

B. Health Professionals Education

B. Health professionals education

- Helps prepare future health care professionals



B. Health professionals education

B1. Physicians and medical students

B2. Nurses and nursing students

B3. Other health professions education

B4. Scholarships and funding for
professions education

Health professionals education

- DO NOT INCLUDE:
 - Programs provided exclusively for the organization's employees or medical staff.
- INCLUDE:
 - Continuing medical and nursing education and education for other professionals ONLY if program is open to the community.

Health professions education

7 Financial Assistance and Certain Other Community Benefits at Cost						
Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)						
f Health professions education (from Worksheet 5)						
g Subsidized health services (from						

Activity* – one for each separately accredited education program, one for each continuing medical education program open to the public, one for each scholarship program

Persons served* – number of students, number of attendees, number of persons receiving scholarships

*recommendation of Catholic Health Association

Community benefit expense

Worksheet 5. **Health Professions Education (Part I, line 7f)**

Keep for Your Records



	Totals
Total community benefit expense	
1. Medical students	1. _____
2. Interns, residents, and fellows	2. _____
3. Nursing	3. _____
4. Other allied health professions	4. _____
5. Continuing health professions education	5. _____
6. Other students	6. _____
7. Total community benefit expense (add lines 1 through 6; enter on Part I, line 7f, column (c))	7. _____
Direct offsetting revenue	
8. Medicare reimbursement for direct GME	8. _____
9. Medicaid reimbursement for direct GME	9. _____
10. Continuing health professions education reimbursement/tuition	10. _____
11. Other revenue	11. _____
12. Total direct offsetting revenue (add lines 8 through 11; enter on Part I, line 7f, column (d))	12. _____
13. Net community benefit expense (line 7 minus line 12; enter on Part I, line 7f, column (e))	13. _____
14. Total expense (enter amount from Form 990, Part IX, line 25, column (A), and include the organization's share of joint venture expenses)	14. _____
15. Percent of total expense (line 13 divided by line 14; enter amount on Part I, line 7f, column (f))	15. _____ %

This is a worksheet from the IRS Form 990 instructions. This worksheet is used to determine the net community benefit expense associated with **Health Professions Education**. Note the amounts that must be offset against the costs of the benefit program.

C. Subsidized Health Services



C. Subsidized health services

- Clinical services provided despite a financial loss AND which generate financial losses so significant that negative margins remain after removing the effects of charity care, Medicaid shortfalls and bad debt.

C. Subsidized health services

- Service is provided because it meets an identified community need and if no longer offered, it would either be unavailable in the area or would fall to the responsibility of government or another not-for-profit organization to provide.

C. Subsidized health services

- To be reported, a service should:
 - Be a patient care service line rather than an ancillary supporting service,
 - Should not be ancillary services (lab and radiology)
 - Be a distinct service, not a subset of a service.
 - Orthopedics may qualify as a subsidized service.
 - Joint replacement is a subset and is not reported if the overall orthopedic services is not subsidized.

C. Subsidized health services

- Departments / units which are frequently “subsidized”
 - Emergency department
 - Burn units
 - Outpatient hospice and palliative care areas
 - Behavioral health

C. Subsidized health services

- May be a clinical program or service line
 - Determine the amounts the facility subsidizes to provide these services
- Cannot cost amounts already counted in charity or government short-falls

Examples – Subsidized services

- Local community emergency medical technician (EMS) training when there is a negative margin
- Fees paid to physicians to see Medicaid and uninsured patients.
- Mobile units, including mammography and radiology units
- Durable medical equipment services

Examples – Subsidized services

- Breast diagnostic services
- Obstetrical services
- Pediatrics
- Women's services
- Hospice program/services
- Home care services
- Skilled nursing care or nursing home services
- Adult day care



Subsidized health services

7 Financial Assistance and Certain Other Community Benefits at Cost						
Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)						
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						

Activity* – one for each qualifying program or service

Persons served* – Number of inpatient and outpatient accounts (for each hospital and facility, including appropriate proportions of joint ventures)

*recommendation of Catholic Health Association

Community benefit expense

Worksheet 6. Subsidized Health Services (Part I, line 7g)

Keep for Your Records



		(A) Total subsidized health service program	(B) Bad debt	(C) Medicaid and other means-tested government programs	(D) Financial assistance	(E) Totals (subtract columns (B), (C), and (D) from column (A))
Program name: _____						
1. Gross patient charges from program(s)	1.					
Total community benefit expense						
2. Ratio of patient cost to charges (from Worksheet 2, if used)	2.	%	%	%	%	%
3. Cost (multiply line 1 by line 2, or obtain from cost accounting; enter column (E) on Part I, line 7g, column (c))	3.					
Direct offsetting revenue						
4. Net patient service revenue	4.					
5. Other revenue	5.					
6. Total direct offsetting revenue (add lines 4 and 5; enter column (E) on Part I, line 7g, column (d)).	6.					
7. Net community benefit expense (subtract line 6 from line 3; enter column (E) on Part I, line 7g, column (e))	7.					
8. Total expense (enter amount from Form 990, Part IX, line 25, column (A), and include the organization's share of joint venture expenses)	8.					\$
9. Percent of total expense (line 7, column (E) divided by line 8; enter on Part I, line 7g, column (f))	9.					%

This is a worksheet from the IRS Form 990 instructions. This worksheet is used to determine the net community benefit expense associated with **Subsidized Health Services**. Note the amounts that must be offset against the costs of the benefit program.

