Hospitals in New Hampshire have a long tradition of service to address the needs of their communities. This report describes how the New Hampshire community benefits law works and illustrates some examples of how the law links to a wide range of health needs and benefits in communities across the state. All non-profit charitable health trusts (hospitals, nursing homes, health centers, etc.) in New Hampshire are required to participate in the community benefits reporting system that took effect on January 1, 2000. The information in this report is based on the community benefit reports on file in 2008 in the NH Office of the Attorney General’s Division of Charitable Trusts.

Each non-profit charitable health trust is guided by its mission and governed by a board of trustees who make important decisions about the priorities and strategies they will employ to address community needs that expand upon their core services. New Hampshire has a strong tradition of people in local communities working together to meet the needs of local people. Community benefits builds upon this tradition with a public accountability process for assessment and reporting.

This report focuses on hospitals because they are often the largest health care charitable trust in the community where they are located. It is important to understand that the community hospital that we traditionally think of, a place with beds for in-patient care and an Emergency Room open ‘24/7’, has changed. In response to diverse community needs and to adapt to a changing, complex environment, hospitals in New Hampshire are often a system of health services that may include: primary care and specialty care physician practices; ambulatory surgery center; health center or clinic; assisted living or a skilled nursing home; home care and hospice program; rehabilitation therapy center, etc. For example, primary care physician practices are more often becoming a part of a “hospital system” because they
are not financially viable as independent practices. Assisted living facilities within a “hospital system” are in response to the needs of an aging population. These services may be a part of a “hospital system” or they could be independent health care charitable trusts or private businesses, but they are organized at the local level to serve the needs of New Hampshire residents.

The figure above illustrates some of the health care organizational components that may exist in a “hospital system” and/or may independently exist in the local community.

Knowledge about the components of a hospital health care charitable trust, other health care charitable trusts in a community and private businesses that offer health services can provide a better understanding of the health resources in a community and why hospitals or health care charitable trusts may have evolved.
The Law

In 1999, the New Hampshire Legislature enacted Chapter 312 of the Laws of 1999, “an act relative to healthcare charitable trusts and community benefits.” The purpose of this law (RSA 7:32) is to ensure that healthcare charitable trusts provide the communities they serve with benefits in keeping with the charitable purposes for which the trusts were established.

The statute acknowledges that each community is unique with its own set of specific health needs; that a community’s needs must be assessed; and that the community benefits provided by healthcare charitable trusts that serve the community address the needs of that community. At the heart of the statute is the principle that community involvement in the development of community benefits is necessary to ensure that the healthcare charitable trust responds to the needs of the community.

The community benefit legislation added a new section to RSA Chapter 7. Authority for the administration and enforcement of the law is with the New Hampshire Office of the Attorney General’s Division of Charitable Trusts. In summary, the law requires each healthcare charitable trust to:

- Conduct a community needs assessment seeking input from the public;
- Develop a community benefits plan and submit it annually to the Director of Charitable Trusts;
- Provide notice to the public of the availability and process for obtaining a copy of its community benefits plan; and
- Publicly report its community benefit activities every year.

What is a Healthcare Charitable Trust?

According to RSA 7:32-d, V, a healthcare charitable trust is a charitable trust organized to directly provide healthcare services. Examples of healthcare charitable trusts are hospitals, nursing homes, community health centers, and community mental health centers.

What are Community Benefits?

Community benefits are activities intended to address community healthcare needs and include, but are not limited to charity care, community health services, subsidized health services, health professions education, research, financial contributions, community building activities, etc.

Why Report Community Benefits?

Healthcare charitable trusts have an obligation to carry out the charitable purposes for which they were established (to meet the health needs of individuals within the communities they serve) and in recognition of the advantages (tax exemption) the trusts receive in exchange for carrying out a charitable mission. They are accountable to the public for assuring the appropriate use of the assets and resources of the healthcare charitable trusts.
**Community Engagement**

Health care charitable trusts must engage people in their communities to determine community needs and develop their annual community benefit plan. New Hampshire’s community benefits law outlines a process, and the chart below illustrates elements of that process.

