

Leveraging community engagement for hospital community benefit accountability

Hospital Transformation Program (HTP) Community Advisory Council

4/19/2021

What is community benefit?

- Required of charitable hospitals as a condition of tax exemption
- Not explicitly defined under federal statute or regulations
- Schedule H (Form 990) categories –
 - Financial assistance provided to patients (charity care)
 - Unreimbursed costs associated with Medicaid and other public coverage
 - Community health improvement activities
 - Health professions education
 - Research
 - Cash or in-kind support to community groups

Problem with federal Schedule H categories

- Questionable benefit to the hospital's community
- Self-promotion
- Medicaid "short-fall"
 - Private hospitals provide care to Medicaid patients without a tax exemption
 - Medicaid payments measured against high costs
 - There is no short-fall ...

Medicaid short-fall myth

- In aggregate, hospitals report that underpayment from public coverage programs and other non-privately insured payers amounts to **\$ 3.3 billion**
- In aggregated, hospitals report overcharging private carriers **\$4.4 billion**
- **By using community benefit dollars to cover Medicaid short-falls tax exempt hospitals are essentially paying themselves back a second time**

Community benefit spending on Medicaid “short-fall”

- **Reporting entity 1:** 91% of community benefit
- **Reporting entity 2:** 87% of community benefit
- **Reporting entity 3:** 86% of community benefit
- **Reporting entity 4:** 84% of community benefit
- **Reporting entity 5:** 73% of community benefit
- **Reporting entity 6:** 70% of community benefit

All together these hospitals attributed \$700 million in community benefit to spending on Medicaid “short-fall”

State community benefit requirements

Colorado

- Transparency
- Information about each individual facility
- Information about government owned hospitals

Other states

- Community benefit spending floor
- Michigan audit to determine benefit of tax-exemption

Ensuring spending goes to community health needs

- Mental health crisis
- Housing insecurity
- Education needs
- Nutrition assistance
- Accessibility of our communities
- Services for people facing discrimination
- Rural health care/specialty care
- Racial health inequities

Community health assessment requirements

- Federal CHNA requirement
- State-required community meeting
- State-required CHNE for HTP
- Local public health plans
- Statewide public health plans
- Other assessments (i.e. Area Agencies on Aging)

Federal CHNA requirement for charitable hospitals	State required annual community meeting for charitable hospitals	State required CHNE for HTP participating hospitals	State required statewide public health plan	State required county and district public health plans
<p>Timeline 1 every 3 years</p> <p>Community engagement requirement</p> <p>Solicit and take into account input received from persons who represent the broad interests of the community, including those with special knowledge of or expertise in public health, including</p> <ul style="list-style-type: none"> - At least one state, local, tribal or regional PH dept or a state office of rural health - Member of medically underserved, low-income, and minority populations or organizations serving or representing the interests of these individuals - Written comments <p>Permissive: consumers/ advocates, nonprofits/CBOs, academia, local government, school districts, providers/ health centers, insurers/ MCOs, business, labor</p>	<p>Timeline 1 a year</p> <p>Community engagement requirement</p> <p>Seek feedback (on community benefit implementation plan) from</p> <ul style="list-style-type: none"> - Local public health agencies - Chambers/economic development orgs - Health care consumers - School districts - City and town governments - Community health centers - Rural health clinics - Area agencies on aging - HCPF, CDHS, CDPHE, Commission on higher Ed, OSPMHC, - General public 	<p>Timeline Ongoing during HTP</p> <p>Community engagement requirement</p> <p>Solicit and incorporate feedback from</p> <ul style="list-style-type: none"> - RAEs - LPHAs - Mental Health Centers - CHCs/FQHCs/Rural health centers - PCMPs - Regional Emergency Medical and Trauma Services Advisory Councils - LTSS Providers - Community organizations addressing SDOH - Health Alliances - Consumer advocates/advocacy organizations 	<p>Timeline 1 every 5 years</p> <p>Community engagement requirement (None)</p> <p>The plan shall be developed in consultation with the stat board and representatives from the state department, county, or district public health agencies</p>	<p>Timeline 1 every 5 years (after statewide plan)</p> <p>Community engagement requirement</p> <p>Describe how representatives of the local community develop and implement the local plan</p> <p>Address how county or district or public health agencies coordinate with the state department and others within the public health system to accomplish goals and priorities identified in the statewide plan</p>

Discussion

- Questions?
- General impressions?
- Legislating community benefit priorities v. relying on community health needs assessments
- What needs to happen to improve the meaningfulness of community health needs assessments? Who needs to be at the table in order for us to get there?
- What do community partners need in order to participate?