July 14, 2015

Via electronic mail

Sunita Lough  
Commissioner  
Tax Exempt and  
Government Entities Division  
Internal Revenue Service

Tamara Ripperda  
Director, Exempt Organizations  
Internal Revenue Service

Dear Sunita and Tammy:

Thank you very much for meeting with representatives of the American Hospital Association, the Catholic Health Association of the United States and the Association of American Medical Colleges. We very much appreciated the opportunity to speak with you and your colleagues about the important issue of including housing as a “Community Benefit” in Part I of the Form 990, Schedule H.

As we discussed, when the Schedule H was first introduced, it was contemplated that some of the activities initially listed as “Community Building” might later be reclassified as “Community Benefit.” In fact, an IRS release, dated December 20, 2007, stated:

“While the IRS believes that certain of these community building activities might constitute community benefit or other exempt purpose activities, more data and study is required.”

In the more than 7 years since that statement was written, numerous studies and research in the public health area have clearly established that “housing is health care.” It is indisputable that healthcare is no longer being provided only within the four walls of hospital buildings. In addition, viewing healthcare delivery in traditional silos prevents us from addressing health needs in more innovative and effective ways. According to an article in the New England Journal of Medicine: “For many patients, a prescription for housing or food is the most powerful one that a physician could write, with health effects far exceeding those of most medications.”

As you requested, we have attached a list of links to many important studies on housing and health as well as a summary of the research on the social determinants of health, including housing. These resources strongly support our position that housing, an essential component of the infrastructure needed to promote and sustain good health, should be counted as a Community Benefit activity in Part I when undertaken by tax-exempt hospitals. This research also confirms that many other government agencies, including the CDC, HUD, EPA and USDA, view access to safe housing as an important contributor to the health of American families. In addition, we have attached a brief summary of the other types of community building activities revealed by a review of CHNAs and Schedule H’s of 32 hospitals.

During our call, you asked why it is so important for this change to be made to the Schedule H. Under Rev. Rul. 69-545, hospitals desiring tax-exempt status under Section 501(c)(3) are required to demonstrate that they are promoting health within the community. Schedule H was intended to provide the IRS, legislators and the public with a snapshot of the activities that a hospital has undertaken to meet this requirement. In particular, Part 1, Line 7 is the section that the IRS has designated as “community benefit.” Given the growing recognition that improving the health of a community requires a broad, multi-disciplinary approach, it is both reasonable and necessary for hospitals to focus attention and dollars to address housing and other social determinants of health. It has been demonstrated that providing access to safe, quality and affordable housing can have a greater impact on the health of a community than more traditional clinical modalities. Moving the reporting of housing activities to Schedule H, Part I not only will align the incentives with population health findings and the efforts of other federal agencies, but also will provide a clearer picture of how hospitals are contributing to the health of their communities.

Once you have reviewed these materials, please let us know if there is further information that you would need to consider our request.

Again, many thanks for your attention to this matter.

Sincerely,

Lisa Gilden
VP, General Counsel/Compliance Officer
The Catholic Health Association
Of the United States

Melinda Reid Hatton
Senior Vice President & General Counsel
American Hospital Association

Janis M. Orlowski, MD, MACP
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Attachments

cc: Melaney Partner
TE/GE Communications & Liaison – Operations
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The American Hospital Association (AHA), the Association of American Medical Colleges (AAMC) and the Catholic Health Association of the United States (CHA) are pleased to submit to the Internal Revenue Service supplemental information on why actions related to housing should be reportable as community health improvement activities.

As recently as June 26 of this year, the Department of Health and Human Services’ Centers for Medicare and Medicaid Services issued a bulletin for states describing housing-related activities that could be eligible for Medicaid reimbursement.1

And in April of 2015, the National Housing Conference and Center for Housing Policy compiled a wide body of evidence that found a strong relationship between health and housing. The report concluded, “Overall, the research supports the critical link between stable, decent, and affordable housing and positive health outcomes.”2 This affirms the statement in the National Housing Standard, developed by the American Public Health Association and the National Center for Healthy Housing that “housing is one of the best known and documented determinants of health.”3

These research findings are driving government agencies and national organizations committed to improving public health to support initiatives to address poor and inadequate housing. In 2013, the Department of Housing and Urban Development (HUD) issued Advancing Healthy Housing: A Strategy for Action that stated,

