Affordable Care Act/IRS 990 Schedule H Requirements for Not For Profit Hospitals

The Affordable Care Act (ACA), enacted March 23, 2010, added new requirements that 501(c)(3) organizations must satisfy to maintain the tax-exempt status of their hospital facilities. Section 501(r), added to the Code by the ACA, imposes four new requirements on 501(c)(3) organizations that operate one or more hospital facilities (hospital organizations). Each 501(c)(3) hospital organization is required to meet four general requirements on a facility-by-facility basis:

- adopt and implement written financial assistance and emergency medical care policies,
- limit charges for emergency or other medically necessary care,
- comply with new billing and collection restrictions, and
- conduct a community health needs assessment at least once every three years (this fourth requirement is effective for tax years beginning after March 23, 2012).

Local Public Health Requirements - Accreditation and Community Health Assessment

- Local public health department accreditation - Local public health departments are required to conduct community health assessments every four years to meet the requirements for local public health department accreditation. (G.S. § 130A-34.1)

- North Carolina Community Health Assessment (NC CHA) Process - Local public health departments are required to conduct community health assessments every four years to meet the requirements of the consolidate agreement between the NC Division of Public Health and local health departments. The NC CHA process is an eight-phase process designed to support successful community health assessment. The first year and a half covers all eight phases of Community Health Assessment as outlined in the Community Health Assessment Guide Book available at [http://www.healthycarolinians.org/assessment/guidebook.aspx](http://www.healthycarolinians.org/assessment/guidebook.aspx)

- In each of the intervening years, the county health department must submit a State of the County Health Report (SOTCH) which:
  - reviews changes in the data that guided the selection of priorities,
  - reviews current major morbidity and mortality data,
  - collects updates on health concerns and actions taken to address them, and
  - reports on progress made in the last year towards selected priorities.

All phases of NC CHA are conducted by a CHA Team with a broad representation of community residents and representatives from strategic agencies and organizations. The oversight by the CHA Team assures community input at each phase.

The following chart compares requirements of the IRS Schedule 990H, local public health department accreditation, and the Consolidated Agreement with the NC CHA Process. The questions are taken directly from IRS Form 990, Schedule H, Part V (Lines 1 through 7 are optional for 2010).

Prepared by Debi Nelson and Edna Hensey 5-2011   Revised 2-23-12
1. During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment?

