

Hospital Community Benefit Accountability

Program Guidance

April 2021



COLORADO
Department of Health Care
Policy & Financing

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I. Overview

House Bill 19-1320 requires non-profit tax-exempt general hospitals, Denver Health Medical Center, and University of Colorado Hospital to complete a community health needs assessment every three years and an annual community benefit implementation plan every year. Critical Access hospitals are not required to participate but are encouraged to do so. Each reporting hospital is required to convene a public meeting at least once per year to seek feedback on the hospital's community benefit activities and implementation plans. These hospitals are required to submit a report to the Department of Health Care Policy & Financing (the Department) that includes but not limited to the following:

- Information on the public meeting held within the year preceding **September 1, 2021**
- The most recent Community Health Needs Assessment
- The most recent Community Benefit Implementation Plan
- The most recent submitted IRS form 990 including Schedule H
- A description of investments included in Schedule H
- Expenses included on form 990

More information can be found on the [Hospital Community Benefit Accountability webpage](#).



II. Policy for New Hospitals

New hospitals are not required to host a public meeting in their first year of operation but are encouraged to do so if possible. New hospitals will still be required to submit a report on **July 1** that includes the following:

- The date the hospital opened
- Date the first Community Health Needs Assessment is due
- Date form 990 including Schedule H is due to the Federal Internal Revenue Service
- Description of the hospital plan to fulfill the Hospital Community Benefit Accountability requirements
- A list of the community health needs that have been identified and a description of how they will be addressed

New hospitals will be required to host a public meeting that complies with the state requirements and meet reporting requirements beginning in their second year of operation and going forward.



III. Schedule H Information

Reporting Hospitals that are part of a system or other corporate structure that file a consolidated form 990 shall provide this information separately for each Reporting Hospital in a format that clearly identifies Parts I, II, III, and V, such as an Excel file, Word document, or a completed Schedule H.

Reporting Hospitals not required to submit Schedule H shall complete parts I, II, III, and V of Schedule H of form 990.

A. Part I - Financial Assistance and Certain Other Community Benefits at Cost

Part I requires reporting of financial assistance policies, the availability of community benefit reports, and the cost of financial assistance and other community benefit activities and programs.

Financial assistance includes free or discounted health services provided to persons who meet the organization's criteria for financial assistance and are unable to pay for all or a portion of services. Financial assistance does not include the following:

- **Bad debt or uncollectable charges** that the organization recorded as revenue but wrote off due to a patient's failure to pay, or the cost of providing such care to such patients
- The difference between the cost of care provided under Medicaid or other means-tested government programs under Medicare and the revenue derived therefrom
- Self-pay or prompt pay discounts
- Contractual adjustments with any third-party payors

B. Part II - Community Building Activities

Part II requires reporting of the costs of the organization's activities that it engaged in during the tax year to protect or improve the community's health or safety, and that aren't reportable in Part I. Some community building activities may also meet the definition of community benefit.

C. Part III - Bad Debt, Medicare, & Collection Practices

Part III requires reporting of, combined bad debt expense; an estimate of how much bad debt expense, if any, reasonably could be attributable to persons

who likely would qualify for financial assistance under the organization’s financial assistance policy; a rationale for what portion of bad debt, if any, the organization believes is community benefit; if it has adopted Healthcare Financial Management Association Statement No. 15, Valuation and Financial Statement Presentation of Charity Care and Bad Debts by Institutional Healthcare Providers; allowable costs and Medicare reimbursements that are reported in the organization’s Medicare Cost Report(s) for the year, including its share of any such allowable costs and reimbursement from disregarded entities and joint ventures in which it has an ownership interest; and the organization’s written debt collection policy.

A “**written debt collection policy**” includes a written billing and collections policy, or a written financial assistance policy that includes the actions the organization may take in the event of non-payment, including collection actions and reporting to credit agencies.

D. Part V - Facility Information

Part V requires the organization to list all its hospital facilities and non-hospital health care facilities that it operated during the tax year and report on the facility policies and practices; financial assistance policy; billing and collections; emergency medical care policy; and charges to individuals eligible for assistance under the financial assistance policy.

“**Hospital facilities**” are facilities that, at any time during the tax year, were required to be licensed, registered, or similarly recognized as a hospital under state law.

A hospital facility is operated by an organization whether it is operated directly by the organization or through a disregarded entity or joint venture treated as a partnership.

IV. Community Engagement

A. Best Practices

The following is a list of suggested best practices to assist Reporting Hospitals with engaging their community members:

- Conduct meetings outside normal work hours
- Conduct meeting at a location outside of the hospital setting such as a location within the Community, e.g. library, community center, recreation center.
- Conduct meetings at locations that support full access and participation for people living with disabilities, e.g. wheelchair ramp
- Provide child or elder care services or reimbursement
- Make meeting information available on website
- Hold joint meetings when possible
- Provide reimbursement for transportation
- Provide food and beverages
- Advertise the meeting in publications within the Community including those published in languages other than English
- Advertise the meeting through radio stations that are broadcast within the Community including stations that broadcast in languages other than English
- Use virtual conferencing such as Skype, Google Hangouts, Zoom or other non-traditional ways to involve community members
- Make summary of meeting and community feedback available on website

