



General Assembly

Substitute Bill No. 6550

January Session, 2021



**AN ACT CONCERNING THE OFFICE OF HEALTH STRATEGY'S
RECOMMENDATIONS REGARDING VARIOUS REVISIONS TO
COMMUNITY BENEFITS PROGRAMS ADMINISTERED BY
HOSPITALS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 19a-127k of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective from passage*):

3 (a) As used in this section:

4 (1) "Community benefits program" means any [voluntary] program
5 to promote preventive care, to reduce racial ethnic, linguistic and
6 cultural disparities in health and to improve the health status for
7 [working families and] all populations [at risk in the communities]
8 within the geographic service areas of [a managed care organization or]
9 a hospital in accordance with guidelines established pursuant to
10 subsection (c) of this section;

11 [(2) "Managed care organization" has the same meaning as provided
12 in section 38a-478;]

13 (2) "Community building" means activity that protects or improves a
14 community's health or safety and is eligible to be reported on the
15 Internal Revenue Service form 990;

16 (3) "Community health needs assessment" means a written
17 assessment, as described in 26 CFR 1.501(r)-(3) conducted by a hospital
18 that defines the community it serves, assesses the health needs of such
19 community, and solicits and takes into account persons that represent
20 the broad interests of the community;

21 [(3)] (4) "Hospital" [has the same meaning as provided in section 19a-
22 490.] means a nonprofit entity licensed as a hospital pursuant to chapter
23 368v that is required to annually file Internal Revenue Service form 990;
24 and

25 (5) "Implementation strategy" means a written plan required by 26
26 CFR 1.501(r)-(3) that addresses community health needs identified
27 through a community health needs assessment that (A) describes the
28 actions a hospital intends to take to address the health need and impact
29 of these actions, (B) identifies resources that the hospital plans to commit
30 to address such need, and (C) describes the planned collaboration
31 between the hospital and other facilities and organizations to address
32 such health need.

33 (b) On or before January 1, [2005] 2022, and [biennially] annually
34 thereafter, [each managed care organization and] each hospital shall
35 submit to the [Healthcare Advocate, or the Healthcare Advocate's]
36 Health Systems Planning Unit of the Office of Health Strategy, or to a
37 designee selected by the executive director of the Office of Health
38 Strategy, a report on [whether the managed care organization or
39 hospital has in place a] such hospital's community benefits program. [If
40 a managed care organization or hospital elects to develop a community
41 benefits program, the] The report required by this subsection shall
42 comply with the reporting requirements of subsection (d) of this section.

43 (c) [A managed care organization or] Each hospital [may] shall
44 develop community benefit guidelines intended to promote preventive
45 care, reduce racial, ethnic, linguistic and cultural disparities in health
46 and [to] improve the health status for [working families and] all
47 populations [at risk] within the geographic service areas of such

48 hospital, whether or not those individuals are [enrollees of the managed
49 care plan or] patients of the hospital. The guidelines shall focus on the
50 following principles:

51 (1) Adoption and publication of a community benefits policy
52 statement setting forth [the organization's or] such hospital's
53 commitment to a formal community benefits program;

54 (2) The responsibility for overseeing the development and
55 implementation of the community benefits program, the resources to be
56 allocated and the administrative mechanisms for the regular evaluation
57 of the program;

58 (3) Seeking assistance and meaningful participation from the
59 communities within [the organization's or] such hospital's geographic
60 service areas in developing and implementing the community benefits
61 program and a plan for meaningful community benefit and community
62 building investments, and in defining the targeted populations and the
63 specific health care needs [it] such hospital should address. In doing so,
64 the governing body or management of [the organization or] such
65 hospital shall give priority to (A) the public health needs outlined in the
66 most recent version of the state health plan prepared by the Department
67 of Public Health pursuant to section 19a-7, and (B) such hospital's
68 triennial community health needs assessment and implementation
69 strategy; and

