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# Community Health Needs Assessment Provides Multiple Benefits for Non-Profit Hospitals

A New Heights Group White Paper



## **New Heights Group**

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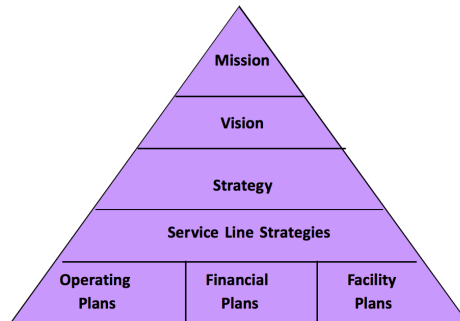
# Community Health Needs Assessment

The Patient Protection and Affordable Care Act (PPACA) holds community hospitals more accountable for living up to their charitable missions through the Community Health Needs Assessment (CHNA or Assessment). While improving the health of the community is in most, if not all, the mission statements of nonprofit hospitals and health systems, most community hospitals' human and capital resources are typically spent treating the sick or injured. Often this core mission gets lost in efforts to build market share and ensure financial success. The balance of 'mission versus margin' is a difficult one for all.

Much has been written, and many resources are available, about **how** to conduct a community health needs assessment. Hospitals most often approach the CHNA process as yet another 'silo' function, carried out independently from other planning initiatives. It is our experience that too many are not capitalizing on the real benefits of the CHNA - integrating the CHNA into their strategic planning process and initiatives.

The figure below shows a typical planning hierarchy, with the mission statement serving as the starting point. Vision, strategies, and annual plans should flow from the mission statement.

Hierarchy of Planning



A CHNA is one of the best ways to assess progress toward one's mission. It also provides a means by which to incorporate a mission of community health improvement into strategies and plans while maintaining the competitive edge needed to survive today and tomorrow. Consider this:

- While we don't know the final outcome of "reform", we do know that the emphasis on community health will increase, and improving population health will increasingly be the measure of non-profit hospitals' success or shortcomings.
- The information from an effective CHNA provides a much more comprehensive view of a hospital's 'market' and helps refine and/or recommit to the mission and vision at the start of the strategic planning process.

An effective strategic planning process should always be oriented around a strong foundation of knowledge about the market and the organization. The market is typically defined as those consumers who use healthcare services (including the competitor's).



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CHNAs have a broader market definition than the typical hospital - it includes the entire community regardless of healthcare utilization patterns. While these individuals may not use your services today, it's likely that they will at some point in the future.

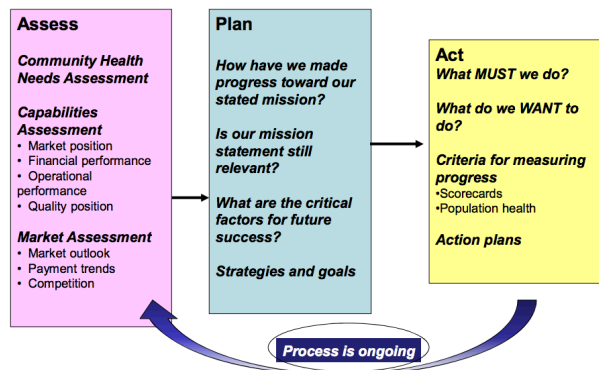
- Representation from outside agencies and consumers, that is the essence of a community health needs assessment, can be a valuable 'marketing' tool, engaging your consumers, providing visibility in the community and a fostering a greater community understanding of the hospital and its services. Finally, the relationships formed during the CHNA process can help identify potential partners in developing the continuum of care needed to serve the community most effectively and efficiently.

Incorporating a CHNA into your strategic planning process requires a culture shift among senior leadership, and many people resist change. Some common protests and responses:

- "It will take too long". True, while your first community health assessment can be a more lengthy process, subsequent assessments need not be. They can be done to supplement the environmental assessments already done as part of your strategic planning analysis. Or, a CHNA can be done as a tangent to your planning cycle (see figure).
- "We don't want such a large group developing our plan". The PPACA requires that hospitals engage public health experts and other community representatives in *assessing* community health needs. There is no requirement for their involvement developing the hospital's strategies for addressing these needs (the implementation strategy). While this input may be helpful, and in fact recommended, it is not required.
- "Too much community involvement can set unrealistic expectations". This is looking at the glass half full. In reality, the CHNA is a valuable tool for your organization to connect with your community in new ways – the best marketing you can get.