“Poor housing conditions, such as a dilapidated structure; roofing problems; heating, plumbing, and electrical deficiencies; water leaks and intrusion; pests; damaged paint; and radon gas are associated with a wide range of health conditions, including unintentional injuries, respiratory illness, asthma, lead poisoning, and cancer, respectively.”4

The HUD report went on to note broad agreement among several federal agencies in support of healthy housing as a means of preventing diseases and injury:

“Interagency collaboration culminated in the planning and delivery of two federal Healthy Homes Conferences, the first held in September 2008 and the second in June 2011, both sponsored by HUD, CDC, EPA, and USDA. These conferences served as an incubator for the exchange of ideas, and helped to focus national attention on the importance of safe, healthy, efficient, and affordable homes for America’s families.”4

In 2013 the American Public Health Association’s (APHA) annual meeting featured a general session on housing with representatives from HUD and the Environmental Protection Administration titled, ”Landscape of Healthy Housing: Strategies, Policies, and Initiatives.” The relationship between health and housing has been a continuing topic of interest to the APHA. Its May 2002 journal was devoted to the topic. The lead article, “Housing and Health: Time Again for Public Health Action,” by James Krieger, MD, MPH, and Donna L. Higgins, Ph.D., included a bibliography of 154 scientific papers and other resources, concluding:
“Poor housing conditions are associated with a wide range of health conditions, including respiratory infections, asthma, lead poisoning, injuries, and mental health. Addressing housing issues offers public health practitioners an opportunity to address an important social determinant of health.”

The Robert Wood Johnson Foundation, a widely respected philanthropic organization focused on improving the health of all Americans, produced an issue brief on housing and health in 2011 as part of its Commission to Build a Healthier America. This document, which included 47 references, stated:

“Good health depends on having homes that are safe and free from physical hazards. When adequate housing protects individuals and families from harmful exposures and provides them with a sense of privacy, security, stability and control, it can make important contributions to health. In contrast, poor quality and inadequate housing contributes to health problems such as infectious and chronic diseases, injuries and poor childhood development.”

As recently as last month, the Yale Global Health Leadership Institute released, “Leveraging the Social Determinants of Health: What Works” with 95 scientific references. The document stated:

“The evidence supporting the direct relationship between housing interventions and health outcomes within low-income or otherwise vulnerable populations is expansive. Whether enabling access to housing, creating a supportive housing environment, or simply expanding the availability of affordable housing to families in lower-poverty neighborhoods, the evidence suggests housing is critical to the health of vulnerable individuals.”

These various reports tell a compelling story about how housing impacts health. To summarize, they tell us:

- Lead poisoning affects brain and nervous system development and can lead to lower intelligence and reading disabilities. The primary source of lead exposure comes from lead-based paint in older homes.
- Exposures to very high or very low indoor temperatures are associated with poor health and mortality.
- Poor housing conditions can lead to exposure to carcinogenic air pollutants including radon, environmental tobacco smoke, heating and cooking gases, and asbestos.
- Housing problems such as water leaks, poor ventilation, dirty carpets and pest infestation can lead to mold and other allergens that can cause or complicate respiratory problems such as asthma.
- Crowding in homes has been linked to infectious diseases such as tuberculosis and psychological distress.

The United States Surgeon General’s “Call to Action to Promote Healthy Homes” and “Healthy Home Checklist,” and the Centers for Disease Control and Prevention Healthy Homes website suggest many ways that homes can be healthier. Some of these include:

- Removing allergens that cause asthma attacks and allergic reactions.
- Testing for and ameliorating lead paint.
- Controlling moisture and mold.
- Installing and maintaining smoke and other alarms.
- Getting rid of pests, including cockroaches and mice.
• Ensuring safe drinking water.
• Keeping homes free from hazards that could lead to falls and other accidents.
• Ensuring properly functioning heating and air conditioning.

