



Imagine better health.SM

CHI Community Benefit Update

August 11, 2015

Agenda

- Welcome and Introductions
- Reflection
- Status Updates
 - CHI Community Benefit Assessment with CHAN
 - Final IRS “Section 501 (r)” Rules
 - ✓ Changes from the proposed rules
 - ✓ Implications for Community Health Needs Assessments and Implementation Strategies
 - ✓ Introduction to Implications for Hospital Financial Assistance and Billing and Collection Policies
 - Schedule H Changes
- CHI FY16 CHNA Process and Schedule
- CHA Resources
- Feedback and Discussion

Welcome and Introductions

National Community Benefit Contacts

- Mission/Healthy Communities: Diane Jones
- Tax: Mark Stocki, Eleanor Livingston, Angela Lea, Mark Shelton
- Financial Reporting: Jerry Francis
- Strategy: TBD

A Beatitudes Reflection

***H**appy are those who know how to laugh at themselves, they will never run out of amusement.*

Happy are those who know how to distinguish between a mountain and a molehill, they will be spared much trouble.

Happy are those who can be silent and can listen, they will learn many things.

Happy are those who know how to take the little things and the serious things calmly, they will know peace.

A Beatitudes Reflection (cont.)

Happy are those who can rejoice in a smile and ignore a frown, they will travel in sunshine.

Happy are those who think before acting and pray before thinking, they will avoid much foolishness.

As we begin our virtual meeting, we ask for wisdom, vision and holy humor so that not only this meeting, but all of our work, will be happy and blessed.

Amen

Status Updates

CHI Community Benefit Assessment

- Internal review of community benefit infrastructure, processes and accountabilities
- Conducted by CHAN (Catholic Healthcare Audit Network) in collaboration with National Mission Group in FY15
- Personal interviews across the system
- Report issued June 2015
- Presently being shared with CHI Executive and Operations leadership

CHI Community Benefit Assessment

- General findings:
 - Lack of dedicated staff responsible for community benefit across the system
 - Need for training on what counts as community benefit and on the software used to document and report community benefit (CBISA)
 - Lack of integration with strategy, finance and operations

CHI Community Benefit Assessment

- Best and Promising Practices:
 - Healthy Communities Leadership Council at KentuckyOne Health
 - Dedicated community benefit financial analyst at CHI Health

CHI Community Benefit Assessment

- Next Steps (pending approval):
 - Recommend following Catholic Health Association Guide for community benefit infrastructure and practice – will summarize for CHI pending final publication of revised guide in August
 - Propose multi-disciplinary community benefit teams, with defined accountability at hospital/regional levels
 - Provide system-wide training on community benefit and CBISA software
 - Other suggestions?

Final IRS “Section 501 (r)” Rules

- Refresher: Additional hospital exemption requirements:
 - Effective March 23, 2010
 - ✓ Billing and Collection Requirements published in 2012
 - ✓ Proposed rules on needs assessments and implementation strategies released in 2013
 - Applies in addition to community benefit standard
 - Conduct a community health needs assessment once every three years
 - Adopt and publicize a financial assistance policy
 - Meet certain billing and collection guidelines
 - Limits on use of gross charges
 - Applies separately to each state licensed hospital facility

Final IRS “Section 501 (r)” Rules

- Final IRS Rules issued December 31, 2014
- Apply to hospital’s taxable years beginning after December 29, 2015
 - For CHI, applies beginning July 1, 2016

Final IRS “Section 501 (r)” Rules

- Changes from Proposed Rules Regarding Community Health Needs Assessments:
 - Hospital must **solicit** and take into account any input from persons knowledgeable about the community
 - Input must be solicited and used in setting priorities as well the assessment process
 - CHNA documentation must include an evaluation of the impact of any actions taken to address significant health needs since the previous assessment
 - Requires that multiple buildings holding a single license be treated as a single facility for the CHNA and the community served is the aggregate of areas and populations (can be separate chapters or sections)