Subsidized health services

In the calculation of the cost of subsidized health services, attention must be given to **avoid double counting cost**.

ED example:

- The emergency room has been identified as a subsidized service.
- There are significant amounts of charity and indigent patients seen in the emergency room.

Subsidized health services

ED example:

To avoid double counting of cost, the charity use of the emergency room must be eliminated from the cost of the emergency room, if the cost of charity care is reported as a community benefit.

Subsidized health services

Emergency department – **All charges**

Cost Center	CCR*	Emergency Dept All Charges	Cost
Radiology	.15	9,300,000	1,395,000
Laboratory	.18	920,000	165,600
Emergency	1.25	1,250,000	1,562,500
Total Cost		11,470,000	3,123,100

*from Medicare cost report

Subsidized health services

Emergency Department – Charity Charges

Cost Center	CCR*	Emergency Dept Charity Charges	Cost
Radiology	.15	1,150,000	172,500
Laboratory	.18	230,000	41,400
Emergency	1.25	312,000	390,000
Total Cost		1,692,000	603,900

*from Medicare cost report

Subsidized health services

Emergency Department cost	\$3,123,000
Charity cost in ED*	(603,900)
Medicaid cost in ED**	xxx,xxx
Medicare cost in ED***	<u>xxx,xxx</u>
Net ED cost	\$ x,xxx,xxx
Less: Related payments	<u>xxx,xxx</u>
Subsidized ED costs	\$ <u>x,xxx,xxx</u>

*If reported as charity cost

**If reported in Medicaid shortfall

***If reported in Medicare shortfall

D. Research Programs

D1. Clinical research

D2. Community Health Research



D. Research programs

- Includes clinical and community health research
- May include grant-funded or government studies on health care delivery
- May include studies funded by the hospital itself
- Grant funds are not required to be offset against the cost of the study or research

D. Research programs

- Include only research that is shared with others as opposed to being used only internally by either the facility or funder.
 - Clinical research.
 - Community health research.
 - Research on innovative health care delivery.
 - Studies funded by government entities or tax-exempt organizations.

Research

7 Financial Assistance and Certain Other Community Benefits at Cost						
Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)						
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions						

Activity* – one for each qualifying research study or investigation.

Persons served* – N/A or alternatively the number of subjects in the study

*recommendation of Catholic Health Association

Community benefit expense

Worksheet 7. **Research** (Part I, line 7h)

Keep for Your Records



Total community benefit expense		
1. Direct costs	1.	_____
2. Indirect costs	2.	_____
3. Total community benefit expense (add lines 1 and 2; enter on Part I, line 7h, column (c))	3.	_____
4. Direct offsetting revenue (enter on Part I, line 7h, column (d))	4.	_____
5. Net community benefit expense (subtract line 4 from line 3; enter on Part I, line 7h, column (e))	5.	_____
6. Total expense (enter amount from Form 990, Part IX, line 25, column (A), and include the organization's share of joint venture expenses.)	6.	_____
7. Percent of total expense (divide line 5 by line 6; enter on Part I, line 7h, column (f))	7.	_____ %

This is a worksheet from the IRS Form 990 instructions. This worksheet is used to determine the net community benefit expense associated with **Research**. Note the amounts that must be offset against the costs of the benefit program.

E. Cash and In-Kind Contributions



E. Cash and in-kind contributions

- Funds and in-kind services donated to
 - Individuals not affiliated with the hospital
 - Community groups or
 - Other not-for-profit organizations.

E. Cash and in-kind contributions

- In-kind services include:
 - Hours spent by staff as part of their work assignment while on health care organization work time,
 - Overhead expenses of space provided to not-for-profit community groups (for meetings),
 - Donation of food, equipment, and supplies.

E. Cash and in-kind contributions

- Contributions include:
 - Cash donations to tax-exempt entities.
 - Grants to other not-for-profit organizations.
 - In-kind donations such as meeting rooms, supplies, and parking vouchers.



E. Cash and in-kind contributions

- Contribution should be used by others to provide a community service needed by the community.
 - Service must meet the criteria for a community benefit.
- Report contributions that support community-building activities in the community-building category.

E. Cash and in-kind contributions

- DO NOT REPORT:
 - Time spent by volunteers, including staff members, engaged in an activity on their own.
 - A donation already reported by another entity.

A camp for children who have cancer is supported by the hospital. Each year the hospital sends a team of nurses to work at the camp and pays the nurses their regular salary. Other staff members use vacation days to volunteer at the camp. The nurses' time can be reported as an in-kind community benefit expense but not the time of the other staff.

E. Cash and in-kind contributions

- Contributions may be made outside the community, such as:
 - Response to global poverty or natural disaster.
- CAUTION:
 - Contributions outside the community should not constitute a substantial proportion of the community benefit.
 - Be aware that many taxing authorities do not consider funds used outside of the community as community benefit.

