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Owner **Andrew Arai:**  
 Chief of Staff  
 Mission  
 Policy Area **Mission Services**  
 Applicability **Providence**  
**Systemwide +**  
**PGC**

## PSJH-MISS-103 Community Benefit

<b>Executive Sponsor:</b>	Dougal Hewitt, EVP, Mission and Sponsorship
<b>Policy Owner:</b>	Andrew Arai, Executive Director, Mission Operations
<b>Contact Person:</b>	Verónica Gutiérrez López, Director, Community Benefit Services

### Scope:

This policy applies to the non-for-profit, non-profit entities of Providence and its Affiliates<sup>[i]</sup> (collectively known as "Providence") and their workforce members (caregivers (employees), employees of affiliated organizations. Where an organization is not wholly or majority owned, exceptions may apply.

Yes  No Is this policy applicable to Providence Global Center (PGC) caregivers?

This is a governance level policy, vetted by Executive Council with a recommendation for approval by the Providence Board, and signed by the appropriate delegate.

### Purpose:

The purpose of this policy is to ensure standardization and integration of system-wide community benefit efforts that includes community benefit initiatives and programs not covered by the Providence Financial Assistance Policy ([PSJH-MISS-100](#)). The policy enables each ministry to accurately and appropriately plan, design, implement, evaluate and report community benefit in accordance with the Providence Mission, values and promise, federal (including: IRS Form 990, Schedule H and 501r) and state legal mandates and to demonstrate the value of our tax-exempt status.

Furthermore, this policy affirms Providence’s commitment to provide services and programs for those who experience difficulty in accessing health and social services to obtain optimal health by working collaboratively with others in the community to address specific community

health needs.

## Definitions:

1. Community benefit includes:

- a. Charity care - Financial Assistance - at cost (Free (charity) and discounted care))
- b. Unpaid costs of government sponsored indigent healthcare programs:
  - Medicaid
  - State child health insurance programs (SCHIP)
  - Other local government means-tested programs
- c. Other Community Benefits at Cost
  - Community Health Improvement Services
  - Community Benefit Operations
  - Health Professions Education
  - Subsidized Health Services
  - Research
  - Cash and In-Kind Contributions for Community Benefit
  - Community Building will be reported, but it is not considered Community Benefit at the federal level for IRS Form 990 Schedule H tax purposes

2. Community benefit does not include:

- Bad debt
- Contractual allowances
- Any portion of charity care or Medicaid costs included in subsidized programs
- Medicare shortfall, except for the Subsidized Health Services category
- Programs provided for marketing purposes

## Policy:

Providence follows IRS Form 990 Schedule H Instructions for federal reporting and follows the respective state reporting requirements. We also refer for guidance to the [Catholic Health Association USA \(CHA-USA\) Guide for Planning and Reporting Community Benefit](#).

Providence distinguishes itself through service to and support for people whose social condition positions them at the margins of society and makes them vulnerable to discrimination: the economically poor and medically underserved. Providence provides services to the indigent, the uninsured and the underinsured, racial/ethnic minorities, immigrants and refugees, among other marginalized persons, in alignment with its Mission, values and promise and the *Ethical and Religious Directives (ERDs) for Catholic Health Care Services*. Community benefit programs are

organized to address specific community health needs and improve the overall health of the community.

## Requirements:

All community benefit programs are aligned with our Mission, values, and promise. It is expected that Providence community benefits programs will:

- a. Respond to identified health priorities determined in collaboration with community stakeholders based on community health needs assessment (CHNA) reports;
- b. Focus on serving the economically poor and the broader community, as appropriate;
- c. Be planned and implemented with an evidence-based approach, including an evaluation component in the Community Health Improvement Plan (CHIP) reports; and
- d. Follow standardized common reporting community benefit financial and program methodologies aligned with federal and state requirements.

The above requirements are administered by each Providence facility through local policy and guidelines.

## References:

IRS Form 990 Schedule H. Available at: <https://www.irs.gov/pub/irs-pdf/i990sh.pdf>  
["A Guide for Planning and Reporting Community Benefit."](#) 2022. The Catholic Health Association-USA.