Final IRS “Section 501 (r)” Rules

- Changes from Proposed Rules Regarding Community Health Needs Assessments (cont.)
 - Expands examples of health needs that may be included in the CHNA to include prevention of illness, ensuring adequate nutrition and addressing social, behavioral and environmental factors

Final IRS “Section 501 (r)” Rules

- Changes from Proposed Rules Regarding Implementation Strategies:
 - Deletes requirements that implementation strategies include an evaluation plan but requires evaluation to be part of subsequent assessments
 - Additional detail regarding how the hospital plans to meet significant health needs including:
 - ✓ Actions hospital intends to take to address significant health needs
 - ✓ Anticipated impact of those actions
 - ✓ Programs and resources hospital plans to commit to address the health need
 - ✓ Any planned collaboration between the hospital and other facilities or organizations

Final IRS “Section 501 (r)” Rules

- Changes from Proposed Rules Regarding Implementation Strategies:
 - Provides additional time to complete the implementation strategy
 - ✓ Strategy must be adopted on or before the 15th of the fifth month after the end of the tax year in which the hospital facility completes the final step in its CHNA

Final IRS “Section 501 (r)” Rules

- Changes from Proposed Rules Regarding Financial Assistance (FAP), Billing and Collections:
 - Will be reviewed in future webinar
 - CHI policies are being revised to comply with final rules

Final IRS “Section 501 (r)” Rules

FAP Timeline

- Currently updating Stewardship Policies 15 and 16 to account for the required changes stipulated in the new regulations
 - Goal is to have finals drafted by 12/31/2015 and ready for board approval in early spring
 - Financial Assistance Applications of each MBO will then need to be updated for additional state requirements

Final IRS “Section 501 (r)” Rules

FAP Timeline (Cont.)

- Implementation procedures will then need to be phased in by July 1st, 2016
 - Ongoing maintenance/compliance will then follow
- Need to update list of providers/physicians covered under FAP for each entity
- Will also update CHI Community Benefit Policy to align with all final rules changes and CHI implementation

2014 (FY15) Schedule H Changes

- Significant Changes to Part V, Section B – Facility Information
 - Questions & disclosures updated for final regulations
 - ✓ CHNA
 - ✓ FAP & Billing and Collections
 - Required to disclose all organizations (regardless of whether the organizations are hospitals) if joint CHNA was conducted

2014 (FY15) Schedule H Changes

- Significant Changes to Part V, Section B – Facility Information (cont.)
 - Must provide link to website where implementation strategy is posted
 - ✓ Need to attach implementation strategy to Form 990 if not posted to website
 - New narrative required describing how hospital is addressing significant needs identified in CHNA

FY16 CHI Schedule for CHNAs

- All licensed hospitals must:
 - Complete a community health needs assessment (in compliance with final IRS rules), have it approved by an authorized body and posted on its website by June 30, 2016
 - Complete and adopt an implementation strategy (in compliance with final IRS rules) to meet identified community health needs by November 15, 2016
 - CHI assessments to include violence prevention and input from Area Agencies on Aging or similar organization

FY16 CHI Schedule for CHNAs

- Internal Live Meeting educational webinar series will be provided:
 - Part 1-2 in September:
 - ✓ How to conduct a CHNA
 - ✓ What needs to be included in the CHNA document
 - Part 3-4 in October:
 - ✓ How to conduct an Implementation Strategy
 - ✓ What needs to be included in the Implementation Strategy plan
 - Part 5 in November:
 - ✓ Ongoing evaluation and reporting

Resources

- *A Guide for Planning and Reporting Community Benefit*, 2015 Edition, CHA (to be released in August 2015)
www.chausa.org
- Lyon Software On-line Training
www.lyonsoftware.com

Feedback and Discussion

What do you need?

Questions and concerns?

Suggestions and recommendations?





Imagine better health.SM

THANK YOU!

