Elements of an Effective CHNA: Moving from Compliance to Transformation

Dialogue4Health Webinar
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Overview

• Community Benefit defined

• New Federal reporting requirements, health reform and implications

• Emerging tools and practices
Community Benefit Defined

**IRS definition** - The promotion of health for class of beneficiaries sufficiently large enough to constitute benefit for the community as a whole.

- Reference to a defined community suggests a population health orientation
- Determining the minimum size for the “class of beneficiaries” needed suggests accountability for a measurable impact.

*IRS Rulings 69-545 (1969) and 83-157 (1983)*
Historical Tendencies in Practice

Opinions  Editorials

OFFICE OF HOSPITAL COMMUNITY BENEFITS

...DON'T FORGET THE FREE WATER AT ALL OF OUR DRINKING FOUNTAINS....

CHARITY CARE
BAD DEBT
MEDICARE/MEDICAID SHORTFALLS
FREE PARKING
PUBLIC RESTROOMS
AIR
Areas for Improvement

• There are a growing number of well designed, evidence-informed, comprehensive CHIs undertaken by hospitals across the country, but persistent challenges include:
  – Mostly small scale, proprietary program activities
  – Lack of internal capacity for program monitoring
  – Lack of attention to place-based context and mobilization of community assets
  – Insufficient integration of upstream interventions and clinical service delivery
  – Lack of understanding of importance of quality CHNA and priority setting process in setting the stage…
• An organization meets the CHNA requirements with respect to any taxable year only if the organization—
  – “(i) has conducted a **CHNA** which meets the requirements of subparagraph (B) in such taxable year or in either of the 2 taxable years immediately preceding such taxable year, and
  – “(ii) has adopted an **implementation strategy** to meet the community health needs identified through such assessment.
Defining Community - IRS Language

• “...a hospital organization may take into account all the facts and circumstances in defining the community a hospital facility serves. Generally, Treasury and the IRS expect that a hospital facility’s community will be defined by *geographic location* (e.g., city, county, or metropolitan region).”

• “...a community may not be defined in a manner that circumvents the requirement to assess the health needs of the community by excluding, for example, *medically underserved* populations, *low income* persons, *minority groups*, or those with chronic disease needs.”
Implications of Schedule H

- Significant expansion in transparency regarding the charitable practices of tax exempt hospitals

- Will be comparative analyses conducted at national, state, MSA, county, municipality, and congressional districts. Examples:
  - Language in charity care policies, and budget levels established
  - Billing and collection practices (e.g., eligibility criteria, thresholds)
  - How community is defined in geographic terms and includes proximal areas where there are health disparities.
  - How solicit and use input from diverse community stakeholders.
  - Connection between priorities and program areas of focus.
  - Explanation of why a hospital isn’t addressing selected health needs.
  - Volume of charitable contributions in each category.
CHNAs: the Next Generation

• Not a “check the box” exercise, but an integral part of the CHI process:
  – Engage diverse stakeholders
  – Build shared ownership
  – Use online GIS platforms to for data collection and ID concentrations of unmet needs (e.g., CHNA.org)
  – Set priorities (collaborative)
  – Establish baseline to monitor evidence-based interventions
  – Leverage limited resources
  – Build platform for shared advocacy
  – Share accountability and credit
First do no harm…

• In contrast with pro forma approaches, conducting a genuine community health assessment comes with a special responsibility to act upon what we discover...
  
  – And to do so in a manner that engages and mobilizes the full spectrum of community assets
  
  – AND optimally leverages the limited resources of hospitals (and other stakeholders!).
Community Health Improvement: A Framework to Promote Best Practices in Assessment, Planning and Implementation

Accountability Mechanisms

- Accreditation Requirements
- State and Community-based Analyses of CHNA/Implementation Strategy Public Reports

Hospital, LPHAs, United Way & Others COLLABORATING

CHNA/CHA

Implementation Strategy/CHIP

Implementation

Improved Community Health Outcomes?

