

**BOARDROOM BASICS**

## What Are the Most Prominent Health Needs in Your Community?

Hospital and health system boards are responsible for staying true to the organization’s community-centered mission even in the face of an ever-changing environment. Meeting community needs begins with understanding local challenges and putting together an action plan to address them.

**T**o successfully lead their organizations, boards of trustees must have a deep understanding of the issues, challenges, and needs confronting the organization and the community it serves. They should have clear answers to questions such as:

- How dependent is our organization’s success on the direction these issues take?
- If the hospital’s mission is to improve the community’s health, what is the health status of the community?
- Does our board have the evidence and information it needs to make data-driven strategic decisions about community needs?

Community needs assessments help trustees answer these questions. In addition, they provide hospitals and

health systems with unique opportunities to connect with the community, maximize partnerships, and develop opportunities for building public trust and confidence.

### Why Conduct a Community Needs Assessment?

A comprehensive community needs assessment provides the organization with first-hand information about the health care needs of the community it

serves. With this “snapshot” of the community’s health, the organization can identify the most pressing health care needs of the community, populations of individuals in need, gaps in care and services, barriers and challenges to receiving services, and information about other organizations that may already be working to meet specific needs. This background provides the foundation needed to build strategic and operational plans that will advance the hospital’s mission of service to the community. With the data and information from the assessment, the board can:

- Assess and evaluate where and how the hospital or health system should direct its attention;
- Prioritize strategic initiatives; and
- Best determine the allocation of resources.

*(Continued on page 3)*



## Our Perspective

### SDAHO Focus on Community Needs by Focusing on Healthcare Workforce Needs

The South Dakota Association of Healthcare Organizations (SDAHO) mission is centered on the members we serve and the communities where they reside. SDAHO's dedication to both is outlined in the mission statement, "Advancing healthy communities through a unified voice across the health care continuum." Today one of the greatest needs for our members and communities across our state is workforce.

In the Spring of 2023, SDAHO was awarded the Rural Network Development Grant through the Health Resources and Services Administration (HRSA), which is an agency of the United States Department of Health and Human Services. Lindsay Stroman was hired in October of 2023 as the Workforce Development Coordinator for the association and manages the program and grant.

The mission of the project is to create a network of healthcare organizations and community partners called the South Dakota Rural Workforce Network (SDRWN) focusing on workforce recruitment and retention. The network is developing an all-inclusive pipeline of healthcare essential workers, such as dietary, environmental services, nursing assistants, home health aides and more.

SDAHO's Network Development team is partnering with a consultant to facilitate a strategic planning session with Network members. Stroman says, "We have a short-term goal, which includes facilitating strategic planning sessions which will begin in January of 2024 and will include all Network members. At those meetings we will discuss and begin implementing an action plan for our grant work. However, the long-term goal is to develop a system that can be replicated statewide and used by any healthcare facility for years to come."

The project is targeting rural ethnic and racial minorities, refugees, second career adults and high school students to fill the healthcare essential roles. The impact will include a stable pipeline of essential healthcare workers to serve the rural healthcare facilities throughout rural South Dakota.

In November of 2023 Stroman was able to visit with several Network members, which included:

- Mobridge, SD – Critical Access Hospital
- Hot Springs, SD – Critical Access Hospital
- University of South Dakota: Network Partner
- Lutheran Social Services: Network Partner
- Mitchell Technical Institute: Network Partner

Meetings so far have included conversations on recruitment and retention strategies, in addition to new ideas such as an after-school program for grades 3-12<sup>th</sup>. "The idea of an after-school program is so that students can explore healthcare careers with hands-on activities. The goal is to provide opportunities where students are exposed to healthcare careers at a young age, with hopes they will be interested in joining the healthcare workforce starting in their high school years," according to Stroman.

Additional key partners include the University of South Dakota and Mitchell Technical College. Stroman says both are looking to potentially develop internships, apprenticeships, career exploring classes and student support services for refugee and minority students. Lutheran Social Services (LSS) already has programs in place to assist refugees with learning to read, write and developing their professional skills in English.

To learn more about SDAHO's Workforce Development Program, visit Lindsay Stroman, Workforce Development Coordinator with SDAHO:  
[Lindsay.Stroman@sdaho.org](mailto:Lindsay.Stroman@sdaho.org)

### Future Education Opportunities

Visit SDAHO at [www.sdaho.org/calendar/](http://www.sdaho.org/calendar/) to learn more.