Most health care charitable trusts serve more than one town or city. Therefore their ‘community’ is a group of towns and/or cities. A health care charitable trust will often collaborate with other trusts and a United Way agency on the needs assessment process. This strengthens participation as well as the breadth and depth of issues identified in the needs assessment.
Changing Communities and Needs

Rapidly expanding medical knowledge about all aspects of human health, new technologies to diagnose and treat diseases and expanded use of pharmaceutical products are just a few of the factors changing how health care is organized and delivered in local communities. For instance, the Centers for Disease Control and Prevention report that the national rate of visits to ambulatory surgical centers increased 300% to 14.9 million visits between 1996 to 2006 while the rate of hospital-based surgery remained level (19.9 million visits). Health care charitable trusts adapt to these changes by employing new types of health care professionals, redesigning facilities and the location of services and expanding or contracting services to effectively deliver health care.

New Hampshire communities are constantly changing, too. The state has experienced steady population growth in the past few decades and become more culturally diverse in some communities. An increase in the overall aging of the population in our state is a trend that also influences needs in our communities. However, statewide trends mask important differences in the communities where health care charitable trusts serve. For instance, according to the U.S. Bureau of the Census, 23% of the population in Berlin was age 65 or older in 2000 compared to only 5% in Londonderry. The median household income was $51,000 in Nashua compared to $37,000 in Laconia. Members of racial or ethnic minority groups comprised 9% of the population in Manchester compared to only 3% of the population in Rochester.

The Foundation for Healthy Communities periodically reviews the needs assessments on file at the N.H. Office of the Attorney General to help in our work to support improved health and health care delivery in New Hampshire.

The graph to the left illustrates the top five needs from a review of the community hospital reports on file in 2008. The law requires that a community needs assessment be done every 5 years. A health care charitable trust may address a community need with on-going annual activities such as subsidizing primary care practices to maintain a community infrastructure for primary care, contribute to tobacco or substance abuse prevention efforts, supporting EMS services, etc. to prevent them from emerging as community needs.
The section titles in green correspond to the new framework adopted for 2009 by the N.H. Office of the Attorney General’s Division of Charitable Trusts. While each hospital provides programs and services in every area of the framework, this report gives just a few examples of those community benefits. Information is based on the Fiscal Year 2007 reports that were submitted in 2008 to the Division of Charitable Trusts. The total monetary value of all community benefits reported by hospitals in 2007 was over $360 million. This number represents many different types of community benefits services that reach thousands of people. For example, more than 60,000 people received free health care or paid on a sliding fee schedule in 2007.

Community Health Services These are activities carried out to improve community health. They may include community health education, community-based clinical services such as free clinics or screenings and health care support services such as information and referral phone lines or transportation to access care.

The New London Hospital operated ‘24/7’ ambulance service for 16,280 people who reside in the towns of New London, Sunapee, Springfield, Newbury, Sutton, Wilmot and Grantham. The unpaid costs to provide the ambulance services were $266,000 plus $39,000 for skills training for the EMS staff.

Exeter Hospital’s Mobile Medical Van provides health care services to children, adults and seniors in the communities served by Exeter Hospital. In addition, Families First Health and Support Center in Portsmouth uses the Medical Van to provide health care to the homeless.

Wentworth-Douglass Hospital in Dover operated a community dental center for uninsured and underinsured persons that served 6,425 people in 2007 with a $533,000 operating subsidy.

Catholic Medical Center in Manchester operates a parish nurse program to provide holistic nursing services to the members of the community in diverse congregations. The hospital’s Health Care for the Homeless program is a safety net service that provided care for 1,157 people last year.

Alice Peck Day Memorial Hospital in Lebanon operated a school-based oral health program that screened 410 children in grades K-3, provided fluoride treatments for 260 children and classroom instruction for 910 children. These services cost $67,053 in 2007.

