

# VOLUNTARY STANDARDS: A Framework for Meeting Community Needs

An introductory guide to VHA's voluntary community benefits standards.

# Voluntary Standards: A Framework for Meeting Community Needs

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# Introduction

In December 1990, VHA convened a task force of VHA organization chief executive officers to develop recommendations for addressing issues related to not-for-profit hospitals' community benefits and tax-exempt status. In the fall of 1991, the VHA board approved a set of voluntary community benefits standards developed by the task force and reviewed by VHA Shareholder CEOs during regional meetings held in October 1991. These voluntary standards call upon VHA institutions to:

- Demonstrate leadership as charitable institutions
- Provide essential health care services
- Be accountable to the community
- Evidence commitment to community benefit
- Operate free from private profit

These standards are designed to serve as a starting point for VHA institutions as they re-assess their community benefits mission and create innovative strategies for meeting community needs. The task force's goal was to create standards that are worthy of striving toward, realistically attainable, applicable to the full range of VHA organizations, measurable, broad and easily understood by hospitals and the public.

This introductory guide provides greater detail about each of the standards and explores how they relate to current efforts in health care reform and to the underlying concepts and process orientation of total quality management. It also provides examples of how VHA institutions are reshaping and strengthening their community benefits efforts and explains how VHA plans to support activity in this important area.

# I. Voluntary Standards: A Framework for Meeting Community Needs

## Rationale

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*"We must not cease from exploration and at the end of all our exploring will be to arrive where we began and to know the place for the first time." T.S. Eliot*

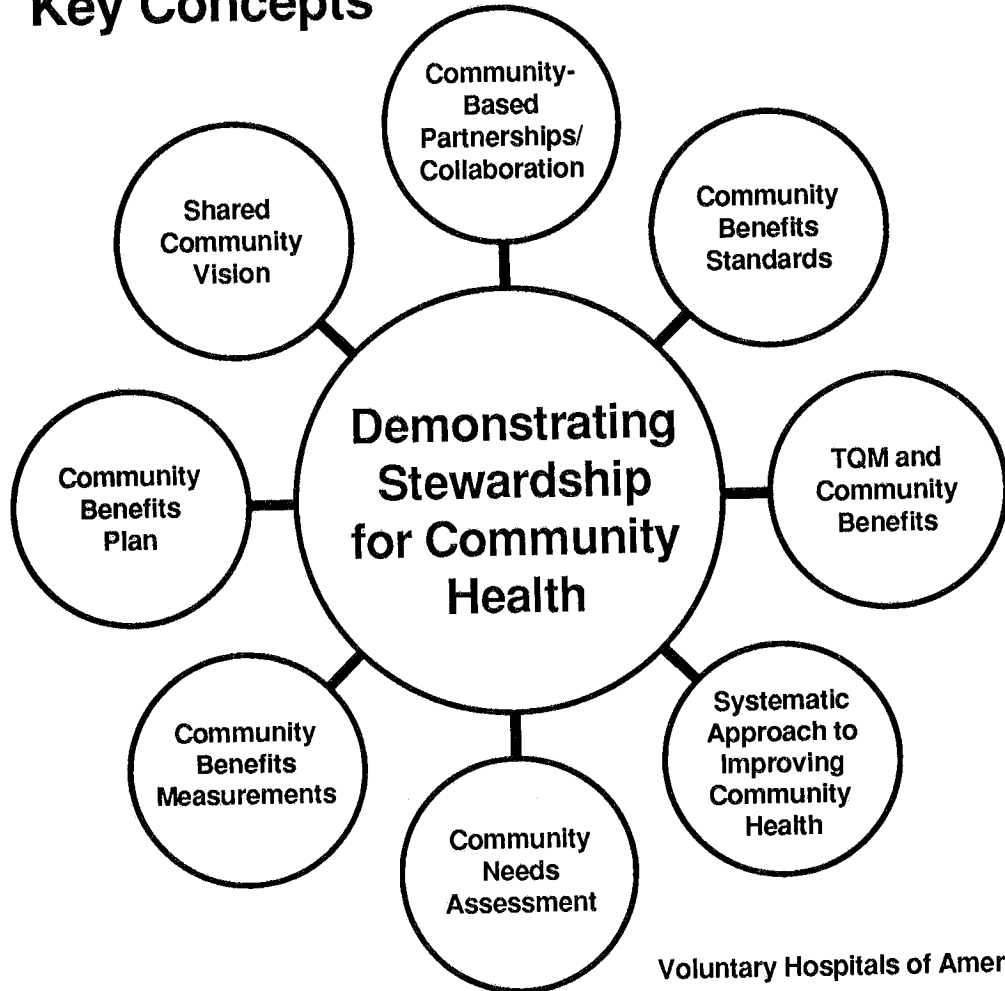
Not-for-profit hospitals have a pivotal role to play in ushering in a new era for health care in America - an era where health care institutions will be increasingly challenged to demonstrate accountability and assume greater risk and responsibility for improving the health status of their communities. The struggle to solve our nation's health care cost, access and health status problems has fostered a growing awareness that addressing the causes and scope of our problems requires that health care institutions make a long-term commitment to meeting these challenges. To do so, health care organizations are entering a new age of innovation in working in partnership with their communities and with each other as they organize and manage resources to meet community needs. VHA, as the nation's largest alliance of not-for-profit hospitals and multihospital systems, will help VHA organizations confront this new era head on and stay competitive by standing out as leaders in meeting community needs.

We must begin with the recognition that after more than a decade of diversification and competition, it is time to examine where we may have lost sight of our community benefit mission. To assist in this re-evaluation, many voluntary hospitals are seeking explicit standards that can provide a framework and establish benchmarks for evaluating and guiding their efforts to meet community needs. VHA has developed voluntary community benefits standards to provide such a framework. The standards explicitly state and encourage heretofore implicitly assumed standards of behavior for maximizing the benefit our voluntary institutions provide to their communities.

With the introduction of VHA's voluntary community benefits standards as a first step, VHA plans to lead, inspire and assist VHA organizations in becoming even more distinguished leaders in meeting community needs and in holding

steady to their community benefit mission as the health care system undergoes anticipated changes in the coming years.

## Key Concepts



*"The significant problems we face cannot be solved at the same level of thinking we were at when we created them." Albert Einstein*

## A New Vision For Health Care

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With a growing sense of what is possible and what is needed to improve health status and manage the problems of cost and access that have plagued our health care system, a new vision for health care is emerging. This new vision reminds us that the health of individuals and communities is the only valid measure of success for our health care system. It reminds us that our most intractable health problems find their genesis and solutions in factors that can only be affected through communitywide efforts that not only serve, but also empower individuals and families to achieve and maintain health.

