

## CHAPTER 1

# The New Imperative for Engagement

**T**he role of the hospital in the community has been articulated, examined, and reexamined over the years. What has changed? The premise of this book is that in the context of health reform in the United States, healthcare organizations—and hospitals specifically—must be engaged with their communities in deliberate ways with measurable outcomes of their contributions. In today's environment, a hospital's success in strategic positioning, financing, marketing, and efficiency of operations all depend on engagement with the community. In addition to strategic benefits, the Internal Revenue Service (IRS) and the Patient Protection and Affordable Care Act (ACA) have created specific legal and financial reasons for hospitals to work closely

with their communities. Moreover, hospital interaction with the community must be measurable—what is done, how many people are served, how many dollars are involved, and ultimately, what the impact of the hospital is on the health of the community. What is new is not the hospital’s commitment to its community; it is the prescription of what must be done and how.

## HISTORY AND EVOLUTION

Historically, hospitals grew from community need. The history of the hospital, both internationally and in the United States, is well documented. The mission statement of many hospitals includes explicit reference to the community (see Exhibit 1.1). Benjamin Franklin and colleague Dr. Thomas Bond established Pennsylvania Hospital in Philadelphia in 1751 as the nation’s first hospital supported by action of the state legislature. The cornerstone, written by Franklin, reads (University of Pennsylvania Health System 2012):

In the year of Christ  
MDCCLV.  
George the second happily reigning  
(for he sought the happiness of his people)

Philadelphia flourishing  
(for its inhabitants were publick spirited)  
this building  
by the bounty of the government,  
and of many private persons,  
was piously founded  
for the relief of the sick and miserable;  
may the God of mercies  
bless this undertaking.

Meeting the needs of the community has been the basis for hospitals in the United States across centuries and across the nation.

The American College of Healthcare Executives (ACHE) and the American Hospital Association (AHA) as well as other groups, such as the Catholic Health Association (CHA) and VHA, Inc., have sponsored various initiatives over the years to demonstrate, promote, and document the contributions of the hospital to the community. The AHA sponsors, through the Hospital Research and Educational Trust, the affiliate Association for Community Health Improvement (ACHI); membership in this organization includes individuals who work at the intersection of hospitals and communities (ACHI 2012). The AHA also launched Community Connections, which annually produces a compilation of hospital best practices with their communities (AHA 2012a). CHA created its Social Accountabil-

## EXHIBIT 1.1 Sample Mission Statements (Italics added for emphasis)

### **Sibley Memorial Hospital**

Sibley Memorial is a community hospital offering healthcare services to people living in the Washington, DC, area.

#### **Mission Statement**

The mission of Sibley Memorial Hospital is to provide quality health services and facilities for *the community*, to promote wellness, to relieve suffering, and to restore health as swiftly, safely, and humanely as it can be done, consistent with the best service we can give at the highest value for all concerned.

### **St. Joseph's Hospital and Medical Center**

A member of Dignity Health, St. Joseph's Medical Center is a comprehensive health system based in Phoenix, Arizona, that includes four hospitals, clinics, imaging centers, physician groups, an insurance company, and a strong community outreach program.

**Mission, Vision, and Values:** Dignity Health and St. Joseph's Hospital and Medical Center are committed to furthering the healing ministry of Jesus, and to providing high-quality, affordable healthcare to *the communities* we serve.

#### **Our Mission**

Dignity Health and our Sponsoring Congregations are committed to furthering the healing ministry of Jesus. We dedicate our resources to:

- Delivering compassionate, high-quality, affordable health services;
- Serving and advocating for our sisters and brothers who are poor and disenfranchised; and
- *Partnering with others in the community* to improve the quality of life.

### **Pennsylvania Hospital**

Pennsylvania Hospital provides diagnostic and therapeutic medical services to the residents of Philadelphia. As part of the University of Pennsylvania Health System, it also serves as a teaching and clinical research institution.

#### **Mission Statement**

We believe that Pennsylvania Hospital, the nation's first hospital, has a responsibility to:

- Ensure access to superior quality integrated health care for *our community* and expand access for underserved populations within *the community*
- Create a supportive team environment for patients, employees, and clinical staff
- Foster learning and growth through comprehensive academic and educational relationships
- Exhibit stewardship and creativity in the management of all available resources

SOURCES: Sibley Memorial Hospital (2012); St. Joseph's Hospital and Medical Center (2012); Pennsylvania Hospital (2012).

ity program in the late 1980s and today maintains an active program of information, publications, and conferences for those engaged in community benefit (CHA 1989, 2012b).

