



# Community Benefit Programs

Not-for-Profit Hospitals  
Meeting the Health Needs of  
the Communities They Serve

# Serving the Community — First and Always

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California's not-for-profit (NFP) hospitals are committed to improving the health and well-being of the communities they serve. This valuable work is inherent in NFP hospitals' mission and symbolizes a commitment to help create healthy communities outside of the hospital walls — especially in high need and vulnerable communities. At NFP hospitals, all resources are invested in health care services or into their communities.



# Community Benefit Programs



## California's Community Benefit History

For more than 20 years, California's not-for-profit (NFP) hospitals have led the nation in ensuring that vulnerable populations have access to much needed health care services and health improvement programs.

In 1994, NFP hospitals' missions were affirmed by a state law<sup>1</sup> that constructed the framework for conducting a community health needs assessment (CHNA) and developing a community benefit plan<sup>2</sup>. This framework served as a national model for similar provisions in the Affordable Care Act, enacted in 2010<sup>3</sup>. Today, NFP hospitals continue their tradition of commitment by investing an estimated \$12 billion annually in their communities<sup>4</sup>.

## Community Benefit Programs and Activities Reflect Local Communities

Flexibility in local planning and decision making is crucial to meeting the diverse health needs and priorities of communities. NFP hospitals, in partnership with community stakeholders, identify and help address significant health needs with programs and activities delivered at the right place and at the right time.

## Elements of a Community Benefit Program

Community benefits are programs or activities that respond to identified community health needs and meet at least one of these objectives:

- Improve access to health services
- Enhance public health
- Increase general knowledge through education and research
- Relieve government's burden to improve health



Community health needs can be identified by conducting a CHNA, responding to a request from a public health agency or community group, or involving unrelated partners in a program or activity that improves community health.

1. Senate Bill 697 (Chapter 812, Statutes of 1994).

2. Federal version is called "implementation strategy."

3. Patient Protection and Affordable Care Act, Public Law 111 – 148 (2010).

4. Campbell, T., Wazzan, C., Tanimura, J., et al: *An Economic Assessment of Public Policies to Compel Unreimbursed Services To Be Provided By Nonprofit Hospitals in California*. Berkeley Research Group, Jan. 2014, plus, uncompensated care as reported by OSHPD (2015).

**\$12 billion**  
contributed each year

California's not-for-profit hospitals contribute an estimated \$12 billion<sup>4</sup> each year to their communities in community benefit programs and activities.

# Not-for-Profit Hospitals Partner With Communities to Assess Community Health Needs

Every three years, California's NFP hospitals, in partnership with their local communities, conduct a community health needs assessment and develop a community benefit plan. Hospitals engage a broad range of organizations and individuals with knowledge and expertise about the community's health needs to accomplish this important work.



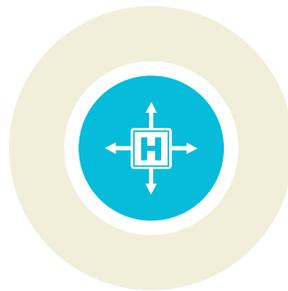
## 1 Analyze and Identify

Information is collected and analyzed to determine health needs. Sources include quantitative health statistics from publicly available sources, including the health department, and qualitative data gathered from interviews, surveys or community meetings.



## 2 Prioritize

Communities may have many health needs, and some are more significant than others. Identified health needs are evaluated to determine the urgency, effectiveness of potential intervention and availability of existing hospital and community resources to address the health need.



