

COMMENTS OF THE NATIONAL ASSOCIATION OF COUNTY AND CITY HEALTH OFFICIALS

On Community Health Needs Assessment Pursuant to Internal Revenue Code Section 501(r)(3)

Notice 2010-39

July 22, 2010

The National Association of County and City Health Officials (NACCHO) is pleased to respond to Notice 2010-39 by submitting the following comments concerning implementation of Section 501(r)(3) requiring a hospital organization to conduct a community health needs assessment (CHNA) every three years and to adopt an implementation strategy to meet the needs identified through such assessment.

NACCHO represents the nation's 2800 local health departments. These city, county, metropolitan, district and tribal departments work every day to ensure the conditions that promote health and equity, combat diseases, and improve the quality and length of all lives for all people in their communities through public health policies and services. Local health departments in particular have unique roles and responsibilities in the larger health system and within every community. They are the only local entities that focus on the health and well being of every person in their communities. They work from a population-wide perspective. They have statutory powers that enable their role and enshrine a duty to serve every person and household in their jurisdiction.

Requirement for Public Health Department Input

The Patient Protection and Affordable Care Act requires that a CHNA take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health. **NACCHO urges the Internal Revenue Service to interpret this statutory provision to require that, at a minimum, hospitals engage meaningfully over a period of time with the local governmental public health department serving the jurisdiction in which the hospital is located. That engagement should concern the design and execution of a CHNA and subsequent development of an implementation strategy and should be documented in Schedule H of Form 990.** Such a requirement will ensure that the potential for cooperation between the two entities is considered, while recognizing that communities and the capacities of hospitals and health departments vary greatly and flexibility in the nature of the engagement is necessary.

NACCHO believes that the measure to determine whether community benefit has been achieved is improvement in the health status of the community served by the hospital organization. Collaboration in community health needs assessment between hospitals and local health departments will help achieve that ultimate objective. Local health departments, as the



units of local or state government (depending on the jurisdiction) are responsible for the protection and promotion of health for all persons in their jurisdiction. Many have undertaken CHNAs and are engaged in a host of activities to address the community's most pressing problems, as well as to provide services mandated by state or local statute. They regularly organize and engage community partners and stakeholders to identify local health needs and priorities using data and to create conditions in the community that promote health. Therefore, requiring hospitals to engage with the health department will help ensure that data collection and planning and assessment activities are not duplicated, and that the hospital's contribution will complement, rather than duplicate or conflict with, other health improvement data-gathering, plans and activities taking place in the community.

The Joint Committee on Taxation's Technical Explanation of the Affordable Care Act states that the CHNA may be based on current information collected by a public health agency or non-profit organizations and may be conducted together with one or more organizations, including related organizations. This statement recognizes key principles of community health improvement, an activity that focuses on the combined effects of individual and community, physical and social environments, and policies and interventions used to promote health and prevent disease. A community health improvement process necessarily involves an ongoing, collaborative, community-wide effort to: 1) identify, analyze and address health problems; 2) assess applicable data; 3) develop measurable health objectives and indicators; 4) inventory community health assets and resources; and 5) develop and implement coordinated strategies to improve health.

Hospitals have much to contribute to community health improvement, including intellectual capital and human and financial resources, but usually cannot successfully orchestrate such an effort alone. Local health departments have other, complementary resources, including an array of connections with other governmental and private entities concerned with health improvement. They also often have, or have access to, epidemiological and statistical expertise and data, which are essential to identifying the highest priorities for health improvement and measuring the effects of interventions over time.

The potential for mutually beneficial cooperation between hospitals and local health departments in carrying out a CHNA has already been demonstrated in practice. For instance, in Snohomish County, Washington, a hospital engaged in strategic planning contracted with the health department for statistical and epidemiological expertise, using data sets that already existed at the health department. This arrangement serves the hospital and the health department not only with respect to the immediate objective, but also by establishing a basis for a longer term partnership in ongoing community health improvement activities. Similar collaborations are taking place elsewhere across the country.

