

# Alternative Financing to Bridge Health Care and Geographic Boundaries in Population Health

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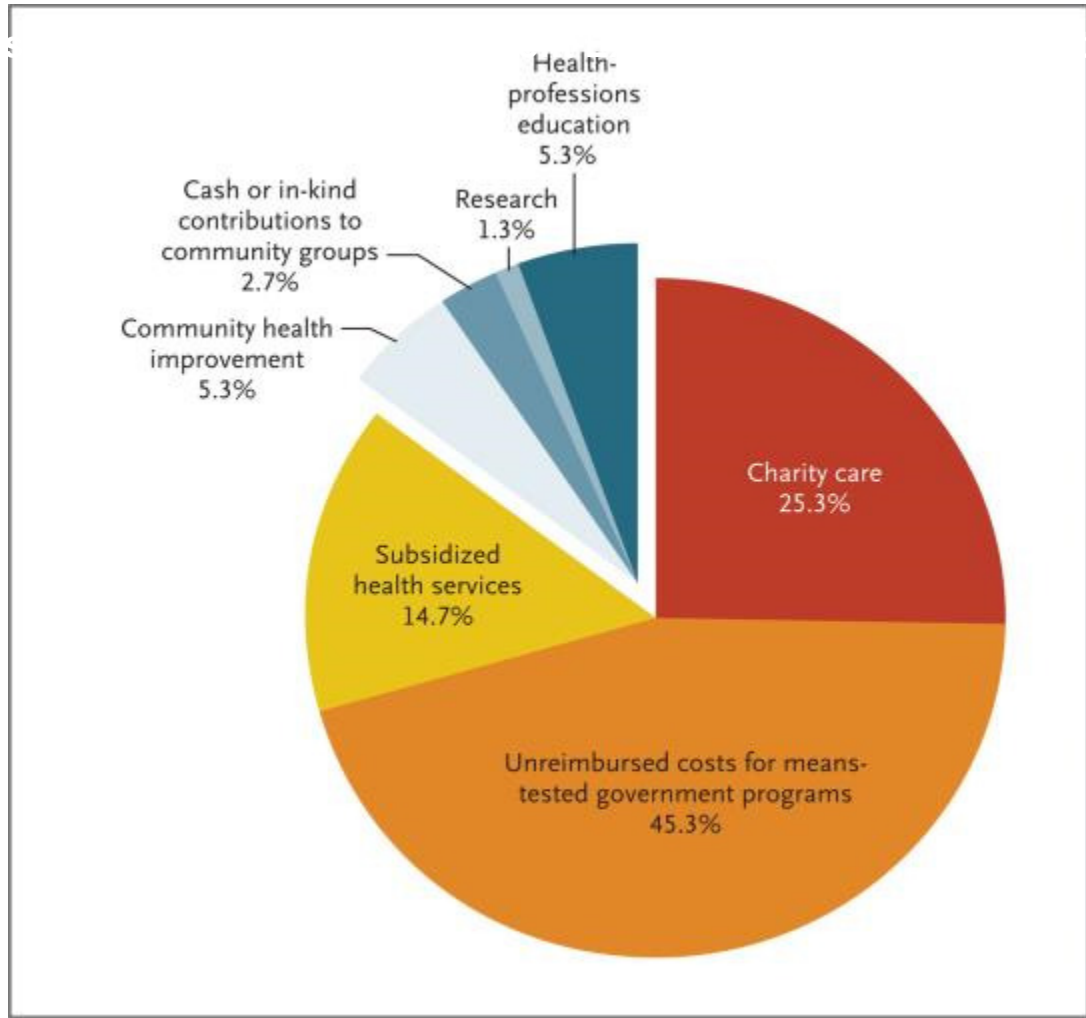
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# Community benefit

- All nonprofit hospital organizations that seek federal tax-exempt status
- Parallel state requirements
- Applies to hospital organizations, which may report their community benefit activities organization-wide or facility by facility
- 7.5% of total hospital operating expenses in 2009

# What = community benefit expenditure?

1. Financial assistance (free or discounted care for persons meeting organizational standards) but not bad debt, Medicare losses, or uncollectable charges
2. Losses attributable to Medicaid or other means-tested government programs that may pay less than cost (as calculated under IRS rules). IRS does not appear to treat subsidized health plans as a means-tested government program for purposes of community benefit
  1. Community health improvement services and community benefit operations -- **hospital-subsidized “activities or programs” that do not generate revenue for the hospital (other than nominal fees) and for the express purpose of “improving community health.”** Can include community benefit program administration, CHNA activities, community benefit administration, and grant-writing costs for community benefit programs.
  2. Community building that promote health (housing and physical improvements, economic development, environmental improvements, community support, workforce development, community health improvement advocacy, workforce, “other”)
3. Research and health professions education



Young GJ et al. N Engl J Med 2013;368:1519-1527.

# Community Health Needs Assessment (CHNA)

- Added by the Affordable Care Act
- Additional condition of tax-exempt status
- Applicable to all hospital facilities within a single hospital organization
- Public planning process with public health input and publication of CHNA
- Implementation strategy – updated annually – to describe what health needs uncovered by the CHNA the hospital is -- and is not -- investing in.

# Convergence of community health needs assessment, community benefit, and community health improvement at the intersection of health care and public health

- Community benefit obligation
  - Community health improvement as element of approved expenditure
  - Can include “community building” activities
- CHNA process including the implementation strategy that effectively becomes the community benefit expenditure blueprint

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