

# Hospitals Investing in Community Health: Updates on the Determination of Need and Community Benefits Frameworks in MA

*June 4, 2019*



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Coalition & Advocacy Manager

# What determines health?

Smoking, Exercise,  
Diet, etc.

Healthy  
Behaviors  
30%

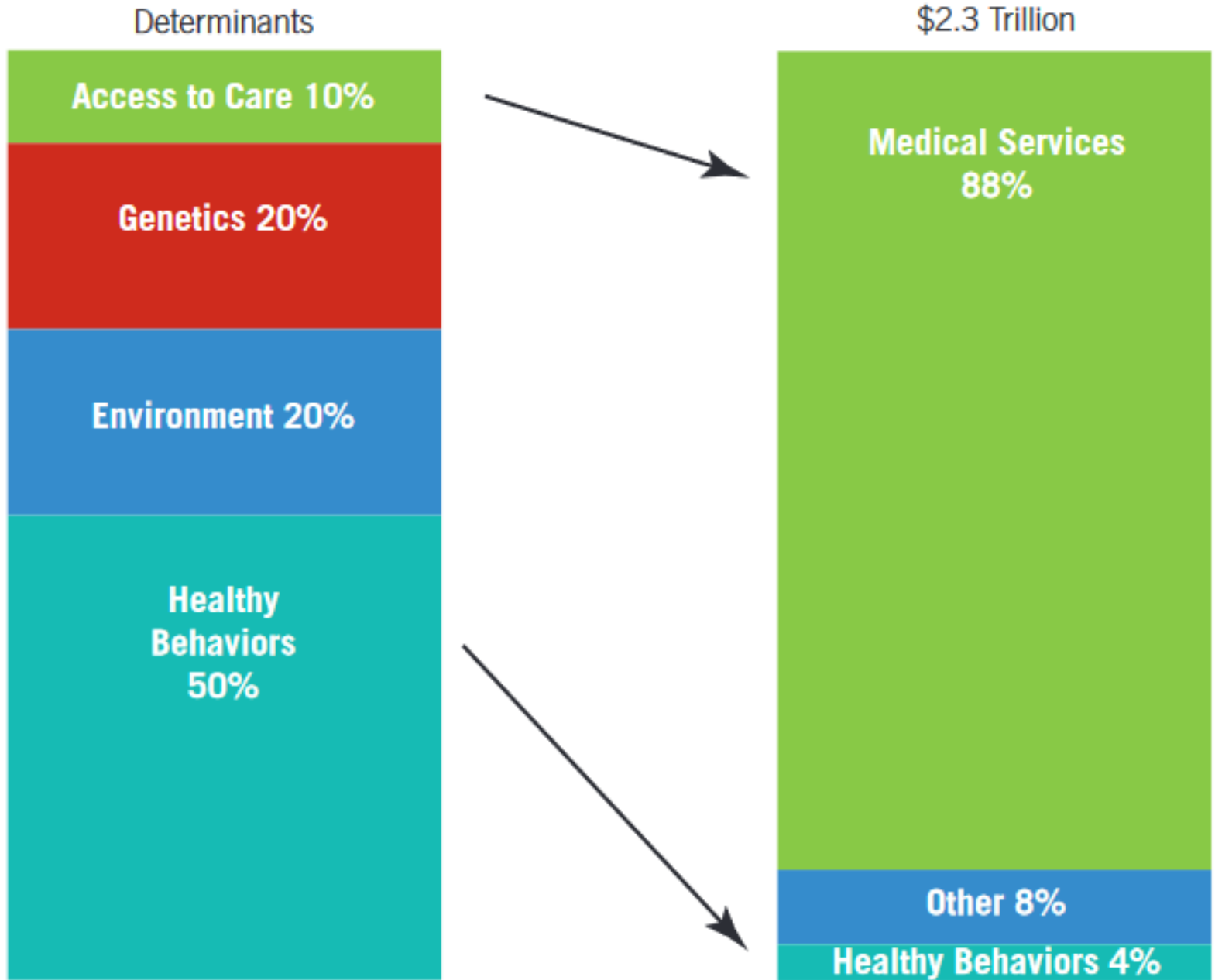
Social and  
Economic  
Factors  
40%

Physical Environment  
10%

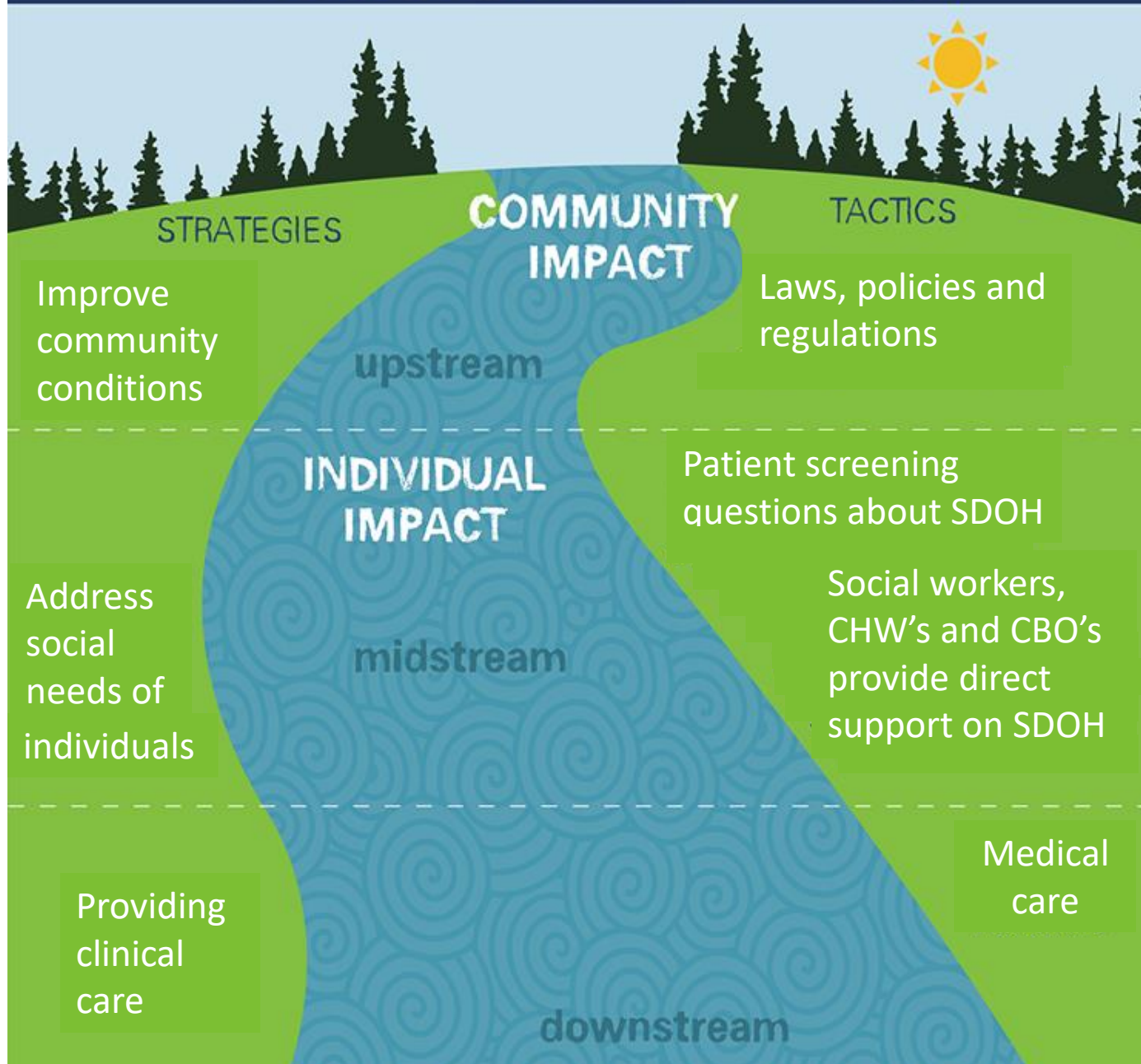
Access to Care  
10%

Quality of Care  
10%

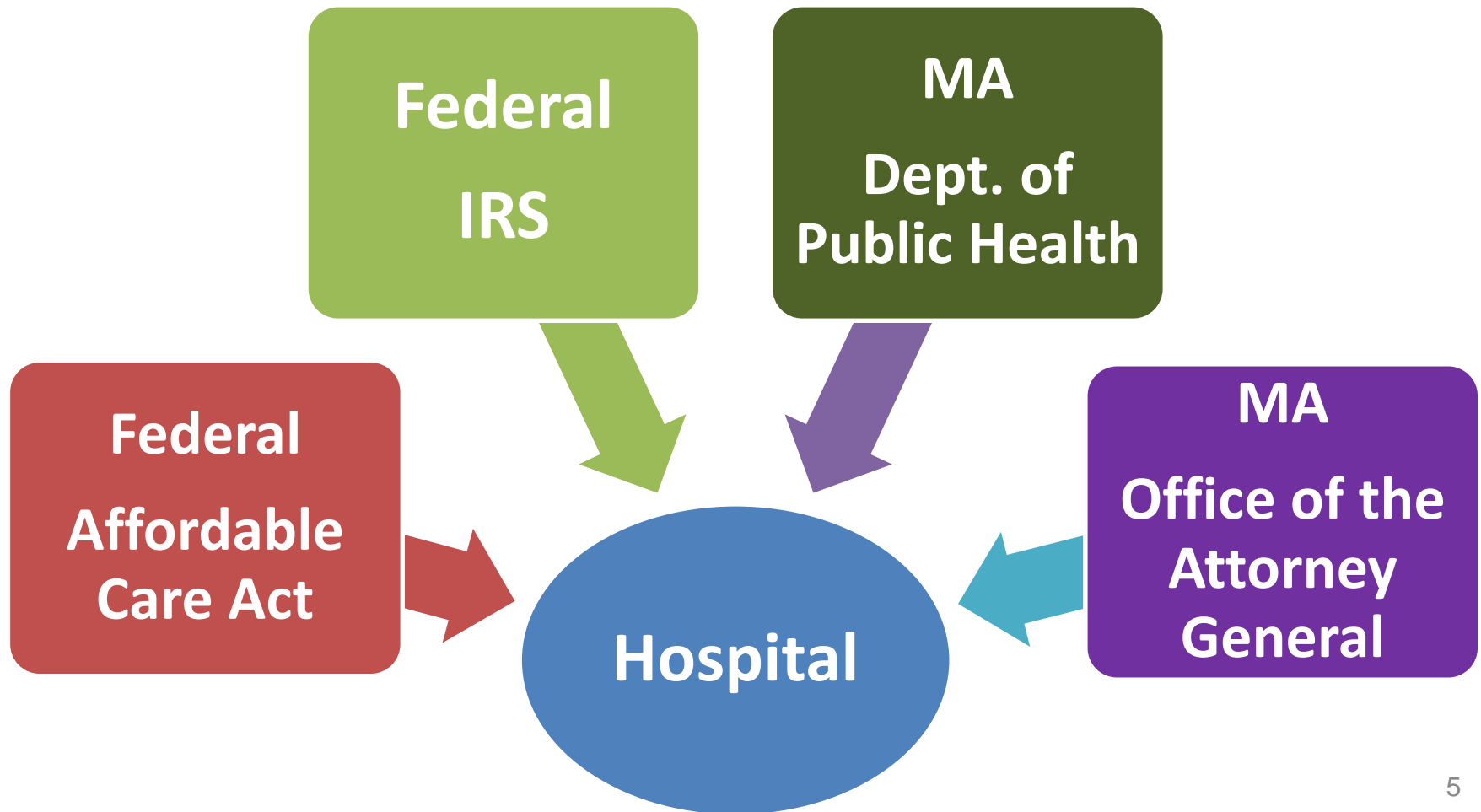
