



IRS Reporting Requirement

Tax-exempt hospitals must conduct a CHNA every three years with the first one completed by the end of the tax year beginning after March 23, 2012, (i.e., a June 30 year-end would need to be in compliance by June 30, 2013) or in either of the two preceding tax years. Failure to comply with the CHNA requirement results in a \$50,000 excise tax by the IRS and could result in the loss of 501(c)(3) status.



What is a Community Health Needs Assessment (CHNA)?

In 2010, the Patient Protection and Affordable Care Act added Internal Revenue Code 501(r) providing requirements that tax-exempt hospitals must meet in order to maintain tax-exempt status under 501(c)(3). Among other things, 501(r) mandates that a CHNA must be conducted once every three years by any organization that operates at least one state-licensed tax-exempt hospital facility. To properly conduct a CHNA, the hospital must take into account input from the community, identify and prioritize the health needs, make the results widely available and develop an implementation plan for addressing the needs. Each CHNA must be conducted, documented, reported publicly and reported on tax returns. The process must be repeated in its entirety every three years.

What are the CHNA report requirements?

Each hospital facility must document the results of the CHNA in a written report that includes 1) a description of the community served and how it was determined, 2) the process and methods used to conduct the assessment, 3) how input from individuals or organizations representing the broad interests of the community was used, 4) a description and prioritization of all the community health needs identified through the CHNA (including the process and criteria used in prioritizing the listed health needs), and 5) a description of the existing health care facilities and other resources within the defined community that are available to meet the identified community health needs. In addition, an implementation strategy must be developed that documents how the hospital intends to meet the identified needs or, why it is not going to meet the needs.

How can Eide Bailly help with CHNA?

Because a CHNA is heavily time-consuming and the IRS has strict criteria to meet, Eide Bailly provides a variety of options to help organizations fulfill this requirement. We offer three approaches depending on hospital needs and the level of involvement the hospital would like Eide Bailly to have in the process:

Consultative – the hospital maintains ownership of the CHNA process; hospital staff conduct interviews, gather and analyze data and manage the project. Eide Bailly provides technical consultation, along with templates and tools.

Facilitative – Eide Bailly takes the lead to conduct research, develop templates, gather data and generate the report. The hospital works alongside our team to make key decisions throughout the process.

Collaborative – a customized approach that builds upon the Facilitative offering. Eide Bailly takes the lead with fieldwork, managing the project, etc.; however, the hospital customizes the process and may expand it to include additional market research.

Why Choose Eide Bailly?

Eide Bailly's extensive expertise with hospitals and other health care entities provides the foundation to help you meet the CHNA reporting requirements. We have access to community health data and have developed tools to analyze and interpret the data to meet these requirements. Our professionals understand the IRS requirements and will streamline the process—saving you time and money.

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Community Health Needs Assessment Services Comparison

Step	Activity	Consultative	Facilitative	Collaborative
1	Plan for CHNA: Assemble team, identify roles, review compliance requirement	Conference call or video discussion	Conference call or video discussion	Conference call, video discussion, or on-site assistance
2	Define community	Review organization definition	Assist management using standard methodologies to define community	Dialogue with management to create customized community definition
3	Identify and engage community partners	Provide checklist of potential community partners	Assist management in identifying potential participants to engage	Collaborate with management to identify and engage participants
4	Gather Health Status Information via community health data sources	Provide basic CHNA data	Gather and analyze data for basic assessment	Gather and review data for customized assessment
5	Gather Health Status Information via community input and dialogue	Provide basic survey and discussion tools	Assist in conducting standard community interviews	Collaborate on conducting customized community interviews or surveys
6	Analyze data and summarize needs	Review hospital prepared data and analysis	Analyze data and summarize needs for basic report	Analyze data and summarize needs for custom report
7	Identify existing services or resources and prioritize needs	Consultative role	Facilitate analysis and discussion of priorities and resources	Collaborate on analysis and discussion of priorities and resources
8	Create CHNA report	Provide standard report template to be completed by hospital and review of final report	Summarize data, community input, needs and priorities in basic report format	Summarize data, community input, needs and priorities in custom report format
9	Communicate to public	Consultative role	Provide basic presentation materials	Provide custom presentation materials and assist with communication

Implementation Strategy & IRS Form 990 Schedule H

Step	Activity	Consultative	Facilitative	Collaborative
10	Identify specific programs, resources and priorities for each identified need	Consultative role	Facilitate discussion of programs, resources and priorities with management	Collaborate with management on selection of programs, resources and priorities
11	Identify needs hospital will not address and reason for decision	Consultative role	Facilitate discussion with management	Collaborate with management to implement priorities
12	Create implementation strategy report	Provide basic report template for use by hospital and review management's report	Assist management in preparation of basic implementation report	Prepare customized implementation report
13	Communicate to public	Consultative role	Assist management in preparing public communication plan	Provide customized presentation materials and assist with communication