COMMUNITY HEALTH NEEDS ASSESSMENTS (CHNA)

Note: No sub-regulatory guidance identified for CHNAs

IRS Final Rule (Jan. 31, 2014)

Form 990 Instructions

General requirements

Every tax-exempt hospital organization must conduct a CHNA at least once every 3 years.

Separate CHNA reports: If a hospital organization operates more than one hospital facility, the organization shall meet the requirements of this sub-section separately with respect to each such facility.

- Sec. 9007(a) (Pub. L. No. 111-148)

Defining the community served

A CHNA meets requirements if it:

1. Defines the community served;
2. Identifies significant health needs of the community;
3. Assesses the health needs of the community;
4. Identifies any such needs that aren't being addressed together with the reasons why such needs aren't being addressed.

- Sec. 1.501(r)-(b)(5)

People representing the broad interests of the community served

A CHNA must include input from people who represent the broad interests of the community served by the hospital facility, including people with special knowledge or expertise in public health. - Sec. 1.501(r)-(b)(4)

- Required input:
  - Prioritize those health needs, and
  - “Identify significant health needs of the community.

- Optional input:
  - “Describe how the hospital facility took into account input received from persons who represent the broad interests of that community, including persons who represent the broad interests of that community, including persons who represent the broad interests of that community, including:”

- Line 10c.

Documentation of a CHNA

A CHNA report must include:

- “[T]he methodology used to gather and analyze the data identified in the CHNA report is reliable and accurate.” - Sec. 1.501(r)-(b)(5)

- Required input:
  - “Identify significant health needs described in the hospital facility’s prior CHNA; and
  - “An evaluation of the impact of any actions that were taken, based on the significant health needs identified in the hospital facility’s prior CHNA; and
  - “A prioritized description of the significant health needs identified in the hospital facility’s prior CHNA.”

- Optional input:
  - “Describe how the hospital facility’s CHNA report will be considered to be reliable and accurate.” - Sec. 1.501(r)-(b)(5)

Separate CHNA reports

While a hospital facility’s CHNA report may be submitted to IRS in collaboration with other organizations and facilities, every hospital facility must document the information in a separate CHNA report. - Sec. 1.501(r)-(b)(5)

- Required input:
  - “Identify significant health needs described in the hospital facility’s prior CHNA; and
  - “An evaluation of the impact of any actions that were taken, based on the significant health needs identified in the hospital facility’s prior CHNA.”

- Optional input:
  - “Describe how the hospital facility’s CHNA report will be considered to be reliable and accurate.” - Sec. 1.501(r)-(b)(5)
## IMPLEMENTATION STRATEGY

### General requirements

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<tr>
<th>ACA</th>
<th>IRS Final Rule (Dec. 31, 2014)</th>
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<td>Under the sections added to the Internal Revenue Code by ACA Sec. 9007(a), the implementation strategy is part of the CHNA requirements in IRC Section 501(r)(3)(A)(ii).</td>
<td>An “authorized body” of the tax-exempt hospital facility must adopt “an implementation strategy to meet the community health needs identified through the CHNA ... on or before the 15th day of the fifth month after the end of such taxable year.” (Section 1.501(r)-(3)(a)(2))</td>
<td>“Each hospital facility must conduct a CHNA at least once every three years, and adopt an implementation strategy to meet the community health needs identified through such CHNA.” – Lines 3 through 12c</td>
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<td>Tax-exempt hospital organizations must adopt “an implementation strategy to meet the community health needs identified” in the CHNA – Sec. 9007(a) (Pub. L. No. 111-148)</td>
<td>“Each hospital facility must conduct a CHNA at least once every three years, and adopt an implementation strategy to meet the community health needs identified through such CHNA.” – Line 12a</td>
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### Connection to CHNA