Data and Analytic Support Platform

$ 501(r) Requirements, Form 990 Schedule H

Reports

Community Benefit 26 USC § 501(c)(3), IRS Ruling 69-545

TRANSPARENCY

Monitoring & Evaluation

Key Issues to Address to Promote Alignment between Accreditation, NP Hospital CB, and Other Community-Oriented Processes

- Arranging Assessments that Span Jurisdictions
- Using Small Area Analysis to Identify Communities with Health Disparities
- Collecting and Using Information on Social Determinants of Health
- Collecting Information on Community Assets
- Using Explicit Criteria and Processes to Set Priorities (use of evidence to guide decision-making)
- Collaborating Across Sectors to Implement Comprehensive Strategies
- Assuring Shared Investment and Commitments of Diverse Stakeholders
- Participatory Monitoring and Evaluation of Community Health Improvement Efforts
Public Reporting & Advancing Practices

- Project funded by CDC through cooperative agreement with NNPHI and implemented by PHI to convene experts from hospitals, PH, community, research institutions, and government agencies in July 2011 to examine CHI science, practices, opportunities and challenges. Extensive report of proceedings available online at http://www.phi.org/uploads/application/files/dz9vh55o3bb2x56lcrzyel83fwfu3mvu24oqqv5z6qaeiw2u4.pdf

- CDC, NNPHI, PHI convened expert panel December 2011 – May 2012 to develop tools to support CAHs and advance CHNA process (produced CHNA. Org Vulnerable Populations Footprint mapping tool).

- Current project to enhance VPF mapping tool and develop data sharing system for local stakeholders to facilitate the advancement of practices.

- Complementary project at GWU focusing on data clearinghouse for quantitative elements of IRS 990, Schedule H.
Atlanta-Sandy Springs-Marietta, Georgia, Core Based Statistical Area

Highlighting Census Tracts with Poverty 30% or higher and Percent not completing high school greater than or equal to 20% for the population 25 and older. Federally Qualified Health Centers and Children's, Short Term, and Critical Access Hospitals

- Nonprofit, for profit, and public acute care hospital
- Federally Qualified Health Center (FQHC)

Census Tract with High School non-completion 20% or greater

Census Tract with Poverty 30% or higher

Atlanta City Limit

CHI Guiding Principles

1. Multi-sector collaborations that support the goal of shared ownership of all phases of CHI.

2. Proactive and diverse community engagement to improve results and create the strongest possible sense of ownership.

3. A definition of community that is broad enough to consider policy solutions and targeted to address disparities.


5. CHI investments foster innovation, while resting on evidence-based interventions linked to measurable results.

6. Continuous improvement through ongoing evaluation.

7. High quality data pooled shared among diverse public and private sources.

1 – CDC Online Resource developed by GWU SPH
## Compliance and Transformation

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<tr>
<th>Compliance</th>
<th>Transformation</th>
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<tr>
<td><strong>Shared Ownership</strong></td>
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<tr>
<td>Co-finance consultant to conduct CHNA</td>
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<tr>
<td>Hold meetings to discuss design</td>
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<td>Return to hospital to set priorities</td>
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**Diverse Community Engagement**

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<td>Solicit input through surveys, focus groups, town halls on health care needs – no action required</td>
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<td>Meet with local or state PH officials</td>
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**Broad Definition of Community**

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<tr>
<td>Define community as hospital service area</td>
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<tr>
<td>Identify underserved pops w/in service area</td>
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<td>Design programs at service area level</td>
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**Maximum Transparency**

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<tr>
<td>Post CHNA report on hospital website</td>
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<tr>
<td>Attach Implementation Strategy (IS) to Schedule H submittal or post on website</td>
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Compliance and Transformation, cont’d.

Compliance

Innovative & Evidence-Informed Investments

Describe how hospital will address priority unmet needs

Transformation

Survey best practices to ID strategies with evidence of effectiveness or that offer considerable promise
Establish shared metrics that will document ROI at multiple levels

Incorporate Continuous Improvement

Establish indicators of progress (e.g., systems reforms) that validate progress towards outcomes
Establish monitoring strategy that integrates adjustments based upon emerging findings

Pooling and Sharing of Data

Sharing of utilization data across hospitals, PH, CHCs to assess total cost of care
Proactive determination of ROI at institutional and community level
ACA and Convergence Opportunity
Community Benefit and Health Reform

PAYMENT MODELS
- Fee for Service
- Episode-Based Reimbursement
- Partial—Full Risk Capitation
- Global Budgeting

INCENTIVES
- Conduct Procedures
  - Evidence-Based Medicine
- Fill Beds
  - Clinical PFP
- Expand Care Management
- Risk-adjusted PFP
- Reduce Obstacles to Behavior Change
- Address Root Causes

METRICS
- Net Revenue
  - Improved Clinical Outcomes
  - Reduced Readmits
- Reduced Preventable Hospitalizations/ED
- Reduced Disparities
- Aggregate Improvement in HS and QOL
- Reduced HC Costs
Opportunities for CB – CRA Alignment
IRS Adjustments on Community Building

• Acknowledgment at IRS that initial ruling based upon a **poor understanding** of importance in community health improvement.

