

Using Your Community Benefit Report to Maximize Understanding, Loyalty and Support

Public trust and confidence are critical to sustaining competitive success, building a broad and cohesive base of hospital advocates, and ensuring widespread support for the hospital or health system's important mission and vision. Producing a community benefit report is a critical component of this process and provides hospitals an opportunity to clearly demonstrate the benefit and value they provide to their local communities.

Too often, boards of trustees assume that public awareness, trust and confidence are not an issue unless they hear otherwise. This can be a dangerous assumption, and ignores the fact that issues of community confidence and trust often bubble below the surface, and may not be apparent to board members in the course of their engagement with the people they work with and know in the community.

IRS Form 990 and Schedule H

The Internal Revenue Service (IRS) Form 990 includes a number of specific schedules organizations must complete, depending upon the types of activities they engage in. One of those is "Schedule H," which must be completed by all hospitals or other organizations that provide medical care. The form also includes schedules on executive compensation, related organizations, asset transfers/termination of exempt entity, tax-exempt bonds and governance.

The Schedule H is an opportunity to define the benefit provided to the community, as it requires itemized reporting of:

- Financial assistance and means-tested government programs (such as Medicaid) and certain other community benefits provided (such as community health improvement services, health professionals education, subsidized health services and research).
- Community building activities, including physical improvements and housing, economic development, community support, environmental improvements, leadership development, coalition building, community health improvement advocacy, workforce development and more.
- Bad debt, Medicare and collection practices.

The Schedule H also asks a variety of pinpointed questions about the hospital or health system's community health needs

assessment, financial assistance policies and billing and collections.

The Perception Problem

There is a significant consumer frustration about health care driven by a lack of awareness and understanding of the current system and its challenges, something that an effective community benefit report and community engagement effort can address. Most people do not understand how hospitals are organized and managed, how they work, what they do to provide charity care, or what they do in their communities as a part of their mission to provide community benefit and improve community health.

They do not understand the magnitude of the forces that are changing health care, including payment inadequacies, the negative impacts of overregulation, dramatic shifts in technology, changes in the workforce, the need for hospitals to address community needs and social determinants of health, and more.

In the absence of information and evidence, people rely on personal experiences, their own intuitive beliefs and personal opinions to shape and sustain their belief structure about what's good and bad about health care. It is extremely hard to impact peoples' strongly-held beliefs and perceptions, but hospital leaders have an opportunity to help shape positive public perceptions about their hospital. They have an obligation to communicate the unique challenges it faces, how it's dealing with those challenges in a very difficult environment, and why the hospital relies on the commitment and loyalty of its community to ensure its ability to continue providing high-quality health care services well into the future.

What Counts, What Doesn't

As hospitals work to create a community benefit report, a number of questions must be addressed concerning what activities hospitals should include. The following are points to consider for inclusion:

- **Community Health Education.** Education on specific disease conditions, health promotion and wellness programs, prenatal classes serving at-risk populations
- **Community-Based Clinical Services and Subsidized Services.** Free or low-cost care to the uninsured, vans and mobile units used to deliver primary care services, hospice and home care, charity care and bad debt, free or discounted immunizations at a health fair or mall presentation
- **Financial Contributions.** In-kind services donated by staff during working and non-working hours, donated space to community groups for meetings, fund-raising costs for community programs
- **Community-Building Activities.** Financial support for community health programs and partnerships, participation in economic development council, community forums and reports
- **Health Professions Education.** Internships, residencies, scholarships, tuition reimbursements as an employee benefit, subsidized on-site training for nurses, nursing students and technicians, training for medical translators

Source: Catholic Health Association

Using Connections to Build Benefit and Understanding

Trustees are in a unique position as community representatives and advocates to ensure that the hospital has tight community connections. They should listen to community needs and challenges, and build community understanding and awareness about the issues and challenges their hospital faces—challenges that the community likely doesn't fully understand or appreciate.

While it's hard to impact strongly held beliefs and perceptions, perception can be tipped with the correct information and communication, delivered consistently and effectively over time by trusted individuals. Making that happen is the principal job of the "community-centered" board.

In order to capitalize on that opportunity, the board needs to truly understand what the community wants and needs, and what it thinks and believes. Once that understanding has been achieved, the board needs to be committed to driving responses to the needs, interests and concerns of what some call the "communities within the community," the many different stakeholders and constituents that, taken together, form the total fabric of the community.

But the job does not stop there. The board needs to ensure that the hospital is committed to measuring and evaluating its performance in meeting community needs, delivering the benefit and value the community expects.