Montana Hospital Bill 45 Community Benefit Policy. <https://dphhs.mt.gov/assets/rules/37-1096pro-arm.pdf>

### Applicability:

<sup>i</sup>For purposes of this policy, "Affiliates" is defined as any not-for-profit or non-profit entity that is wholly owned or controlled by Providence St. Joseph Health (PSJH), Providence Health & Services, St. Joseph Health System, Western HealthConnect, Kadlec, Covenant Health Network, Grace Health System, Providence Global Center\*, NorCal HealthConnect, or is a not-for-profit or non-profit entity majority owned or controlled by PSJH or its Affiliates and bears the Providence, Swedish Health Services, St. Joseph Health, Covenant Health, Grace Health System, Kadlec, or Pacific Medical Centers names (includes Medical Groups, Home and Community Care, etc.).  
\*Policies and/or procedures may vary for our international affiliates due to regulatory differences.

## Approval Signatures

Step Description

Approver

Date

PSJH System Board	Cynthia Johnston: Principal Compliance Consultant	11/2024
PSJH President/CEO	Cynthia Johnston: Principal Compliance Consultant	11/2024
PSJH Executive Committee	Cynthia Johnston: Principal Compliance Consultant	11/2024
PSJH Policy Advisory Committee	Cynthia Johnston: Principal Compliance Consultant	11/2024

## Applicability

AK - Credena Health, AK - Providence Alaska MC, AK - Providence Kodiak Island MC, AK - Providence Medical Group, AK - Providence Seward MC, AK - Providence St. Elias Specialty Hospital, AK - Providence Valdez MC, CA - Credena Health, CA - Healdsburg Hospital, CA - Petaluma Valley Hospital, CA - Physician Enterprise Northern, CA - Physician Enterprise Southern, CA - Providence Cedars-Sinai Tarzana MC, CA - Providence Holy Cross MC, CA - Providence LCM MC San Pedro, CA - Providence LCM MC Torrance, CA - Providence Mission Hospitals, CA - Providence Queen of the Valley Medical Center, CA - Providence Redwood Memorial Hospital, CA - Providence Saint John's Health Center, CA - Providence Saint Joseph MC, Burbank, CA - Providence Santa Rosa Memorial Hospital, CA - Providence St. Joseph Hospital - Eureka, CA - Providence St. Joseph Hospital Orange, CA - Providence St. Jude Medical Center, CA - Providence St. Mary Medical Ctr Apple Valley, MT - Credena Health, MT - Providence St. Joseph MC, Polson, MT - St. Patrick Hospital, NM - Covenant Hobbs Hospital, OR - Credena Health, OR - Providence Ctr for Medically Fragile Children, OR - Providence Health Oregon Labs, OR - Providence Hood River Memorial Hospital, OR - Providence Medford MC, OR - Providence Medical Group, OR - Providence Milwaukie Hospital, OR - Providence Newberg MC, OR - Providence Portland MC, OR - Providence Seaside Hospital, OR - Providence St. Vincent MC, OR - Providence Willamette Falls MC, PHCC - Home & Community Care, PHCC - Home Health, PHCC - Home Medical Equipment, PHCC - Hospice, PHCC - Infusion/Pharmacy, PHCC - PACE, PHCC - Palliative Care, PHCC - Skilled Nursing/Assisted Living, Providence, Providence Express Care, Providence Global Center, Providence Physician Enterprise, Providence Traditional Health Workers, TX - Covenant Children's Hospital, TX - Covenant Health - ACO, TX - Covenant Health Partners, TX - Covenant Hospital Levelland, TX - Covenant Hospital Plainview, TX - Covenant Medical Center, TX - Covenant Medical Group, TX - Covenant Specialty Hospital, TX - Grace Clinic, TX - Grace Surgical Hospital, WA - Credena Health, WA - EWA Providence Medical Group, WA - Kadlec Regional Medical Center, WA - NWR Providence Medical Group, WA - PacMed, WA - Providence Centralia Hospital, WA - Providence DominiCare, WA - Providence Holy Family Hospital, WA - Providence Mt. Carmel Hospital, WA - Providence Regional MC Everett, WA - Providence Sacred Heart Med Ctr & Children's, WA - Providence St. Joseph's Hospital, WA - Providence St. Luke's Rehabilitation Medical, WA - Providence St. Mary MC, WA - Providence St. Peter Hospital, WA - SWR Providence Medical Group, WA - Swedish Medical Center, WA - Swedish Medical Group, WA - USFHP

## Standards

No standards are associated with this document