



# What is Community Benefit and What Counts?

The information provided in this presentation does not constitute legal or tax advice. The material is provided for informational/educational purposes only.

# What is Community Benefit?



It must have at least one of these community benefit objectives

a) **Improve access to health care services**

- *The participants include underserved persons*
- *A program reduces or eliminates a barrier to **access** (For instance, programs occurring **IN** the community, meeting a geographic **access need**).*
- *The program is available broadly to the public and not only to insured persons and patients*
- *If the program ceased to exist, the community would lose **access** to a needed service*

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b) **Enhance public health**

- *The program is designed around **public health goals** or initiatives*
- *The program yields **measurable improvements** to health status*
- *The community's health status would decline if the program ceased to exist*
- *A public health agency provides comparable services*
- *The program is operated in collaboration with public health partners*

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c) **Advance increased medical knowledge**

- *The program results in a degree, certificate or training that is **needed to practice** as a health professional*
- *The organization does not require trainees to work for the organization after completing training*
- *Health professional continuing education programs are open to professionals in the community, not exclusively for the organization's employees and physicians*
- *The program involves health-related research that is funded by a tax-exempt source intended to be made **publicly available** and to be useful to other providers*

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d) **Relieve the burden of government to improve health**

- *The program or activity relieves a government financial or programmatic **burden for improving community health** or for providing access to care for vulnerable or medically underserved persons*
- *Government provides the same or a similar service*
- *Government provides financial support of the activity*
- *If the program ceased to exist, health-related cost to government or another tax-exempt organization **would increase***



A program does not count as community benefit, if:

- The program is **primarily** for marketing purposes (*For instance, health fairs; distributing hospital information for the purposes of Marketing service lines and medical practice's*)
- The program benefits the organization **more** than the community
- An objective “sensible” would question whether the program **truly** benefits the community
- The program or contribution is **unrelated** to health or the organization's mission
- The program represents a community benefit provided by another **entity or individual**



- The program only serves the **hospital's patients** post-discharge and has return on investment to the hospital as its **primary** purpose
- The program is targeted only to the organization's "**covered lives**", or individuals for whom the organization bears financial risk. ( *For instance, "UM Capital Region patients"*)
- Access to the program is **restricted** to hospital employees or physicians
- The activity represents a normal "**cost of doing business**" or is associated with the current standard of care or is required for licensure or accreditation