70 (4) Developing its [program] implementation strategy based upon an
71 assessment of (A) the health care needs and resources of the targeted
72 populations, particularly a broad spectrum of age, racial and ethnic
73 groups, low and middle-income populations, and medically
74 underserved populations, and (B) barriers to accessing health care,
75 including, but not limited to, cultural, linguistic and physical barriers to
76 accessible health care, lack of information on available sources of health
77 care coverage and services, and the benefits of preventive health care.
78 [The program shall consider the health care needs of a broad spectrum
79 of age groups and health conditions] Each hospital shall solicit

80 commentary on its implementation strategy from the communities
81 within such hospital's geographic service area and consider revisions to
82 such strategy based on such commentary.

83 (d) Each [managed care organization and each] hospital [that chooses
84 to participate in developing a community benefits program] shall
85 include in the [biennial] annual report required by subsection (b) of this
86 section [the status of the program, if any, that the organization or
87 hospital established. If the managed care organization or hospital has
88 chosen to participate in a community benefits program, the report shall
89 include] the following components: (1) The community benefits policy
90 statement of [the managed care organization or] such hospital; (2) the
91 [mechanism] process by which community input and participation is
92 solicited and incorporated in the community benefits program; (3)
93 identification of community health needs that were [considered]
94 prioritized in developing [and implementing] the [community benefits
95 program] implementation strategy; (4) a narrative description of the
96 community benefits, community services, and preventive health
97 education provided or proposed, which may include measurements
98 related to the number of people served and health status outcomes; (5)
99 outcome measures [taken] used to evaluate the [results] impact of the
100 community benefits program and proposed revisions to the program;
101 (6) to the extent feasible, a community benefits budget and a good faith
102 effort to measure expenditures and administrative costs associated with
103 the community benefits program, including both cash and in-kind
104 commitments; [and] (7) a summary of the extent to which [the managed
105 care organization or] such hospital has developed and met the
106 guidelines listed in subsection (c) of this section; [. Each managed care
107 organization and each hospital] (8) for the prior taxable year, the
108 demographics of the population within the geographic service area of
109 such hospital; (9) the cost and description of each investment included
110 in the "Financial Assistance and Certain Other Community Benefits at
111 Cost", and the "Community Building Activities", sections of such
112 hospital's Internal Revenue Service form 990; (10) an explanation of how
113 each investment described in subdivision (9) of this subsection

114 addresses the needs identified in the hospital's triennial community
115 health needs assessment and implementation strategy; and (11) a
116 description of available evidence that shows how each investment
117 described in subdivision (9) of this subsection improves community
118 health outcomes. The Office of Health Strategy shall [make a copy of]
119 post the annual report [available, upon request, to any member of the
120 public] required by subsection (b) of this section on its Internet web site.

121 (e) (1) Not later than January 1, 2023, and biennially thereafter, the
122 Office of Health Strategy, or a designee selected by the executive
123 director of the Office of Health Strategy, shall establish a minimum
124 community benefit and community building spending threshold that
125 hospitals shall meet or exceed during the biennium. Such threshold shall
126 be based on objective data and criteria, including, but not limited to, the
127 following: (A) Historical and current expenditures on community
128 benefits by the hospital; (B) the community needs identified in the
129 hospital's triennial community health needs assessment; (C) the overall
130 financial position of the hospital based on audited financial statements
131 and other objective data; and (D) taxes and payments in lieu of taxes
132 paid by the hospital.

133 (2) The Office of Health Strategy shall consult with hospital
134 representatives, solicit and consider comments from the public and
135 consult with one or more individuals with expertise in health care
136 economics when establishing a community benefit and community
137 building spending threshold.

138 (3) The community benefit and community building spending
139 threshold established pursuant to this subsection shall include the
140 minimum proportion of community benefit spending that shall be
141 directed to addressing health disparities and social determinants of
142 health identified in the community health needs assessment during the
143 next biennium.

144 [(e)] (f) The [Healthcare Advocate, or the Healthcare Advocate's]
145 Office of Health Strategy, or a designee selected by the executive