In addition to upgrading and repairing existing housing, developing new, safe and affordable housing for low-income and high-risk individuals and families can be an effective strategy for improving health. It can protect people from the dangers encountered in substandard housing and offer other significant benefits: The April 2015 report of the National Housing Conference and Center for Housing Policy, “The Impacts of Affordable Housing on Health: A Research Summary” states:

“Affordable housing alleviates crowding and makes more household resources available to pay for health care and healthy food, which leads to better health outcomes. High quality housing limits exposure to environmental toxins that impact health. Stable and affordable housing also supports mental health by limiting stressors related to financial burden or frequent moves, or by offering an escape from an abusive home environment. Affordable homeownership can have mental health benefits by offering homeowners control over their environment. Affordable housing can also serve as a platform for providing supportive services to improve the health of vulnerable populations, including the elderly, people with disabilities, and homeless individuals and families. Safe, decent, and affordable housing in neighborhoods of opportunity can also offer health benefits to low income households.”2

Further, according to an article in the Annual Review of Public Health, titled “Housing and Public Health,”

“Investment in housing can be more than an investment in bricks and mortar: It can also form a foundation for the future health and well-being of the population. Addressing poor-quality housing and detrimental neighborhoods, in the broadest sense, is thus a task that should be grasped with vigor and determination by all those involved in public health.”11

In conclusion, AHA, AAMC and CHA urge the Internal Revenue Service to recognize the involvement of community benefit programs in improving housing in their communities as a strategy for improving health by specifically noting that this involvement can be reported in Part I of the IRS Form 990, Schedule H. This would be consistent and supportive of the work of other federal agencies and would acknowledge the growing body of public health research on the impact of safe, affordable housing on health.

Works Cited


ATTACHMENT 2
Research on the Social Determinants of Health

The idea that health care needing a wider definition than the traditional inclusion of strictly “clinical care” has been studied extensively over the past few decades. Over a decade ago, the World Health Organization (WHO) began to shift its focus to improving public health through upstream intervention and released a publication, The Social Determinants of Health: The Solid Facts, examining several social determinants of health (SDH). The publication reflected the need and demand for scientific guidance in health policy-making areas outside what had been traditionally defined as medicine.

The Social Determinants of Health: The Solid Facts
http://www.euro.who.int/data/assets/pdf_file/0005/98438/e81384.pdf

This edition compiles new evidence on the impact of SDH, including those from stress, early life experiences, work and unemployment, social cohesion, addiction, food, and transportation.

The WHO found a complex relationship between transportation and health, with topics such as physical activity, injury and trauma from traffic accidents, social cohesion, air pollution, and access to basic needs such as health care. For example, reducing reliance on cars “can play a key role in combating sedentary lifestyles… [because] regular exercise protects against heart disease and, by limiting obesity, reduces the onset of diabetes. It promotes a sense of well-being and protects older people from depression.”

In another follow-up publication, the WHO compiled their studies on SDH in The Economics of Social Determinants of Health and Health Inequalities: A Resource Book.

The Economics of Social Determinants of Health and Health Inequalities: A Resource Book
http://apps.who.int/iris/bitstream/10665/84213/1/9789241548625_eng.pdf

On the intersection between transportation and health policy, the WHO stated: “The physical environment where people live can have relevant impacts on their well-being, and particularly on health. There is growing consensus today on the implications of the urban environment, including transport, infrastructure provision and basic services, for people’s health and healthy behaviours, and therefore for health inequities. Factors such as overcrowding, dampness, area reputation, neighbourliness, fear of crime and area satisfaction appear to be important predictors of self-reported health.”

The WHO further analyzed the impacts of interventions in infrastructure on health in several countries, and have found positive results in all. Specifically in the U.S., a variety of infrastructure improvement policies have reported a significant improvement in health. Traffic calming interventions such as speed limit regulations and red-light camera usage have reduced road fatalities. Furthermore, research conducted in several different countries have found that transportation and physical activity have closely tied links, as “each additional hour spent in a car
per day has been associated with a 6% increase in the likelihood of obesity in the United States...[and that] a review of interventions in Germany, the Netherlands, Norway, the United Kingdom and the United States found that overall, commuter subsidies and alternative provision (for example a new train station) had the strongest impact on modal shift (1% and 5% respectively)."

The Centers for Disease Control and Prevention (CDC) followed suit by conducting its own studies and establishing various task forces and initiatives to begin addressing social determinants of health as well. In 2010, Thomas R. Frieden, the director of the CDC, wrote an article titled “A Framework for Public Health Action: The Health Impact Pyramid” explaining five different levels of public health intervention: socioeconomic factors, promotion of health behaviors, long-term protective interventions, clinical interventions, and counseling and education, from most upstream factors to least.