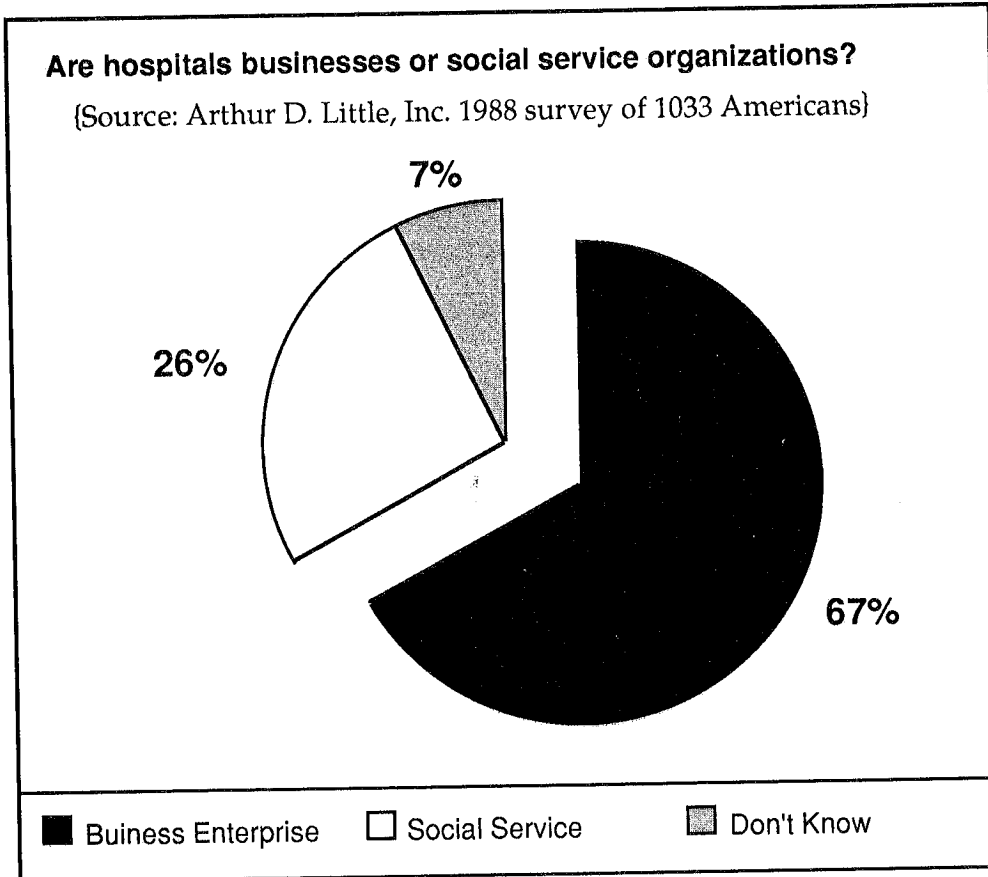
This new vision seeks to reinvigorate the community benefit mission upon which not-for-profit hospitals were founded. It seeks to engage health care institutions in collaborative relationships--to create new linkages and a shared vision with their communities; to expand their circle of concern beyond individual clinical care to the entire health of the community; and to extend their sphere of influence on the full range of physical, social, mental and environmental precursors to disease through community-based partnerships. Challenging hospitals to assume greater responsibility for the health status of the populations they serve, this new vision calls for more than the provision of community service as we have known it.

Many VHA organizations are embracing such a vision and engaging in a fresh approach to meeting community needs--allocating resources based on the assessed needs of the community; taking explicit steps to review, organize, manage and communicate the benefits they provide; and developing effective hospital-community partnerships and collaborative relationships with other community health care providers.

While public attention to hospital community benefits has arisen from government's challenges to not-for-profit hospitals' tax-exempt status, these institutions have recognized that a re-examination of hospital community benefits is more than a means for satisfying such government challenges. These challenges, reflective of a general decline in the public's trust of our voluntary health care institutions, are also an opportunity to honestly examine how well we

have demonstrated stewardship for the health of our communities, how well we have maximized our ability to improve health status and how we can improve.

*"With public trust everything is possible, without it nothing is possible."*  
 Abraham Lincoln



**Public Perception of Hospitals: Survey Findings**

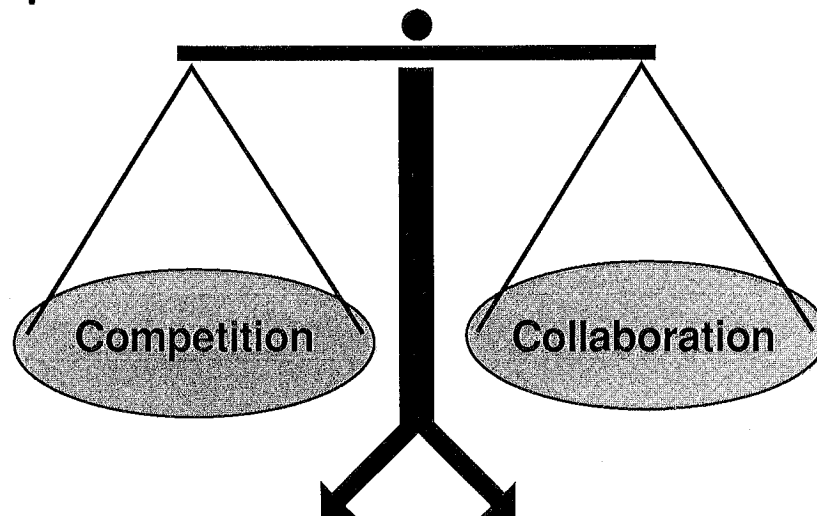
<p><b>QUESTION;</b>                  Is your hospital a charitable institution?                  Are most hospitals non-profit or for-profit organizations?                  Do you believe hospitals adequately provide community service?</p>	<p><b>ANSWER:</b>                  80% said "no"                  68% said "for profit"                  76% said "no"</p> <p><i>Source: Based on a 1991 survey sponsored by the Delaware Valley Hospital Council</i></p>
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While the government and the health care industry re-examine and redefine standards to measure not-for-profit hospitals' benefit to their communities, VHA has taken an active stance to define reasonable community benefits standards that are worth striving for, realistically attainable and measurable or readily observable. By aspiring toward and achieving these standards, VHA organizations will stand out as leaders in meeting community needs and in developing voluntary, private-sector solutions to our nation's health care problems. There is no doubt that embracing these standards will require VHA organizations to more explicitly review, organize, manage and communicate their community benefits and maintain a commitment to collaboration with their communities and with each other.

For many health care institutions, doing so presents tremendous challenges and requires a reorientation that will not occur quickly. Recognizing these challenges, VHA plans to support hospitals in an effort to improve performance in meeting community needs--an effort that is sure to help us enter the next decade with healthier individuals, healthier communities and stronger institutions.

### Competition and Collaboration: A Delicate Balance



- Focus on institutional needs
- Attempt to answer "How can we meet this need better than/instead of our rivals"
- Success determined by superior resources, superior skills or superior positioning
- Focus on the community/patient needs
- Attempt to answer "How can this community need be best met"
- Success determined by service integration and lack of service redundancy

*"You don't have to own it to integrate it." Anonymous*

## II. VHA's Voluntary Community Benefits Standards: Building on a Tradition of Excellence

VHA's voluntary community benefits standards build on a long tradition of excellence and innovation in meeting community needs. While VHA's voluntary standards were designed to reinforce the traditional and unique contributions of voluntary institutions--most notably, the provision of indigent care, contribution to medical education and research and the provision of needed, low-margin services, they emphasize the responsibility of these institutions to improve community health status and the importance of hospital-community partnerships and provider collaboration.

