Governing to Address Community Health Needs: Deepening Board Engagement

by Mary K. Totten

Fulfilling their missions; complying with legislative, regulatory and accreditation requirements; maintaining tax-exempt status; reducing health care costs and improving community health and quality of life. These are among the reasons hospitals have long engaged in assessing community health needs and documenting their community benefit activities. However, in today’s environment, setting aside board agenda time once a year to review the hospital’s community benefit report is no longer enough. New pressures and requirements are compelling boards to become more knowledgeable about and engaged with their hospital’s community benefit efforts.

Beginning in 1969 the Internal Revenue Service (IRS) created a “Community Benefit Standard” for evaluating whether tax-exempt hospitals were meeting a charitable purpose. Since that time, many states established “community benefit” reporting requirements for tax-exempt hospitals. In California, for example, the law went beyond some other state laws mandating charity care reporting and required hospitals to:

- conduct regular community health needs assessments (CHNAs),
- outline a strategy and develop a community benefit plan to meet assessed needs, and
- provide an annual financial accounting of the full range of community benefit programs and activities provided by the hospital.

At the federal level community benefit reporting began in 2008 with the IRS’s development of a Form 990 Schedule H for hospitals. The Schedule H focused hospitals on documenting how they assess community health needs and report on their community benefit activities. It required quantifying financial assistance, including charity care and other community benefit expenses, as well as community-building activities, Medicare shortfalls and bad-debt expenses. It also asked for information about hospital health care facilities, community health needs assessment, financial assistance policies, community health promotion and patient education about financial assistance.

The American Hospital Association (AHA) has developed tools and resources to help guide hospitals as they report and communicate their community benefit activity. Additionally, AHA along with others in the hospital field has and continues to work with the IRS to influence and shape the reporting requirements for hospitals.

In 2010 the Patient Protection and Affordable Care Act established additional requirements for charitable tax-exempt hospitals that include completion of a community health needs assessment every three years, which can be done in collaboration with other community organizations, and to adopt an implementation strategy to address identified needs. For many hospitals this will build on the work they are already doing. Completion of the first required assessment and strategy must occur before the end of a hospital’s first taxable year beginning after March 23, 2012. For more on community health needs assessment requirements, processes and benefits, click on [http://www.trusteemag.com/trusteemag/subscribers/PDFs/executivebriefings/2011/TRU1011pExBrief_new.pdf](http://www.trusteemag.com/trusteemag/subscribers/PDFs/executivebriefings/2011/TRU1011pExBrief_new.pdf) and visit the Association for Community Health Improvement, a personal membership group of the AHA, at [www.communityhlth.org](http://www.communityhlth.org). In its informal guidance issued in Notice 2011-52 (July 2011) the IRS signaled its intent to require board approval of the implementation strategy.

This heightened focus on hospital community benefit and community health needs assessment in particular is requiring boards to more fully integrate oversight for these activities into their governance structure and practices.

Meeting the Mission

While state law mandates community health needs assessment and/or community benefit reporting in two of the three states where Dignity Health primarily operates, improving community health has always been mission-driven and board-led at this health system.

Dignity Health’s recently revised board orientation manual includes a comprehensive description of the organization’s community health
commitment, policies and programs and provides questions boards can ask about hospital community health and benefit activities. (Visit http://www.greatboards.org/pubs/community-health-board-resource-guide.doc to view this section of the manual.) Sample questions from the manual and other community health-related questions for boards are listed on page 4.

A system board-approved Community Benefits Policy is one of five governance policies that guide integration of community health-related activities into fulfillment of the system’s mission. The bylaws of Dignity’s community hospitals also charge their boards with:

- participating in the process of establishing priorities, plans and programs to enhance the health status of the community,
- approving the community benefit plan for the local hospital, and
- monitoring progress toward identified goals.

Local boards address their community health oversight responsibilities fully, or through board-level Community Advisory Committees composed of board members and other community stakeholders. These committees work with community partners to review and react to community health needs assessment data and set priorities using criteria such as the size and seriousness of the problem, availability of resources, whether the problem is important to the community and how it can best be addressed.

