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# **The Community Benefit Pressure Cooker Balancing emergency demands with the need to build healthier communities**

**Public Health Institute's Dialogue4Health**

**Wednesday, February 25, 2009**

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The Access Project**

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# Factors Increasing the Pressure on Community Benefit Programming

- Increasing number of uninsured Americans
- Congressional scrutiny of non-profit hospitals
- IRS revised Form 990
- State & local scrutiny of hospital practices
- Enduring billing and collection problems



# October 30, 2003

## Hospitals Try Extreme Measures To Collect Their Overdue Debts

### Patients Who Skip Hearings On Bills Are Arrested; It's a 'Body Attachment'

By LUCETTE LAGNADO  
Staff Reporter of THE WALL STREET JOURNAL  
October 30, 2003



Carle also defends its pursuit of its October 2001 body attachment against Ms. Atteberry, 26, the single mother whose \$1,678 debt had resulted from a miscarriage. Ms. Atteberry, who then was working as a waitress at a local pizzeria and is now unemployed, says she turned herself in to authorities after her shift ended one evening. She says she didn't want to be arrested in front of her two daughters. At the time, one was 3 years old and the other 3 months.



Jean-Marc Giboux/Getty Images

James Bean was briefly jailed after missing a court hearing on his debt to Carle Foundation Hospital.

**December 21, 2008**

**Baltimore Sun**

*First of three parts*

***In their debt***

**Maryland hospitals have stepped up debt collection, sometimes from the poor, and Gov. O'Malley demands review**

**By Fred Schulte and James Drew**

**December 21, 2008**

**January 22, 2009**

**Minneapolis / St. Paul  
Business Journal**

**Minnesota AG sues Allina  
over medical billing**

**by Chris Newmarker Staff Writer  
-January 22, 2009**

# **IRS issues final report on hospital community benefit, compensation**

FEBRUARY 12, 2009

The Internal Revenue Service today released a final report on its 2006 survey of not-for-profit hospitals, which found the nearly 500 hospitals surveyed dedicated an average 9% of total revenues to community benefit.

# FEBRUARY 13, 2009

## WALL STREET JOURNAL

### Minority of Tax-Exempt Hospitals Provide Most Charity Care

By BARBARA MARTINEZ and JOHN CARREYROU

A report from the Internal Revenue Service found that a small minority of nonprofit hospitals provide the bulk of uncompensated care for the poor, rekindling concerns about the tax-exempt industry at a time when government aid to corporations is drawing fire.

#### Prescription for Profit

The IRS also found that the top executives at a group of 20 hospitals it examined more closely earned an average of \$1.4 million a year. At least one of the 20 hospitals was compensating its top executive excessively, the agency said. It declined to name any of the hospitals in the report.

The American Hospital Association called the report "seriously flawed," saying the agency is "undercounting community benefit" and "overcounting executive compensation."

# Vulnerabilities

- Continued scrutiny from general public and public policymakers
- Executive compensation
- Deepening recession



# New Opportunities

- Use new reporting requirements and regulations as teaching tools
- Embrace community activists and engage in joint problem solving with consumer groups
- Budget to address unmet community needs



# Massachusetts

## Attorney General's Community Benefit Guidelines for Non Profit Acute Care Hospitals

- Encourage community input in all phases of plan development;
- Require goal setting and measurement for all community benefit programs;
- Require that community benefit programs be based on a community health needs assessment and focus on a target population identified at the beginning of the plan year;
- Streamline and standardize reporting;
- Address medical debt by encouraging hospitals to adopt fair medical debt collection practices; and
- Encourage hospitals and HMOs to address the statewide health priorities of supporting health care reform; reducing health disparities; improving chronic disease management; and promoting wellness in vulnerable populations.

The revised Guidelines will take effect beginning in October 2009.

# Iowa

- Engaged Faith-Based organizing partner  
AMOS – A Mid-Iowa Organizing Strategy
- Targeted investments
- Engaged hospital partners
- Secured institutional policy changes
  - Reduced charges for inpatient care
  - Flexible payment schedules
  - Broadened financial assistance

# Des Moines Register

## January 21, 2009

### Help is available for patients struggling with medical bills

People in Polk County and central Iowa who are struggling under the burden of medical debt can receive help through a free service being offered by the Neighborhood Health Initiative.

Last spring, the group's community health advisers, along with others from various community groups and hospitals including Iowa Health - Des Moines and Mercy Medical Center, received special training so they could assist individuals and families in resolving their medical debt.

The Neighborhood Health Initiative, which is sponsored by Iowa Health – Des Moines, assists individuals in navigating the health care system. It also provides health education to those who face challenges in getting adequate medical care, said Chris McCarthy, community health project manager for Iowa Health - Des Moines.



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# QUESTIONS?

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