Once that value has been clearly defined, it should be communicated widely in ways that are meaningful to various community constituencies. A one-size message does not

work. Different constituencies have different needs and different confidence "trigger points."

People throughout the community need to be informed and engaged in meaningful discussions about the role and value of the hospital, and the benefit it provides that is unique to them and their needs. It's only through this kind of customized community connection that the hospital will be able to build a broad body of advocates in every corner of the community to support what Dick Davidson, the former president of the AHA called hospitals' "rightful place as valued and vital community resources that merit broad public support."

Determining Value and Communicating the Message

Creatively and consistently conveying the value message is accomplished through a community benefit report that defines and communicates the true benefit and value hospitals create, not simply the economic value they provide, or the economic multiplier they create.

Accomplishing that requires an organization to be willing to think differently about what benefit and value are, to be passionate about helping the community make the connection, and willing to make a community value and benefit reporting process more than a one-time effort that's undertaken because it's the "solution of the day."

Instead, it's the bedrock for building a lasting foundation of community understanding and community willingness to join the fight to improve health care funding, remove unnecessary governmental and regulatory barriers, and ensure the long-term future of the hospital. It's useful as a community support

Typical Community Benefit Report Content

A hospital or health system's community benefit report should be one of the most important documents produced for the community. Report content should include:

- A message from the CEO and the board chair that outlines the importance of the hospital to the community, and that highlights many of the important community benefit successes achieved in the last year
- Mission and vision statements
- Background information about the hospital, such as the hospital's size, how long it has been serving the community, etc.
- A map of the hospital's service area
- An overview of services offered
- A list of hospital leaders, including members, senior staff and the Chief of Staff
- A discussion of emerging health issues and community health risks, and ways the hospital is working to address them
- A list of community benefits provided, including program and service descriptions and estimated contribution to the community
- Personal stories and photos highlighting the impact of programs and services on the local community
- A list of community partners and how the hospital works with those partners on behalf of the community
- A community benefit "inventory," or table showing the breakdown of total resources devoted to medical services, care and benefits for vulnerable populations, and services to the broader community
- Measurable results of community benefit activities
- Financial information, including financial statements, sources of revenue and expenses, and vital statistics

and loyalty-building tool, an advocacy tool, a business-building tool, a volunteer-raising tool, and a board recruitment and orientation tool.

Developing a Community Benefit Report

There are a number of different approaches hospitals may use to share information publicly about their commitment to their local communities, and about the services and

benefits they provide. It is important that hospitals provide this information to help their communities understand the kinds of services that are available to them, and also to respond to calls for greater public accountability for hospital activities.

Because each hospital and community is unique, no single approach works best for all. It's essential to create an organized, well-crafted document that clearly and powerfully describes all of the services and benefits the hospital provides, along with a translation of the

impact of the hospital's activities and efforts on community health.

The American Hospital Association has offered a checklist to help ensure hospitals have created a document which demonstrates each hospital's unique story about what the hospital is doing and how it helps serve the community. There are a number of factors hospitals should consider when developing a community benefit report:

- ***The hospital's mission, values, and goals must be clear to employees, medical staff, and the public.*** The mission/values/goals are clearly described, easily understood, and communicated throughout all levels of the organization and surrounding communities.
- ***Community connection is demonstrated.*** There is a clear understanding of the social, geographic and economic characteristics of the hospital's community. The hospital recognizes the unique health trends of the community and what barriers to care exist. In addition, the hospital has clearly defined its connection to other governmental and social service organizations when conducting a community needs assessment.
- ***A comprehensive inventory of the benefits the hospital provides to the community are available.*** The needs of the community that are being met through

inpatient diagnostic and treatment services should be made available in a language easily understood by all. Additionally, the value and effect of outpatient, off-site and extended care services should be presented. The hospital should identify programs and services targeted to the hospital's communities and vulnerable populations.

Not only should these services be made aware to the community, but the hospital should work to eliminate the economic, social, and cultural barriers that exist. A master list of each community program offered by the hospital should be created that helps emphasize the community benefit the hospital provides. Furthermore, to ensure continued support for the programs offered, the hospital should work with community funding organizations to guarantee financial assistance.

- ***The impact the hospital's programs and services have on the community the hospital serves are emphasized.*** Hospitals should estimate how many people have been impacted by the services provided. In addition, hospitals should gather information on the impact their services have had on their community's health status. From this data, hospitals can then modify and/or improve any services to better suit the needs of the local community.

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