# A Spending Mismatch



# SOCIAL DETERMINANTS AND SOCIAL NEEDS: MOVING BEYOND MIDSTREAM



# Multiple State and Federal Agencies Govern Hospitals



**COMMUNITY BENEFIT 101:  
THE FEDERAL AND MASSACHUSETTS  
REGULATORY FRAMEWORK**

# Community Benefit Definition

- Programs which improve access to health care and/or community health, advance medical or health knowledge, or relieve or reduce government or community burden;
- Programs that respond to a community-identified need, placing particular focus on the voices and issues facing the underserved in a given place.

This includes access to care for low income patients, prevention and investment in the social and economic determinants that impact health.

# FY 2017 Community Benefit Spending in Dollars

Type of Hospital	Direct Spending on Community Benefits	Total Charity Care	Total Community Benefit Spending
All Massachusetts Hospitals (Non-Profit and For-profit)	\$256,051,061	\$257,544,879	<b>\$576,439,804</b>
Non-profit Hospitals	\$244,347,385	\$234,840,311	<b>\$538,302,882</b>

Source: Massachusetts Attorney General Community Benefit website:  
[http://www.cbsys.ago.state.ma.us/cbpublic/public/annual\\_reports\\_start.aspx](http://www.cbsys.ago.state.ma.us/cbpublic/public/annual_reports_start.aspx)



