



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 two of this two-part series focuses on key implementation strategy requirements.

## Key Implementation Strategy Requirements<sup>1</sup>

- ✓ **Describe:** the actions the hospital plans to take to address significant health needs identified in the CHNA.
- ✓ **Describe:** the anticipated impact of these actions.
- ✓ **Identify:** the programs and resources the hospital plans to commit to address significant health needs.
- ✓ **Describe:** any planned collaboration between the hospital and other facilities or organizations in addressing significant health needs.
- ✓ **Describe:** why a hospital is not addressing a significant health need (if applicable).
- ✓ **Have:** an authorized body of the hospital facility adopt the implementation strategy.
- ✓ **Submit:** the implementation strategy to the IRS on Form 990.

### ✓ Describe the Actions the Hospital Plans to Take to Address Significant Health Needs Identified in the CHNA

A hospital's implementation strategy is a written plan that should describe the actions the hospital intends to take to address significant health needs identified in the CHNA. Take, for example, a hospital CHNA that identifies high rates of financial need or large numbers of uninsured individuals and families as significant health needs. The hospital's implementation strategy could describe a program to expand a financial assistance program or help uninsured individuals and families enroll in insurance sources such as Medicaid, Medicare, and the Health Insurance Marketplaces.

**Don't forget:** The implementation strategy may take into account health needs identified through other sources in addition to the needs identified in the CHNA.

### ✓ Describe the Anticipated Impact of these Actions

In describing the actions the hospital intends to take to address a significant health need, the implementation strategy should describe the anticipated impact of actions it intends to take. For example, if a hospital plans to create a program to help the uninsured enroll in insurance sources, the implementation strategy could describe how the anticipated impact of the program would be a decrease in the number of individuals who cite lack of insurance as a barrier to care.

**Don't forget:** Hospitals should identify data sources that will be used to track how effective their programs are at impacting significant health needs.

### ✓ Identify the Programs and Resources the Hospital Plans to Commit to Address Significant Health Needs

Hospital implementation strategies should describe the programs and resources that will be committed to address significant health needs. In keeping with the uninsured example, a hospital could describe a program in which navigators would help uninsured individuals sign up for health coverage.

### ✓ Describe any Planned Collaboration Between the Hospital and other Facilities or Organizations in Addressing Significant Health Needs

Once significant health needs are identified, hospitals have great opportunities to pool resources with other entities already working to address these health needs. Any planned collaboration between hospitals and other healthcare providers, nonprofit organizations, for-profit entities, etc., should be described.

**Don't forget:** Collaborations can be focused on not just clinical interventions, but also interventions aimed at addressing social, behavioral or environmental factors that influence community health.



## ✓ Describe Why a Hospital is Not Addressing a Significant Health Need (if applicable)

If a hospital chooses not to address a significant health need, a brief explanation should be provided explaining why the significant health need is not being addressed, including, but not limited to:

- Resource constraints.
- Relative lack of expertise or competencies to effectively address the need.
- A relative low priority assigned to the need.
- A lack of identified effective interventions to address the need.
- And/or the need is being addressed by other organizations or facilities in the community.

## ✓ Have an Authorized Body of the Hospital Facility Adopt the Implementation Strategy

An authorized body of the hospital facility must adopt the implementation strategy on or before May 15 following the end of the taxable year in which the hospital facility finishes conducting the CHNA. In most hospitals the authorized body that approves the implementation strategy is the hospital board.

**Don't forget:** If the CHNA is adopted in December 2016, the implementation strategy is due no later than May 15, 2017.



## ✓ Submit the Implementation Strategy to the IRS on Form 990

A copy of the hospital's most recently adopted implementation strategy must be submitted to the IRS on Form 990. Implementation strategies must either be attached to Form 990 or a link to the URL may be included if the implementation strategy is available on a website.



Learn more about The Center for Health Affairs' [Community Health Needs Assessment](#) Services.

## Frequently Asked Questions about Collaboration<sup>2</sup>

### Can a hospital develop an implementation strategy in collaboration with others?

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

- In general, a hospital facility that collaborates with other hospitals or organizations in developing an implementation strategy must still document its implementation strategy in a separate plan.

### Can joint implementation strategies be produced?

Hospital facilities that have conducted joint CHNA reports with other hospital facilities or other organizations are permitted to produce joint implementation strategies if:

- The joint implementation strategy clearly identifies that it applies to the hospital facility.
- The hospital facility's particular role and responsibilities in taking actions described in the joint implementation strategy, including the resources the hospital facility will commit, are clearly described.
- A summary or other tool helping the reader easily find portions of the joint implementation strategy that relate to the hospital facility is included.

## 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 provides additional clarity regarding what hospitals need to include in their implementation strategies to stay in compliance, while hospitals strive to achieve the greatest community health impact.

In case you missed part one of this series, please visit [neohospitals.org](http://neohospitals.org) and click on the *December 2015 Policy Snapshot, Community Health Planning Part 1: Community Health Needs Assessment Requirements*.



## Endnotes

<sup>1</sup> 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](https://www.irs.gov/irb/2015-5_IRB/ar08.html)

<sup>2</sup> Ibid.