



The Commonwealth of Massachusetts
Executive Office of Health and Human Services
Department of Public Health
250 Washington Street, Boston, MA 02108-4619

DEVAL L. PATRICK
GOVERNOR

JOHN W. POLANOWICZ
SECRETARY

CHERYL BARTLETT, RN
COMMISSIONER

Determination of Need Factor 9
Community Health Initiatives
Policies and Procedures
(Revised August 19, 2014*)

Introduction

The Determination of Need (DoN) Program promotes the availability and accessibility of cost effective quality health care services to the citizens of Massachusetts and assists in controlling health care costs. DoN was established by the Legislature in 1971 to encourage equitable geographic and socioeconomic access to health care services, help maintain standards of quality, and constrain overall health care costs by eliminating duplication of expensive technologies, facilities and services. The DoN program receives applications from health care facilities planning substantial capital expenditures or substantial change in services. It is the responsibility of DoN to evaluate proposals and make recommendations to the Public Health Council members who then approve or disapprove the expenditures and/or new services. The DoN program reviews applications using specific standards and guidelines.

The DoN regulation (105 CMR 100.000) requires that applicants include plans for the provision of primary care and preventive services, known as Community Health Initiatives (CHIs). Applicants develop CHIs in cooperation with the MDPH Office of Community Health Planning. The Public Health Council must approve CHIs as part of the DoN process. This document provides guidance for the development of CHIs.

Applicable Regulation

The Determination of Need primary and preventive health care services and community contributions review factor is required under 105 CMR 100.533(B)(9) and described under 105 CMR 100.551(J) as follows:

- (1) the holder [of an approved DoN] shall expend, over a five-year period (or other period approved by the Department) an amount reasonably related to the cost of the project, for the provision of primary and preventive health care services necessary for underserved populations in the project's service area (or other area approved by the Department) and reasonably related to the project, in accordance with a plan submitted as part of the application process (*see* 105 CMR 100.533(B)(9)) and approved by the Department; and
- (2) the holder shall file reports with the Department detailing compliance with its approved plan, and to the extent practicable, an evaluation of the health effects thereof. The frequency, content and format of such reports shall be established by the Department.

Note: the Community Health Initiatives (CHI) program is commonly referred to as “Factor 9,” since it is required under section 9 of subsection 100.533(B) of the Determination of Need regulation.

Customary Contribution and Expenditure Period

The customary contribution for Community Health Initiatives is five percent of the approved Maximum Capital Expenditure for a DoN project. The total approved CHI expenditure is normally divided for allocation in even amounts over a five-year period from date of commencement of the approved project. Longer or shorter periods and uneven annual allocations may be negotiated. CHI expenditures may commence concurrent with start-up operations of completed DoN projects or upon Public Health Council approval of DoN applications. The Department may occasionally negotiate discounts for large projects that begin CHI payments upon approval of DoN applications. Although the regulation permits waiver of the requirement, the Department has never waived the CHI requirement for applicable projects.

Program Purpose & Principles

The Community Health Initiative (CHI) program is intended to foster collaborations between applicant institutions, local public health authorities, and community-based partners to improve the health status of vulnerable populations and to build community capacity to promote social determinants of good health.

The CHI program supports Healthy Communities principles expressed in documents such as the Ottawa Charter for Health Promotion,ⁱ the U.S. Department of Health and Human Services guide to “Healthy People in Healthy Communities,”ⁱⁱ and the World Health Organization report, *Primary Health Care: Now More than Ever*.ⁱⁱⁱ In brief, these authorities agree that population health requires social justice and attention to the full range of issues upon which good physical health is based, including personal safety, a healthy environment, employment and income security, and affordable access to high quality food, housing, education, transportation, and health care services that focus on the prevention of injury and disease.

The CHI program embraces a broad definition of health, including physical, mental, and social well-being. Since health is influenced by the inter-relationships of social, environmental, and economic factors, good health requires that people are able to exercise personal and collective power over the conditions that influence their well being. CHI expenditures are therefore directed not only to support effective health services, but also to build sustainable capacity for community health promotion involving broad-based cooperation among public and private sector institutions, organizations, leaders, and residents.

Eligible Expenditures

Issue Priorities

CHI expenditures should be directed to evidence-based or promising, innovative practices to improve primary care and preventive health services for vulnerable populations, with a focus on at least one of the following MDPH issue priorities:

- 1) eliminating racial, ethnic, and other health disparities and their social determinants;
- 2) preventing and managing chronic disease and promoting wellness in the home, workplace, school, and community;
- 3) supporting the role of public health in implementing health care reform;
- 4) strengthening the state and local public health infrastructure; and
- 5) eliminating youth violence.

MDPH will consider alternative program initiatives in the event that community input strongly indicates the need for such alternative initiatives.

