs in underrepresented health careers. A hospital should not report its own recruiting activities, in-service education and employee development or training programs, as they primarily benefit the hospital and not the community.

Community building programs provide direct, tangible benefits to local government and other public interest groups. As hospitals affiliate with government agencies and other local interest groups on collaborative projects that address the root causes of key problems in the community, they forge relationships with the same officials who most need to understand the value of hospitals' local investment and the justification for their tax-exempt status. Working with a variety of officials across a diverse set of issues creates not only goodwill, but also an appreciation for the extent of a hospital's charitable mission. Hospitals can engage in community building through the donation of staff time, financial contributions or by administering programs jointly with relevant agencies and community groups.

Some examples of community building activities include the following.¹

- neighborhood revitalization projects
- subsidization of low-income housing for seniors or other vulnerable populations
- housing improvement projects
- Habitat for Humanity projects
- financial support of local playgrounds and parks
- subsidization of public works projects that promote safety (street lights, sidewalks)
- staff time for service to the local chamber of commerce
- staff time for service on a local economic development committee
- investment in, or grants to, small businesses serving underserved populations
- job creation programs
- support for, or subsidization of, activities of a local interest group or committee on economic development issues
- child care services for low-income parents
- mentoring programs for at-risk youth
- violence prevention programs
- neighborhood watch groups
- disaster preparedness efforts and training for the community
- assistance to local public health agencies
- lead remediation projects
- alleviation of air pollution
- educational programs on reducing environmental hazards
- litter removal
- waste reduction programs with associated community health benefits
- household hazardous waste removal programs
- leadership skills training for members of the community
- conflict resolution training
- literacy education
- life skills education
- voter registration drives
- cultural competency programs

- involvement in community coalitions focused on community resilience, improvement, workforce development or education
- collaborations with community interest groups or task forces focused on community building activities
- advocacy efforts at the federal, state or local level on social justice issues, drug use, violence, crime, transportation, public health, health care access, housing or the environment
- staff time for participation in community workforce groups
- health profession education programs
- occupational mentoring programs
- recruitment programs for underrepresented occupations
- job training programs

Community building activities must be community focused; therefore, the hospital must ensure that the programs and services strengthen the community's ability to respond to, and address, underlying sociodemographic conditions that undermine community health and well-being. Programs that benefit the hospital's operations or workforce should not be reported as community building, even if they fall under the examples listed above.

Beyond Schedule H: What Charitable Activities Mean for the Community

Charitable activities are not just the reason for a nonprofit hospital's tax-exempt status — they are at the heart of its charitable mission. Benevolent institutions give up profits so that those dollars can be expended for the betterment of the community. Because the health care operations of a nonprofit hospital can be indistinguishable from a for-profit institution, charitable hospitals must be prepared to adequately capture and promote their community benefit and community building activities.

The ideals behind community benefit and community building activities must receive buy-in from senior executives and the board. It is important for hospital leaders to recognize and acknowledge that such programs and services are not just to preserve the organization's tax-exempt status, but go to the heart of the hospital's charitable mission. Successful programs and services will address identified community needs and be measured against objective benchmarks. All community benefit and community building activities should be periodically reviewed to determine if they are meeting relevant and possibly changing needs, achieving target outcomes and fulfilling the hospital's mission.

Hospitals must have methods to track the dollar value, number of individuals affected and outcomes of community benefit and community building activities. Beyond Schedule H, such data can form the basis for a community benefit report. Publishing a detailed community benefit report provides an opportunity to capture not just the numbers related to charitable services, but also individual stories of community residents who benefit from those programs.² Testimonials may be obtained from individuals served, other community groups, health advocates, consumer groups or community partners. The report can be used to credit community partners who assist in charitable activities so that they, too, have an interest in promoting the value of those programs. A compelling community benefit report will help tell the hospital's community investment story.

Facilities should craft a communications plan specific to promoting their community benefit and community building activities. The plan should account for different audiences and include strategies for targeting information to each. Key targets include employees, advocates, consumer groups, community partners, agencies and local elected officials.

For example, employees, medical staff and volunteers should be aware of all charitable programs and services offered by the organization, as they can provide valuable word-of-mouth support for these activities throughout the community. Hospitals may consider periodically surveying employees to ensure they are aware of community benefit programs. If employees are not aware of the organization's charitable activities, it is unlikely that those programs are widely known among the general public or other important constituencies.

Local media is an important partner in the hospital's communications plan. Hospitals can contribute opinion pieces, educational articles or features regarding charitable activities. Executives or pertinent staff can appear as guests on local radio to promote programs and services that benefit the community.