### VHA's Voluntary Community Benefits Standards

#### ARE

- *A framework for reviewing current efforts*
- *Goals to aspire to over time*
- *Benchmarks to guide future efforts*
- *Necessary to ensure tax-exempt status and recapture public trust*
- *Important to the health of the institution as well as the health of the community*

#### ARE NOT

- *Rigid rules that can be applied in the same manner by all institutions*
- *An exhaustive list*
- *Guidelines for meeting tax-exempt status obligations only*
- *Applicable to the community service department of the hospital only*

The standards encourage a process orientation to hospital community benefits--a process that requires an explicit review of current efforts and use of resources; an assessment of community needs; the prioritizing of hospital activities according to these needs; the development of a community benefits plan; the measurement of the health and economic value of hospital efforts; and the public communication of this value. As such, the standards relate to every aspect of the management of a health care institution, including:

- the development of the mission statement and function of the governing board
- the making of fiscal and investment decisions
- relations with employees and medical staff
- decisions about the scope of clinical services provided
- affiliations with other community health organizations and businesses, civic, religious, social and educational organizations.

## VHA's Voluntary Community Benefits Standards

### DO:

- Reinforce the traditional and unique contributions of not-for-profit hospitals
- Encourage a planned approach to evaluating and meeting community needs
- Emphasize the hospital's role in improving community health status as well as providing necessary clinical services
- Encourage hospital-community partnerships and provider collaboration

### DO NOT:

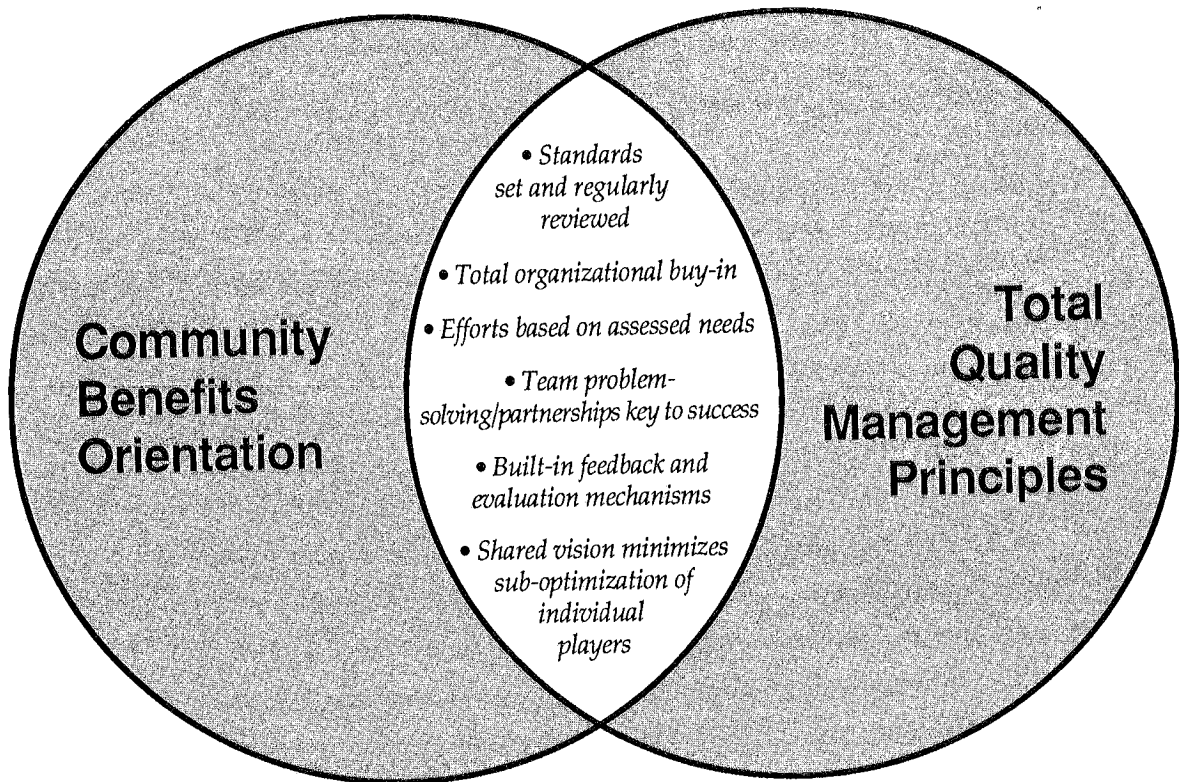
- Necessarily require the use of new hospital resources
- Negate the realities of the competitive health care environment

The standards implicitly suggest the application of total quality management principles to the provision of community benefits, calling upon the institution to:

- Explicitly state standards to strive toward and regularly review performance on standards
- Achieve total organizational buy-in to the community benefits philosophy of the organization
- Base efforts and services provided on the expectations and assessed needs of the community
- Adopt a process orientation to community benefits
- Rely on and nurture team problem solving/partnerships
- Build in mechanisms for community feedback and the measurement of value
- View itself as seamlessly connected to the larger community and embrace a shared community vision

*"I know of no more encouraging fact than the unquestionable ability of man to elevate (his) life by conscious endeavor." Henry David Thoreau*

## Community Benefits and Total Quality Management: Common Elements



We recognize that the VHA standards are not the only set of standards in existence. Indeed, such standards are being developed by many state and local governments, the federal government, other health care-related associations and foundations, and individual health care institutions. Nevertheless, we believe that it is incumbent upon VHA, as the nation's largest alliance of not-for-profit hospitals and multihospital systems, to create a set of standards that relate to all aspects of a hospital's community benefit and tax-exempt status obligations. It is our hope that these standards will provide a useful framework for evaluating, organizing, managing and maximizing the benefits our voluntary institutions provide their communities. As explained earlier, the standards relate to a larger VHA effort to support hospitals' efforts to meet community needs. The following pages introduce each standard and provide examples from VHA organizations across the country.

## STANDARD #1: DEMONSTRATE LEADERSHIP AS A CHARITABLE INSTITUTION

Minimum guidelines:

- Assert leadership in organizing communitywide efforts for the needy
- Reach out to the underserved to provide needed primary and preventive health care services and health education
- Attract and use donated funds to serve the needy
- Participate in Medicaid and other federal, state and local health care reimbursement programs for the needy
- Formally plan for and provide charity care or maintain an open door policy to the extent of financial ability

### Initiative Targets Health Improvement Through Community Partnership

*Sutter Health, Sacramento, California, VHA Pacific*

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*"...We can no longer look to government for complete solutions to health issues. We are clearly returning to an earlier approach in which communities must come together to solve their own problems--in health care and other basic issues." Patrick Hays, president and CEO*

To enhance Sutter Community Hospitals' commitment to improving standards of health in the Sacramento metropolitan area, the SCH board of trustees has authorized the funding and development of a Community Partnership Initiative. The objective of this initiative is to respond to the broad health-related needs of the community by providing appropriate and effective health and educational community services. The two partnership projects endorsed thus far support the needs of the area's homeless and underserved school children.