Achieving Community Benefit by Enhancing Quality and Outcome Measurement in CHNA and Implementation Strategies

The Act recognizes that community health improvement is necessarily a continuous activity by requiring hospitals to conduct a CHNA and adopt an implementation strategy every three years. Guidance concerning future fulfillment of this requirement should permit and encourage subsequent CHNA's to build on prior work, as well as to participate and collaborate in longer term community health improvement efforts.

Many tools to guide CHNA and resulting implementation strategies exist. Hospitals should be encouraged to consult them, use them, and adapt them as needed. These include MAPP (Mobilizing for Action Through Planning and Partnerships), PATCH (Planned Approach to Community Health), Assessment Protocol for Excellence in Public Health (APEX/PH), and toolkits developed by the Association for Community Health Improvement.

IRS reporting requirements should reflect the key characteristics of a high quality process by asking hospitals to document that they are engaging or collaborating in a process that includes the following key phases:

- Design of a community health needs assessment;
- Identification of relevant assessment indicators and existing data sources;
- Collection of both quantitative and qualitative data, including input from a wide variety of individuals and organizations in the community;
- Identification of community priorities and implementation strategies that are based on assessment data, community input, and the evidence of effectiveness of proposed interventions;
- Implementation of strategies that address community priorities;
- Evaluation of strategy effectiveness
- Demonstration of community health improvement resulting from strategy implementation.

Current capacities of hospitals and communities to conduct CHNA's and carry out implementation strategies differ markedly among jurisdictions. The scale of community health improvement activities within any community will be commensurate with the expertise, collaborative partnerships, and resources outside the hospital that are available. It is reasonable for hospitals to collaborate with other facilities in the same organization in conducting a CHNA and in executing implementation strategies, as the Technical Explanation suggests. However, wider adoption of the model process described above, in whatever manner that process may be organized, has great potential to achieve measurable community benefits that would not otherwise be possible.

For that reason, NACCHO urges the IRS to capture information on hospital implementation of the CHNA requirements by asking them to document their participation in each of the seven phases described above. It would be appropriate for the costs to be reported and included in each hospital's community benefit expenses. It is not suggested that failure to document participation in any single phase would or should lead to a finding of noncompliance, particularly because it can be expected that completion of all phases would take longer than three years. Rather, reporting in such a format is essential to encourage the development of effective CHNA processes that are driven by data and by community participation, as well as to monitor the impact of the community benefit requirement over time.

Alignment of Community Benefit Requirements with National Prevention Strategy

Pursuant to the Patient Protection and Affordable Care Act, the President established a National Prevention, Health Promotion and Public Health Council by Executive Order on June 10, 2010. Chaired by the Surgeon General, the Council includes the heads of many federal agencies and departments, including Agriculture, Homeland Security, Education, and

Transportation. The Executive Order authorizes the Surgeon General to include the heads of other agencies from time to time, as appropriate. The Council is charged to develop a National Prevention Strategy that will set specific goals and objectives for improving the health of the United States through federally supported prevention, health promotion, and public health programs. The broad membership reflects the fact that health status is affected by many federal policies outside the traditional realms of health and public health in the Department of Health and Human Services.

NACCHO urges the Internal Revenue Service to consult with the Council and to consider what roles community benefit requirements can play in a national prevention strategy. Ultimately, CHNA and implementation strategies might be encouraged to align with the National Prevention Strategy, as well as to promote health improvement in ways that each community determines are most important.

NACCHO believes that the new community benefit requirements have great potential to promote new, mutually beneficial collaborations between not-for-profit hospitals and local health departments to improve the health of the communities each serves. We will be pleased to provide any additional information that would be useful.

For further information contact:

Donna L. Brown, JD, MPH
Government Affairs Counsel
dbrown@naccho.org
202-507-4197