

GOV-3 – Community Benefit

Key Points

- This policy applies to all hospitals and other tax-exempt, wholly owned entities of University Hospitals Health System, Inc., dba University Hospitals (collectively, UH).
- A report of community benefits (CB) provided by UH will be completed and issued each year.
- A community health needs assessment will be conducted by each UH tax-exempt, wholly-owned hospitals at least every three (3) years.
- An implementation strategy in response to the community health needs assessment will be developed by each UH tax-exempt, wholly-owned hospitals at least every three (3) years.
- The goal of UH's CB activities and programs is to achieve objectives in areas related to UH's charitable mission, "To Heal. To Teach. To Discover." These activities and programs include improving access to health services, enhancing public health, advancing knowledge by providing health professions education and research programs that benefit the public and relieving government burden.

Policy & Procedure

1. UH fulfills its charitable mission and purpose in many ways, one of which is its community benefit programs. UH integrates CB into its ongoing strategic and operational planning processes. Examples of CB programs and activities UH may offer are:
 - Access to medical care and treatment for low-income and medically indigent patients.
 - Health care activities, including subsidized health services, research and education programs, developed in response to identified community needs.
 - Education of the next generation of health care professionals (including programs to encourage interest in health care by future generations of clinicians, researchers and educators).
 - Research, directly or indirectly, to discover and develop new and improved cures and treatments for health conditions including research re bioengineering, physical or occupational advances (e.g. prostheses, speech therapies, tools for health conditions relating to occupations.)
 - Promotion of the common good with respect to health, including preventative health measures.
 - Teaching of persons in medical or health-related fields.

2. **Organizational Infrastructure:**
 - 2.1. The Board of Directors has delegated authority to (a) the Governance & Community Benefits Committee to oversee the development and provision of CB services to the community; the priorities and CB programs established based on community needs and assets; the CB plan; CB infrastructure; and progress toward identified goals; (b) the Compensation Committee to set CB incentive goals; and (c) the Audit & Compliance Committee to approve the IRS Form 990 (Form 990).
 - 2.2. The president (or his/her designee, provided such designation is in writing) of each UH tax-exempt wholly owned entity will ensure that such entity allocates adequate resources to develop and implement CB initiatives.
 - 2.3. The UH chief executive officer has ultimate management responsibility for ensuring that the CB programs are implemented effectively and achieve objectives in areas related to the UH charitable mission.
3. **Annual CB Report:** UH will prepare a report on its CB programs and activities each year (CB Report). The Governance & Community Benefits Committee of the UH Board will review the CB Report before UH issues it. The CB Report will be issued with the signature of the UH chief executive officer and will be made available to the public.
 - 3.1. The annual CB Report will include descriptions of the services and practices (or types of services and practices) provided by UH; monies spent on CB programs; a discussion of the impact of the UH community benefit programs; and, as applicable, collaborations with other community agencies within its service area. The CB Report may include other information and shall include any other information that may be required by government regulations.
 - 3.2. The annual CB report will include a reconciliation of expenses reported in the UH Form 990 and the UH community benefit report.
 - 3.3. Community benefit reports will be widely distributed to stakeholders and the general public. Management will advise the Governance & Community Benefits Committee of its distribution efforts.
 - 3.4. The annual CB report, or summaries thereof, and web-site addresses will be included with the Form 990. The Form 990 may include other information not in the annual CB report and shall include any other information that may be required by government regulations.
4. **Community Health Needs Assessment -** A community health needs assessment (CHNA) is to be conducted by each UH tax-exempt, wholly-owned hospital at least every three (3) years. Assessments may be completed in collaboration with other community entities or affiliates. The assessments will address current and projected population-related data and health services utilization trends for specific service areas and the region. Trends in health status, types of services received and patient origin studies to assure the adequacy of the current continuum of care, as well as other supporting information may be included.
 - 4.1. The CHNA must:
 - 4.1.1. Include a definition of the community the hospital facility serves.
 - 4.1.2. The hospital facility must solicit and take into account input received from persons who represent the broad interests of its community, including input from

a governmental public health department and medically underserved populations.

- 4.1.3. The hospital facility must document the CHNA in a written report (CHNA report) that is adopted for the hospital facility by an authorized body of the hospital facility.
 - 4.1.4. The hospital facility must make the CHNA report widely available to the public.
5. **Implementation Strategy** – An implementation strategy is to be developed by each UH tax-exempt, wholly-owned hospital at least every three (3) years in response to the CHNA. An authorized body of the hospital facility must adopt an implementation strategy to meet the health needs identified through a CHNA on or before the 15th day of the fifth month after the end of the taxable year in which the hospital facility finishes conducting the CHNA.
- 5.1. The implementation strategy is to be a written plan that, with respect to each significant health need identified through the CHNA, either:
 - 5.1.1. Describes how the hospital facility plans to address the health need, or
 - 5.1.2. Identifies the health need as one the hospital facility does not intend to address and explains why the hospital facility does not intend to address the health need.
 - 5.2. The implementation strategy must:
 - 5.2.1. Describe the actions the hospital facility intends to take to address the health need, the anticipated impact of these actions, and the plan to evaluate such impact;
 - 5.2.2. Identify the programs and resources the hospital facility plans to commit to address the health need; and
 - 5.2.3. Describe any planned collaboration between the hospital facility and other facilities or organizations in addressing the health need.
6. **Community-Based Relationships** - UH may enhance its existing programs and develop new programs by strategically allocating financial resources, materials, expertise and advocacy to supplement existing community assets that focus on community health. The goal of these types of relationships is to enhance the effectiveness and viability of community-based organizations, reduce duplication of effort, and provide a basis for shared advocacy and joint action. Collaborators include, but are not limited to, public health agencies, school systems, community and faith-based organizations, local employers and other governmental and non-profit health and social service agencies.
7. **Uniform Reporting** - UH will account for CB expenses using a standardized approach. The current standards are set forth below and may be modified to comply with any legal requirements imposed following the adoption of this policy (and before review of a revised policy by the Board Governance & Community Benefit Committee) or to address other changes in policy or procedures.
- 7.1. CB expenses are to be reported routinely;
 - 7.2. CB expenses are to be maintained in a dedicated database;
 - 7.3. Total and net expense for providing CB programs are to be reported;
 - 7.4. CB is to be reported at cost;
 - 7.5. Both direct and indirect/overhead costs are to be reported;
 - 7.6. Direct offsetting revenue is to be reported;