FEB. 8 | 12PM CT | SERVICES FOR THE VISUALLY IMPAIRED OR BLIND LIVING

FEB. 15 | 12PM CT | CONDITIONS OF PARTICIPATION FOR CRITICAL ACCESS HOSPITALS PART 1

FEB. 20 | 12PM CT | HIDDEN IN PLAIN SIGHT: HUMAN TRAFFICKING EDUCATION FOR HEALTHCARE

FEB. 22 | 12PM CT | LPN SCOPE OF PRACTICE UPDATES

FEB. 27 | 12PM CT | LISTEN WELL - SUCCESS IS SILENT

### Do you have ideas for future issues of *The Trustee Quarterly*?

Our goal is to provide you with the information and knowledge you need to lead your hospitals forward in today's rapidly changing environment. Tell us what you think, and what you'd like to see in future issues of *The Trustee Quarterly*.

#### Write or call:

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### Spotlight Sponsors



SDAHO Enterprise was developed to pursue valued services and increase non-dues revenue. Overall goals and objectives of providing revenue to supplement SDAHO strategies and providing support and benefit to members.

(Continued from page 1)

***An Opportunity to Strengthen Community Relationships.***

A community needs assessment is a prime opportunity to strengthen community relations and build community partnerships. For example, conducting an assessment provides opportunities for the hospital or health system to collaborate with a variety of community organizations in the distribution of surveys and collection of data. In addition, conducting community-based focus groups and making a dedicated effort to solicit the views and opinions of community members can help build and strengthen positive perceptions of and trust in the hospital or health system.

***It's Mandatory for Not-For-Profit Hospitals and Health Systems.***

Conducting a community needs assessment is more than an important step in building community relationships and providing hospitals with the information they need to meet community needs—it's also a requirement enforced by the Internal Revenue Service (IRS).

The IRS requirements for tax exempt hospitals include regularly conducting a community health needs assessment (CHNA), as well as maintaining a financial assistance policy and emergency medical care policy, limitations on charges, and requirements around billing and collections. Specifically, the IRS requires that hospitals: 1) conduct a community needs assessment every three years, and 2) adopt an implementation strategy to meet the needs identified in the assessment.

The IRS also specifies what hospitals must include in their community needs assessment process:<sup>1</sup>

- Define the community served.
- Assess the health needs of that community.
- In assessing the community's health needs, solicit and take into account input received from individuals who represent the broad interests of that community, including those with special knowledge of or expertise in public health.
- Document the CHNA in a written report that is adopted for the hospital or health system by an authorized body of the hospital facility.
- Make the CHNA report widely available to the public.
- Develop a written implementation strategy that identifies each significant health need and either how the organization plans to address the need or why the organization does not intend to address the need.

**Practical Steps for Conducting a Community Needs Assessment**

Maximizing the value of your community needs assessment requires careful forethought and planning. The process should begin with a clear



definition of the objectives of the assessment by the board and the hospital or health system's executive leadership. Organizational leaders must then communicate the importance of the assessment throughout the organization, and engage employees in support of data collection efforts. Involving community leaders and key stakeholders in the process is particularly critical to a successful community needs assessment.

Although every organization's community needs assessment process will be different, the following steps provide an overview of the steps often undertaken.

***Step 1: Determine a Project Coordinator.*** The project coordinator is typically a member of the executive team, but may also be a needs assessment consultant. The project coordinator provides oversight and high-level guidance, assists in navigating threats or obstacles to the assessment, and is accountable for the successful and timely completion of the assessment.

***Step 2: Clearly Define the Objectives of the Assessment.*** The general purpose of the community needs

## IRS Requirements: Assessing and Addressing Community Health Needs

According to the IRS, hospitals and health systems must identify the significant health needs of the community. They must also prioritize those health needs and identify resources potentially available to address them.