# ACA Goals for Community Benefits

- Expand Health Insurance Coverage
- Reduce Demand for Charity Care and free up dollars
- Promote population health
- Conduct Community Health Needs Assessment (CHNA)



# Massachusetts Hospital Community

## Benefit: AG Oversight

- In 1994, Massachusetts Attorney General Harshbarger issued first **voluntary** regulations for non-profit hospitals
- AG updated guidelines several times
- Hospitals file annual reports
- AG posts on web site with searchable data base
- Attorney General Healey created new task force and in 2018 and new **voluntary** guidelines issued

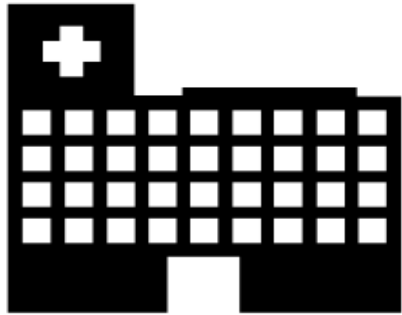
# What's new?

## February 2018 Guidelines

1. Focus on social determinants of health and investment in DPH-identified priorities
2. Community benefit planning process
3. Defined Community Engagement
4. Focus on health equity
5. Regional Collaboration

**MA DEPARTMENT OF PUBLIC  
HEALTH  
DETERMINATION OF NEED**

# MA DPH - *Determination of Need* Community-based Health Initiative (DoN-CHI)



Hospital  
Health Care System  
Health Care Facility



Need to Expand /  
Improve Health Care  
Facilities



Determination of  
Need Project



Project's  
Maximum Capital  
Expenditure<sup>13</sup>



**5%**  
Community Health  
Initiative  
Funding

**M.G.L. c. 111, §§ 25C**

# Key updates to DoN/CHI Regulations (latest revisions: 2017)



Focus on addressing **social determinants of health** and health equity



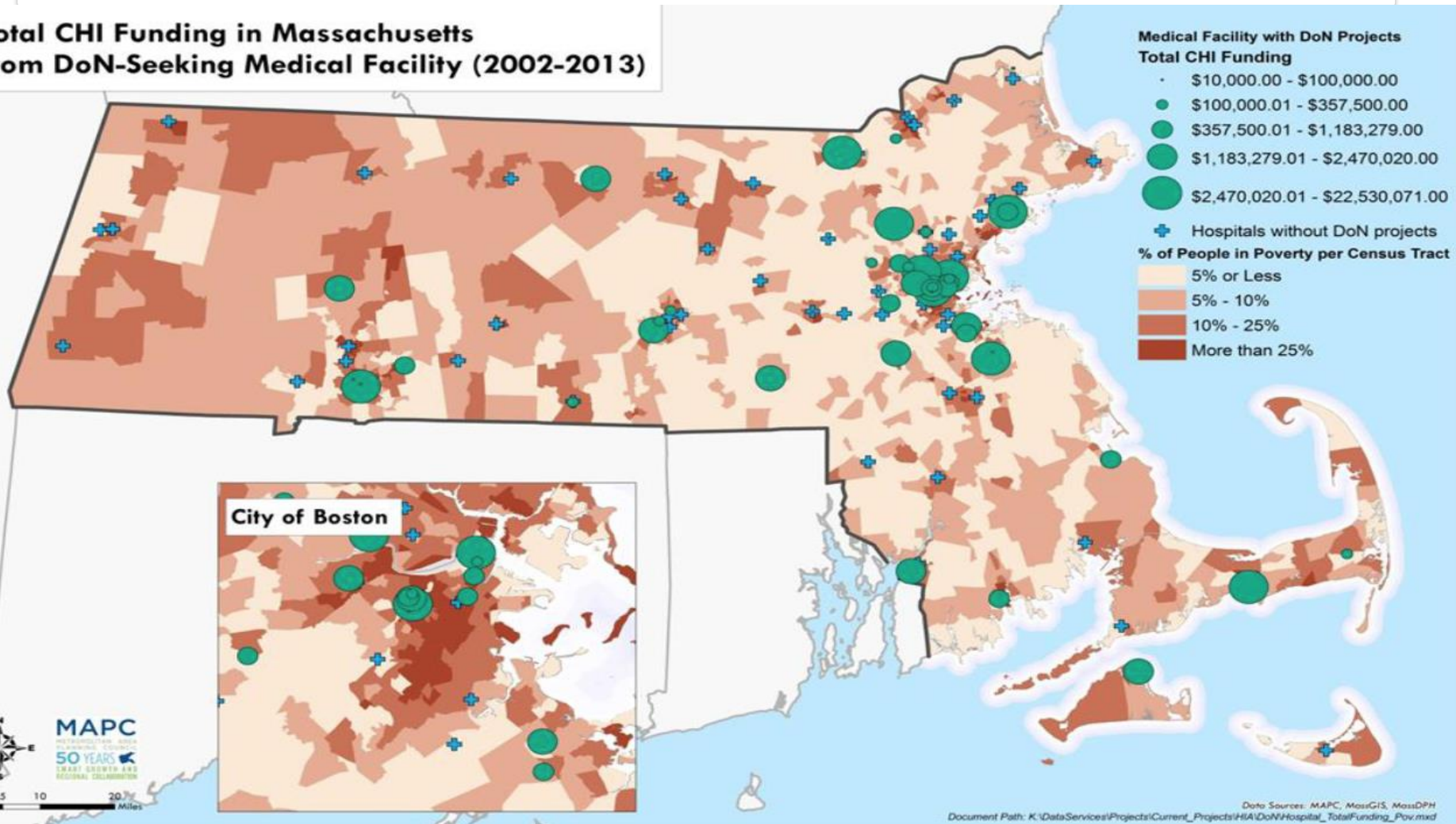
Created new **Statewide CHI Fund & Healthy Aging Fund**

