

Community Health Needs Assessment

Frequently Asked Questions

Where Can I Find Official Information About the Community Health Needs Assessment Requirement?

Please refer to the [final regulations](#) and [February 2015 IRS bulletin](#) for official information about the CHNA requirements for 501(c)3 tax status hospitals.

Which Hospitals are Required to Conduct a Community Health Needs Assessment and Implement a Plan to Address Identified Health Issues?

The statutory language of section 501(r) applies to all hospital organizations that are (or seek to be) recognized as described in section 501(c)(3) and does not provide an exception for government hospital organizations. Accordingly, the preamble to the 2012 proposed regulations stated that the Treasury Department and the IRS intend to apply section 501(r) to every hospital organization that has been recognized (or seeks recognition) as an organization described in section 501(c)(3), regardless of whether a hospital organization is a government hospital organization. However, in recognition of the unique position of government hospital organizations, the Treasury Department and the IRS also requested comments regarding alternative methods a government hospital organization could use to satisfy the requirements of section 501(r).

How often are Hospitals Required to Conduct and Submit a Community Health Needs Assessment and Implementation Strategy?

Based on the three-year renewal cycle, hospitals must submit a full CHNA once every three years, but are allowed an additional four and one-half months beyond the last day of the tax year to formally adopt the implementation strategy based on the CHNA submitted four and one-half months earlier. The implementation strategy must be submitted by the 15th day of the fifth month following the last day of the tax year in which the CHNA is submitted.

Is There an Exception for Government Hospitals?

No. The Treasury Department and the IRS note, however, that government hospital organizations that have previously been recognized as described in section 501(c)(3), but do not wish to comply with the requirements of section 501(r), may submit a request to voluntarily terminate their section 501(c)(3) recognition as described in section 7.04(14) of Rev. Proc. 2014-4 (2014-1 IRB 125) (or a successor revenue procedure).

How Should a Government Hospital Organization Demonstrate Compliance?

Because government hospital organizations are excused from filing a Form 990, "Return of Organization Exempt From Income Tax," under Rev. Proc. 95-48 (1995-2 CB 418), the

documentation for compliance is different. The Affordable Care Act did not change the requirements regarding which organizations are required to file a Form 990. Rev. Proc. 95–48 provides that certain government entities are relieved from any requirement to file a Form 990 (and therefore are relieved from having to disclose information or documents on or with a Form 990). Accordingly, a government hospital organization (other than one that is described in section 509(a)(3)) described in Rev. Proc. 95–48 or a successor revenue procedure is not required to file a Form 990 or include any CHNA-related information with a Form 990. However, to be treated as described in section 501(c)(3), government hospital organizations still must meet all section 501(r) requirements that do not involve disclosure on or with Form 990, including making their CHNA reports and financial assistance policies widely available on a website.

What is the Requirement for Disseminating the CHNA-Related Information?

Dissemination and Communication Recommendations

- Is the CHNA “Report” listed on your hospital’s website? At a minimum, a summary of the assessment and key findings should be included.
- Is the CHNA full “Implementation Plan,” including updates, listed on your hospital’s website?
- Are the CHNA Report and Implementation Plan listed in a prominent location on the website that requires minimal navigation?
- Are there instructions on how to print and download the CHNA Report and Implementation Plan?
- Does your website instruct patients on how to obtain a printed copy of the documents?
- If your hospital has participated in community collaborations, are they included on the website?
- Do you have educational presentations that would benefit your patient population? Are those listed on the website?
- Does your hospital have a media and communications release that can be posted on the website?
- Is your patient financial assistance program posted on your website? Are there clear instructions for patients on how to access and apply for those programs?

If My Hospital Receives Notice of an IRS Audit, What Can We Expect?

MHA encourages your hospital to be prepared, educated and ready for a potentially tedious audit. The audit process is scheduled for, and consumes, three full days. If a hospital is selected for an audit, a list of documents will be requested; please also be prepared to provide additional paper and/or electronic documentation. When on-site, the IRS auditor has the authority to review the CHNA process, billing and coding, hospital charity care and patient financial programs. The CHNA process should serve as a population health improvement tool and serve as more than a checkmark on a compliance list.

Please contact Leslie Porth at 573/893-3700, ext. 1305 or lporth@mhanet.com, or Dana Dahl at 573/893-3700, ext. 1314 or ddahl@mhanet.com if you have questions.