A Framework for Public Health Action: The Health Impact Pyramid
http://www.ncbi.nlm.nih.gov/pmc/articles/PMC2836340/

“Interventions at the top tiers [such as direct clinical care and counseling] are designed to help individuals rather than entire populations...even the best programs at the pyramid’s higher levels achieve limited public health impact, largely because of their dependence on long-term individual behavior change...The bottom tier of the health impact pyramid represents changes in socioeconomic factors...often referred to as social determinants of health, that form the basic foundation of a society.”

Focusing on upstream intervention, Frieden argues, will have a greater population health impact with less effort than focusing on individual, downstream intervention. He concludes, “Interventions that address social determinants of health have the greatest potential public health benefit. Action on these issues needs the support of government and civil society if it is to be successful. The biggest obstacle to making fundamental societal changes is often not shortage of funds but lack of political will; the health sector is well positioned to build the support and develop the partnerships required for change.”

The U.S. Public Health Service also conducted its own research on SDH published in its journal Public Health Reports. The most recent article there on SDH titled, “The Social Determinants of Health: It’s Time to Consider the Causes of the Causes” in 2014 compiles accumulated knowledge to assess the strength of the causal role of social factors on population health. Note: The article uses the term “medical care” for clinical services, not to be confused with “health care.”

The Social Determinants of Health: It’s Time to Consider the Causes of the Causes
http://www.ncbi.nlm.nih.gov/pmc/articles/PMC3863696/
Medical care only has a limited outreach, and though undeniably important, fall under the shadow the power of social factors, according to multiple studies, observational examples, quasi-experiments, and natural experiments assessing the impact of social determinants of health.

There are multiple layers of socioeconomic factors that are both directly and indirectly influence population health. Some are relatively simple to study, such as the negative health impacts of lead ingestion, pollution, and allergens in poor housing situations or the perpetuation of risky health behaviors among youths who are more easily swayed by social norms. Others, such as tobacco use and poor food choices common in lower socioeconomic neighborhoods, have impacts that only emerge later in life in the form of chronic disease. New biological explanations are also being explored, including the physical consequences of long-term stress and the influence of the environment on epigenetics (the regulation of gene expression).

Further exploration into quantifying the limits of medical care have been catalogued by the Agency for Healthcare Research and Quality (AHRQ) under the U.S. Department of Health and Human Services.

2014 National Healthcare Quality and Disparities Report  

In 2015, the AHRQ came out with its annual National Healthcare Quality and Disparities Report based on data collected in 2014. One of its key findings point to the startling realization that health disparities have actually widened over the last few years despite improved access to care through health reform and the Affordable Care Act. According to the report, very few disparities, with the exception for childhood immunization rates, were eliminated, and others, such as chronic disease management and hospice care, actually grew larger.

The CDC in particular has been a leader in population health, which has come to define 21st century health care in the United States. The CDC’s “Healthy People in Healthy Places” mission tackles with promoting health and safety through improving “the places where people live, work, learn and play.” (http://www.cdc.gov/healthyplaces/) The Built Environment and Health Initiative is a collaboration between the CDC and the National Center of Environmental Health to oversee community reinvestments by providing “Health Impact Assessment to Foster Healthy Community Design” (HIA) grants. There are currently six grantees working to improve public health through improving the community: http://www.cdc.gov/healthyplaces/stories/default.htm

Healthy Community Design Topics also address (but are not limited to) the following areas:

Transportation: Former Transportation Secretary Ray LaHood states, “Streets where walkers and bikers are protected from motor vehicles encourage people to get more exercise as part of their daily routines. Increasing the transportation options available in a community helps reduce congestion and air pollution even as it ensures that communities have access to necessary services like full-service grocery stores and doctors’ offices.”  
http://www.cdc.gov/healthyplaces/healthtopics/transportation/default.htm
Accessibility: “Poorly designed communities can make it difficult for people with mobility impairments or other disabling conditions to move about their environment; consequently, people with a disability often are more vulnerable to environmental barriers.”
http://www.cdc.gov/healthyplaces/healthtopics/accessibility.htm

Parks and Trails: “In a well-designed community, homes, parks, stores, and schools are connected by safe walking and biking routes. Such routes allow all members of the community a chance to enjoy the outdoors and get physical and mental health benefits.”
http://www.cdc.gov/healthyplaces/healthtopics/parks.htm

Many academic and trade journals have turned to study the implications of SDH. In the Journal of Public Health Management and Practice, a 2008 article “Moving Upstream: How Interventions that Address the Social Determinants of Health Can Improve Health and Reduce Disparities” gives examples and results of programs developed to address SDH both inside and outside the health care system.

