



Passage of the Affordable Care Act (ACA) contained many significant provisions that continue to impact hospitals and the communities they serve. One key provision requires hospitals to conduct a Community Health Needs Assessment (CHNA) and a corresponding implementation strategy – describing how they intend to address significant health needs – at least once every three years for all 501(c)(3) hospitals.

For the first round of CHNA reporting in either 2012 or 2013, there was significant uncertainty among hospitals about what the final rules released by the Internal Revenue Service (IRS) would require of hospitals. Fortunately, the IRS released a final rule in December 2014 providing additional clarification regarding what hospitals should be including in their CHNA reports and implementation strategies. For the second round of CHNA reporting in 2015 or 2016, hospitals are navigating the creation of CHNAs and corresponding implementation strategies with more confidence that they have been provided with complete guidance about what is required to maintain compliance while they strive to improve the health of their communities.

This Policy Snapshot aims to decipher what is really required of hospitals reporting in 2016 and beyond. Part one of this two-part series focuses on key CHNA requirements.

Key CHNA Requirements¹

- ☑ **Define:** the community served by the hospital.
- ☑ **Describe:** the process and methods used to gather data.
- ☑ **Gather:** community input from people who represent the broad interests of the community.
- ☑ **Identify:** significant health needs.
- ☑ **Describe:** how health needs were prioritized.
- ☑ **Describe:** existing programs and resources potentially available to meet significant health needs.
- ☑ **Evaluate:** the impact of any actions taken since the last CHNA.
- ☑ **Document:** the CHNA in a written report, approved by an authorized body, at least once every three years.
- ☑ **Make:** the CHNA widely available.
- ☑ **Submit:** the CHNA to the IRS on Form 990.

☑ Define the Community Served by the Hospital

Hospitals must define the community they serve and describe how they determined the community in their CHNA. Hospitals have broad flexibility in how they arrive at the definition of community and can take into account the:

- Geographic area served by the hospital (most hospitals define community based on geography).
- Target populations served (e.g. children, women or the aged).
- Principal functions of the hospital (e.g. particular specialty area or disease).

Don't forget: Community cannot be defined in a way that excludes medically underserved, low-income or minority populations. The demographics of the community served should be included in the CHNA.

☑ Describe the Process and Methods Used to Gather Data

Hospitals must describe the data and other information used to assess significant community health needs. The methods for collecting and analyzing the data should also be described. Hospitals should specify any parties with whom they collaborated, including those with whom they contracted for assistance.



Don't forget: Hospitals can rely on data created by or collected by others. Data sources that are collected or created by others may simply be cited and for those data sources the methods of collecting the data do not need to be described.

☑ Gather Community Input from People Who Represent the Broad Interests of the Community

In assessing community health needs, hospitals must solicit input from community members including:

- At least one state, local, tribal or regional governmental public health department (or equivalent, may include State Offices of Rural Health).
- Members of medically underserved, low-income and minority populations in the community or individuals or organizations representing the interests of those populations.
- Written comments received on the hospital's most recently conducted CHNA and most recently adopted implementation strategy.

Don't forget: The names of the organizations, plus the nature and the extent of community input gathered, should be described in the CHNA. In gathering community input, if a hospital solicits but cannot obtain input from a required source, hospitals should document those efforts in the CHNA.

☑ Identify Significant Health Needs

Significant health needs must be identified in the CHNA and can include the need to address financial and other barriers to accessing care, to prevent illness, to ensure adequate nutrition, or to address social, behavioral and environmental factors that influence health in the community.

Don't forget: Pay special attention to the primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups.

✔ Describe How Health Needs were Prioritized

Hospitals have broad flexibility in the criteria they use to prioritize significant health needs in the community. Prioritization criteria can include, but are not limited to the:

- Burden, scope, severity or urgency of the health need.
- Estimated feasibility and effectiveness of possible interventions.
- Health disparities associated with the need.
- Importance the community places on addressing the need.