- **Coordinated** CHI investments with enhanced accountability & reporting
- Greater **transparency**
- Clear **community engagement** standards

**CHI = Community-based Health Initiative**

# Significant Proportion of DoN Investment is within 128

Total CHI Funding in Massachusetts from DoN-Seeking Medical Facility (2002-2013)



Data Sources: MAPC, MassGIS, MassDPH  
Document Path: K:\Data\Services\Projects\Current\_Projects\HIA\DoN\Hospital\_TotalFunding\_Pov.mxd

# DoN CHI Statewide Initiative of “the 5%”

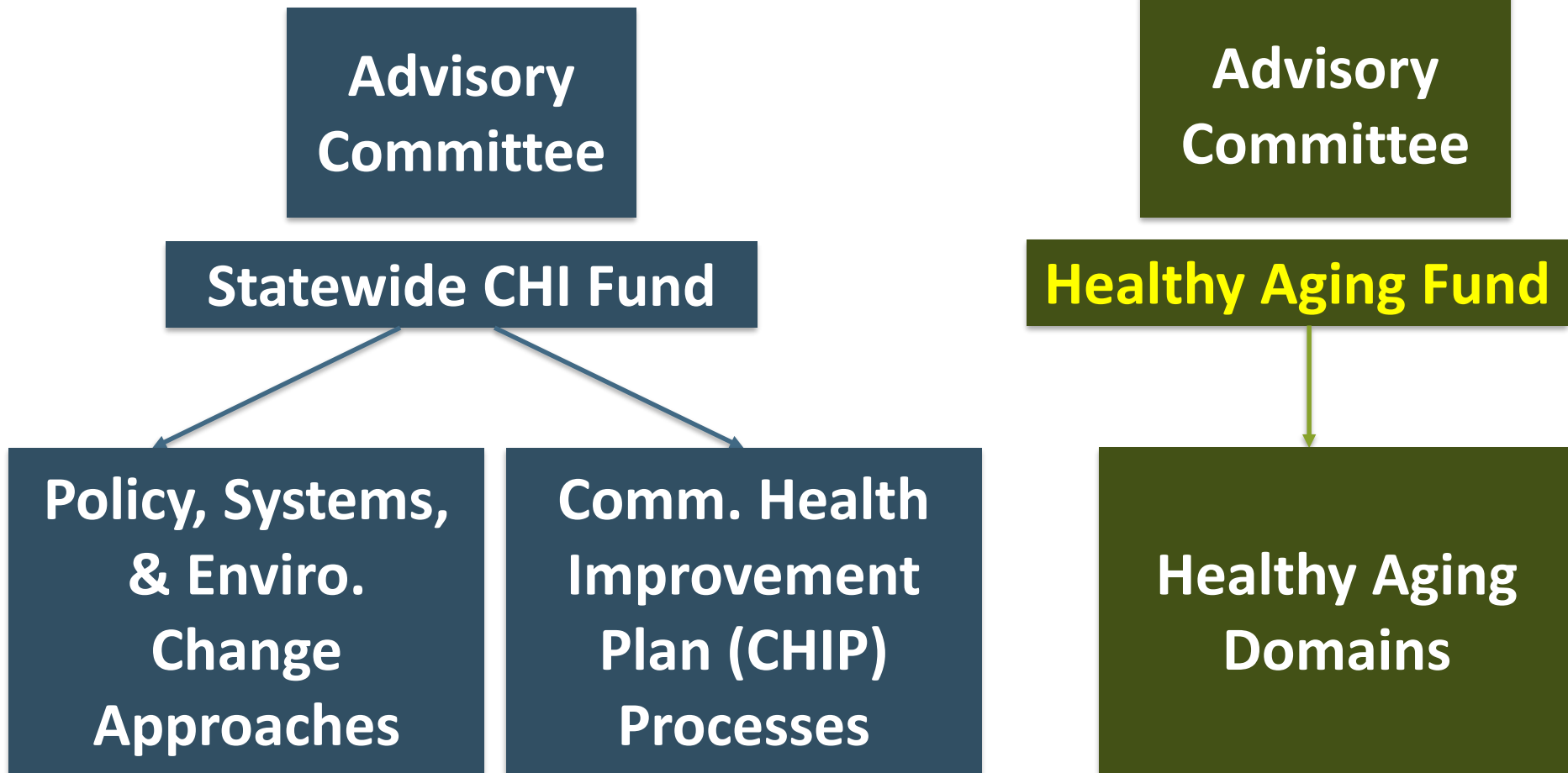
	Local “bucket”	Statewide “bucket”
<u>CHI programs <i>over</i> \$500k</u>	75%	25%
<u>CHI programs <i>under</i> \$500k</u>	90%	10%