Moving Upstream: How Interventions that Address the Social Determinants of Health Can Improve Health and Reduce Disparities
http://www.ncbi.nlm.nih.gov/pmc/articles/PMC3431152/

Home-visiting programs, which focused on issues such as health literacy, home safety, and healthy behavior, were also noted to improve families’ overall health and quality of life. The article also summarizes the results of community programs developed to improve neighborhood conditions, employment, and early childhood education, all with favorable results. The de-concentration of public housing initiative in Yonkers, NY, for example, provides cogent evidence demonstrating the impact of built environments on health.

Randomly selected by lottery to participate in the de-concentration of public housing initiative, low-income families who had moved to newly built public housing sites reported a few years later that they enjoyed “better overall health, including less substance abuse, less neighborhood disorder, less violence exposure and other health problems compared to those who had stayed in their original neighborhoods. Movers also reported better satisfaction with public transportation, recreation facilities and medical care. In addition, they had higher rates of employment and lower rates of welfare receipt.”

Other successful programs to improve neighborhood conditions mentioned in the article include the Moving to Opportunity (MTO) intervention, the Gautreaux Residential Mobility Program for desegregation in Chicago, and evidence from other countries, including Norway and the United Kingdom.

Non-profit organizations dedicated to health improvement have long focused on addressing health disparities in the U.S. The Robert Wood Johnson Foundation in its Commission to Build a Healthier America, for example, published a series of issues briefs summarizing the impacts of
social determinants of health. Neighborhoods and Health is one of eleven issue briefs that include income, work, housing, economy, early childhood experiences, education, and race and ethnicity.

Neighborhoods and Health
Neighborhoods and Health.

Plentiful studies delineate the effect of physical characteristics of neighborhoods on their inhabitants, including pollution, traffic, crime rates, proximity to basic needs, and physical activity. This issue brief also examines the more indirect relationship between social environments of neighborhoods and health:

“Residents of “close-knit” neighborhoods may be more likely to work together to achieve common goals such as cleaner and safer public spaces healthy behaviors and good schools; to exchange information regarding childcare, jobs and other resources that affect health; and to maintain informal social controls discouraging crime or other undesirable behaviors such as smoking or alcohol use among youths, drunkenness, littering and graffiti…Children in more closely-knit neighborhoods are more likely to receive guidance from multiple adults and less likely to engage in health-damaging behaviors like smoking, drinking, drug use or gang involvement…Conversely, less closely-knit neighborhoods and greater degrees of social disorder have been related to anxiety and depression.”
ATTACHMENT 3
Catalogue of Community Building Activities of 32 – Section 501(c)(3) Hospitals
(Description of activity followed by number of hospitals reporting it)

**Health education: 23**
For children (20)
  - General health education (10)
  - Safety/Injury and trauma prevention education (7)
  - Substance abuse prevention education (8)
For at-risk people/patients (6)
For immigrants (3)

**Healthy eating promotion: 18**
  - Nutrition and smart cooking/shopping classes (9)
  - Farmer’s Market (8)
  - Access to more local fresh produce (e.g., community gardens) (9)

**Infrastructure development: 18**
  - Medical transportation (8)
  - Institutional facilities (e.g., development of exercise facilities, walking trails, etc.) (8)
  - Housing (e.g., lead poisoning programs, low-income housing, etc.) (8)

**Mental health/emotional and social wellbeing programs: 16**
  - Senior-friendly environment/programs (4)
  - Mental health safe places for youths (5)
  - Substance abuse cessation support groups/programs (10)

**Physical activity programs: 16**
For children (5)
For adults (11)
For seniors (3)

**Education/workforce development: 9**
  - Education (e.g., literacy programs, higher education guidance, etc.) (9)
  - Workforce development/career guidance (4)

Note: Subcategory numbers may not add up to overall category numbers since a hospital can be involved in developing programs in more than one subcategory.

Prepared by
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