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<td>“... [A] hospital facility's implementation strategy to meet the community health needs identified through the hospital facility's CHNA is a written plan that, with respect to each significant health need identified through the CHNA, either (i) Describes how the hospital facility plans to address the health need; or (ii) 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. Sec. 1.501(r)-3(c)</td>
<td>“... [T]he implementation strategy— (i) Describes the actions the hospital facility intends to take to address the health need and the anticipated impact of these actions; (ii) Identifies the resources the hospital facility plans to commit to address the health need; and (iii) Describes any planned collaboration between the hospital facility and other facilities or organizations in addressing the health need. Sec. 1.501(r)-3(c)(2)</td>
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<td>(3) ... “In explaining why it does not intend to address a significant health need ... a brief explanation of the hospital facility's reason for not addressing the health need is sufficient.” Sec. 1.501(r)-3(c)(3)</td>
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### Joint plans

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<td>(4) &quot;A hospital facility may develop an implementation strategy in collaboration with other hospital facilities or other organizations ... In general, a hospital facility that collaborates with other facilities or ... must still document its implementation strategy in a separate written plan that is tailored to the particular hospital facility, taking into account its specific resources. However, a hospital facility that adopts a joint CHNA report ...may also adopt a joint implementation strategy that ... either describes how one or more of the collaborating facilities or organizations plan to address the health need or identifies the health need as one the collaborating facilities or organizations do not intend to address and explains why they do not intend to address the health need.” Sec. 1.501(r)-3(c)(4)</td>
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"Report in this part the costs of the organization's activities that it engaged in during the tax year to protect or improve the community's health or safety, and that aren't reportable in Part I of this schedule. Some community building activities may also meet the definition of community benefit. Don't report in Part II community building costs that are reported on Part I, line 7, as community benefit (costs of a community health improvement service reportable on Part I, line 7e). An organization that reports information in this Part II must describe in Part VI how its community building activities promote the health of the communities it serves." (Part II, Community Building Activities, p. 4)

Reporting of community building activities includes Lines:
1. "Physical improvements and housing,"
2. "Economic development" 
3. "Community support" can include...child care and mentoring programs...
4. "Environmental improvements,"
5. "Leadership development and training for community members,"
6. "Coalition building" includes ...participation in community coalitions and other collaborative efforts...
7. "Community health improvement advocacy,"
8. "Workforce development,"
9. "Other" refers to community building activities that protect or improve the community's health or safety that aren't described in the categories ... above"

--IRS Exempt Organizations Update Archive, December 18, 2015
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<td>Revocation of tax exempt status</td>
<td>&quot;Failures to satisfy section 501(r) [Note: 501 (r) includes CHNA and financial assistance provisions]. (a) Revocation of section 501(c)(3) status. ... [A] a hospital organization failing to meet one or more of the requirements of section 501(r) separately with respect to one or more hospital facilities it operates may have its section 501(c)(3) status revoked as of the first day of the taxable year in which the failure occurs.&quot; § 1.501(r)–2(a)</td>
<td>Reporting of excise tax required – Lines 12a-c</td>
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<td>Tax penalties</td>
<td>&quot;If a hospital organization to which section 501(r) applies fails to meet the requirement of section 501(r)(3) [Note: which governs CHNAs] for any taxable year, there is imposed on the organization a tax equal to $50,000.&quot; –124 STAT. 857 (pdf page 739)</td>
<td>Reporting of excise tax required – Lines 12a-c</td>
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<td>&quot;If a hospital organization ...fails to meet the requirements of section 501(r)(3) separately with respect to a hospital facility ..., there is imposed on the hospital organization a tax equal to $50,000. - § 53.4959–1(a)</td>
<td>Reporting of excise tax required – Lines 12a-c</td>
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<td>If a hospital organization operates multiple hospital facilities and fails to meet the requirements of section 501(r)(3) with respect to more than one facility it operates, the $50,000 tax is imposed on the hospital organization separately for each hospital facility's failure.&quot; - § 53.4959–1(a)</td>
<td>Reporting of excise tax required – Lines 12a-c</td>
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Selected Federal Laws and Regulations Governing Hospital Community Benefit and Community Building Investments