• The most recent IRS instructions include indication that “**some of these activities may also meet the definition of community benefit,**”
  – Hospitals encouraged to document as community health initiative activities

• **Three basic criteria** in instructions justify reporting as a CB:
  – CHNA developed or accessed by the organization;
  – Community need or a **request from a public agency** or community group
  – Involvement of unrelated, collaborative tax-exempt or government organizations as partners.

• Many hospitals have provided support for community building for decades, and are encouraged to report these activities as CB.
CRA Regulations

• Passed in 1977; not effectively enforced until early-mid 80s, based on advocacy from groups such as ACORN.

• Purpose is to redress decades of disinvestment in urban inner city communities driven by financial institutional “red-lining”

• Defines any of the following as lawful investments in geo areas that meet CRA criteria:
  – Equity investment in a small business venture capital company or community development corporation
  – Investment in bonds with a primary purpose consistent with community development
  – Deposit or membership share in a community development financial institution (CDFI)

• Estimates of annual investments are in the range of tens of billions per year
Potential Areas of Investment

• **Areas of Focus**
  – Housing development – renovation
  – Housing – health services – retail (e.g., food)
  – CHC development / expansion in scope of services
  – Child care / development
  – Small business / job development

• **Alignment Strategies**
  – Geo focus in targeted neighborhoods (rather than regional) aligned with hospital/PH interventions
  – Social capital investments, foundation grants to address pre-development obstacles to focused investment
Federal Reserve Bank of SF and Convergence Strategy

- Initiated through leadership of David Erickson, Ian Galloway, and other colleagues at Fed in SF.

- Initial focus on convening financial institutions and PH.

- Project funded by RWJ led by Doug Jutte to develop systems for measurement of health impacts, support convergence strategy.

- Began dialogue in 2012 to expand to engage hospitals, explore specific opportunities for convergence.

- Held initial meeting in SF in February 2013, with focus on building on strategy to be described by Dr. Aragon. Funding request under consideration.

- Exploring potential for meetings in a number of other cities in CA and across the country.
Health Systems Learning Group

- **Formation of HSLG in 2011**
  - 36 health systems, representing over 400 hospitals from around the country
  - Communicate commitment to voluntary leadership
  - Monograph and Executive Summary available at [http://www.faithhealthnc.org/Resources.htm](http://www.faithhealthnc.org/Resources.htm)

- **Impetus** - Transformation of health care delivery and financing

- **Imperative** - Build shared ownership for health with diverse community stakeholders

- Coordination with White House Office of Faith-Based and Neighborhood Partnerships

- Moving towards development of set of core objectives
  - Proactive care management – reducing preventable utilization
  - Building transformational partnerships
  - Addressing determinants of health
Collective Impact
Collective Impact - Obesity

Community

Backbone Org. - Integrator

Actions

- Expanded Care Management
- Health Education
- Community Mobilization
- Policy Development
- Business Development

Shared Metrics

↓ Diabetes PQI
↑ Food Access
↑ + Options in schools
↑ Awareness/knowledge
↑ Physical activity

Hospital 1
Hospital 2
K - 12 Schools
Local Business 1
Local Business 2
Community Development Dept.
Bank (CRA)

Youth Serving CBO
Faith Community
Resident Coalition
Elected Officials
Parks &Rec Dept.
Philanthropy
Higher Ed

K-12 Schools
Community
Development
Dept.
Bank (CRA)

Community
Development
Dept.
Bank (CRA)
Measurement and Accountability

• Important for all stakeholders to develop and monitor progress towards specific metrics, but avoid the “paralysis of analysis”…

  – The goal is **not** seeking publication in peer review journals, but outcomes that are meaningful to diverse stakeholders

  – Resist the tyranny of the epidemiological approach that requires attribution of outcomes to specific interventions (or components thereof)

  – The community context requires a comprehensive approach that aligns multiple interventions and actions to **build critical mass**…
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