This initiative is a long-term effort to demonstrate Sutter's value of community, as stated in SCH's statement of values: *"We contribute to our community as good citizens, individually and organizationally. We take the lead in resolving issues related to community health. We are good neighbors."*

SCH's Community Partnership Task Force, which represents the board of trustees and senior management, will focus its activities within the framework of *Healthy People 2000*, the national report outlining America's health goals for the next decade and beyond. As its first step, the task force undertook a formal needs assessment to evaluate the areas of perceived community health need and to identify where the SCH initiative could have a significant positive impact.

The task force recognized that SCH alone will have limited capacity to improve health status for large portions of the population and that doing so requires the development of partnership arrangements linking Sutter with other organizations.

Sutter recognizes that it owes its significant growth and success in Sacramento to its patients and the community. As stated by SCH President and CEO Patrick Hays, *"We hope to strengthen that success with efforts that make important differences in people's lives."*

## STANDARD #2: PROVIDE ESSENTIAL HEALTH CARE SERVICES

Minimum guidelines:

- Cooperate with other community health care providers to maximize the meeting of essential community health needs
- Render health care services and educational services that are specifically designed to meet assessed community needs and improve community health status
- Operate a 24-hour emergency room to the extent needed by the community

### Provider Collaboration Meets Community Need At Lower Cost

*Community Hospitals of Indiana and Indiana University Hospitals,  
Indianapolis, Indiana, VHA Tri-State*

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*"We believe that jointly developing and providing bone marrow transplant services between Community Hospitals of Indiana and Indiana University Hospitals will provide a needed service to the region at a consistently higher quality and lower cost than if one hospital did it on its own."*

*William E. Corley, president and CEO, Community Hospitals of Indiana*

*"By focusing on our shared mission to meet the health care needs of our community, Indiana University Hospitals and Community Hospitals of Indiana were able to nearly double the availability of bone marrow transplant expertise in the region. This is one example in the long line of possibilities for hospitals to work together to provide essential health care services that may not otherwise be developed while conserving overall health care expenditures."*

*David Handel, Director of Hospitals*

Two VHA health care organizations, Indiana University Hospitals and Community Hospitals of Indiana, have collaborated to expand a bone marrow transplant program for cancer patients. This cooperative effort will link Indiana's primary medical research and educational institution with a major community hospital to provide autologous bone marrow transplants to nearly twice as many patients as can currently be served at IUH, while using facilities already in existence.

The venture between IUH and CHI places the autologous bone marrow transplant program among the largest in the country. It will also be one of only two instances in the U.S. where an academic medical institution has joined with a community hospital to offer a program intended to reach a broader spectrum of patients needing bone marrow transplants. According to E. Randolph Broun, MD., the medical director of the new program at Community Hospital Indiana East, patients previously untreatable for advanced stages of testicular cancer, breast and ovarian cancer, AML and lymphomas are responding well to this new autologous transplant therapy.

Lloyd K. Everson, MD., medical director of Community Hospital's Regional Cancer Center, says the program is an example of how a linkage between hospitals can better serve the community as a whole: *"This cooperative effort improves patient access to state-of-the-art, progressive cancer care without duplication of service. In this age of rising medical costs, such efficiency from the health care providers' perspective is crucial to maintaining a continuum of quality cancer care."*

## STANDARD #3: BE ACCOUNTABLE TO THE COMMUNITY

Minimum guidelines:

- Have a volunteer governing board composed of members of the community the hospital serves
- Invite and respond to community input and involvement in the planning and review of hospital activities
- Voluntarily disclose information on hospital services, financial status, community benefit activities and charity care to the public
- Advocate health care cost containment efforts and promote the efficient use of health care resources within the community

### Community Input Guides Health Agenda

*Sentara Norfolk General Hospital, Norfolk, Virginia, VHA Mid-Atlantic States*

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*"Sentara Norfolk General remembers that we have our origins and roots in the community. To be sure everything we do provides a benefit to the community, we actively involve community members in our program development process. We look to them to specify what their needs are and strive to be as responsive as possible to meet those needs through the spirit of partnership that involvement creates."*  
*Howard Kern, chief executive officer*

As a demonstration site of the Kellogg Foundation's Hospital Community Benefits Standards Program, Sentara Norfolk General Hospital involves the community in formulating and implementing a health agenda for its public. Like many hospitals, SNGH maintains a volunteer governing board that provides a link to the needs and demands of the community. However, SNGH goes beyond community representation on its board to solicit direct input and involvement in program design and review from local health organizations, community business leaders and other community members.

Before developing solutions to address community needs, SNGH conducts focus groups with area business leaders and assesses public opinion by conducting a community perception survey. SNGH also works closely with the local health department and health agencies to review the input it receives and collaborate on specific projects. Through involvement with the health department and other area health agencies, SNGH realizes significant value in pooling health resources to improve the health status of the community.

SNGH recognizes the significant value of soliciting community input and involvement, particularly in the area of improved community relations. Public trust and support for the hospital's programs are more apparent since the community has had a hand in not only identifying the needs, but also in formulating solutions to meet those needs. The perception survey, conducted by the entire Sentara Health System has proven to be an important method for determining the community's image of all Sentara hospitals, providing relevant input to the system's marketing strategy.

## STANDARD #4: EVIDENCE COMMITMENT TO COMMUNITY BENEFIT

Minimum guidelines:

- Embrace a mission statement and by-laws that reflect a commitment to a charitable purpose and community benefit
- Provide leadership for organizing communitywide efforts for enhancing community health
- Integrate a community benefits plan based on assessments of community health needs into overall strategic plan
- Educate and involve employees and medical staff in the provision of community benefits

### Community Benefits A Key Component in Strategic Plan and Direction

*The Brooklyn Hospital Center, Brooklyn, New York, VHA Metro New York*

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*"Because we are a community benefit institution, the community's agenda is our agenda. The best way, or perhaps only effective way, to be sure we took our direction from the community, was to develop a community service plan that was fully integrated into the management and strategic direction of The Brooklyn Hospital Center." Frederick D. Alley, president and CEO*

In 1991, the Brooklyn Hospital Center undertook, the development of its first formal, written Community Service and Benefits Plan. The development of the plan, although prompted and encouraged by new New York State Department of Health regulations, became an institutionwide process that led to a renewed self-understanding and commitment to mission among all segments of the hospital center community, from trustees, management, medical staff and employees.

The success of the community service and benefits plan and its full integration into the strategic plan of the hospital center is rooted in strong commitment at the seniormost levels, including the operations and planning committee of the board of trustees, and the personal involvement of the president and chief executive officer. Beginning with the board's reaffirmation of the hospital center's mission, the plan includes not only an assessment of community need based on demographic and health status data, but also an analysis of community perception and expectations of the hospital center. This information provided the basis for management and medical staff leadership to construct a comprehensive course for developing clinical programs that directly address the needs of the community and for expanding activities in community outreach, intervention, education and service.