<table>
<thead>
<tr>
<th>IRS Schedule 990H Requirements</th>
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</table>
| **A** A definition of the community served by the hospital facility | **Accreditation Standard 1.1b** - Reflect the demographic profile of population  
**Accreditation Standard 1.1c** – Describe socioeconomic, educational & environment factors that affect health | **Phase I** - Collect county demographics and special geographical or unique features of the county  
**Phase 3** – Collect Secondary Data on Population Demographics, Health Indicators, Facilities and Services |
| **B** Demographics of the community | **Accreditation Standard 1.1b** - Reflect the demographic profile of population  
**Accreditation Standard 1.1d** - Assemble/analyze secondary data to describe the community health status  
**Accreditation Standard 1.1g** - Use scientific methods for collecting and analyzing data  
**Accreditation Standard 1.1h** - Identify population groups at risk  
Consolidated Agreement - Include collection of primary data at the county level | **Phase 3** – Collect Secondary Data on Population Demographics, Health Indicators, Facilities and Services |
| **C** Existing health care facilities and resources within the community that are available to respond to the health needs of the community | **Accreditation Standard 1.1d** - Assemble/analyze secondary data to describe the community health status  
**Accreditation Standard 1.1e** - Collect/analyze primary data to describe the community health status  
**Accreditation Standard 1.1g** - Use scientific methods for collecting and analyzing data  
**Accreditation Standard 1.1i** - Identify existing and needed health resources  
Consolidated Agreement - Include collection of primary data at the county level | **Phase 2** - Collect Primary Data on health issues of the community (Health Resource Inventory, Asset Mapping, Small Discussion Groups, Key Informant Interviews and/or Community Health Opinion Survey)  
**Health Resources Inventory** is a county-wide inventory that includes: (1) current agencies and organizations that have some effect on health, (2) resources that are needed but currently lacking, and (3) brief narrative to explain how the current and needed resources influence the health of county residents.  
**Phase 3** – Collect Secondary Data on Population Demographics, Health Indicators, Facilities and Services |
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| **D** How data was obtained   | **Accreditation Standard 1.1d** - Assemble/analyze secondary data to describe the community health status  
**Accreditation Standard 1.1e** - Collect/analyze primary data to describe the community health status  
**Accreditation Standard 1.1g** - Use scientific methods for collecting and analyzing data  
**Consolidated Agreement** - Include collection of primary data at the county level | **Phase 2** – Collect Primary Data on health issues of the community (Health Resource Inventory, Asset Mapping, Small Discussion Groups, Key Informant Interviews and/or Community Health Opinion Survey)  
**Phase 3** – Collect Secondary Data on Population Demographics, Health Indicators, Facilities and Services  
**Phase 4** - Analyze and Interpret Primary and Secondary Data to determine the county’s health status |
| **E** The health needs of the community | **Accreditation Standard 1.1d** - Assemble/analyze secondary data to describe the community health status  
**Accreditation Standard 1.1e** - Collect/analyze primary data to describe the community health status  
**Accreditation Standard 1.1f** - Compile/analyze trend data to describe changes in community health status and factors affecting health  
**Accreditation Standard 1.1h** - Identity population groups at risk  
**Accreditation Standard 1.1i** - Identify existing and needed health resources  
**Accreditation Standard 1.1j** - compare selected local data with data from other jurisdictions  
**Consolidated Agreement** - Include collection of primary data at the county level | **Phase 2** – Collect Primary Data on health issues of the community (Health Resource Inventory, Asset Mapping, Small Discussion Groups, Key Informant Interviews and/or Community Health Opinion Survey)  
**Phase 3** – Collect Secondary Data on Population Demographics, Health Indicators, Facilities and Services  
**Phase 4** - Analyze and Interpret Primary and Secondary Data to determine the county’s health status |
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| Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups | **Accreditation Standard 1.1b** - Reflect the demographic profile of population  
**Accreditation Standard 1.1d** - Assemble/analyze secondary data to describe the community health status  
**Accreditation Standard 1.1e** - Collect/analyze primary data to describe the community health status  
**Accreditation Standard 1.1h** - Identify population groups at risk  
**Accreditation Standard 1.1j** - compare selected local data with data from other jurisdictions  
**Accreditation Standard 1.1i** - Identify existing and needed health resources  
**Consolidated Agreement** - Include collection of primary data at the county level | **Phase 2** – Collect Primary Data on health issues of the community (Health Resource Inventory, Asset Mapping, Small Discussion Groups, Key Informant Interviews and/or Community Health Opinion Survey)  
**Phase 3** – Collect Secondary Data on Population Demographics, Health Indicators, Facilities and Services  
**Phase 4** - Analyze and Interpret Primary and Secondary Data to determine the county’s health status |
| The process for identifying and prioritizing community health needs and services to meet the community health needs | **Accreditation Standard 1.1d** - Assemble/analyze secondary data to describe the community health status  
**Accreditation Standard 1.1e** - Collect/analyze primary data to describe the community health status  
**Accreditation Standard 1.1h** - Identity population groups at risk  
**Accreditation Standard 1.1i** - Identify existing and needed health resources  
**Accreditation Standard 1.1k** - Identify leading community health problems  
**Consolidated Agreement** - List of community health priorities based on CHA findings | **Phase 2** – Collect Primary Data on health issues of the community (Health Resource Inventory, Asset Mapping, Small Discussion Groups, Key Informant Interviews and/or Community Health Opinion Survey)  
**Phase 3** – Collect Secondary Data on Population Demographics, Health Indicators, Facilities and Services  
**Phase 4** - Analyze and Interpret Primary and Secondary Data to determine the county’s health status  
**Phase 5** – Determine Health Priorities (report findings to community, solicit community input, select priority issues) |
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| **H** The process for consulting with persons representing the community's interests | **Accreditation Standard 1.1h** - Identity population groups at risk  
**Accreditation Standard 1.1i** - Identify existing and needed health resources  
**Accreditation Standard 1.1k** - Identify leading community health problems  
**Consolidated Agreement** - Be a collaborative effort with local partners such as hospitals and local Healthy Carolinians Partnerships  
**Consolidated Agreement** - List of community health priorities based on CHA findings | **Phase 1** – Establish the CHA Team to include broad representation of county residents and representatives from strategic agencies and organizations  
**Phase 5** – Determine Health Priorities (report findings to community, solicit community input, select priority issues) |
<p>| <strong>I</strong> Information gaps that limit the hospital facility's ability to assess all of the community's health needs | | |
| <strong>3</strong> In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? | | |</p>
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| ❖ Include those with special knowledge or expertise in public health  
❖ May conduct with one or more other organizations (Taken from original IRS announcement) | **Accreditation Standard 1.1a** - Evidence of community collaboration in planning/conducting assessment  
**Consolidated Agreement** - Be a collaborative effort with local partners such as hospitals and local Healthy Carolinians Partnerships | **Phase 1** – Establish the CHA Team to include broad representation of county residents and representatives from strategic agencies and organizations  
**Phase 2** – Collect Primary Data on health issues of the community (Health Resource Inventory, Asset Mapping, Small Discussion Groups, Key informant Interviews and/or Community Health Opinion Survey)  
**Phase 5** – Determine Health Priorities (report findings to community, solicit community input, select priority issues) |
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<th>5</th>
<th>Did the hospital facility make its Needs Assessment widely available to the public?</th>
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<tr>
<td>IRS Schedule 990H Requirements</td>
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<tr>
<td></td>
<td>Accreditation Activity 1.3 - LHD shall disseminate results of most recent CHA and SOTCH report to local health department stakeholders, community partners and general populations</td>
</tr>
<tr>
<td>A</td>
<td>Hospital facility's website</td>
</tr>
<tr>
<td>B</td>
<td>Available upon request from the hospital facility</td>
</tr>
<tr>
<td>C</td>
<td>Other (describe in Part VI)</td>
</tr>
</tbody>
</table>

