

AHA is helping rural hospitals tell their stories

The Internal Revenue Service (IRS) has developed a reporting form specifically for hospitals – Schedule H – that tax-exempt hospitals must use for tax year 2009 (returns filed in 2010). Providing complete and accurate information for the new form will require hospitals to begin developing now a plan for collecting and reporting this information.

The AHA urges all hospitals to use the coming year as an opportunity for a “dry run” to more closely examine the numbers and narrative they must supply to the IRS in 2010.

Because small and rural hospitals have limited resources to meet the demands of all the agencies and organizations that call on them to gather and report data, the AHA in September began hosting a series of teleconferences and sessions to help them prepare for the requirements of Schedule H. “Given the breadth and depth of the new IRS requirements, we see it as a member value to help [rural hospitals] understand and prepare for them,” said John Supplitt, senior director of the AHA’s Section for Small or Rural hospitals.

On Sept. 25, Ron Schultz, a senior IRS official, and Deborah Ashford, a tax-exempt specialist with the Washington,



DC-based law firm of Hogan & Hartson – participated in the call. The teleconference was followed by an Oct. 16 session at the National Rural Hospital Association’s “Critical Access Hospital” meeting in Savannah, GA, on the IRS requirements for tax-exempt hospitals. AHA Deputy General Counsel Maureen Mudron discussed key issues, including hospitals’ responsibilities for reporting Form 990 and Schedule H to the IRS and making the information publicly available. Mudron will give another presentation on the IRS requirements Jan. 20 at the 22nd annual Rural Health Care Leadership Conference in Phoenix, AZ.

Next up for small and rural hospitals leaders is a Nov. 5 AHA teleconference on

organizing internal efforts to prepare for and complete Schedule H. It will feature Scott A. Duke, CEO of Glendive (MT) Medical Center, and Douglas Lyon, president of Toledo, OH-based Lyon Software, which has designed software to help hospitals gather and report the information required by the IRS.

Duke, who testified in 2006 before a Senate Finance Committee hearing on tax-exempt hospitals, will discuss his hospital’s efforts to gather and report information for use on Schedule H. Small rural hospitals take their community obligations seriously, Duke said. And “as rural hospital leaders it is our responsibility to tell our story” with the community, media and policymakers. “We need to gather and report the information on what we do for the community ... and tell that story,” he said.

In the article below, Duke talks to *AHA News* about how strong community connections can strengthen public trust in hospitals and create stronger accountability.

For more information on the AHA’s upcoming Schedule H educational sessions for small and rural hospitals, go to www.aha.org/aha/issues/Rural-Health-Care/educationf990.html.

Community connections help bring the people you serve closer to you

Scott A. Duke, CEO of Glendive (MT) Medical Center, will participate in an AHA-hosted teleconference Nov. 5 to help rural hospitals prepare for the requirements of the Internal Revenue Service’s new Schedule H requirements (see related story above.). AHA News recently talked to Duke about the importance of maintaining strong hospital connections to the community.

AHA News: Many hospitals struggle to maintain the esteem and trust of the people they serve. How will strengthening public trust and creating channels for community outreach be key to the future of the nation’s hospitals?

Duke: Hospitals have a sacred responsibility to provide high-quality, safe care. In order to fulfill this mission, they must become

increasingly transparent through sharing specific quality data and patient outcomes. This also includes sharing financial (pricing) and other pertinent statistical information. Hospitals can only expect to build trust as they extend trust. It is essential for the future of all hospitals to build and maintain a trusting relationship with the communities they serve.



DUKE

AHA News: Do the range of services you provide outside the walls of the hospital help demonstrate accountability to the community? Are these initiatives a way of helping to ensure the long-term viability of both the hospital and the community?

Duke: Absolutely, community hospitals have an obligation to support and provide services in addition to their “normal” clinical array. Glendive Medical Center (GMC) is an active member of a local “Healthy Communities” coalition. The group brings together a variety of organizations with a singular focus of completing projects and initiatives that benefit the entire community.

AHA News: Does the community recognize the breadth of services you provide and appreciate what your presence means to them?

Duke: GMC is committed to exceeding patient expectations and strives to provide ongoing education that outlines the scope and breadth of our services. This is accomplished through a variety of marketing programs. GMC conducts regular satisfaction surveys and based on feedback received, the vast majority of community members understands and appreciates the importance of enhancing and maintaining our services.

AHA News: How does your governance structure help strengthen your “community connections?”

Duke: The GMC governing board is comprised of 11 dedicated community volunteers. Our by-laws require board membership to include members from the geographic locations we serve and from a variety of occupations. The board strives to engage members of the community through invitations to participate in sub-committee activities and focus group studies. Overall, the board philosophy is to make decisions and take actions that are in the best interest of the entire community.