B. Community Organizations

The following is a list of suggested Community-based organizations and Community partners Reporting Hospitals could collaborate with:

- Regional Accountable Entities (RAEs)
- Local Public Health Agencies (LPHAs)
- Mental Health Centers
- Community Health Centers, including Federally Qualified Health Centers and rural health centers
- Primary Care Medical Providers (PCMPs)



- Regional Emergency Medical and Trauma Services Advisory Councils (RETACs)
- Long-Term Service and Support (LTSS) Providers
- Consumer advocates or advocacy organizations
- Health alliances
- Community organizations addressing social determinants of health



V. Reporting Requirements

To comply with HB19-1320 Reporting Hospitals are required to

- Complete and submit a Community Health Needs Assessment every 3 years
- Complete and submit a Community Benefit Implementation Plan every year
- Submit their most recent IRS form 990 and Schedule H
 - ✓ Hospitals that file a consolidated 990 and Schedule H will need to provide this information for each individual hospital separately
 - ✓ Hospitals that are not required to file a 990 or Schedule H shall complete Parts I, II, III, and V of Schedule H
- Convene a public meeting at least once a year
- Provide a report to the Department that includes
 - ✓ Public meeting information
 - ✓ Amount and description of investments that addressed a Community identified health need
 - ✓ Amount of expenses
 - ✓ Amount of revenue less expenses

A. Community Health Needs Assessment

Reporting Hospitals shall submit their most recent completed Community Health Needs Assessment that satisfies the requirements of 26 CFR § 1.501(r)-3(b).

Acquired or new hospitals must complete their first Community Health Needs Assessment as described under 26 CFR § 1.501(r)-3(d).

B. Form 990 and Schedule H

Reporting Hospitals that are required to submit a Schedule H shall submit to the Department the following:

- The most recent submitted form 990 including Schedule H
- Description of investments made that were included in Part I, II, and III of Schedule H
- For investments that addressed a Community Identified Health Need identify the following applicable categories:
 - ✓ Free or discounted health care services
 - ✓ Programs that address health behaviors or risk
 - ✓ Programs that address the social determinants of health

Reporting Hospitals that are part of a system or other structure that files a consolidated form 990 shall submit to the Department the following information requested on form 990 including Schedule H separated for each hospital to the extent possible:

- Total expenses by hospital
- Revenue less expenses by hospital
- Description of investments made that were included in Part I, II, and III of Schedule H
- For investments that addressed a Community Identified Health Need identify the following applicable categories:
 - ✓ Free or discounted health care services
 - ✓ Programs that address health behaviors or risk
 - ✓ Programs that address the social determinants of health

Reporting Hospitals not required to complete form 990 shall submit to the Department the following:

- Total expenses as described on Line 18 of Section 1 of form 990
- Revenue less expenses as described on Line 19 of Section 1 of form 990
- Description of investments made that were included in Part I, II, and III of Schedule H
- For investments that addressed a Community Identified Health Need identify the following applicable categories:
 - ✓ Free or discounted health care services
 - ✓ Programs that address health behaviors or risk
 - ✓ Programs that address the social determinants of health

C. Public Meeting

Reporting Hospitals shall report on the most recent public meeting held to satisfy the Community Health Needs Assessment requirements under 26 CFR § 1.501(r)-3. The reporting requirements are:

- Date of the meeting
- Location of the meeting (address or platform if virtual)
- Description of outreach efforts taken
- Description of the actions taken as a result of the meeting

Meeting invites shall include at minimum the following:

- The general public
- Local public health agencies
- Local chambers of commerce and economic development

- Local health care consumer organizations
- School districts
- County governments
- City and town governments
- Community Health Center
- Certified rural health clinics or primary care clinics
- Area agencies on aging
- Safety Net Clinic
- Health care consumer advocacy organizations
- The Department of Health Care Policy and Financing
- The Department of Public Health and Environment
- The Department of Human Services
- The Colorado Commission on Higher Education
- The Office of Saving People Money on Health Care
- The Division of Insurance within the Department of Regulatory Agencies

D. New Hospitals

New hospitals are not required to host a public meeting in their first year of operation but are encouraged to do so if possible. New hospitals will still be required to submit a report on September 1 that includes the following:

- The date the hospital opened
- Date the first Community Health Needs Assessment is due
- Date form 990 including Schedule H is due to the Federal Internal Revenue Service
- A list of the community health needs that have been identified

New hospitals will be required to host a public meeting that complies with the state requirements and meet reporting requirements beginning in their second year of operation and going forward.

VI. Modified Timeline

Due to the ongoing COVID-19 emergency, the Department has delayed the due date of the Hospital Community Benefit Accountability Report to **September 1, 2021**.

September 1, 2021 - Hospitals submit report of activities to the Department.

September 15, 2021 - the Department sends request for clarification to hospitals or notice of submission acceptance.

October 1, 2021 - Hospitals respond to Department request(s) for clarification.

October 15, 2021 - the Department sends final response to Hospitals.

January 15, 2022 - the Department submits a summary report to the General Assembly and the submitted reports are made available on the public [web page](#).