### Examples of Needs

The health needs of a community include both improvement and maintenance of community health status. This includes both the community at-large and in particular areas of a community, such as a specific neighborhood or population facing greater health disparities. The IRS provides the following examples:

- Addressing financial and other barriers to accessing care
- Preventing illness
- Ensuring adequate nutrition
- Addressing social, behavioral, and environmental factors that influence health in the community

### Significance of Needs

Hospitals or health systems may determine if a health need is significant based on the facts and circumstances present in the community. The IRS suggests hospitals use criteria to prioritize health needs, including but not limited to the following:

- Burden, scope, severity, or urgency of the health need
- Estimated feasibility and effectiveness of possible interventions
- Health disparities associated with the need
- Importance the community places on addressing the need

### Addressing Needs

The IRS specifies that a hospital or health system's implementation strategy must be a written plan that, for each significant health need identified, either describes how the organization plans to address the need or identifies the health need as one the organization does not intend to address and explains why it will not be addressed. When addressing a significant health need, the plan must:

- Describe the actions the organization intends to take to address the health need and the anticipated impact of the actions
- Identify the resources the hospital or health system plans to commit to addressing the health need
- Describe any planned collaboration between the organization and other facilities or organizations in addressing the health need

*Source: Community Health Needs Assessment for Charitable Hospital Organizations—Section 501(r)(3). Internal Revenue Service. Updated July 13, 2023. [www.irs.gov](http://www.irs.gov).*

assessment is to identify health care needs that exist in the community, and to determine the role the hospital or health system should serve in meeting those needs. Additional objectives may include building community partners, measuring progress against a baseline need or previous assessments, and ensuring that the IRS requirements are fulfilled.

In addition to defining the information needed and how the findings will be

used, the objectives should also define the assessment's geographic reach, generally considered to be the organization's primary and secondary service area.

#### **Step 3: Identify Available Resources.**

Define the budget, number of employees, and other resources available and dedicated for conducting the community needs assessment. If you haven't discussed potential partners already, this is a good time to

identify community partners and organizations that may work with your hospital or health system to share resources and maximize the accuracy of data collection as well as impact in addressing the needs identified. There may be multiple organizations in your community that are also required to conduct a community needs assessment, including local health departments, social services organizations, and agencies on aging.<sup>2</sup>



**Step 4: Develop a Detailed Plan.** The project plan should include specific milestones, actions, accountabilities, dependencies, and timeframes for completion. The plan should include processes for conducting the assessment, sources and methodologies for collecting data and information, a process for analyzing the results, and a plan for communicating findings and outcomes to the board, key stakeholders, and the community.

**Step 5: Collect and Analyze Data.** Once the goals have been identified and the work plan has been approved, the next step in the assessment is to collect and analyze data. Utilizing multiple methods of data collection is recommended to ensure the widest possible opportunity for community representation and a clear picture of the issues. This information can generally be divided into two categories: primary and secondary data collection.

Primary data is information gathered using a variety of methods, which may include community surveys, key stakeholder interviews, focus groups, and town hall meetings. Secondary data is existing data available from various sources at the state, regional, and national level. For a detailed step-by-step guide to assist in this process, see the American Hospital Association’s Community Health Assessment Toolkit at [www.healthycommunities.org](http://www.healthycommunities.org).

**Step 6: Develop a Summary Report of Findings.** A summary report pulls together all of the findings, and should include the objectives of the assessment, the methodologies employed, findings, implications, and recommendations. The report should be compiled in an

organized and logical manner that allows the board and senior leadership to identify and evaluate the implications and develop potential strategies. In addition, the IRS requires that the final report is made “widely available to the public,” including available on a website and by paper upon request.

**Step 7: Identify Plans to Address Needs.** It is the board’s responsibility to ensure that the organization fulfills the IRS requirement to create a plan to address significant health needs identified in the assessment. The assessment process should give the board a strong foundation for strategic planning by providing clarity about needed services and identifying specific, attainable goals for meeting community needs.

Part of this process may require determining if it is necessary to provide additional services or create new programs. Some services may benefit the hospital or health system with additional income, while others may result in minimal or no profit. When evaluating potential new services, the board must decide if adding the services:

- Provides a substantial benefit to the community;
- Is important in fulfilling a specific community need;
- Contributes toward the community benefit activities required of tax-exempt hospitals; or
- Directly contributes to the achievement of the hospital or health system’s mission.

### Maximizing Impact

- ✓ **View the assessment as an opportunity** to better understand and meet community needs, rather than simply an IRS requirement.
- ✓ **Build lasting partnerships** as a part of the process—sharing resources, maximizing community impact, and building trust and confidence in the hospital.
- ✓ **Discuss the results at a board retreat.** The community needs assessment provides a strong, evidence-based foundation for the board to build its strategic plan.
- ✓ **Use the report as a “go to” resource** that is shared widely within the organization and referenced regularly as strategic decisions are made.
- ✓ **Evaluate progress in addressing community needs,** making modifications as necessary.
- ✓ **Celebrate wins** internally, with external stakeholders, and with the community at-large.