# Two Funds

## Three Funding Opportunities

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# Community Health Improvement Processes

Statewide CHI Fund

CHIP Processes



## DoN CHI Healthy Aging Fund

**Long-term care facilities' Don CHI → 3% → Healthy Aging Fund**

*“The CHI Healthy Aging Fund will support the development of Age-Friendly communities following the eight (8) elements of an age-friendly community as defined by the WHO and AARP and/or CHI Healthy Aging Fund will be consistent with the strategic efforts of Healthy Aging in Action (HAIA): Advancing the National Prevention Strategy.”*





## *Proposed Timeline of the Funds (as of 4/2/19)*

<b>Activity</b>	<b>Timeframe</b>
<b>Regional engagement</b>	<b>Spring 2019</b>
<b>Funding announcement</b>	<b>Late Spring / Early Summer 2019</b>
<b>Review submitted ideas</b>	<b>Fall 2019</b>
<b>Award agreements in place</b>	<b>Winter 2019</b>
<b>Awardee Learning Communities established</b>	<b>Spring 2020</b>



## Please join us!

**Central Region**  
**Fitchburg Public Library**  
Auditorium  
610 Main Street  
Fitchburg, MA 01420  
Monday, June 3, 2019  
5 – 7:30pm  
[REGISTER TODAY](#)

**Northeast Region**  
**Tewksbury Hospital**  
Events Room  
365 East Street  
Tewksbury, MA 01876  
Wednesday, June 5, 2019  
5:30 – 8:00pm  
[REGISTER TODAY](#)

**Western Region**  
**Smith College**  
Conference Center  
49 College Lane  
Northampton, MA 01060  
Tuesday, June 11, 2019  
5 – 7:30pm  
[REGISTER TODAY](#)

**Southeast Region**  
**New Bedford Quest Center**  
2nd floor Conference Room  
1213 Purchase Street  
New Bedford, MA 02740  
Thursday, June 13, 2019  
5 – 7:30pm  
[REGISTER TODAY](#)

**Western Region**  
**Berkshire Community College**  
Student Center Café  
1350 West Street  
Pittsfield, MA 01201  
Monday, June 17, 2019  
5 – 7:30pm  
[REGISTER TODAY](#)

Register today to reserve your spot, request accommodations and/or childcare, and receive additional information.  
Light refreshments will be provided.

Questions? Contact [StatewideCHIFund@hria.org](mailto:StatewideCHIFund@hria.org) or [HealthyAgingFund@hria.org](mailto:HealthyAgingFund@hria.org)

For Additional Information: [hria.org/projects/massachusetts-chi-funds/](http://hria.org/projects/massachusetts-chi-funds/)



# Similarities Between Community Benefits and Determination of Need

- Social Determinants of Health
- Community Engagement at all stages of process
- Greater accountability and oversight
- Regional coordination
- Share best practices and quality improvement

# What's the Difference?

## Community Benefits

- **Regular/suggested** annual investment.
- **Voluntary** guidance on how non-profit hospitals should develop and report on the benefits and programs they provide to the public.
- Overseen by the **Attorney General's Office**.
- Investments are **local**; within geographic proximity to the hospital's service area.