According to Eileen Barsi, Dignity Health’s Senior Director, Community Benefit, the heightened regulatory focus on community health and the current drive toward improving health care quality and reducing costs require boards to better understand how to interpret and use community health needs assessment results. Dignity Health has intensified its board education efforts and added public health expertise to local boards and is employing more sophisticated tools for analyzing health needs assessment data.

“As our boards began to more strongly tie community health needs assessment results into setting strategy for the system, we developed a Community Needs Index™ in partnership with Thomson Reuters,” Barsi says. “This tool allows us to measure and comparatively assess community needs in a standardized way across our system using five socio-economic conditions that affect overall health: education, employment, insurance, culture/language and home ownership.” (www.DignityHealth.org/cni)

The research methodology used in the development of this tool revealed that people from lower economic groups used system resources twice as much as more affluent populations. Subsequently, the system board approved a goal and incentives for the organization to reduce hospital readmissions for certain chronic diseases such as congestive heart failure, diabetes and asthma by empowering patients to better self-care through education and also by changing how care for these conditions is delivered in ambulatory settings. An 86 percent reduction in readmissions systemwide saved Dignity Health an estimated $40 million and improved the quality of life for those it served.

“Several people affected by our community health programs have told their stories at board meetings,” Barsi says. “There’s no better way for a board to understand the importance of their work in this area than to hear from a patient who enrolled in our self-management program, lost 100 pounds and was able to discontinue diabetes medication.”

Keeping board members up-to-date and providing them with fact sheets and personal stories about community health activities the hospital supports is another way to further leverage board impact.

“Telling the hospital’s story around improving community health has enabled board members to provide valuable insight and develop funds to support our programs through their connections in the community,” Barsi says. “It is important to prepare trustees to make these connections and let them know that the hospital is looking to them for this type of outreach when opportunities present.”

Connecting with Communities

Board members at Presbyterian Intercommunity Hospital (PIH) in Whittier, Calif., are participating in a series of
The recently developed plan will be presented to the PIH board for approval of plan strategies and resources to support them.

As part of its oversight responsibilities, the CBOC holds an annual meeting for ongoing evaluation of PIH’s flagship community benefit programs, including measurable outcomes and impact on community health. Annual meeting evaluation results are reported to the board and consist of CBOC recommendations for continued investment of hospital resources and for program enhancement, based upon the five core principles of community benefit and CHNA findings.

One example of a flagship program evaluated each year is the hospital’s partnership with Whittier Area First Day Coalition, a local homeless shelter. Data indicated that Whittier’s homeless population was largely receiving care in the PIH emergency department. The board and hospital leadership responded by creating a strong partnership with First Day, ensuring a seamless transition to the shelter for homeless patients upon hospital discharge, then further ensuring access to care through a PIH nurse practitioner caring for First Day residents on-site at the shelter, 16 hours a week. Once at First Day, shelter residents are provided with free basic and preventive health care, medications, education to help manage chronic conditions, as well as assistance with health insurance enrollment. This community-based care management approach helped earn PIH The Joint Commission’s 2012 Franklin Award of Distinction.

As a result of attending a recent conference sponsored by the AHA’s Association for Community Health Improvement, PIH recently created a Community Benefit Report to Leadership, which tracks progress toward advancing the hospital’s non-profit mission and achieving community health improvement goals – efforts that tie directly with PIH’s strategic plan. The board and senior leadership will be presented with this information at the close of each fiscal year. The report, organized around PIH’s five pillars of success for community benefit, can be viewed at http://www.greatboards.org/pubs/community-benefit-report-to-leadership.xls.

Linking Community Health and Board Leadership

Lancaster General Health (LGH) in Lancaster, Penn., participates in the Lancaster Health Improvement Partnership, a consortium of community organizations that also includes schools, government, social service agencies and law enforcement. Member organizations collaborate to assess community health and identify and implement actions to address priority needs.

The LGH board Mission and Community Benefit Committee reviews priorities identified by the partnership to determine which ones LGH will take responsibility for. A scorecard measuring LGH performance related to each priority supports achievement of overall community health improvement goals. Click on http://www.greatboards.org/pubs/community-health-needs-assessment-timeline.pdf to view the 2011-2014 CHNA Implementation Timeline and http://www.greatboards.org/pubs/community-health-improvement-flowchart.pdf to view the community health improvement process, goals and indicators for performance evaluation.