Valley Regional Hospital in Claremont provided $24,405 to help 302 people receive prescription assistance through the hospital’s Medication Bridge Program.

Upper Connecticut Valley Hospital in Colebrook provided school nursing services to 5 local schools with a $47,022 subsidy. For the school year 2007-2008 the school nurses had 6,118 office visits from students due to an illness or injury.
Mary Hitchcock Memorial Hospital and Dartmouth-Hitchcock Clinics provided clinical continuing education to more than 5,000 doctors, nurses, technicians and other health professionals. In addition, 316 medical school students participated in clinical training programs through the hospital and clinic system.

Cottage Hospital in Woodsville provided $30,000 in scholarships to 8 people from its community who commit to a career in health care.

LRGHealthcare in Laconia and Franklin supported 20 nursing graduates in May 2007 and 34 nursing students ($156,716) through a partnership with the NH Community Technical College in Laconia. LRGHealthcare’s TuitionLink program supported 28 students ($149,158) in health care secondary education.

In North Conway, the Memorial Hospital’s “Career Scene Investigation: Health Care” camp has hosted about 90 students from the Mt. Washington Valley over five summers to expose them to various health care professions.

Concord Hospital provided $804,000 in subsidies to operate physician practices in its community service area and an additional $385,000 subsidy to the Family Health Center that served over 11,000 low-income people in 2007.

The Elliot Health System in Manchester provided $1.9 million in subsidies for behavioral health services that assisted 610 people.

Huggins Hospital in Wolfeboro provided more than $60,000 in support for mothers and newborns and home visiting efforts in the community.

Weeks Medical Center in Lancaster provided a $107,389 subsidy for its 24/7 Emergency Department operations and a $28,840 subsidy for psychiatric care to the community.
Medical Research
This includes any internal subsidies to support clinical or health services research where the findings are made external to the organization.

Mary Hitchcock Memorial Hospital in Lebanon and the Dartmouth-Hitchcock Clinics provided more than $500,000 in unfunded research support for the 360 medical residents and fellows for their research competency and to maintain accreditation of the residency and fellowship programs.

Concord Hospital provided $199,225 to subsidize clinical trials related to cancer and cholesterol that 110 people were able to participate in during 2007.

Financial Contributions
These include cash donations, grants, in-kind assistance and resource development assistance to individuals or organizations that address community needs.

St. Joseph Hospital in Nashua provided an $80,000 grant and in-kind services to the Greater Nashua Dental Connection to provide low-income adults and children with dental care. As a result, more than 1,500 patients received dental services.

Frisbie Memorial Hospital in Rochester contributed $50,000 in 2007 toward improving end-of-life care through its contribution to the Seacoast Hospice House in Strafford County. This represents one payment toward their $250,000 pledge, to be made over a 5-year period, to this new community facility.

Androscoggin Valley Hospital in Berlin provided $1.6 million in 2007 to Coos Family Health Services, a family-centered community health center with three service locations in Berlin and Gorham.

Exeter (Hospital) Health Resources donated $105,000 to the New Outlook Teen Center serving middle and high school youth to support an expansion of their activities that include alcohol, tobacco and drug prevention efforts.

Speare Memorial Hospital in Plymouth provided $445,000 in 2007 to support the Mid-State Health Center in Plymouth.
Littleton Regional Hospital spent $149,011 for the recruitment of physicians to practice in the community and an additional $42,270 in financial support for physician loan forgiveness.

Monadnock Community Hospital in Peterborough provides its community’s only medically-based fitness and rehabilitation facility, the Bond Wellness Center.

Cheshire Medical Center in Keene supports the Advocates for Health Youth (AFHY) coalition that includes Keene State College, Antioch University, City of Keene Parks and Recreation Department, local schools, and the YMCA to address the epidemic of childhood obesity. Cheshire reached nearly 400 children through programs in schools and after school programs related to physical activity and nutrition in 2007. AFHY implemented the 5-2-1-0 message campaign to advocate health promotion options to prevent or reduce obesity.