VII. Report Template

The Department has provided a report template for reporting hospitals to fill out and submit to the Department. All submissions should be sent to hcpf_hospitalcommunity@state.co.us. The report template includes:

- A checklist for required information
- A public meeting section
- An investment and expense reporting section
- An additional information section
- Report certification page
- Definitions

A. Checklist

The checklist should be used to ensure all required elements are submitted. Please provide the URL for the webpage the submitted Hospital Community Benefit Report will be posted. The report should be posted within 30 days of final submission.

B. Public Meeting

The public meeting section includes the date, time, and location of the public meeting as well as what outreach efforts were taken, and any actions taken as a result of feedback received. The location at minimum should include:

- The location the meeting was held
- The city where the meeting was held
- The physical address is not required but can be include
- If the meeting was held virtually please include what method and how many people were in attendance

When describing the outreach efforts taken include:

- The names of any community organizations or partners contacted
- The names of any publications used
- The names of any media used

C. Investments and Expense Reporting

The investment and expense reporting section should be used to provide information on expenses, revenue, and investments. A table has been

provided for the investment information. For each investment please include the following:

- Name
- Amount
- A brief description of what it is
- A brief description available supporting evidence that shows how the investment improves Community health outcomes
- Select the most appropriate category for each investment.

D. Additional Information

In the additional information section please provide any additional information or explanation you feel is relevant or necessary for the information provided within the report.



VIII. Definitions

Community - the community that a hospital has defined as the community that it serves pursuant to 26 CFR § 1.501(r)-(b)(3).

Community Benefit Implementation Plan - a plan that satisfies the requirements of an implementation strategy as described in 26 CFR § 1.501(r)-3(c).

Community Health Center - a federally qualified health center as defined in 42 U.S.C. sec. 1395x(aa)(4) or a rural health clinic as defined in 42 U.S.C. sec. 1395x (aa)(2).

Community Health Needs Assessment - a community health needs assessment that satisfies the requirements of 26 CFR § 1.501(r)-3(b).

Community Identified Health Need - a health need of a Community that is identified in a Community Health Needs Assessment.

Financial assistance policy (FAP) - a written policy that meets the requirements described in § 1.501(r)- 4(b).

Free or Discounted Health Care Services - health care services provided by the hospital to persons who meet the hospital's criteria for financial assistance and are unable to pay for all or a portion of the services, or physical or behavioral health care services funded by the hospital but provided without charge to patients by other organizations in the Community. Free or Discounted Health Care Services does not include the following:

1. Services reimbursed through the Colorado Indigent Care Program (CICP),
2. Bad debt or uncollectable amounts owed that the hospital recorded as revenue but wrote off due to a patient's failure to pay, or the cost of providing care to such patients,
3. The difference between the cost of care provided under Medicaid or other means-tested government programs or under Medicare and the revenue derived therefrom,
4. Self-pay or prompt pay discounts, or
5. Contractual adjustments with any third-party payers.

Examples of Free or Discounted Health Care Services

- Charity care or financial assistance program excluding CACP
- Free services such as vaccination clinics or examinations

Health System - a larger corporation or organizational structure that owns, contains, or operates more than one hospital.

Programs that Address Health Behaviors or Risk - programs funded by the hospital and provided by the hospital or other Community organizations that provide education, mentorship, or other supports that help people make or maintain healthy life choices or manage chronic disease, including addiction prevention and treatment programs, suicide prevention programs and mental health treatment, programs to prevent tobacco use, disease management programs, nutrition education programs, programs that support maternal health, including screening, referral and treatment for perinatal and postpartum depression and anxiety, and healthy birth outcomes, and programs that help seniors and people with disabilities live as independently as possible in the Community.

Programs that Address the Social Determinants of Health - funding or in-kind programs or services that improve social, economic, and environmental conditions that impact health in the Community. Social and economic conditions that impact health include education; employment; income; family and social support; and Community safety. Environmental conditions that impact health include air and water quality, housing, and transit. Programs that Address the Social Determinants of Health include but are not limited to the following:

1. Job training programs,
2. Support for early childhood and elementary, middle, junior-high, and high school education,
3. Programs that increase access to nutritious food and safe housing,
4. Medical Legal Partnerships, and
5. Community-building activities that could be included in Part II of Schedule H of the Form 990.

Reporting Hospital

1. A hospital licensed as a general hospital pursuant to Part 1 of Article 3 of Title 25 of the Colorado Revised Statutes and exempt from Federal taxation pursuant to Section 501(c)(3) of the Federal Internal Revenue code, but not including a general hospital that is federally certified or undergoing federal certification as a long-term care hospital pursuant to 42 CFR § 412.23(e) or that is federally certified or undergoing federal certification as a critical access hospital pursuant to 42 CFR § 485 Subpart F,
2. A hospital established pursuant to § 25-29-103 C.R.S., or
3. A hospital established pursuant to § 23-21-503 C.R.S.

Safety Net Clinic - a Community clinic licensed or certified by the Department of Public Health and Environment pursuant to Section § 25-1.5-103 (1)(a)(I) or (1)(a)(II), C.R.S.

