AGO Advisory Task Force on Community Benefits: Meeting 1

APRIL 19, 2017

HEALTH CARE DIVISION
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BOSTON, MA 02108

Agenda

1. History and Overview of Community Benefits Reporting
2. Advisory Task Force Goals and Timeline
3. State Guidelines and Federal Requirements – Opportunities for Alignment

What Are Community Benefits?

- Hospitals have long been recognized for their charity care and efforts to improve the health of the communities they serve.
- Community Benefits are investments by hospitals and HMOs that further their charitable mission of addressing their communities' health and social needs.
- Drawing on the role of AGs in overseeing charities, Community Benefits reporting programs have developed in many states, as well as federally through reporting to the IRS, as a way of formalizing the provision of these benefits and quantifying their community health impact.

Evolution of Community Benefits Reporting in MA

1994 – AGO issues Guidelines for Non-Profit Acute Care Hospitals
1996 – AGO issues Guidelines for HMOs
2002 – AGO revises hospital and HMO Guidelines
2009 – AGO issues further revisions to Guidelines
2009 – IRS introduces Form 990 Schedule H
2010 – Congress enacts ACA § 9007 / IRC § 501(r)
2015 – IRS § 501(r) final regulations in place
2017 – DPH revises DON/CHI standards

Range of State Approaches to Community Benefits

- 25 states have laws requiring community benefits expenditures, at times linked to other benefits or programs like the availability of a tax exemption or a certificate of need.
- 5 states specify minimum expenditures (IL, NV, PA, TX, UT).
- 31 states require community benefits reporting (not including voluntary reporting)
- 11 states require Community Health Needs Assessments
- 10 states require implementation plans/strategies

Community Benefits Reporting in MA

- Hospitals and HMOs collectively reported more than $750 million in Community Benefits expenditures each year between FY2010 and FY2015.
- About half of hospitals' expenditures were for charity care, and about half were for programs addressing specific, identified community health needs.
  - For the first time, in FY2015, hospitals' spending on health programs exceeded their spending on charity care.
- The majority of HMO reported expenditures consists of charity care.
  - In FY2015, HMOs reported $40 million in programming expenditures and $131 million in charity care.

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Advisory Task Force Goals

1. Align AGO Guidelines with IRS and DPH standards to decrease administrative burden on participants and harmonize resources for building long-term capacity to improve health outcomes and reduce disparities
2. Improve coordination among participants and align standards for community engagement throughout the planning and implementation process
3. Develop approaches to improving program assessment and transparency (e.g., by enhancing reporting on individual Community Benefits programs)
4. YOUR IDEAS HERE

Proposed Timeline

Meeting 1 (April): Introduction; Aligning with Federal Reporting Standards

Meeting 2 (May): Aligning with DPH Health Priorities and Community Based Health Initiative Standards

Meeting 3 (June): Collaboration Among Filers

Meeting 4 (July): Community Engagement

Meeting 5 (Sept): Program Evaluation and Learning

Meeting 6 (Oct): Financial Assistance/Debt Collection Policies; Implementation Plans for Updated Guidelines

Meeting 7 (Nov): Review Working Draft of Updated Guidelines

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What Is A Reportable Community Benefit?

Federal	Massachusetts
Charity care	Charity care
Community Health Imprvmt Servs	Community Benefits Programs
Cash and in-kind contributions for community benefit	Cash and in-kind contributions for community benefit
Unreimbursed Medicaid costs	
Health professions education	
Research	
Other Reportable Information	
Community Building Activities	Community Service Expenditures
Bad debt	Bad debt

Community Health Needs Assessment and "Community Benefits Plan"

- IRS requires triennial CHNAs and accompanying Implementation Strategies (i.e., "community benefits plans")
- IRS allows joint CHNAs between hospitals and joint Implementation Strategies
- IRS provides minimum standards for community engagement around CHNAs and Implementation Strategies

Program Assessment and Learning: Room for Improvement

- Federal: CHNA should include an evaluation of the impact of any actions that were taken since the hospital finished conducting its immediately preceding CHNA.
- MA: Annual filing of program-specific information should include short and long term goals, metrics, and an implementation budget.

Useful Information

Next meeting: Monday, May 22, 2-4 pm
100 Cambridge St, Boston
2nd Fl, Conference Rooms C & D

Topic: DPH Health Priorities and Community Based Health Initiative Standards

Questions? Contact AAG David Brill
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