## 3 Develop and Implement

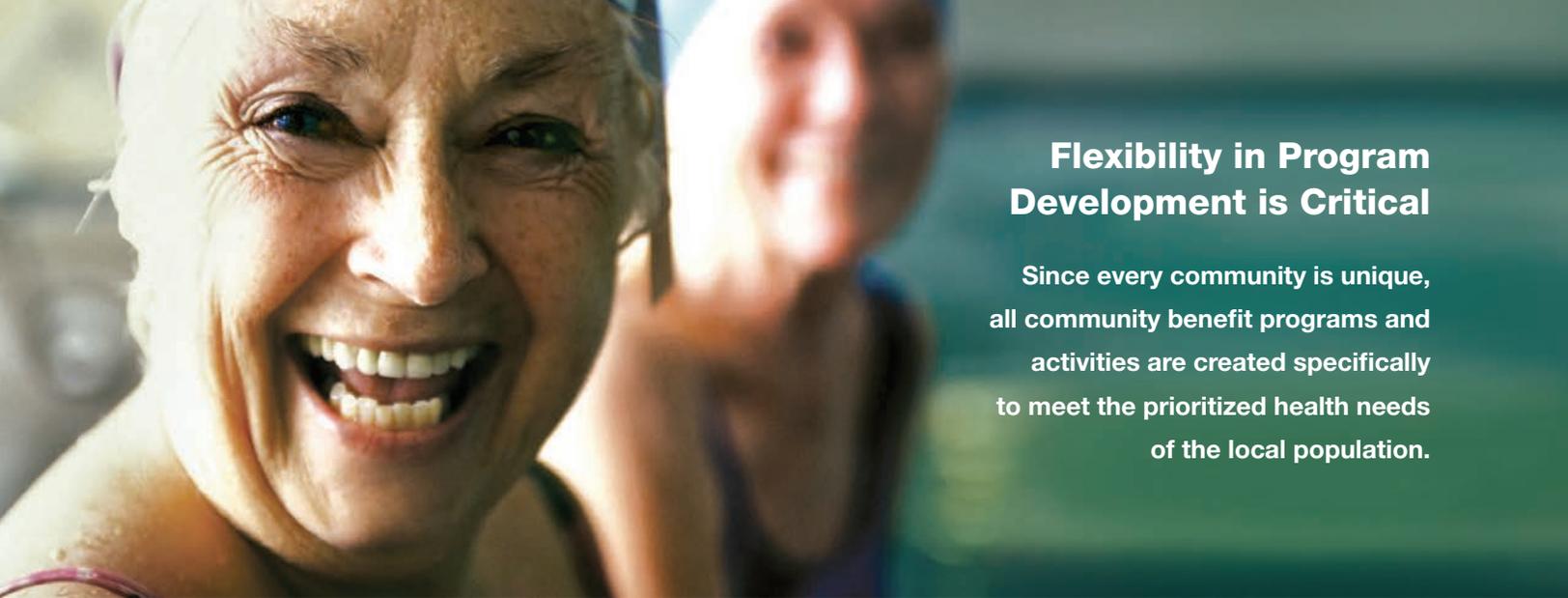
A formal community benefit plan is developed and implemented to address the prioritized health needs of the community. Partners are identified for many programs, and measurable outcomes and goals are established.



## 4 Publicly Report

NFP hospitals' CHNA and community benefit plans are readily available to the public. Look to California's Office of Statewide Health Planning and Development website for the community benefit report and plan. The CHNA and federal implementation strategy are posted on hospitals' websites.





## Flexibility in Program Development is Critical

Since every community is unique, all community benefit programs and activities are created specifically to meet the prioritized health needs of the local population.

### Community Benefit Programs and Activities Can Take Many Forms

Community benefit includes the costs of delivering community health programs or activities, such as:

- Community health improvement services, including immunizations, free screenings, mobile units serving disadvantaged families, classes on disease management and violence prevention, and school-based health programs.
- Health professions education programs that train the next generation of health care providers.
- Research in clinical and community health that contributes to evidence-based practices.
- Cash and in-kind contributions to other local NFP organizations and community clinics providing services to underserved populations.
- Community building activities that protect or improve the community's health or safety, including housing, economic development, environmental improvements, and leadership development and training for community members.
- And much more.



NFP hospitals also provide community benefits by helping patients who can't afford to pay for their health care, such as:

- Charity care or discounted care.
- Accepting shortfalls from government-sponsored health care programs, including Medi-Cal and Medicare<sup>5</sup>, the state Children's Health Insurance Program and medically indigent programs.
- Subsidized health services for neonatal intensive care, addiction recovery, inpatient psychiatric units, emergency and trauma services, satellite clinics for low-income communities and home health programs.

5. Medicare shortfall is reported at the federal level and counts as community benefit in California — this is important given California's aging population is projected to double over the next 20 years.

### Underfunded Government Programs

Although charity care has decreased under the ACA, hospitals continue to assume the responsibility for uncompensated care from chronically underfunded Medi-Cal and Medicare programs.

Uncompensated Care	2013	2015
Medi-Cal shortfall <sup>6</sup>	\$2.0B	<b>\$2.8B</b>
Medicare shortfall <sup>7</sup>	\$5.6B	<b>\$6.8B</b>
Charity/Discounted/ Indigent Care <sup>8</sup>	\$2.0B	<b>\$.7B</b>
<b>Totals</b>	<b>\$9.6 billion</b>	<b>\$10.3 billion</b>

6. Estimated  
7. Per OSHPD (2015)  
8. Per OSHPD (2015)

## California Hospital Association

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### Want to Learn More?

For more information on community benefit programs or to read about community benefit success stories, visit [www.calhospital.org/community-benefit-programs](http://www.calhospital.org/community-benefit-programs).

Or contact:

Amber Kemp  
Vice President, Health Care Coverage  
California Hospital Association  
(916) 552-7543  
[akemp@calhospital.org](mailto:akemp@calhospital.org)



*Leadership in Health Policy and Advocacy*

1215 K Street, Suite 800  
Sacramento, CA 95814  
(916) 443-7401  
[www.calhospital.org](http://www.calhospital.org)

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