Partnerships

MDPH is interested in supporting projects that strengthen public health systems at the local and regional levels and that involve expanded partnerships to promote health. Projects may involve municipal health departments, community health centers, and other community-based health organizations. Projects may also involve innovative collaborations with non-traditional public health partners, such as community development corporations, schools, or other organizations based in or accountable to their communities that address social determinants of health.

Methods

Projects may utilize methods including:

- community-based outreach, health education, screening, and treatment services, including use of community health workers;
- environmental strategies to promote health, reduce risks, and prevent injury and chronic disease;
- policy development and advocacy;
- community-based organizing;
- coalition building and maintenance;
- leadership training;
- workforce development; and
- other population-based, community-level, or system change strategies.

Non-Allowable Expenditures

Because CHIs are intended to expand community-based services and enhance community collaborations to promote health, applicants should not, in general, propose Factor 9 expenditures that will be used for:

- medical treatments that fall within the customary scope of the applicant's activities;
- capital and operating expenses for medical programs based at the applicant institution or its affiliated health facilities;

- costs of transportation to/from applicant’s facilities and services, except when necessary to accomplish the objectives of a specific CHI;
- costs associated with developing or expanding interpretive services required as a condition of the DoN by the MDPH Office of Health Equity.

Expenditures must be “new money” and are not meant to replace programs that applicants provide pursuant to the community benefits guidelines of the Office of the Massachusetts Attorney General (AGO).

Exceptions to these exclusions may be considered and approved by MDPH Office Community Health Planning in consultation with CHI planning partners.

Proposal Development Process

CHIs proposals are normally developed through a cooperative process involving the DoN applicant, director of the MDPH Office of Community Health Planning, and representatives of community-based health coalitions and local public health authorities in the applicant’s service area. Directors of appropriate MDPH regional health offices across the state may also be involved.

Upon notifying the MDPH DoN office of intent to file an application, the applicant or applicant’s agent will be directed to the MDPH Office of Community Health Planning (OCHP) for assistance with Community Health Initiative planning. The OCHP director mediates the Factor 9 planning process and must approve the CHI proposal before it is submitted through the DoN office for consideration as part of a complete application to the Public Health Council. The OCHP Director reports to the Associate Commissioner of Health Policy and Planning, Office of the Commissioner, who may also be involved in CHI planning.

CHI planning is designed as a cooperative process in which the applicant and community partners agree on strategies to address community health priorities using CHI expenditures. The process is predicated on the following assumptions:

- 1) Planning partners have engaged in a systematic approach to analyzing community demographics, health status of vulnerable populations, community health trends, community assets and needs, and community health priorities.
 - a. Community health assessments and community health improvement plans should be developed through collaborative, integrated approaches that take advantage of opportunities and requirements included in federal and state health care reform (i.e., federal Affordable Care Act of 2010 and state Chapter 224 of Acts of 2012).
 - b. Data from community health needs assessments conducted pursuant to IRS requirements and/or the AGO community benefit guidelines may be utilized in the planning process, subject to consultation with the director of OHC.
- 2) The health planning process has involved a diverse, representative group of stakeholders, including community residents.
- 3) Decisions about CHI expenditures will reflect community health priorities defined through such a planning process.

- 4) The applicant and community health partners will reach decisions about CHI expenditures by consensus.
- 5) In cases where neither the applicant nor community partners have recently conducted community health planning, the CHI proposal should include provisions for such planning as a basis for allocating CHI expenditures.

Frequently, applicants face time constraints in seeking DoN approvals. In order to help community partners—representing multiple organizations—to make decisions without delaying capital planning by applicants, it is important to begin the CHI planning process as early as possible.

Once the applicant has contacted the director of OCHP, steps in the proposal development process will normally include:

- 1) Receipt of written guidance about the CHI/Factor 9 process (this document).
- 2) Discussion about CHI objectives and the CHI process with the OHC director, by phone or in person.
- 3) Meeting(s) to discuss proposals for CHI expenditures involving the applicant and community planning partners. The OCHP director will involve the applicant in identifying community planning partners and will provide contact information and attend and facilitate meetings.
- 4) Drafting by the applicant or applicant's agent of the written CHI proposal.
- 5) Review of the draft proposal by community partners and OCHP.
- 6) Revision of the draft proposal, if necessary, by the applicant and planning partners.
- 7) Approval of the final CHI proposal by the OCHP director, in consultation with the applicant and planning partners.
- 8) Distribution of the approved CHI proposal to the DoN director, applicant, and all involved planning partners by the OCHP director.
- 9) Incorporation of the approved CHI proposal into the final DoN application for consideration by the Public Health Council.