## ***Incorporating a CHNA into the strategic planning process***

A typical strategic planning process is shown below. In most organizations, the process is repeated every 3-5 years.



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The traditional assessment is most often done from a hospital centric perspective, looking at hospital utilization trends, service line profitability, etc. Starting the process with a CHNA, provides a much more comprehensive knowledge base with more complete information about the community – who it is, what they deal with on a day to day basis, their lifestyles and concerns. Much of this data is often gathered by other area agencies, and it can be used in your CHNA. Local health departments and federally qualified health centers, for example, both have their own requirements for conducting a CHNA, and it is wise to tap into these resources. The community health information these groups gather can be supplemented with information from the hospital market to give you a much more complete understanding of the issues your community, and thus your patients, face. For example:

A traditional portfolio analysis might find that the cardiovascular service line is where you should spend a significant portion of your resources. You then build a strong diagnostic and interventional cardiac service, complete with cath labs, a chest pain center in the ED, and open-heart surgery. The CHNA identifies a high incidence and prevalence of obesity and diabetes, two contributing factors to cardiovascular disease. Your cardiovascular strategies may change now change from adding surgeons and operating rooms to recruiting more endocrinologists, expanding ophthalmology and peripheral vascular disease services, and even exploring bariatric surgery. With aggressive case management programs and other early intervention services, you can catch these potential patients early and start providing care. Thus, they will likely remain in your system if/when they do need more extensive care. Your service line strategy becomes much more comprehensive with the CHNA information.

A CHNA brings key information to the assessment that may be missed in more traditional market assessments, including:

- Incidence and prevalence of disease – this information can be pivotal to determining what physician resources are needed in the community, as well as what support resources are needed for the physicians.
- Causative factors for disease – understanding the multiple causative factors driving disease and illness can help identify strategies for decreasing unnecessary healthcare service utilization.
- Stakeholder perspectives – the inclusiveness of the assessment process provides the hospital/health system with multiple perspectives that may otherwise be unavailable. These perspectives are often from individuals and groups working ‘in the trenches’ where they see the needs on a daily basis. Developing strategies without the benefit of this information is like planning in a vacuum.

The CHNA findings, added to the more traditional market assessment typically completed for hospital planning, plus your internal assessment that evaluates what you do well and not so well, rounds out your **new** strategic planning assessment process. At the end of this assessment phase, you have a richer body of knowledge about your community, placing you in a much better position to re-evaluate your mission and vision statements, and develop appropriate strategies for your future success. Some questions that may arise at this point:



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- If our mission is to improve the health of our community, are we allocating our resources appropriately? Are we balancing mission and margin effectively or does this need to be revisited?
- Is our vision statement still reflective of where we want to go, what we want to “be”? Should our vision more closely connect to our mission with a greater focus on community health?

Having reevaluated your mission and vision statements from this more comprehensive perspective, you can now start to identify future strategies. These may look similar – develop physician employment model, create a medical home, build select service lines, etc., but different questions should now be asked. For example:

- Strategy: Build a primary care network. How will low-income patients access these services? What about the elderly and homebound? Does a medical home model fit in your community?
- Strategy: Expand and grow XYZ service lines. How invested are you in screening and prevention services? Is it enough? Have you looked at and addressed related services that address causative factors? How comprehensive is your continuum? Are your service lines positioned to pursue bundled payment?
- Strategy: Build an accountable care organization (ACO). Will your demographics support this? What is the level of risk in light of socioeconomic and health status indicators? How will your services need to adapt to address population health under an ACO model?
- Strategy: Develop a continuum of care. How far into pre- and post-acute services will you go? Will you make, partner, or buy your services? This question will be addressed in more detail in future white papers.

Clearly, there are many ways for health care providers to benefit from the CHNA requirement of the PPACA and we encourage providers to capitalize on these opportunities. The CHNA is necessary to not only maintain your charitable tax status, but to maintain commitment to your organizational mission. As such, it should be a vital part of any strategic planning process.