Chairing the board’s Mission and Community Benefit Committee is a prerequisite for chairing the LGH board. “This requirement has been in place for the past four years and ensures that incoming board chairs work with and understand community health assessment data before they assume the top board leadership position,” says

Drew Sones
Board Member
Presbyterian Intercommunity Hospital

“Board involvement helps the community understand how important community health issues are to the board, makes our board more visible to the community, and underscores our commitment to creating healthy, thriving communities.”
Alice Yoder, LGH Director of Community Health.

With board leaders strongly grounded in community health issues and priorities, the LGH board is better able to use health needs assessment results and priorities to inform board decisions. For example, the board understands that addressing factors resulting in more than 60 percent of area adults being overweight or obese will help reduce the number of joint replacement surgeries eventually performed on these patients.

Community stakeholders also meet with the board committee to deepen its understanding of community health issues. After LGH worked with a local family practice clinic to reduce super-utilization of the hospital’s emergency department (ED), a clinic physician met with the committee to explain factors affecting overuse of the ED. He said the solution was beyond his practice and resided in the community. That perspective helped the board understand and think about the problem differently when it came time to determine a solution.

Board members savvy about ways to improve community health also can apply this knowledge outside their governance role. Discussions with the board about what LGH was doing to improve the health of hospital employees prompted one board member to establish a comprehensive employee health program at his law firm, Yoder says. “Our board feels strongly about our community benefit scorecard and holds us to high standards and expectations,” she says. “Our work in this area really gets board members excited about LGH because they realize the hospital does so much more than take care of people who are sick.”

Local Boards, Local Issues

For more than 15 years, Good Samaritan Hospital in Kearney, Neb., a member of Catholic Health Initiatives (CHI), a national, non-profit health system, has been part of a community coalition to assess, prioritize and address community health needs. Buffalo County Community Partners (BCCP) includes the hospital and other health care providers as well as leaders from area businesses, government, schools, churches and other civic and consumer groups. Bob Smoot, the hospital’s vice president for Mission, says, “Good Samaritan’s partnership with the coalition is central to our community health needs assessment and how we direct our resources.”

The hospital collaborates with BCCP to conduct ongoing health needs assessments and set goals to address needs in five priority areas over the next 10 years. Priorities include: high-impact disease prevention, eliminating health disparities, healthy eating and active living, injury-free living and healthy homes and sustainable communities. Denise Zweiner, Executive Director of BCCP, presents the results of ongoing assessments, performance against established measures and the goals and priorities identified by BCCP to the hospital board’s Community Benefit Committee each year. The board’s Community Benefit Committee and Finance Committee work together to evaluate the hospital’s community benefit budget against BCCP goals and priorities. The board then approves allocation of hospital resources to align with identified priorities. The BCCP also develops work plans for each priority area.

“Good Samaritan does not see itself as the primary driver or implementer of community benefit activities,” Smoot said. “Rather, the hospital provides resources to help address all BCCP priorities.”

While hospital financial support, buy-in and participation in the BCCP are criti-
a renewed focus on community benefit and health needs assessment among CHI-Nebraska hospital boards. “How CHI-Nebraska engages local boards in this area is evolving,” he said. “We expect that our board’s Community Benefit Committee will meet more frequently throughout the year and that community benefit will become a routine agenda topic at full board meetings.”

The results of local CHNAs have become a key element of CHI-Nebraska’s statewide mission and strategic planning activities. As health care delivery focuses more on improving population health, Smoot expects tighter integration among local and statewide efforts because addressing community health needs will become even more critical to achieving CHI’s mission. For this reason, the CHNA process was the subject of a recent hospital board education program. Good Samaritan also is revising its board orientation process to focus more on the board’s oversight role. “The results of a community health needs assessment help the board better understand the priorities and expectations of hospital stakeholders,” Smoot says. “We expect our board to use these results as a context for decision-making. When boards are grounded in this way, they can take a more thoughtful, purposeful approach to overseeing a hospital’s community benefit activities, rather than viewing them as a reaction to a variety of perceived community needs.”

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