The board's operations and planning committee reviewed and adopted the findings and plans. As a result, The Brooklyn Hospital Center has fully integrated community service and benefits into its policy formation, operation and management. In 1992, the hospital center is directed by three co-equal management documents, the strategic plan, the community service plan and the operating budget. The consistent understanding of their interrelationship across all constituencies has provided renewed commitment to the fulfillment of the hospital center's 150 year-old mission.



## STANDARD #5: OPERATE FREE FROM PRIVATE PROFIT

Minimum guidelines:

- Maintain a corporate and legal structure that meets all requirements for not-for-profit status
- Ensure that affiliated business enterprises serve the hospital's charitable purpose and present no conflicts of interest with the not-for-profit, charitable mission of the hospital
- Employ financial surpluses to further the institution's charitable purpose and not to promote private inurement to any individual

### Early Revenue Review is Important First Step

*Allegheny General Hospital, Pittsburgh, Pennsylvania, VHA Pennsylvania*

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*"Performing a self assessment prior to the hospital's tax exemption being challenged enabled us to respond to the taxing authorities and the media in a quick and appropriate fashion when the challenge ultimately came." Anthony M. Sanzo, president and CEO*

In today's environment, the tax-exempt status of hospitals is under increasingly close scrutiny--from local and state taxing entities, from the Internal Revenue Service and from Congress. Because of this scrutiny, it is important for hospitals to evaluate their own practices as they relate to criteria for tax exemption.

In anticipation of these inquiries, Allegheny General Hospital undertook a self-assessment to look at how the tax exempt revenues of the institution were being used. Issues included business relationships, investments, use of financial surpluses, executive compensation and other administrative expenses. This assessment enabled the hospital to address these issues in a positive fashion before being scrutinized by a governmental entity. It also enabled the hospital to take appropriate steps to change policies and practices that might give rise to concerns on the part of government authorities.

Clearly, any advantage a hospital can gain if its tax-exempt status is threatened is beneficial. Although such challenges have been focused in only a few states to date, it is reasonable to expect that success by local taxing authorities in these cases will increase the number of challenges over the next few years. In many instances, these investigations focus in significant part on the way a non-profit hospital spends its revenues.

### III. Embracing Community Benefits Standards: An Inside-Out Process

#### Commitment of Hospital Leadership is Key

*"Simply drafting a mission statement is not enough. We must constantly strive to meet our mission and regularly report on our achievements." John C. McMeekin, president, Crozer-Chester Medical Center, VHA East*

Without the commitment of the hospital board, chief executive officer, medical staff and senior executive officers, community benefits standards can have, at best, a minimal positive effect. There are many philosophical and practical hurdles to clear before an institution can fully embrace the VHA voluntary community benefits standards. First, hospital leaders must agree that community benefit is more than the provision of charity care and community outreach. Leaders need to believe that taking responsibility for community health, beyond the provision of clinical care, is an appropriate role for the institution. They need to be open and committed to acting on opportunities for collaboration with other health providers in their community. From a practical perspective, the hospital needs to develop the capacity to assess community needs, measure the value of its community benefits and have the type of community relations and long-term view that support the development of successful community partnerships.

#### Value of Embracing Voluntary Standards

To embrace the VHA community benefits standards, hospital leaders must believe in the potential value to the institution and the community and make realizing the standards a core part the organization's ideology and strategy. The value of striving to realize VHA's community benefits standards is compelling:

- A. **Health value: maximize ability to improve community health**
  1. Develop an objective way to identify health needs and measure value of efforts.
  2. Mobilize and maximize hospital and community resources to ensure access to health care and improve health status.

**B. Marketing value: improve institution's appeal**

1. Increase public awareness of hospital's services through participation in community partnerships.
2. Set in place a strategy to assess public perception and reinforce public trust.
3. Develop a competitive advantage by improving and demonstrating ability to meet community needs.

**C. Survival value: enhance institution's strength.**

1. Respond to growing payer demands for hospitals to demonstrate accountability for health outcomes of the population they serve.
2. Prevent and manage challenges to tax-exempt status.
3. Reduce expensive indigent care via prevention and early intervention.
4. Maximize the potential for the hospital to effectively assume and manage financial risk for populations.

## IV. VHA's Focus on Meeting Community Needs: Responsive, Active, Practical

VHA's focus on meeting community needs is in response to the expressed and anticipated needs of many VHA organizations as they strive to demonstrate leadership and excellence as community benefit institutions. It is an active effort to address the many current and future pressures for our institutions to take greater responsibility for community health status and address issues related to the cost and access of health care.

### Helping Meet the Challenge

VHA can bring the power of alliance to bear in this important area by:

- Educating and providing opportunities for networking and information exchange
- Capturing and sharing the excellent practices of VHA institutions and developing adaptable strategies, tools and models
- Organizing regional and national activities, providing visibility to VHA organizations and building cohesion and enthusiasm

VHA is gathering more information from VHA organizations about how it should be involved in this important area. The following list highlights some of the activities currently under consideration.

- A. Educate and provide opportunities for networking and information exchange**
1. Organize regional and national forums for information exchange and networking.
  2. Develop a national, regionally based network for hospital community benefits managers.
  3. Develop a management training exchange program that focuses on community benefits management.
  4. Serve as an information clearinghouse.
  5. Provide tax-exempt status policy updates and practical assistance.

**B. Capture and share the excellent practices of our institutions and develop adaptable strategies, tools and models**

1. Develop adaptable strategies for:
  - assessing community needs
  - communicating hospital community benefits
  - developing successful community partnerships
  - staffing community benefits activities
  - measuring the value of community benefits activities
  - gaining the support of the hospital board, medical staff and employees.
2. Organize research activities and pilot studies to test and refine adaptable strategies, tools and models.
3. Develop a template in the VHA Data Comparison and Reporting System to track hospitals' resources used for community benefits activities to help hospitals streamline completion of IRS Form 990.

**C. Organize regional and national efforts, provide visibility to VHA organizations and build cohesion and enthusiasm**

1. Organize regional and national disease prevention and health promotion activities under VHA's Stay Healthy USA<sup>sm</sup> program.
2. Honor VHA hospital community benefits leaders.
3. Highlight the successes of VHA organizations in regional and national media.
4. Organize and facilitate ongoing leadership activities to build commitment to community benefits.

## Appendix A

### **Action Steps for Embracing Community Benefits Standards**

#### **Model Self-Appraisal Questionnaire and Perception Survey**

How do you rate in providing community benefits? This appendix provides tools that may help you answer this question: (1) a self-appraisal questionnaire for you to complete and, if appropriate, share with your board and executive staff; and (2) a perception survey to help you and your board gauge whether your facility is viewed as a "community benefit" hospital. We encourage you to use both instruments as one way to begin to understand how far along you are in the community benefits process and to determine what else needs to be done.