## Determination of Need - CHI

- **Periodic** investment triggered by a large capital project.
- **Required** regulatory oversight.
- Overseen by **the Department of Public Health**.
- Funds both **local and statewide** programs and initiatives.

# COMMUNITY BENEFIT RESOURCES AND AREAS FOR COMMUNITY INVOLVEMENT



# The Attorney General's Community Benefits Guidelines for Non-Profit Hospitals



COMMONWEALTH OF MASSACHUSETTS  
OFFICE OF ATTORNEY GENERAL

MAURA HEALEY

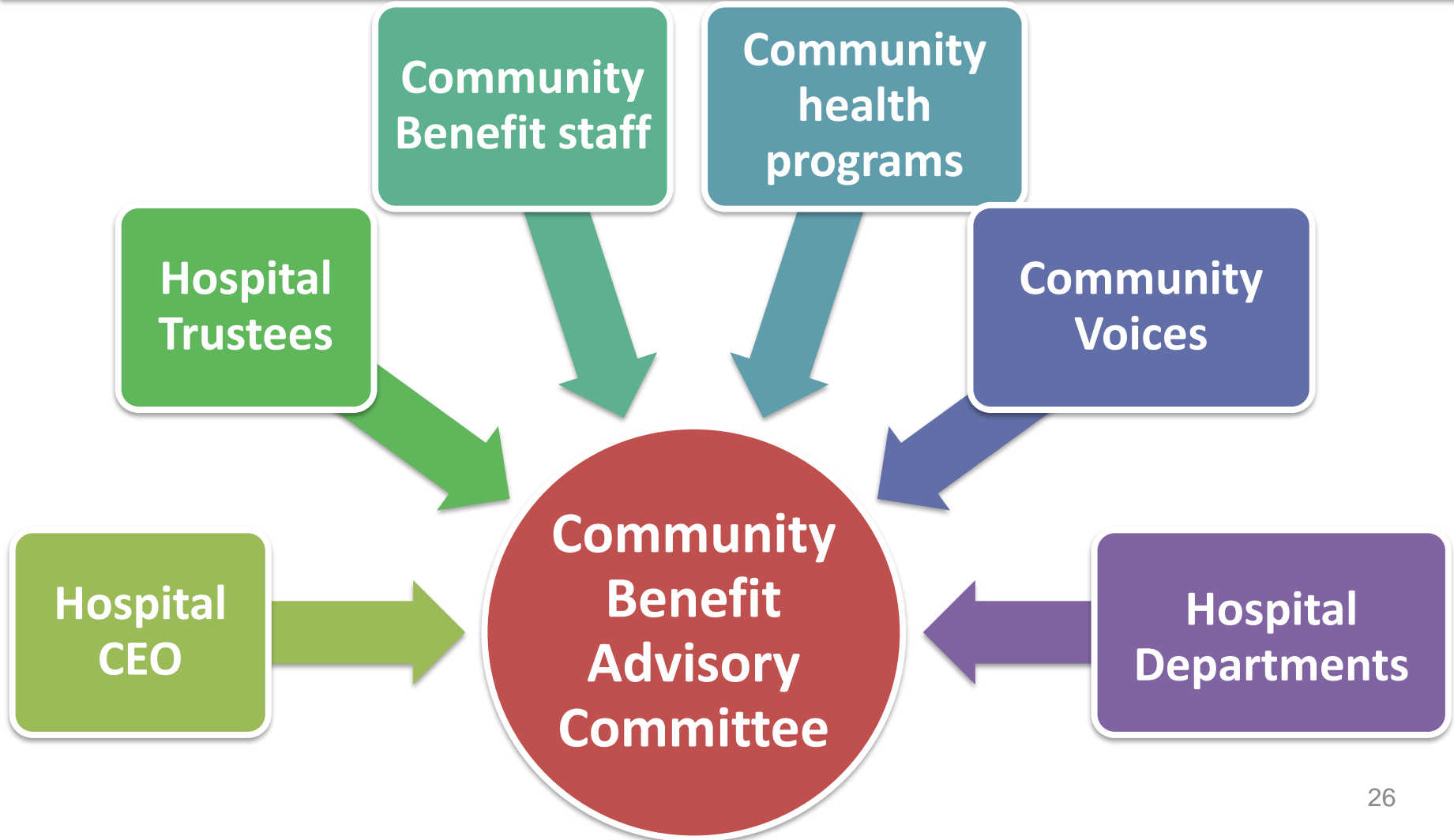
## Link to Guidelines:

