

# The Flex Program at 10 Years: Community Impact Lessons and Future Directions

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NRHA Annual Meeting  
New Orleans, LA.  
May 8, 2008



# Purpose

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- Connecting Flex to the Community: the Flex, national, state, and local context
- Current status: What impact are CAH's having in their communities?
- Measuring and reporting community impact and community benefit: future directions.

# Framing Community Impact

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*Survival and sustainability* of small rural hospitals is essential for ensuring *access to high quality* health services in rural communities.

**Institute of Medicine, Quality Through Collaboration: The Future of Rural Health**

# Flex Context

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- ORHP's Medicare Flex Program Strategic Planning Outline:
  - Improve access to services that meet identified local needs;
  - Engage rural communities in healthcare decision-making and system development;
  - Develop collaborative delivery systems in their communities with CAHs as the hub of those systems of care; and
  - Undertake collaborative efforts to address unmet community health and health system needs.



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## National Context: Community Benefits Reporting

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- Catholic Health Association, VHA, Public Health Institute
- Sen. Grassley's and Senate Finance Committee interest in hospital charitable and billing activities, and ventures with for-profit entities: ***Intent is to capture community benefits provided by hospitals to justify non-profit tax benefits***
- IRS's December 2007 revisions to Form 990 to collect community benefit information (Schedule H)

# Community Benefit

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- Programs or activities that provide treatment and/or promote health in response to an identified community need. Key criteria:
  - Generates a low or negative margin;
  - Responds to needs of special populations (e.g., uninsured);
  - Supplies a service/program that would likely be discontinued if based on financial criteria;
  - Responds to public health needs; or
  - Involves education or research that improves overall community health.

# State Context

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- State Community benefit reporting initiatives
  - 19 with mandatory reporting regulations
  - 1 with voluntary reporting standards developed by Attorney General's Office
  - 6 with voluntary reporting process developed by state hospital association
- Public health system redesign and orientation to public health improvement

# CAH Context

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- As predominantly not-for-profit institutions, CAHs are accountable to their communities for their performance and impact.
- Pressures to respond to a broad range of community needs including care for the uninsured and indigent, long term care, public health; and
- Need for CAHs to be strategic about their community benefit activities given limited resources.

# Community Impact Framework

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- Charity and uncompensated care
- Identifying and addressing unmet community needs
- Prevention and disease management
- Building a continuum of care and community health system capacity

# Findings from the Field

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- **Provision of charity and uncompensated care:**
  - Nearly all (99%) CAHs offer financial assistance to patients. 87% offer both charity care and discounted charges;
  - 1/3 have eligibility at 100-200% OF FPL. 1/4 have higher income eligibility levels;

# Findings from the Field

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- **Identifying and addressing unmet community needs**
  - Nearly half (48%) of CAHs report conducting a formal CAN in last 3 years.
  - Two-thirds have a formal planning process for addressing new service or other hospital and community needs.
  - Community needs addressed: adding or expanding services, public health activities (e.g., screenings, fairs), recruitment and retention of providers, chronic illness prevention and education, and capital improvements.

# Findings from the Field

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- **Prevention and health improvement**
  - Nearly all CAHs offer some combination of community health education, preventive screenings, clinical preventive services, and support services (e.g. Medicaid enrollment assistance). Moreover, these services are typically subsidized or offered at a final loss.

# Findings from the Field

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- **Building a continuum of care and enhancing community health system capacity**
  - CAHs provide financial support and help with to other community health care providers including primary care providers (46%), FQHCs (29%), LTC (40%), Mental Health (31%), and EMS (34%).
  - Other health system development activities include: active recruitment of providers, job creation and training programs, and workforce education.

# A Flex Community Impact Reporting Strategy

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- Develop a national CI data collection and reporting system
  - Develop community impact performance indicators to document Flex Program performance;
  - Pilot systems and tools for CAHs to strategically manage, monitor, and report their community impact activities.
  - Prepare profile report on CAHs' CI and CB activities using pilot and ultimately IRS generated data



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# Policy Lessons

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- Although CAHs are engaged in many activities that benefit their communities, data on these activities are not collected or reported in a consistent fashion.
- Flex Program supports community initiatives and can encourage and support community impact activities.
- Collecting information on these activities is challenging given the diversity of CAHs and rural communities.
- IRS reporting requirements an opportunity for standardizing reporting

# Final Thoughts

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- Community benefit train is getting ready to depart the station. Another area in which CAHs can lead?
- We need data on CAH community impact activities.
- Tools, indicators, and TA are needed to support CAHs in managing and reporting community activities.
- Flex Program can support CAHs in their community impact activities and reporting compliance.