#### **Model Self-Appraisal Questionnaire**

This is a short yes/no questionnaire you may want to fill out or use as a model for developing your own self-appraisal instrument. It may be valuable to involve your hospital leadership in a self appraisal process to assess where they think the organization stands as a community benefit institution.

#### **Model Perception Survey**

The perception survey may help you gauge how much consistency there is in the community's view of your hospital. Again, it may be useful to begin by asking the board, executive staff, medical staff and other selected hospital staff members to fill out the survey. How much consistency do you find within the facility? To what extent does your hospital appear to have an internal reputation for being responsive to community needs?

Next, you might test these internal perceptions against responses to the survey from leaders of community-based organizations (i.e., social service agencies, school programs, businesses, etc.). You may want to be selective about

who you ask to respond to the survey to avoid raising unrealistic expectations early in this process. However, be careful to obtain a representative response that will realistically reflect how your hospital is viewed.

The survey can be mailed with an appropriate cover letter and return envelope or administered at community functions such as advisory group meetings, hearings, etc. Be sure to assure respondents that they will remain anonymous.

You may find it useful to compare results from the community to results gathered inside your institution. Such a comparison can serve as the basis for a more thorough analysis by the hospital leadership. Are the responses consistent? Where does your facility seem to fall short? Is the problem one of perception or actual level of effort by the hospital? What actions might make a difference in how people respond to the survey?

## Self-Appraisal Questionnaire

### A. Explicit process for planning community benefits

- |    |   |     |    |
|----|---|-----|----|
| 1. | Do you have a written community benefits plan?  | Yes | No |
| 2. | Is there a person(s) in your hospital responsible for planning and monitoring community benefits?                     | Yes | No |
| 3. | Are community benefits given explicit consideration in the hospital budget process?                                   | Yes | No |
| 4. | Does your board give explicit consideration to community benefits?  | Yes | No |
|    | a. Does it receive and discuss a periodic report?   | Yes | No |
|    | b. Does it discuss community benefits as a part of budget decisions?  | Yes | No |
|    | c. Has it adopted a set of community benefits standards?  | Yes | No |
| 5. | Have you made a formal effort to determine community needs beyond medical care service needs?                         | Yes | No |
| 6. | Do you have a regular process in place for assessing the impact and effectiveness of your community benefit programs? | Yes | No |

### B. Awareness of Community Benefits

- |    |  |     |    |
|----|--|-----|----|
| 1. | Do you know what your current community benefit activities are? Could you list them?                                       | Yes | No |
| 2. | Have your community benefits been documented, i.e., are they described and/or quantified in a written document?            | Yes | No |
| 3. | Could members of your board describe what is meant by "community benefits" and could they outline major benefits provided? | Yes | No |



- |    |  |     |    |
|----|--|-----|----|
| 4. | Does this issue come up in conversations with your staff?  | Yes | No |
| 5. | Would members of your staff agree that yours is a "community benefit" hospital and could they give explicit illustrations? | Yes | No |
| 6. | Would the following groups agree that yours is a "community benefit" hospital and could they give explicit examples?       | Yes | No |
|    | • directors of major community organizations   | Yes | No |
|    | • local politicians  | Yes | No |
|    | • newspaper editors  | Yes | No |
|    | • local radio and TV news editors  | Yes | No |

**C. Hospital Relationship to the Community**

- |    |  |     |    |
|----|--|-----|----|
| 1. | Do you believe your hospital has a responsibility for improving the health status of your community beyond providing on-site care and medically oriented services? | Yes | No |
| 2. | Is your hospital involved in partnerships/ coalitions aimed at:  |     |    |
|    | • improving community health status  | Yes | No |
|    | • other community improvements?  | Yes | No |
| 3. | Is your hospital engaged in service delivery or educational efforts with other community organizations?  | Yes | No |
| 4. | Do you have a process in place (other than your board) for obtaining input from the community on how well your hospital is doing in meeting its needs?             | Yes | No |
| 5. | Do you regularly inform your community of hospital efforts to improve communitywide health status and address other health-related issues.                         | Yes | No |

## Perception Survey on Hospital Community Benefits

Please circle the number for each question that comes closest to your perception of the hospital. If you agree strongly, circle the number "1". If you disagree strongly, circle the number "5". Use the other numbers to express opinions between these two extremes.

1. People who run this hospital understand the health needs of the surrounding community.  

<b>Agree</b>				<b>Disagree</b>
1	2	3	4	5
  
2. This hospital is actively involved in efforts to improve the health status of the community.  

<b>Agree</b>				<b>Disagree</b>
1	2	3	4	5
  
3. This hospital contributes a great deal to its community in addition to caring for the sick.  

<b>Agree</b>				<b>Disagree</b>
1	2	3	4	5
  
4. This hospital works closely with other organizations in the community.  

<b>Agree</b>				<b>Disagree</b>
1	2	3	4	5
  
5. People living in this community have a voice in the affairs of this hospital in how it responds to community needs.  

<b>Agree</b>				<b>Disagree</b>
1	2	3	4	5
  
6. I'm aware of many activities at this hospital aimed at helping people in the community beyond caring for the sick.  

<b>Agree</b>				<b>Disagree</b>
1	2	3	4	5
  
7. This hospital is an important part of this community--it would be hard to imagine the community without it.  

<b>Agree</b>				<b>Disagree</b>
1	2	3	4	5
  
8. This hospital is often involved with other organizations that are trying to solve community problems?  

<b>Agree</b>				<b>Disagree</b>
1	2	3	4	5

9. People who run this hospital are interested in improving the overall health status of the community beyond the medical care provided at the hospital.
- |              |   |   |   |                 |
|--------------|---|---|---|-----------------|
| <b>Agree</b> |   |   |   | <b>Disagree</b> |
| 1            | 2 | 3 | 4 | 5               |
10. This hospital is a leader in efforts to help the community with health and health-related problems.
- |              |   |   |   |                 |
|--------------|---|---|---|-----------------|
| <b>Agree</b> |   |   |   | <b>Disagree</b> |
| 1            | 2 | 3 | 4 | 5               |
11. This hospital is known for sponsoring volunteer activities in the community.
- |              |   |   |   |                 |
|--------------|---|---|---|-----------------|
| <b>Agree</b> |   |   |   | <b>Disagree</b> |
| 1            | 2 | 3 | 4 | 5               |
12. This hospital is known for helping to raise money for community activities other than inpatient hospital care.
- |              |   |   |   |                 |
|--------------|---|---|---|-----------------|
| <b>Agree</b> |   |   |   | <b>Disagree</b> |
| 1            | 2 | 3 | 4 | 5               |
13. People who run this hospital seem to understand the problems of this community.
- |              |   |   |   |                 |
|--------------|---|---|---|-----------------|
| <b>Agree</b> |   |   |   | <b>Disagree</b> |
| 1            | 2 | 3 | 4 | 5               |
14. People who run this hospital are concerned about the needs of low income people and others who have special needs in this community.
- |              |   |   |   |                 |
|--------------|---|---|---|-----------------|
| <b>Agree</b> |   |   |   | <b>Disagree</b> |
| 1            | 2 | 3 | 4 | 5               |
15. This hospital seems to consider special services to the community when it is planning for its budget year.
- |              |   |   |   |                 |
|--------------|---|---|---|-----------------|
| <b>Agree</b> |   |   |   | <b>Disagree</b> |
| 1            | 2 | 3 | 4 | 5               |
16. I can name at least five activities of this hospital, in addition to curing the sick, that are aimed at improving the health status or other aspects of the community.
- |              |   |   |   |                 |
|--------------|---|---|---|-----------------|
| <b>Agree</b> |   |   |   | <b>Disagree</b> |
| 1            | 2 | 3 | 4 | 5               |