[https://www.mass.gov/service-  
details/community-benefits-guidelines](https://www.mass.gov/service-details/community-benefits-guidelines)

## Browse Reports:

[http://www.cbsys.ago.state.ma.us/  
cbpublic/public/browse\\_reports.aspx  
?section=0](http://www.cbsys.ago.state.ma.us/cbpublic/public/browse_reports.aspx?section=0)

# Where does your CBAC (or organization) fit into the hospital structure?



# HOSPITAL ASSESSMENT FORMS

## **Hospital Self-Assessment**

- Composition of their CBAC
- Involvement of hospital leadership in CBs
- Planning & implementation plan
- Approach to social determinants of health & health equity
- Level of engagement w partner orgs
- Opportunities for public feedback
- Best practices/lessons learned
- Collaboration with other filers & other regional partners

## **Hospital Community Representative Feedback**

- For community representatives who were engaged through the CHNA and/or CHIP process
- Level of engagement across the CHNA
- Overall engagement experience
- Submitted to hospital and AGO

# Community Health Needs Assessment & Community Health Improvement Plan (CHNA & CHIP)

- Identify the community it serves
- Receive input from a broad representative group
- Collect, analyze data, and identify and prioritize most pressing health challenges facing community
- Develop an implementation plan/strategy



# What is the Implementation Strategy (Plan)

- IRS requirements push population health
- Addresses how the hospital can best use its limited charitable resources to address priority needs
- Identify program and collaboration opportunities that have a measurable impact
- Must include: how the hospital meets the needs of the community working collaboratively, as well as what it will not address from the identified needs at this time.

**SCHEDULE H  
(Form 990)**

**Hospitals**

OMB No. 1545-0047

**2018**

**Open to Public  
Inspection**

▶ Complete if the organization answered "Yes" on Form 990, Part IV, question 20.  
▶ Attach to Form 990.  
▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

Department of the Treasury  
Internal Revenue Service

Name of the organization	Employer identification number
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**Part I Financial Assistance and Certain Other Community Benefits at Cost**

	Yes	No
<b>1a</b> Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a . . . . .	<input type="checkbox"/>	<input type="checkbox"/>
<b>1b</b> If "Yes," was it a written policy? . . . . .	<input type="checkbox"/>	<input type="checkbox"/>
<b>2</b> If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year. <input type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities		
<b>3</b> Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year. <b>a</b> Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing free care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care: <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input type="checkbox"/> Other _____ %	<input type="checkbox"/>	<input type="checkbox"/>
<b>b</b> Did the organization use FPG as a factor in determining eligibility for providing discounted care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: . . . . . <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____ %	<input type="checkbox"/>	<input type="checkbox"/>
<b>c</b> If the organization used factors other than FPG in determining eligibility, describe in Part VI the criteria used for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care.		
<b>4</b> Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"? . . . . .	<input type="checkbox"/>	<input type="checkbox"/>
<b>5a</b> Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	<input type="checkbox"/>	<input type="checkbox"/>
<b>b</b> If "Yes," did the organization's financial assistance expenses exceed the budgeted amount? . . . . .	<input type="checkbox"/>	<input type="checkbox"/>
<b>c</b> If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care? . . . . .	<input type="checkbox"/>	<input type="checkbox"/>
<b>6a</b> Did the organization prepare a community benefit report during the tax year? . . . . .	<input type="checkbox"/>	<input type="checkbox"/>
<b>b</b> If "Yes," did the organization make it available to the public? . . . . .	<input type="checkbox"/>	<input type="checkbox"/>

**Search for your non-profit hospital tax documents here:**  
<https://projects.propublica.org/nonprofits>

<b>7 Financial Assistance and Certain Other Community Benefits at Cost</b>						
<b>Financial Assistance and Means-Tested Government Programs</b>	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
<b>a</b> Financial Assistance at cost (from Worksheet 1) . . . . .						
<b>b</b> Medicaid (from Worksheet 3, column a)						
<b>c</b> Costs of other means-tested government programs (from Worksheet 3, column b) . . . . .						
<b>d</b> Total. Financial Assistance and Means-Tested Government Programs						
<b>Other Benefits</b>						
<b>e</b> Community health improvement services and community benefit operations (from Worksheet 4) . . . . .						
Health professions education						

**Part II** **Community Building Activities** Complete this table if the organization conducted any community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support						
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development						
9 Other						
10 Total						

## Contact Information

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