Hospitals may consider ways to interact with strategic partners in unveiling a community benefit report or promoting a charitable activity. Hosting an event to which local elected officials, agencies, advocates or consumer groups are invited, can solidify relationships with those who most need to understand and appreciate a hospital's contributions to the community.

Conclusion

Hospitals bring hope, health and healing to their communities. Many do so as charitable institutions, exchanging profits for the opportunity to invest in the surrounding community and the citizens it serves. In exchange, they are granted tax-exempt status, often bringing tangible and intangible benefits to the community that far exceed the value of taxes they otherwise would pay. Where local revenues are declining or budget deficits are increasing, hospitals must ensure that affected agencies and officials recognize the enormous economic impact of those charitable activities. Capturing and promoting these critical contributions to the community's overall health, welfare and resilience are imperative to preserving hospitals' tax-exempt status and upholding their charitable missions.

Community Benefit Report Checklist

Creating a compelling community benefit report requires input from multiple disciplines within the organization. Accounting/finance personnel can provide details about uncompensated care. Administrative or clinical personnel responsible for community-based clinics, health education and other population health programs can tell the story of the hospital's investment in, and strong connections to, the community. Executives that participate in local economic or workforce development initiatives may not even realize those activities can and should be reported as community building.

Most importantly, hospitals must have participation from trustees and C-suite executives to demonstrate a top-down commitment to, and support for, the organization's charitable mission and associated activities. To best capture the myriad of reportable activities in which a hospital is engaged, hospitals should consider including the following individuals/departments in crafting the report.

- trustees
- CEO/CFO
- legal
- quality
- communications/public relations
- clinical staff
- human resources
- chaplaincy
- social services
- nutrition/dietetics
- auxiliary

Developing a compelling community benefit report requires an organized system to track community benefit activities. The details of such activities can be captured by creating a tool that asks relevant departments to report the following for each program.

- nature of the services provided
- identified need in response for which the program was created
- target population served
- measurable outcomes
- correlation to the CHNA
- cost of the program (personnel, materials and other expenses)
- community partners

The community benefit report should be a narrative compilation of those activities, together with a detailed financial report of uncompensated care and unpaid costs for care subsidized by Medicare and Medicaid. The report should include the following.

- overview of charitable activities
 - define relevant community benefit categories and terms
- overview of financial assistance programs
 - highlight the organization's commitment to charitable care
- calculation of uncompensated care/unpaid costs
 - charity care
 - bad debt
 - Medicare
 - Medicaid
- overview of other community benefit activities
 - community health improvement services
 - community benefit operations
 - health professions education
 - subsidized health services
 - research
 - cash and in-kind contributions
- overview of community building activities
 - physical improvements and housing
 - economic development
 - community support
 - environmental improvements
 - leadership development and training for community members
 - coalition building
 - community health improvement advocacy
 - workforce development

Once the hospital has identified all of its charitable activities and assembled all available information about those programs and services, it can begin to describe its value to the community in a convincing way. In designing the community benefit report, a hospital should consider the following.

- how to correlate charitable activities to community health improvement
- how to correlate programs and services to the community health needs assessment, to demonstrate a direct response to identified community needs
- how to correlate uncompensated care dollars to services rendered
- how to quantify economic development activity
- how to quantify financial investment in the community workforce
- candidates for gripping profiles of, or testimonials from, those impacted by services
- quantification and communication of community health improvement statistics
- showcasing key community partners

Achieving the maximum impact of the hospital's story requires targeted dissemination of the community benefit report. To preserve its charitable mission and protect its tax-exempt status, a hospital must ensure that key officials and community partners recognize the substantial contributions it has made to the community and appreciate the benefits and results. In marketing the community benefit report, hospital officials should be cognizant of the programs, services or outcomes that will be most valuable to each audience segment and create communication pieces or events that best further that message. Some of the individuals or groups to whom the report should be targeted include the following.

- local members of the General Assembly
- county commissioners
- school board members
- city council members
- local public health agencies
- local media
- United Way
- community health centers
- community mental health providers
- advocacy groups
- National Association for the Advancement of Colored People
- churches

Finally, annually a hospital should strategically assess the impact of its community benefit report and alter both content and its communications plan as necessary.

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REFERENCES

- ¹ The following sources were consulted in compiling examples of community benefit and community building activities: *A Guide for Planning and Reporting Community Benefit*, Catholic Health Association of the United States, 2015 Edition; Gale, J. & Race, M. (2009). *A Community Benefit Reporting Toolkit for Critical Access Hospitals*. Portland, ME: Flex Monitoring Team.
- ² Hospitals should be cognizant of HIPAA restrictions on marketing activities and ensure that any applicable requirements are followed when publicly identifying individuals they serve.



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