## Appendix B

# Resource List of Materials Related to Hospital Community Benefits

### VHA Resources

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#### VHA Satellite Network Programs Related to Hospital Community Benefits Issues (for copies of tapes call 214-830-0115)

1. Safe Harbor Regulations: Understanding the Law, August 27, 1991
2. Stay Healthy USA<sup>sm</sup>, November 8, 1991
3. Threats to Hospital Diversification: Antitrust and Tax Status Challenges, June 22, 1988

Community Support and Community Involvement: Key Strategies to Protect your Hospital's Tax Exemption and Build Stronger Relations Within Your Community. May 1991 VHA-MA Marketer's Source Book, Vol. II, (prepared by VHA Mid-Atlantic States, Inc. 1033 North Fairfax Street, Alexandria, Va. 22314)

Community Service, Bright Ideas, Volume 1, Number 3, VHA (214-830-0293)

Collaborative Practice, Bright Ideas, Volume 3, Number 8, VHA (214-830-0293)

Kellogg Hospital Community Benefit Standards Program - VHA Demonstration Site Meeting Leaders in Community Benefits, VHA Executive Conference: Sept. 25, 1991, Dallas, Texas (202-822-9750)

Tax Exemption Action Guide, VHA, Prepared in Association with Lewin/ICF Inc., 1989 (202-822-9750)

Summaries of State Cases on Tax Exemption for Hospitals, Prepared by Epstein Becker and Green, David Main, July 29, 1991 (202-822-9750)

## VHA Hospitals' Community Benefits Documents

Social Responsibility Report, Fiscal Year 1990, September 1991, Bayfront Medical Center (contact: Jim Albright, President, 813-893-6015)

Hospital Community Benefit Standards Program - Miscellaneous Information, Iverson Memorial Hospital - October 1991 (contact: Dee Bott, Development Director, 307-742-2141)

Social Accountability Report 1990, Lutheran General Health Care System (contact: Stephen Ummel, President, 708-696-7599)

Community Service Information, St. Luke's Hospital of Kansas City (contact Paul Meyer, Senior Associate Director, 816-932-2000)

- community service budget instructions and sample work sheet
- summary roll-up of community service programs
- summary narrative and accumulation of all community service costs

Today: "Giving Something Back", Winter 1990-91, Charleston Area Medical Center, Charleston, West Virginia, (304-348-5432)

Community Benefit and Tax-Exempt Status Self-Assessment, Charleston Area Medical Center, Inc., December 1989, (304-348-5432)

United Health Systems, Hospitals Community Benefits Standards, April 4, 1991, reported by Gennaro Vassile, Russell Mosher and Linda Battaglini, (607-762-2200)

Community Health Assessment, United Health Systems, (607-762-2200)

## Hospital Community Benefits & Tax Exemption Related Reports & Studies

Impact of Taxation on Community Hospitals, Background Materials on Hospital and the Health Care Field for Visitorial Hearings, prepared on behalf of The Hospitals of Lehigh County, The First Chesapeake Group

The Future of Tax-Exempt Status for Hospitals, J. David Seay & Robert Sigmund, *Frontiers of Health Services Management*, Vol. 5, Number 3, Spring, 1989

The Model State Unfair Competition Bill Annotated, Business Coalition for Fair Competition, September 1990, (Theresa Stanion, 202-887-5872)

Community Benefit Standards, The New Price for Tax Exemption?, Arter & Hadden and Price Waterhouse in conjunction with Texas Hospital Association, Feb. 20, 1991

Defining charity service as contrasted to bad debts, HFMA Principles and Practices Board Statement 2 - preprinted from July 1978 issue of *Hospital Financial Management*, (202-296-2920)

The Presentation of Patient Service Revenue and Related Issues, Principles and Practices Board - Exposure Draft, HFMA, Oct. 1991 (202-296-292)

An Analysis of AHA's Survey on the New IRS Form 990, Findings Report, AHA, Office of Legal and Regulatory Affairs, May, 1991, (312-280-6700)

Contributing to the Community, Report of the Task Force on Academic Health Centers, Report IV, The Commonwealth Fund, 1987, (212-535-0400)

The Future of Healthcare: Physician and Hospital Relationships, Arthur Andersen & American College of Healthcare Executives (presents survey data regarding hospitals' future role in the community and requirements for the fulfillment of community mission)

Setting the Record Straight: The Provision of Uncompensated Care by Not-for-Profit Hospitals, Lewin & Associates, Inc., April 1988

Defining "Mission" in the Nineties: Ways in Which Innovative Urban Hospitals are Serving Vulnerable Communities, The George Washington University's National Health Policy Forum Issue Brief No. 572, July 15, 1991, (202-872-1392)

Strategies for Protecting and Deserving Tax Exempt Status, American Society for Health Care Marketing and Public Relations, Sept. 16, 1991, (916-733-8882)

Valuation and Financial Statement Presentation of Charity Service and Bad Debts by Institutional Healthcare Providers, Principles and Practices Board - Exposure Draft HFMA, Dec. 27, 1991, 202-296-2920

The Social Accountability of Hospitals, a report by the Catholic Health Association of Wisconsin, Wisconsin Hospital Association, October 1991

## Hospital Community Benefits Program Management and Process Guides and Educational Resources

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Healthy People 2000, America's Hospitals Respond, American Hospital Association, Sept. 1990, (312-280-6000)

A resource kit to help mobilize a communitywide health promotion initiative linked to *Healthy People 2000*.

