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The Hospital Community Benefit Program: Implications for Food and Nutrition Professionals

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Abstract

This article briefly explains the food and nutrition implications of the new standards, tax penalties and reporting requirements for non-profit hospitals and healthcare systems to maintain a tax-exempt or charitable status under section 501(c)(3) of the Federal Internal Revenue Code set forth in The Patient Protection and Affordable Care Act (P.L. 111–148, Sec. 9007). The newly created 501(r) of the Internal Revenue Code requires, beginning with the first tax year on or after March 23, 2012, that such hospitals demonstrate community benefit by conducting a community health needs assessment (CHNA) at least once every three years and annually file information by means of a Schedule H (Form 990) regarding progress towards addressing identified needs. As hospitals conduct their CHNA and work further and collaboratively with community stakeholders on developing and monitoring their proposed action plans, the breadth and depth of food and nutrition activities occurring as a result of the Affordable Care Act Hospital Community Benefit Program will likely increase. The CHNA requirement, along with other emerging initiatives focused on improving the food environments and nutrition-related activities of hospitals and healthcare systems offer fruitful opportunities for food and nutrition professionals to partner on innovative ways to leverage hospital infrastructure and capacity to influence those residing, working or visiting the hospital campus, as well as the surrounding community.

This article briefly explains the implications for food and nutrition professionals of the new standards, tax penalties and reporting requirements for non-profit hospitals and healthcare systems to maintain a tax-exempt or charitable status under section 501(c)(3) of the Federal Internal Revenue Code set forth in The Patient Protection and Affordable Care Act (P.L. 111–148, Sec. 9007).

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First, what exactly are the new standards?

Beginning with the first tax year on or after March 23, 2012, the newly created 501(r) of the Internal Revenue Code requires hospitals seeking to maintain a tax-exempt or charitable status under section 501(c)(3) of the Federal Internal Revenue Code demonstrate community benefit by conducting a community health needs assessment (CHNA) at least once every three years and annually file information by means of a Schedule H (Form 990) regarding progress towards addressing identified needs. The IRS encourages hospitals to work through partnerships to conduct the CHNAs, identify and address community needs during an implementation strategy development process, and monitor progress. Other new provisions relate to financial assistance policies including hospital charges, billing, and collection practices, as well a requirement that patients—regardless of financial ability—receive emergent medical care.

So what are the food and nutrition implications?

The Robert Wood Johnson Foundation (RWJF) recently reported hospitals are already partnering on obesity prevention initiatives with schools, local public health departments, businesses, community non-profit governments, and community health centers to satisfy these new standards.¹ Indeed, the new Community Benefit Program provides an explicit opportunity for food and nutrition professionals to assist their local nonprofit hospitals on assessing food and nutrition relevant community needs and developing a strategic process to address identified food and nutrition community needs and monitor progress. While other health needs might emerge through a hospital's community assessment process, food and nutrition professionals have the potential to maximize these assessments to draw attention to their communities' food and nutrition needs. Such assessment efforts could include but are not limited to accessing community needs to affordable healthy food and beverage retail outlets including participation in and access to authorized retailers for United States Department of Agriculture (USDA) food and nutrition assistance programs; promoting clinical and community services for individuals diagnosed with a nutrition-related chronic disease; identifying available, affordable and safe areas for physical activity; and assessing access to safe, free drinking water sources.

What resources are available to assist food and nutrition professionals?

The Internal Revenue Service (IRS) provided guidance^{2–6}, along with links⁷ to certain State requirements. The National Institutes of Health (NIH) National Library of Medicine has compiled various tools, research, resources, and examples to assist hospitals in understanding the new requirements and in conducting a CHNA.⁸ This compilation is also a useful resource for researchers and practitioners interested in evaluating the impact of these new requirements. The Centers for Disease Control and Prevention (CDC) also created an online Community Health Improvement Navigator to help hospitals and relevant stakeholders identify and address the health needs of their community. The National Collaborative on Childhood Obesity Research (NCCOR) is synthesizing key learnings and outcomes from a recent workshop focused on engaging health care providers and systems in obesity prevention efforts, including the role of the new Community Benefit Program.⁹

A variety of other initiatives have been calling on or working with hospitals to help them leverage their infrastructure and capacity to influence healthy eating within the hospital setting, as well as within the surrounding community. Selected examples include:

- The American Hospital Association's call to action for hospitals to create a culture of health and recommended action steps for promoting healthy eating;¹⁰
- The American Medical Association passed a resolution to address how medical schools, hospitals, and other health care facilities can model and encourage healthy eating in a manner that supports environmental sustainable agricultural and food system practices;¹¹ and
- The Partnership for Healthier America is supporting the First Lady's *Let's Move!* initiative by teaming up with hospitals and hospital food providers to offer healthier options.¹²

These organizations, among others, have been providing technical assistance, grant support or award recognition to support nutrition-related activities at or drive by hospitals and healthcare systems such as hosting community food pantries, supporting mobile produce markets in underserved areas, investing in healthy food financing initiatives that support retail food outlets in underserved areas, and supporting area fitness and wellness centers that offer affordable cooking and exercise classes.

Concluding Thoughts

As non-profit hospitals and healthcare systems conduct their CHNAs and work further and collaboratively with community stakeholders on developing and monitoring their proposed action plans, the breadth and depth of food and nutrition activities occurring as a result of the Affordable Care Act Hospital Community Benefit Program will likely increase. The CHNA requirement, along with other emerging initiatives focused on improving the food environments and nutrition-related activities of hospitals and healthcare systems offer fruitful opportunities for food and nutrition professionals to partner on innovative ways to leverage hospital infrastructure and capacity to influence those residing, working or visiting the hospital campus, as well as the surrounding community.

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Biographies

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Gowri Ramachandran is a 2016 MD graduate of the University of Toledo College of Medicine and will begin her psychiatry residency in July 2016 at the George Washington University. She earned a double major at the University of North Carolina at Chapel Hill, where she started research focused on food, nutrition and health policy and has continued to expand on these projects and interests during medical school.