Weil, Bogue, and Morton (2001) conducted a study on behalf of AHA and ACHE to determine best practices among hospitals recognized for modeling leadership in working with their communities. Despite the array of hospital–community interactions, the authors state, “not-for-profits derive their legitimacy and social support from the perception that they are working to meet community needs. . . . But no commonly recognized practices exist to ensure that hospitals hold themselves accountable to serve their community” (Weil, Bogue, and Morton 2001). This lack of accountability led ultimately to the enactment of specific and stringent reporting imposed by the IRS starting in 2008 but rolling out through 2014. In its efforts to expand access to healthcare services, the ACA placed further responsibilities on the hospital. Thus, what is new is the stringent accountability for community involvement that hospital senior executives must understand and implement.

## EXTERNAL PRESSURES

Strategically, hospitals must be responsive to the community to accomplish business goals. The old adage about “doing good to do well” holds more than ever before. Over the past 40 years, hospitals have experienced the ups and downs of radically changing markets, myriad external pressures, and business innovations that took off wildly then failed dismally. Today’s legal and regulatory climate mandates involvement with the community in specific ways, as described later in this chapter. But even beyond regulatory compliance, understanding one’s community will be essential for success in business operations (Evashwick and Barsi 2012). Evolutions in public health practice, communications technology, and consumer choice all reinforce the importance of community involvement for market positioning and strategic directions. Managing chronic illness, assuming responsibility for population segments through accountable care organizations (ACOs), handling an expanded Medicaid population efficiently—all these benefit from a public health, or community, perspective on evidence-based healthcare man-

## EXHIBIT 1.2 External Pressures and Trends Leading to Collaboration with the Community

External Pressures and Trends	Collaborators	Collaborative Efforts
Community health needs assessments	Local public health experts	Inclusion mandated by ACA
Accountable care organizations	Physicians and insurers	Patient-centered medical homes
Internal Revenue Service	Community organizations	Activities defined by Schedule H
Electronic health record exchanges	Healthcare providers	RHIOs, EHR
Population health focus	Public health departments	Health promotion
Global spread of infectious diseases	Public health departments	Surveillance
Domination of chronic diseases	Physicians and LTC orgs	Continuity of care
Social media	Lay population	Electronic information exchange
Aging population	Long-term care providers	Patient transfer agreements
Renewed emphasis on prevention	Physicians and clinics	Communitywide prevention
Emergency response readiness	Gov't and private organizations	Emergency plans
Wellness initiatives	Employers	Employee wellness programs
Medicaid expansion, prevention	Insurers, managed care	Recruitment and utilization programs

agement. In suggesting the “Pillars of Excellence” that a healthcare organization use as a basis for its management framework, the six-pillar Studer Group model lists community of equal importance with financing and strategic planning (Studer 2009). Exhibit 1.2 highlights some of the many external pressures creating a renaissance in hospital–community collaboration.

## ACTIONS FOR LEADERSHIP

What can hospital executives do to work with the community to meet legal and regulatory requirements as well as optimize marketing and business strategies? Consider the actions taken by those healthcare institutions that have been leaders in community engagement: understanding

the significance of the community, making performance with the community evidence-based and measurable, and communicating with stakeholders. Weil, Bogue, and Reed (2001) offered model structures and processes derived from analyzing high-performing institutions, as did the program *Advancing the State of the Art in Community Benefit* (Public Health Institute 2004).

Dignity Health recognized the importance of being accountable for the health of the community several years ago. The system includes the improvement of community health status as one of the evaluation criteria for its CEOs, a clear message about the importance of community involvement with a precise measure to be monitored and reported to the board (Barsi 2009). Catholic health organizations realized that their contributions to their communities were often overlooked or not understood. The Social Accountability project developed an elaborate system to document and report organizations' activities to foster a healthy community (CHA 1989). CHA sponsored the creation of an accounting format called CBISA, the Community Benefit Inventory for Social Accountability, which today has been adopted by

many hospitals beyond Catholic institutions (Lyon Software 2012). Reporting to stakeholders and celebrating communitywide success has become standard practice for many hospitals, such as those that have applied for the AHA's Foster G. McGaw Prize for Excellence in Community Service or the Jackson Healthcare National Hospital Charitable Service Award (AHA 2012b; Jackson Healthcare 2013).

In short, achieving effective community engagement is not a mystery. Doing it requires the commitment of senior healthcare executives and board members based on a solid understanding of legal mandates, effective techniques, and, perhaps most important, the community.

## PURPOSE OF THE BOOK

The purpose of this book is to walk busy healthcare executives through current mandates and contemporary practices of successful hospital-community relationships. Healthcare executives will recognize that the management principles are not new—but an awareness of the need to apply good management to issues outside and within the walls of the hospital is essential. Readers should come away with ideas for gover-

nance, infrastructure, operations, collaboration, and measurement. Each can be used to maximize successful relationships with the community.

### **ACTIONS FOR HEALTHCARE EXECUTIVES**

- Be aware of recent legal and regulatory changes that govern hospital relationships with the

community and the implications of those changes for hospital policies and practices.

- Reevaluate how the hospital's strategic directions affect and are affected by the community at large and community leaders in particular.
- Embark on an initiative to revisit how the hospital structures, funds, measures, and reports its engagement with the community.