Planning Partners

In addition to the DoN applicant and MDPH, planning partners may include:

Community Health Network Areas

MDPH organized a statewide Community Health Network Area (CHNA) system in 1992, in order to promote community health planning through public-private partnerships involving hospitals, community health centers, local health officials, health and human service providers, business leaders, public safety officials, educators, clergy, and advocates. Some of the state's CHNAs employ full or part time staff members who coordinate grant making and health promotion programs. Other CHNAs provide forums for information exchange among their members. Typically, representatives of the CHNA(s) in the applicant's service area will represent community partners in the CHI planning process. CHNA approval of a draft CHI may require involvement of a steering committee, depending on how the CHNA is organized. This will be clarified for the applicant by the OCHP director early in the planning process.

Community Health Coalitions

Some Massachusetts communities have active health coalitions that were organized independently from the CHNA system and which represent viable partners for community health planning. MDPH will seriously consider requests by DoN applicants to work with such coalitions in developing CHI proposals, in addition to or as alternatives to CHNAs, especially in areas where CHNAs are known to be less active.

Local Public Health Authorities

Boards of Health and health departments are invested by state law and regulation with broad authority and numerous specific responsibilities to protect and promote population health. These functions may also be carried out by public health districts comprised of multiple cities or towns. Municipal or district health officials should be involved in the development of Factor 9 proposals, in order to take advantage of opportunities that may exist to align CHI expenditures with community health improvement plans developed by or in partnership with public health authorities.

Additional Partners

MDPH may also encourage or require that specific, additional stakeholders be engaged in planning CHI projects, in order to ensure adequate representation of diverse perspectives and interests. Additional partners may include representatives of community development corporations not already involved in CHNAs or other community health coalitions. Such requirements may be introduced 1) prior to consideration of Factor 9 proposals or 2) as a condition for approval of proposals in which partners agree to defer decisions about how to allocate certain portions of CHI expenditures.

Community Health Initiative Expenditure Plans

CHI expenditures are intended to strengthen public health systems, as well as to support evidence-based prevention and health promotion projects. CHI proposals should assign specific dollar allocations to a combination of purposes and partners, which may include but not be limited to:

- 1) Allocations to non-profit organizations named in the proposal to carry out identified projects addressing particular health issues and/or the needs of particular populations.
 - a) Designated funds may support public-private partnerships operating under the auspices of non-profit organizations, including foundations and educational institutions.
- 2) Allocations to CHNAs or other named community health coalitions, for discretionary use to carry out projects that will be determined after approval of the DoN application, including:
 - a) health planning grants to community-based organizations,
 - b) implementation of health projects developed with planning grants, and
 - c) “mini-grants” of limited amounts to support discrete community health projects and activities.

Identified non-profit organizations may serve as fiscal agents for such grant making, if agreed upon by planning partners.

- 3) Operating support for community capacity building by CHNAs or other health coalitions.

- 4) Technical assistance provided by non-profit organizations named in the proposal to support community capacity building, health planning, or other identified projects.
- 5) Discretionary funds for allocation by the applicant to support health projects approved in cooperation with the OCHP.

Evaluation and Reporting

Proposals must include specific objectives established as a result of community planning that will support evaluation of CHI impacts. Both process and outcome objectives are acceptable, i.e., MDPH will support the *process* of planning and community capacity building but also expects positive *outcomes*, such as changes in health status, changes in policy, implementation of evidence-based strategies expected to improve health, etc. Proposals should describe planned evaluation methods consistent with the size and scope of each CHI project and with resources available. Proposal budgets should specify funds, if any, to be allocated to evaluation.

Consistent with 105 CMR 100.551(J), applicants are required to file written reports to the department, annually through the duration of each approved project, including a) reporting period; b) funds expended; c) recipient(s) of funds; d) purpose(s) of expenditures; e) project outcomes to date; f) proposed changes, if any, to the approved CHI; g) balance of funds to be expended over the duration of the project; and h) name of applicant's representative, including complete contact information. Reports may but are not required to include copies of printed materials, media coverage, DVDs, etc. Reports may be sent to Cathy O'Connor, Director, MDPH Office of Community Health Planning, 250 Washington St., Boston, MA 02108, or submitted electronically to: cathy.o'connor@state.ma.us.

Evaluation and reporting of CHIs may be coordinated with evaluation and reporting of programs provided pursuant to the Attorney General's community benefits guidelines, subject to consultation with the director of OCHP. Combined reporting and evaluation, if arranged, will be required to clearly distinguish between DoN-funded CHIs and community benefits programs.

ⁱ Available at www.who.int/hpr/NPH/docs/ottawa_charter_hp.pdf.

ⁱⁱ Available at <http://odphp.osophs.dhhs.gov/pubs/healthycommunities/hcomm2.html>

ⁱⁱⁱ Available at <http://www.who.int/whr/2008/en/index.html>.

*Revisions in this version were limited to changing the Office of Health Communities (OHC) to the new Office of Community Health Planning (OCHP) and OCHP Director as reporting to the Associate Commissioner of Health Policy and Planning.