- 7.7. For purposes of the UH annual CB Report, examples of the types of categories used for CB reporting are the following:
- 7.7.1. Uncompensated Care – this category includes both charity care and bad debt. Uncompensated care will be reported at cost. Uncompensated care expenses will be net of bad debt and charity care funding received from federal and state governmental bodies.
 - 7.7.2. Unpaid Cost of Public Programs – this category includes shortfalls related to Medicaid, State Children’s Health Insurance Program (SCHIP), public and/or means-tested health benefits programs for low-income or medically indigent patients, and local and state government programs that reimburse health care providers for persons not eligible for Medicaid. Shortfalls associated with Medicare and other government health benefits programs that are not means-tested are not counted as CB.
 - 7.7.3. Community Health Improvement Services – this category includes the net cost of community health education programs, community-based clinical services and health care support services such as enrollment assistance and transportation assistance.
 - 7.7.4. Health Professions Education – this category includes the un-reimbursed costs associated with physician and medical student education, nurse and nursing student education, and other health professions education.
 - 7.7.5. Subsidized Health Services – this category includes the net costs (not including charity care, bad debt, or public program shortfalls) of subsidized services that meet one or more identified community health needs. Example programs are: emergency services, outpatient services, trauma services, neonatal/pediatric intensive care unit services, primary care clinics in health professional shortage areas/facilities, women and children’s services, hospice and palliative care services and behavioral health services.
 - 7.7.6. Research - this category includes the costs of government, foundation, and/or non-industry sponsored clinical research, community health research and research on innovative health care delivery.
 - 7.7.7. Contributions – this category includes financial or in-kind donations to support CB activities provided by other organizations.
 - 7.7.8. Community Building Activities – this category includes the cost of area economic development, housing programs, disaster readiness activities (over and above regulatory requirements), environmental improvements and coalition building.
 - 7.7.9. CB Operations – this category includes the cost of dedicated staff for planning, execution, evaluation, communication/outreach and reporting CB activities, along with the cost of preparing community health needs assessments.
- 7.8. For required reports, UH accounts for CB expenses using methodologies required by regulatory authorities.
8. All UH employees of tax-exempt, wholly-owned entities will have access to optional CB education and training opportunities. Comprehensive education and training will ensure that UH is in compliance with Form 990 reporting guidelines, is tracking and reporting CB

information to the fullest extent and with the highest level of accuracy, and that all employees understand the ways in which CB is related to UH's charitable mission. These opportunities will include:

8.1. In-person and web-based CB training sessions offered quarterly; training materials also will be available online.

8.2. Individual meetings or group presentations as requested.

9. Required training for all CB Inventory for Social Accountability (CBISA) users and management:

9.1. CB staff will present a high level CB overview one time per year during leadership meetings at each tax-exempt entity. Other forums may be utilized as necessary.

9.2. Once per year, all CBISA users are required to attend one of the quarterly CB training sessions.

Definitions

Community: UH serves a regional, national and international population as a health system. For purposes of reporting community benefit under this policy, the term "community" for UH clinical services is defined as Cuyahoga, Ashtabula, Lorain, Geauga and Lake Counties, Northern Summit County and portions of Portage, Trumbull and Medina Counties.

Community Benefit: A community benefit is a planned, managed, organized and measured approach to a health care organization's participation in meeting identified community health and health-related needs. Community benefits meet at least one of these community benefit objectives:

- Improve access to health care services.
- Enhance health of a community.
- Advance medical or health care knowledge.
- Relieve or reduce the burden of government or other community efforts.

Community benefit does not include activities or programs that are provided primarily for marketing purposes and programs that are more beneficial to the organization than to the community; for instance, if the activity or program is designed primarily to increase referrals of patients with third-party coverage, required for licensure or accreditation, or is restricted to individuals affiliated with the organization.

Means-tested Benefit Programs: This includes only those benefits provided based upon an examination into the financial state of a person to determine the eligibility for federal and state public assistance.

Community Benefits Inventory for Social Accountability (CBISA): CBISA is an online application created to track and report community benefits data for non-profit organizations. It allows users to enter quantifiable data, such as the number of persons served, the costs, and offsetting revenue/support, along with non-quantifiable data, such as stories and anecdotes, narratives, outcomes and results.

Electronically approved by Tom Zenty, President and CEO of UH – December 21, 2015

Electronically approved by Janet Miller, Chief Legal Officer – December 21, 2015