Cash and in-kind

7 Financial Assistance and Certain Other Community Benefits at Cost						
Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)						
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)						
j Total. Other Benefits						
k Total. Add lines 7d and 7j						

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Cat. No. 50192T

Schedule H (Form 990) 2010

Activity* – one for each contribution made to community groups that the organization restricts to one or more of the community benefit activities listed in lines 7a through 7h.

*per IRS Form 990 Schedule H instructions

Community benefit expense

Worksheet 8. **Cash and In-Kind
Donations to
Community Groups
(Part I, line 7i)**

Keep for Your Records



		(A) Cash contrib- utions	(B) In-kind contrib- utions	(C) Total
1. Total community benefit expense (enter amount from column (C) on Part I, line 7i, column (c))	1.			
2. Direct offsetting revenue (enter amount from column (C) on Part I, line 7i, column (d))	2.			
3. Net community benefit expense (subtract line 2 from line 1; enter on Part I, line 7i, column (e))	3.			
4. Total expense (enter amount from Form 990, Part IX, line 25, column (A), and include the organization's share of joint venture expenses) . .	4.			
5. Percent of total expense (divide line 3 by line 4; enter on Part I, line 7i, column (f))	5.			%

This is a worksheet from the IRS Form 990 instructions. This worksheet is used to determine the net community benefit expense associated with **Cash and in-kind donations**. Note the amounts that must be offset against the costs of the benefit program.

F. Community Building Activities



F. Community-building activities

- Focus on root causes of health problems:
 - Poverty,
 - Homelessness,
 - Environmental problems.
- Support community assets by offering the expertise and resources of the health care organization.

F. Community-building activities

F1. Physical improvements and housing

F2. Economic development

F3. Community support

F4. Environmental improvements

F5. Leadership development and leadership
training for community members

F6. Coalition building

F7. Advocacy for community health
improvements

F8. Workforce development



More brain exercise ahead!

F.1 – F.8

Per IRS Form 990 Schedule H:

Community-building activities should not be reported in the community benefit section.

Report in another section specifically for community-building activities.

Community building activities

Schedule H (Form 990) 2010

Page **2**

Part II **Community Building Activities** Complete this table if the organization conducted any community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support						
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development						
9 Other						
10 Total						

Note that each type of community building activity must be separately reported in this section of the IRS Form 990.

Community building activities

	(a) Number of activities or programs (optional)	(b) Persons served (optional)
1 Physical improvements and housing		
2 Economic development		
3 Community support		
4 Environmental improvements		
5 Leadership development and training for community members		
6 Coalition building		
7 Community health improvement advocacy		
8 Workforce development		
9 Other		
10 Total		

Activities* – One for each discrete program

Persons served* –
When program is for individuals, use enrollment, attendance or encounters.

When program is for overall community, use "one" unless there is a mechanism to indicate how many benefited.

*Recommendation of Catholic Health Association guidelines

G. Community Benefit Operations Activities



G. Community benefit operations

G1. Assigned staff

- Include costs associated with staff assigned to community benefits

G2. Community health needs assessment

G3. Costs associated with community benefit strategy and operations.

G1. Assigned staff

- COUNT:
 - Staff costs for managing or overseeing community benefit program activities that are not included in other categories of community services
 - Staff costs for internal tracking and reporting community benefit

G1. Assigned staff

- DO NOT COUNT:
 - Staff time to coordinate in-house volunteer programs
 - Volunteer time of individuals for community benefit volunteer programs

G2. Community health needs/health assets assessment

- COUNT:

- Community health needs assessment
- Community assessments, such as a youth asset survey

- DO NOT COUNT:

- Costs of market share assessment
- Marketing surveys

G3. Other resources

- COUNT:
 - Costs associated with community benefit evaluation
 - Cost of fundraising for hospital-sponsored community benefit programs including grant writing
 - Grant writing and other fundraising costs related to equipment used for
 - Costs associated with developing a community benefit plan, conducting community forums, and reporting community benefit

G3. Other resources

- COUNT (cont'd):
 - Overhead and office expenses associated with community benefits operations
 - Grant writing and other fundraising costs related to equipment used for hospital-sponsored community benefit services and activities
 - Dues to an organization that specifically support the community benefit program (i.e. Association for Community Health Improvement)

G3. Other resources

- COUNT (cont'd):
 - Software that supports the community benefit program
 - CBISA by Lyon Software.
 - Costs associated with attending educational programs to enhance community benefit program planning and reporting

Community benefit operations

Community health improvement and community benefit operations

7 Financial Assistance and Certain Other Community Benefits at Cost						
Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)						
f Health professions education						

Health improvement

Activity* – one for each discrete program

Persons served* – number of attendees at program event; number of enrollees in ongoing program; broad community program – “one” unless a response mechanism to gauge attendance.

Benefit operations

Activity* – one for each dedicated community benefit department

Persons served* – not applicable

*recommendation of Catholic Health Association

Community Benefit Operations costs are combined with Community Health Improvement costs on the IRS Form 990.