Communicating the results and next steps to stakeholders, partners in the assessment process, and other community members is an important step in engaging their continued interest, support, trust, and ownership of solutions to meeting needs and improving the health of the community.

### Sources and More Information

1. Community Health Needs Assessment for Charitable Hospital Organizations—Section 501(r)(3). Internal Revenue Service. Updated July 13, 2023. [www.irs.gov](http://www.irs.gov).
2. American Hospital Association. (2023). Community Health Assessment Toolkit. Accessed at <https://www.healthycommunities.org/resources/community-health-assessment-toolkit>.

GOVERNANCE INSIGHTS

# Telling Your Community Benefit Story

The public is often presented with negative news and stories about hospitals and the health care system. Preparing an annual community benefit report and continually sharing small positive stories about the hospital are critical parts of demonstrating the benefit and value hospitals and health systems provide to their local communities.

In the absence of information and evidence, people rely on personal experiences, their own intuitive beliefs, and personal opinions to shape their ideas about what's good and bad about health care. Hospital and health system boards have a responsibility and an opportunity to lead the way in shaping positive public perceptions about their organizations. This starts with a passion for sharing the good work done at the hospital through ongoing communication and community relationships.

## The Form 990 Gathers Data and Information

The Internal Revenue Service (IRS) Form 990 includes a number of specific schedules organizations must complete, depending upon the types of activities they engage in. One of those is "Schedule H," which must be completed by all hospitals or other organizations that provide medical care.

The Schedule H is an opportunity to define the tangible benefit provided to

the community. It requires itemized reporting of:

- Financial assistance and means-tested government programs (such as Medicaid) and certain other community benefits provided. Other benefits are defined as community health improvement services, health professionals education, subsidized health services, and research.
- Community building activities, including physical improvements and housing, economic development, community support, environmental improvements, leadership development, coalition building, community health improvement advocacy, workforce development, and more.
- Bad debt expenses, Medicare shortfalls, and collection practices.

The Schedule H also asks a variety of pinpointed questions about the hospital or health system's community health needs assessment, financial assistance policies, billing and collections, and whether the organization prepared a community benefit report during the previous year.

## Community Benefit is Told Through Stories

Community benefit reports calculate the tangible financial benefit provided and itemize key programs and services. But the information comes to life when

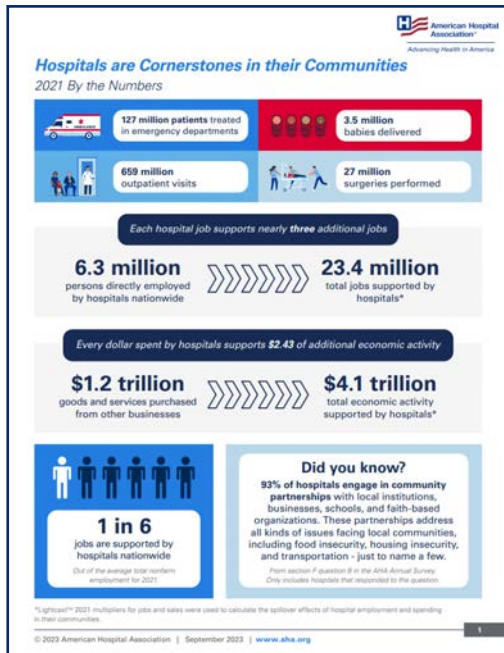
**Stories are memorable, evoke emotion, and are more likely to get re-told or shared.**

examples and stories illustrate the impact on everyday people. Stories are memorable, evoke emotion, and are more likely to get re-told or shared.

Photos, videos, and short stories can demonstrate what it looks like when your organization provides life-saving medical care, implements new technology, offers free or low-cost care, provides health and wellness



## AHA Infographic: Easy to Read Highlights



The American Hospital Association's September 2023 infographic highlights the impact of hospitals in their communities using easy-to-read information and high level statistics.

The AHA offers comprehensive resources to help hospitals and health systems tell their stories, including the #WeAreHealthCare digital toolkit, Telling the Hospital Story Campaign, sample community benefit reports, customizable graphics, and case examples. To access the tools, go to [www.aha.org/tellingthehospitalstory](http://www.aha.org/tellingthehospitalstory).

