



**Oregon**  **Association**  
of Hospitals and Health Systems

# COMMUNITY NEEDS

Flex Advisory and ORHQN Meeting  
Salem Conference Center  
September 23, 2010  
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## Outline

### History and context

- Community Benefit, Public Health, and National Health Reform
- Political environment
- IRS intent

### Challenges and opportunities

- Business and market imperative



The Community Health  
Needs Assessment is  
the basis for the mission  
of the organization.



## Health Reform - PPACA

March 23, 2010, President Obama signed the *Patient Protection and Accountable Care Act (PPACA) Section 501(r)*.

- New requirements for tax exempt hospitals
  - Community Health Needs Assessment
  - Financial Assistance Policies
  - Requirements for Charges
  - Billing and Collections



## Who Is Subject to the Law?

- A hospital organization as described in Section 501(c)(3)  
– must meet four requirements
- A hospital organization that operates a facility required by the state to be licensed as a hospital
- The Secretary may determine other organizations also have the provision of hospital care as their principle exempt function
- Each hospital operated by an organization must separately meet the requirements



# Community Health Needs Assessment

- Must conduct every three years
- Requires a strategy to meet identified needs
- Requires assessment:
  - Includes input of the community served
  - Made available to the public
- Failure results in \$50,000 excise tax





## IRS Intent

IRS definition – Community Benefit

Promotion of health for class of beneficiaries sufficiently large enough to constitute benefit for the community as a whole.

- Population health
- Accountability for measureable impact
- Move beyond charity care and focus on the health of the community



## Connecting the Dots

- Community Benefit, Public Health, Health Reform
- Political environment
- OARs and IRS





## **Business and Market Imperative**

- Focus on Stewardship
- Address historical dynamics
- Identify synergies
  - Reform models e.g. ACOs, bundled payments and medical home



Thank You

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