

Executive Summary

This publication, *A Guide for Planning and Reporting Community Benefits*, is a revision of CHA's Social Accountability Budget, released in 1989. This Guide's purpose is to help not-for-profit mission-driven health care organizations develop, enhance, and report on their community benefit programs.

Community benefit programs are organized to work collaboratively with others in the community to address specific community health needs and improve the health of everyone in the community. The programs include services for persons who face barriers accessing health care and initiatives for improving health in the broader community.

Providing community benefits demonstrates that not-for-profit health care organizations are fulfilling their mission of community service and meeting their charitable tax-exempt purpose as community benefit organizations.

When Catholic health care and other not-for-profit health care organizations began in this country, there was a clear understanding that they provided community benefit. Today, however, the community service role of not-for-profit health care is not well understood by policymakers and the public. As a result there is a growing need for not-for-profit health care organizations to tell their community benefit story.

Foundational Beliefs

A Guide for Planning and Reporting Community Benefit is based on six foundational beliefs:

- Those who live in poverty and at the margins of our society have a moral priority for services.
- Not-for-profit mission-driven health care organizations have a responsibility to work toward improved health in the communities they serve.



- Community members and organizations must become actively involved in the health care facility's community benefit programs.
- Health care organizations must demonstrate the value of their community services.
- Community benefit programs must be integrated throughout health care organizations.
- Leadership commitment is required for successful community benefit programs.

Essential Components

The following components are interrelated and should be integrated with other key functions of the organization—planning, communications, and clinical services—not isolated in a separate department.

The essential components of community benefit programs, described in this Guide, include:

Building a Sustainable Infrastructure

Sustaining community benefit programs requires that health care organizations have a clear mission to serve their communities and a solid community benefit program infrastructure. An explicit reference to responding to community need must be in the organization's mission, and leaders must be made accountable for meeting community benefit goals. Maintaining this infrastructure includes building collaborative relationships with community members and organizations, securing adequate staffing and financial resources, and developing policies that are clearly understood and consistently practiced.

Planning for Community Benefit

Planning for community benefit programs should be as serious and visible as planning for any other strategic initiative. Integrate planning for community benefits with other health care organization planning functions, including strategic, communications, and financial planning. Integrate the organization's community benefit plan with community-wide efforts to improve health in the community. Assess problems and assets within a defined community, identify priority areas that merit programmatic response, and establish criteria for determining the effectiveness of community benefit programs.

Determining What Counts as Community Benefit

Defining community benefit and developing standard approaches to accounting and reporting are essential to the effectiveness of these programs. Community benefit leaders have spent considerable effort identifying what should and should not be counted as community benefit. This Guide incorporates standard definitions and guidelines that have been developed by community benefit, mission, and

finance leaders and that have been agreed upon by many national organizations. They are also consistent with Internal Revenue Service rulings. The guidelines include the following categories of community benefit: charity care, subsidized government indigent care programs, community health services, health professional education, subsidized health services, research, financial contributions, and community building activities.

Accounting for Community Benefits

Using standardized principles and policies helps account and budget for community benefits and tell the community benefit story. Accurate and consistent accounting for the cost of programs and services allows organizations to budget for these in future community benefit plans. Standardized accounting methods assure that quantitative reports of community benefit are credible, accurate, and comparable to reports from other organizations.

Evaluating Community Benefit Programs

Evaluating community benefit programs and making warranted adjustments are fundamental to effective community benefit programs. The development of methods to assess the effectiveness of services and activities in improving health in the community is a major advancement in the field of community benefit. This Guide describes ways to evaluate the overall community benefit program and individual initiatives by establishing specific objectives and indicators of effectiveness.

Communicating the Community Benefit Story

Throughout this document, users are reminded that community benefit programs should be closely connected with all aspects of an organization's communications. All phases of community benefit programs, from building relationships in the community to evaluating effectiveness, rely on well-thought-out communication

WHAT IS COMMUNITY BENEFIT?

Community benefits are programs or activities that provide treatment and/or promote health and healing as a response to identified community needs. They are not provided for marketing purposes. A community benefit must meet at least one of the following criteria:

- Generates a low or negative margin
- Responds to needs of special populations, such as persons living in poverty and other disenfranchised persons
- Supplies services or programs that would likely be discontinued—or would need to be provided by another not-for-profit or government provider—if the decision was made on a purely financial basis
- Responds to public health needs
- Involves education or research that improves overall community health

THE COMMUNITY BENEFIT LOGO

This Guide is one of many resources that CHA provides to its members to help them become more effective community benefit organizations and to educate and prepare them for the many challenges facing tax-exempt organizations today. To easily identify CHA's community benefit-related resources and articles we have developed a new symbol which can be seen on the title page of this Guide. The logo represents our ministry's community benefit mission of promoting wellness for all persons and communities with our faith-tradition at its core. The rays of light or halo *illuminate* the spirituality of our commitment to communities, the *aura* of our reaching out, and the *radiant energy* of our work. Members are welcomed to use the logo on their community benefit documents and/or website in order to identify their use of these guidelines in their community benefit reporting. Additional information on accessing the logo is available on the CHA community benefit website at www.chausa.org/communitybenefit.

strategies and therefore should be integrated into communications plans and all forms of messaging. Communications and community benefit staff must work together in developing, planning, tracking, and evaluating community benefit programs in order to tell the community benefit story.

The Importance of Using This Guide

An organized approach to planning, reporting, and evaluating community benefits is more important today than it ever has been, for several reasons:

- It helps identify community needs and provides the information required to make prudent choices as to the use of scarce resources to best help those in need.
- Proactive budgeting and the use of standardized accounting will make the financing of the community benefit program more predictable, sustainable, comparable, and credible.
- A deliberate approach will facilitate building important relationships in the community and lead to involvement in community-wide efforts to improve access to services and community health.
- Finally, this approach will help make not-for-profits accountable to their communities and demonstrate that these organizations continue to be valuable community assets.