- An overview of services offered
- A list of organizational leaders, including board members
- A discussion of emerging health issues and community health risks, and ways the organization is working to address them
- A list of community benefits provided, including program and service descriptions and estimated contribution to the community
- Personal stories and photos highlighting the impact of programs and services on the local community

programs in the community, pays for employee education, conducts emergency community-wide drills, or partners with community organizations to improve quality of life.

Some stories highlight major milestones achieved and may draw the attention of lawmakers or investors. Others may capture local attention and build positive associations with the hospital or health system, such as highlighting a food pantry or recreational sports for people with disabilities. One recent story involved two therapy dogs having a wedding ceremony, while another told of a parade of therapy animals dressed in Taylor Swift-inspired ensembles.

### What's Included in an Annual Community Benefit Report

Creatively and consistently conveying the value message is accomplished

through a community benefit report that defines and communicates the true benefit and value the hospital or health system creates, not simply the economic value provided or the economic multiplier created.

**What's Included.** Typical report content includes:

- A message from the CEO and the board chair that outlines the importance of the organization to the community, highlighting many of the important community benefit successes achieved in the last year
- Mission and vision statements
- Background information about the hospital or health system, such as the size, how long it has been serving the community, etc.
- A map of the hospital's service area

- A list of community partners and how the hospital or health system works with those partners on behalf of the community
- A community benefit "inventory," or table showing the breakdown of total resources devoted to medical services, care, and benefits for vulnerable populations, and services to the broader community
- Measurable results of community benefit activities
- Financial information, including financial statements, sources of revenue and expenses, and vital statistics

**Sharing the Report.** The community benefit report should be shared in a variety of ways, including on the hospital's website, posted on social media and stories in the local news. Printed versions may also be



distributed to lawmakers and key stakeholders.

### Constant, Consistent Communication Through Multiple Avenues

Employees, volunteers, patients and families, community leaders, community partners, and lawmakers should know of the ways your organization has a positive impact on the community. Constant communication through multiple avenues is the only way to reach all of these stakeholders.

**A Steady Drumbeat.** The American Hospital Association’s (AHA) “Telling the Hospital Story” toolkit recommends communicating early and often, to “create a steady drumbeat of testimonials that spotlight the programs and people that are either advancing health or those that benefit from them.”

Maintaining this steady communication requires planning ahead, including:

- An internal investment in communication resources and strategies



### Community Benefit Case Examples

The American Hospital Association’s *Telling the Hospital Story* offers case examples highlighting how hospitals are benefiting their communities. Organizations can use the case examples for ideas or submit their own stories. A few examples are below.

- **Navigation of Services:** In Montana’s northwest Flathead Valley, it is not uncommon for residents to have to travel over 30 miles away to the closest hospital. Logan Health’s ASSIST program uses trained volunteers to help residents access and navigate essential services, addressing key social determinants of health.
- **Growing Produce for Food Pantries:** A farm owned and operated by Community Hospital Anderson in Indiana completed a \$2.5 million expansion that is expected to produce 30,000 pounds of produce per year to be shared with local food pantries.
- **Regional Partnerships to Address Needs:** In Baton Rouge, Louisiana, Healthy BR is a “collective impact model,” inviting the participation and contributions of more than 90 hospitals, non-profit organizations, local businesses, schools, and governmental institutions, all working to shift the community’s health priorities.
- **Emotional Support Dogs.** Many hospitals and health systems are embracing trained emotional support dogs to support staff, patients, and their families during difficult times.

For all case examples and to submit your own, go to [www.aha.org/tellingthehospitalstory](http://www.aha.org/tellingthehospitalstory).

- Encouraging the collection of stories and images at outreach events and hospital activities
- Providing opportunities for employees to share their stories

**Leveraging Employees.** Employees and volunteers are the best advocates and cheerleaders for what’s happening within the organization. Continual internal communication about challenges faced and how the hospital is addressing them builds internal advocates. Organizations can also seek out specific employees to educate about the good work the hospital is doing and

provide opportunities for those spokespeople to share with the community.

**Maximizing Board Impact.** Every board member should be an ambassador and advocate for the organization. A comprehensive community benefit report is the perfect tool for board members, providing both statistics and stories that trustees can share throughout the year.

While it’s hard to impact strongly held beliefs and perceptions, perception can be tipped with the correct information and communication, delivered consistently and effectively over time by trusted individuals. Making that happen is the principal job of the “community-centered” board.