Don't forget: The process and criteria used to prioritize significant health needs should be described in the CHNA. Community input must be solicited in prioritizing community health needs.

✔ Describe Existing Programs and Resources Potentially Available to Meet Significant Health Needs

Hospitals must identify existing resources available or potentially available in the community to address significant health needs, such as:

- Programs
- Organizations
- Facilities

Don't forget: Hospital resources to address significant health needs may also be identified. Community input should be used in identifying resources potentially available to address health needs.

✔ Evaluate the Impact of Any Actions Taken Since the Last CHNA

Hospitals are required to evaluate the impact of any actions that were taken since the hospital facility finished conducting its immediately preceding CHNA to address the significant health needs identified in the hospital's prior CHNA(s).

✔ Document the CHNA in a Written Report, Approved by an Authorized Body

The CHNA must be documented in a written report and approved by an authorized body. Frequently, the hospital board is the authorized body charged with approving the CHNA.

Don't forget: Document if any information gaps impacted the hospital's ability assess the community's health needs. If no information gaps existed, state that in the CHNA.

✔ Make the CHNA Widely Available

Hospitals are required to make their CHNAs widely available to the public both by making them available on their website and also by making a paper copy of the CHNA report available, free of charge, for public inspection upon request.

✔ Submit the CHNA to IRS on Form 990

Hospitals are required to submit a CHNA to the IRS at least once every three years on Form 990.

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CHNA reports are required to be submitted at least once every three years.

Frequently Asked Questions about Collaboration²

Can a Hospital Develop a CHNA in Collaboration With Others?

A hospital facility may collaborate with others in developing a CHNA, including but not limited to, related and unrelated hospital organizations and facilities, for-profit and government hospitals, governmental departments and nonprofit organizations.

- In general, a hospital facility that collaborates with other hospitals or organizations in developing a CHNA must still document its CHNA in a separate report.
- If another organization (such as another hospital or a local public health department) has conducted an assessment of community health needs comprising all or part of the hospital facility's community, portions of the hospital facility's CHNA report may be substantively identical.

Are Joint CHNA Reports Permitted?

A hospital facility is permitted to produce joint CHNA reports with other hospital facilities or other organizations (including local public health departments) if:

- All collaborating hospital facilities and organizations share the same definition of community.
- All collaborating hospitals included in the joint CHNA are clearly identified.
- Each hospital's authorizing body adopts the joint CHNA.

Joint CHNA reports must contain all of the same elements that separate CHNA reports do. Collaborating hospital facilities that produce a joint CHNA report do not have to make the report widely available to the public on the same day.



Don't forget: Joint CHNA reports conducted for a larger defined community may define a significant health need that is highly localized in nature or occurs within only a small portion of that larger area.

Concluding Thoughts

Meaningful and robust CHNAs and implementation strategies can help hospitals identify the community's most pressing health needs and direct resources and collaborative efforts where they will be most effective at addressing them. The latest IRS guidance heightens the importance of tracking and measuring outcomes of community health improvement programs and activities.

Community Health Planning Part 2 Coming Soon...

Stay tuned for The Center's January 2016 Policy Snapshot, which will contain part two of this series, focused on key implementation strategy requirements.

Endnotes

¹ Trocchio, J. "Community Health Needs Assessments and Other Tax-Exemption Requirements." Presentation to The Center for Health Affairs on March 24, 2015.; <http://chanet.org/~media/CHA/Files/PPTs/JulieTrocchioPowerPoint.ashx>; *Internal Revenue Service*. "Additional Requirements for Charitable Hospitals; Community Health Needs Assessments for Charitable Hospitals; Requirement of a Section 4959 Excise Tax Return and Time for Filing the Return." Internal Revenue Bulletin: 2015-5. February 2, 2015. https://www.irs.gov/irb/2015-5_IRB/ar08.html

² Ibid.