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<th>6</th>
<th>If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how:</th>
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<tbody>
<tr>
<td>IRS Schedule 990H Requirements</td>
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<tr>
<td>A</td>
<td>Adoption of an implementation strategy to address the health needs of the hospital facility's community</td>
</tr>
<tr>
<td>IRS Schedule 990H Requirements</td>
<td>Accreditation/Consolidated Agreement</td>
</tr>
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| **B** Execution of the implementation strategy | **Accreditation Activity 1.3** - LHD shall disseminate results of most recent CHA and SOTCH report to local health department stakeholders, community partners and general populations  
**Consolidated Agreement** - Include a narrative of assessment finding  
**Consolidated Agreement** - Include community action plans to address the priority issues | **Phase 7** – Disseminate CHA document (engage the community partners to generate activity community participation in implementation)  
**Phase 8** – Develop Community Health Action Plans (action plans include S.M.A.R.T. objectives and evidence-based interventions and determine implementation responsibilities - Described in SCOTCH (required for each of the years between Community Health Assessments) ) (See introduction for expectations) |
| **C** Participation in the development of a community-wide community benefit plan | **Accreditation Activity 1.3** - LHD shall disseminate results of most recent CHA and SOTCH report to local health department stakeholders, community partners and general populations  
**Consolidated Agreement** - List of community health priorities based on CHA findings  
**Consolidated Agreement** - Include community action plans to address the priority issues | **Phase 5** – Determine Health Priorities (report findings to community, solicit community input, select priority issues)  
**Phase 6** – Create the CHA Document (develop a report to outline the process and findings for the community)  
**Phase 8** – Develop Community Health Action Plans (action plans include S.M.A.R.T. objectives and evidence-based interventions and determine implementation responsibilities) |
| **D** Participation in the execution of a community-wide community benefit plan | **Accreditation Activity 1.3** - LHD shall disseminate results of most recent CHA and SOTCH report to local health department stakeholders, community partners and general populations  
**Consolidated Agreement** - Include a narrative of assessment finding  
**Consolidated Agreement** - List of community health priorities based on CHA findings  
**Consolidated Agreement** - Include community action plans to address the priority issues | **Phase 7** – Disseminate CHA document (engage the community partners to generate activity community participation in implementation)  
**Phase 8** – Develop Community Health Action Plans (action plans include S.M.A.R.T. objectives and evidence-based interventions and determine implementation responsibilities) |
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<td>E Inclusion of a community benefit section in operational plans</td>
<td></td>
<td></td>
</tr>
<tr>
<td>F Adoption of a budget for provision of services that address the needs identified in the Needs Assessment</td>
<td></td>
<td>Phase 8 – Develop Community Health Action Plans (action plans include S.M.A.R.T. objectives and evidence-based interventions and determine implementation responsibilities)</td>
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</table>
| G Prioritization of health needs in its community | Accreditation Standard 1.1h - Identity population groups at risk  
Accreditation Standard 1.1i - Identify existing and needed health resources  
Accreditation Standard 1.1k - Identify leading community health problems  
Consolidated Agreement - List of community health priorities based on CHA findings  
Consolidated Agreement - Include community action plans to address the priority issues | Phase 5 – Determine Health Priorities (report findings to community, solicit community input, select priority issues) |
| H Prioritization of services that the hospital facility will undertake to meet health needs in its community | | |
| I Other (describe in Part VI) | | |

February 23, 2012