The Greater Nashua Healthy Community Collaborative is a coalition of public and private organizations, supported by St. Joseph Hospital and Southern New Hampshire Medical Center, to address health issues and coordinate effective community resources. The Collaborative has pilot tested a shared medical interpretation service program to better address the needs of an increasingly diverse community.

Charity Care
This is free or discounted health care given to persons who are unable to pay based on a financial assistance policy. It is not bad debt. It should be based on costs not charges.

Southern New Hampshire Medical Center in Nashua provided financial assistance to 4,871 people at a cost of $5,098,000 in 2007.

Catholic Medical Center in Manchester provided $5,666,411 in financial assistance to people in its community.

Monadnock Community Hospital in Peterborough provided 656 people with financial assistance that cost $1,438,680 in 2006.
Government-Sponsored Health Care
This is the shortfall or difference between what government insurance programs, such as Medicaid and Medicare, pay and the actual cost of care to persons who are insured by the government.

LRGHealthcare operates the hospitals in Laconia and Franklin and received an average of 83 cents for every Medicare dollar of expense and 62 cents for every dollar of Medicaid expenses in caring for people insured by these two government programs. The result was $16.3 million in unpaid costs from these two insurance programs in 2007.

The Elliot Health System in Manchester had unpaid costs from patients cared for under the Medicare program that totaled $15.4 million and the Medicaid underpaid costs that totaled $7.4 million in health services in 2007.

Crotched Mountain Rehabilitation Center in Greenfield is a regional center for treatment following severe brain injuries, spinal cord injuries, and for post-operative therapies. It provided a community benefit of more than $2.8 million for patients. Nearly 75% of the hospital’s patients rely on Medicaid, which does not meet the full costs of providing rehabilitation services.

All community hospitals participate in the N.H. Healthy Kids program, which offers subsidized insurance coverage for low-income children.

The N.H. Center for Public Policy Studies has documented cost-shifting in health care in New Hampshire and provides more detailed information on this issue at www.nhpolicy.org.
Reporting Changes

The NH Office of the Attorney General’s Division of Charitable Trusts initiated a new data collection system for health care charitable trusts in 2009. It is designed to standardize and simplify data reporting and to make use of new computer software that will assist in analyzing the reports that are filed. More information may be found at the Office of NH Attorney General, Division of Charitable Trusts website: www.doj.nh.gov.

In addition, the U.S. Internal Revenue Service established new reporting requirements nationwide for all tax-exempt organizations, including the more than 7,000 charitable organizations in New Hampshire. IRS Form 990 was revised to enhance transparency, promote tax compliance and minimize the burden of reporting for tax-exempt organizations. A series of new reporting schedules, including one specific to hospitals (Schedule H), will soon be used to report community benefits to the federal government. This new schedule will standardize reporting by having all hospitals report costs rather than charges. More information can be found at www.irs.gov.

For more specific information about specific health care charitable trusts that serve your community, visit their websites.

Learn more about the New Hampshire Hospital Association at www.nhha.org or Foundation for Healthy Communities at www.healthynh.com. An electronic version of this report also is available online.
New Hampshire’s not-for-profit hospitals and health systems in this report

Alice Peck Day Memorial Hospital
Androscoggin Valley Hospital
Catholic Medical Center
Cheshire Medical Center
Concord Hospital
Cottage Hospital
Crotched Mountain Rehabilitation Center
Elliot Health System
Exeter Health Resources
Frisbie Memorial Hospital
Huggins Hospital
Littleton Regional Hospital
LRGHealthcare: Lakes Region General Hospital
LRGHealthcare: Franklin Regional Hospital
Mary Hitchcock Memorial Hospital/Dartmouth-Hitchcock Clinics
The Memorial Hospital
Monadnock Community Hospital
New London Hospital
Southern New Hampshire Medical Center
Speare Memorial Hospital
St. Joseph Hospital
Upper Connecticut Valley Hospital
Valley Regional Hospital
Weeks Medical Center
Wentworth-Douglass Hospital