Hospital Community Benefit Standards, Hospital Community Benefit Standards Program at New York University, (212-998-7494)

A national demonstration program to help hospitals learn the value of a systemic approach to community service in accordance with a national set of community benefits standards. VHA demonstration site hospitals include:

1. Allegheny General Hospital, Pittsburgh, Pennsylvania  
Contact: Mary Del Brady, 412-359-6922
2. Clara Maass Medical Center, Belleville, New Jersey  
Contact: Barbara Benjamin, 201-450-2144
3. Community Medical Center, Toms River, New Jersey  
Contact: Kathryn Collins, 201-240-8050
4. Elliott Hospital, Manchester, New Hampshire  
Contact: Marie Gross, 603-523-1321
5. Floyd Memorial Hospital, New Albany, Indiana  
Contact: Denise Gardner, 812-948-7496
6. Iverson Memorial Hospital, Laramie, Wyoming  
Contact: GiGi Gladeson, 307-742-2141
7. Lake Hospital System, Painesville, Ohio  
Contact: Diana Dally, 216-354-2400
8. Lee Memorial Hospital, Fort Myers, Florida  
Contact: Gareth Hudson, 813-334-5252
9. Miami Valley Hospital, Dayton, Ohio  
Contact: Jeanne Eickman, 513-220-2246
10. Our Lady of Lourdes, Camden, New Jersey  
Contact: Joseph Pacera, 609-757-3675
11. Riverside Methodist Hospital, Columbus, Ohio  
Contact: Patricia Matheny, 614-261-5894
12. Sentara Norfolk General Hospital, Norfolk, Virginia  
Contact: Paige Martin, 804-628-3836

13. St. Luke's Hospital MeritCare, Fargo, North Dakota  
Contact: Custer Husby, 701-234-6294
14. St. Luke's Methodist Hospital, Cedar Rapids, Iowa  
Contact: Linda DeWolf, 319-369-7191

Healthy Communities Action Project, National Civic League, Contact Jill Stucco, 303-571-4343

A cooperative program between the National Civic League and the U. S. Public Health Service to stimulate and develop local projects throughout the United States, fostering a strong national network of healthy communities.

Planned Approach to Community Health, US. Public Health Service, Centers for Disease Control, 404-488-5435

A partnership between the Centers for Disease Control, state health departments and the community, designed to help communities plan, implement and evaluate health promotion and health education programs directed at preventing and controlling chronic disease. Any state or community can participate. States with PATCH programs as of March 1992 include: Alabama, Connecticut, Florida, Illinois, Indiana, Kansas, Maine, Massachusetts Missouri, Nebraska, New Mexico, New York, Ohio, South Carolina, Tennessee, Utah, West Virginia.

## Congressional Hearings, Reports and Legislation on Not-for-Profit Hospital Tax Exemption

Statement of the Healthcare Financial Management Association to the House Committee on Ways and Means on Tax-Exempt Status of Hospitals including H.R. 790 and H.R. 1374, Relating to the Establishment of Charity Care Standards, July 10, 1991, {202-296-2920}

H.R. 790 Bill - Charity Care and Hospital Tax-Exempt Status Reform Act of 1991, 102nd Congress, 1st Session

A bill to amend the IRS Code of 1986 to require tax-exempt hospitals to provide sufficient charity care and community benefits, and for other purposes.

H.R. 1374 Bill - 102nd Congress, 1st Session



To amend the Internal Revenue Code of 1986 to clarify the requirement that hospitals provide certain emergency medical care in order to be exempt from income tax, and for other purposes

June 28, 1991, House Select Committee on Aging Hearing on Hospital Tax-Exempt Status, Summary from Epstein, Becker and Green

House Ways and Means Committee Hearing on Tax Exempt Status for Hospitals (H.R. 790 and H.R. 1374), Report on hearing from Epstein, Becker and Green

Nonprofit Hospitals - Better Standards Needed for Tax Exemption, GAO Report to the Chairman, Select Committee on Aging, House of Representatives, May 1990, (GAO/HRD-90-84 call to order: 202-275-6241)

Tax Policy Competition Between Taxable Businesses and Tax-Exempt Organizations, GAO Briefing Report to the Joint Committee on Taxation, US. Congress - Feb.1987 (GAO/CGD-87-40BR call to order: 202-275-6241)

Hospital Charity Care and Tax Exempt Status - Restoring the Commitment and Fairness: June 28, 1991, House Select Committee on Aging Hearing Statements by: Representative Edward R. Roybal; Mark V. Nadel, General Accounting Office; James McGovern, IRS; Michael Pugh, AHA; Mary Boyle, National Association of Counties

## Trade Journal and Newspaper Articles on Community Systems of Care and Collaboration

Research Project on Community Health Care Delivery Systems Develops Principles, *Joint Commission Perspectives*, March-April, 1991 (708-916-5600)

Florida deal gets FTC's attention, but it approves transaction, *Modern Healthcare*, Jan. 6, 1992

Bush's Policies and I.R.S. at Odds Over Health Care, *-The New York Times*, Feb. 9, 1992

Dynamic diversification: Hospitals pursue physician alliances, "seamless" care, *Hospitals*, Feb. 5, 1992

Partnering -- The ultimate alliance, *Healthcare Forum Journal*, Sept./Oct., 1991

Creating Health Delivery Systems -- CEO Interview Samuel T. Wallace,  
*Health Care Strategic Management*, February, 1992

Collaboration: Hospitals find that working together is tough, rewarding --  
and vital, *Hospitals*, December 5, 1991

## Trade Journal Articles on Hospital-Community Partnerships and Community Benefits

Hospitals must regain the public's trust, *Hospitals*, Sept. 5, 1991

Communicating mission: Research is vital, *Hospitals*, Aug. 5, 1991

Community support key to preservation of tax-exempt status, *AHA News*,  
Aug. 5, 1991

Providers link health with human service, *Hospitals*, Jan. 5, 1990

Old Values in New York, *The Health Service Journal*

Unpopularity tax, *Forbes*, June 24, 1991

Hospital/Community Partnerships: Paving the Way for the Future, Neal &  
Associates, York, Pennsylvania

New Jersey hospitals take new routes to reach more people, *AHA News*,  
Dec. 23, 1991

Hospitals need to become community-service entrepreneurs, *AHA News*,  
Oct. 7, 1991

Consolidation strategy focuses on community, not corporation, *Modern  
Healthcare*, Oct. 14, 1991

Move now to communicate your mission to the public, *Modern Healthcare*,  
Sept. 23, 1991

Society of General Internal Medicine Symposium re: Community Responsive  
Medicine: Defining an Academic Discipline, *The American Journal of the Medical  
Sciences*, Nov., 1991, Vol. 302, Number 5

A decade of competition ends--a new era of cooperation begins, *Hospitals*, Jan. 20, 1992

## Hospital Community Benefits Self Assessment Guides and Resources

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Tax Exemption Action Guide, Voluntary Hospitals of America. 1989 (202-822-9750)

Inventorying your community programs, services & activities, a worksheet, American Hospital Association, (312-280-6000)

Social Accountability Budget for Not-for-Profit Healthcare Organizations, Catholic Health Association, 1989 (314-427-2500)

AHA Community Benefit and Tax-Exempt Status - A Self-Assessment Guide for Hospitals, 1988, American Hospital Association, (312-280-6000)

## Resources for Measuring the Value of Hospital Community Benefits

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New rules affect bad debt, charity care reporting, R.R. Koverner, FHFMA, Healthcare Financial Management, (800-252-HFMA- Becky Means)

Calculating your hospital's economic value to the community, worksheet, American Hospital Association

Audits of Providers of Health Care Services: Audit and Accounting Guide, American Institute of Certified Public Accountants, 1989, 1211 Avenue of the America's, New York, New York, 10036-8775