

COMMUNITY BENEFITS PLAN – REPORTING FORM

Pursuant to RSA 7:32-c – 1

FOR FISCAL YEAR BEGINNING July 1, 2006 and ENDING June 30, 2007

To be filed with:

**Office of the Attorney General
Charitable Trusts Unit
33 Capitol Street, Concord, NH 03301-6397
603-271-3591**

www.state.nh.us/nhdoj/CHARITABLE/char.html

**Organization Name: THE MEMORIAL HOSPITAL
3073 White Mountain Highway
P.O. Box 5001
North Conway, NH 03860-5001**

Federal Tax ID #: 020222156

State Registration #: 6279

Has the organization filed its Community Benefits Plan Initial Filing Information form?

Yes No

If yes, has any of the initial filing information changed since the date of submission?

Yes No

Section 1 – Community Benefits Contact Person:

- Name and Title: Sharon Malenfant, MS, APR, Assistant Administrator, Community Relations & Development
- Address: Same as above
- Telephone Number: (603) 356-5461, Ext. 198

Section 2 – Mission Statement:

Statutory reference: *RSA 7:32-e I.*

1. What is your mission statement?

The Memorial Hospital's mission statement is unchanged since its previous report filing. See below.

The Memorial Hospital Mission Statement

To establish ourselves as the community's health care system of choice by dedicating ourselves to comprehensive and compassionate health care.

The following seven guiding principles will help us measure the effectiveness and appropriateness of our actions.

- Embrace the understanding that good health means more than the absence of disease.
- Enthusiastically support our consumers in every aspect of care, through constant attention to their needs, concerns and satisfaction.
- Actively lead and build relationships with providers, public agencies, payers and others which support the continuum of care.
- Contribute positively to improvements in the health and life of our community.
- Apply the highest standards of excellence and efficiency to the quality, continuity, outcome and cost of care we provide.
- Understand that strategic and financial objectives are essential to the success of our mission.
- Treat all who seek our services equally, with dignity and respect.

2. When was it last reaffirmed?

Reaffirmed by TMH Board of Trustees September 2006.

Section 3 – Miscellaneous:

Is this plan available on your web site? Yes

If yes, may we include a link to the plan on the CTU web site?

Yes. Web address: www.thememorialhospital.org

Please check here if this report is filed for two or more healthcare trusts.

This report is filed for **The Memorial Hospital (Tab #1)** simultaneously with filings for other members of the Memorial Development Foundation: **Carroll County Health & Home Care Services (Tab #2)**, **Visiting Nurse & Hospice Care Services of Northern Carroll County (Tab #3)**, and **White Mountain Community Health Center (Tab #4)**. The agencies each have their own reports and plans, but collaborated and jointly conducted a *Community Needs Assessment* in 2003, as required under the law.

Section 4 – Definition of Community and Population Served (RSA 7:32-d, II)

The Memorial Hospital defines its community as the year-round and seasonal residents and visitors of the following towns and unincorporated areas of Northern Carroll County: **Albany, Bartlett, Chatham, Conway, Eaton, Glen,**

Hale's Location, Hart's Location, Jackson, Madison and Tamworth, as well as **Fryeburg, Maine** and other surrounding towns across the state border in Oxford County. This definition is consistent with the NH Dept. of Health & Human Services classification of the Hospital Service Area (HSA) for The Memorial Hospital, and is supported by our market share reports. This definition extends to the public and private sectors that serve these communities, including businesses, schools and government.

Section 5 – Community Needs Assessment Information (RSA 7:32-f)

1. Did you conduct your own community needs assessment or did you conduct the needs assessment in conjunction with other healthcare charitable trusts in your community?

The Memorial Hospital and its Foundation partners conducted a joint Community Needs Assessment and activities during FY2003, building upon and clarifying previous results through the use of focus groups and public forums. See FY2003 filings for more detailed information about activities, analysis and results.

2. N/A

3. *If you conducted a needs assessment with other healthcare charitable trusts in your community, please answer the following questions:*

a. Identify the healthcare charitable trust designated by the group to file the community needs assessment with the Charitable Trusts Unit.

THE MEMORIAL HOSPITAL

b. When was the assessment last conducted updated?

The Memorial Hospital and its Foundation partners conducted a joint Community Needs Assessment and activities during FY2003, building upon and clarifying previous results through the use of focus groups and public forums. See FY2003's filings for more detailed information about activities, analysis and results.

4. *If you are the trust designated by a group to file its community needs assessment with the Charitable Trusts Unit, please answer the following questions.*

The Memorial Hospital and its Foundation partners conducted a joint Community Needs Assessment and activities during FY2003, building upon and clarifying previous results through the use of focus groups and public

forums. See FY2003's filings for more detailed information about activities, analysis and results.

Section 6 – Community Benefits Plan/Report (RSA 7:32-e, II-VI, RSA 7:32-I)

Describe in detail the cost of the community benefits planned by the health care charitable trust and the methodology for estimating the cost. The plan shall include an estimate of the cost of each activity expected to be undertaken or supported in the ensuing year and a report on the unreimbursed cost of each activity undertaken in the preceding year. For each quantifiable benefit, the trust should provide an economic valuation which identifies the unreimbursed cost to the trust of providing the benefit and the method for calculating the cost. Nonquantifiable benefits should be identified separately and described in narrative form.

1. Please identify the health care needs that were considered in development of this plan.

Please see attached TMH Community Benefits Plan and Report for Fiscal Year 2007 for identification of health care needs considered in its development.

If this report is filed on behalf of two or more healthcare charitable trusts, questions 2 through 8 of this section must be answered for each member of the group. Please use additional pages/space as necessary. This information may be identified within the plan or submitted as an addendum to the plan.

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Please see each trust's individual reporting form for responses to Questions 2 through 8. Each trust plans its own community benefit activities for the coming year based on the results of the Community Needs Assessment. Each trust reports the cost of its own benefits for the past year and projections for the coming year. All trusts use July 1 – June 30 as the fiscal reporting year.

Questions 2 – 7:

Please see attached TMH Community Benefits Plan and Report for Fiscal Year 2007.

8. Please indicate the ratio of gross receipts from operations to net operating costs for the trust.

TMH ratio – 1.014

9. Please describe the means used to solicit the views of the community on the development of this plan and an evaluation of its effectiveness.

Please see attached TMH Community Benefits Plan and Report for Fiscal Year 2007.

Section 7 – Public Notice

Please see attached TMH Community Benefits Plan and Report for Fiscal Year 2007.

Section 8 – Additional Information
Optional. Not provided.



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COMMUNITY BENEFITS PLAN **AND REPORT**

Fiscal Year:
July 1, 2006 through June 30, 2007

EXECUTIVE SUMMARY

Since 1911 when it opened its doors, planning for the future of The Memorial Hospital has integrated the health and well-being of its community with the delivery of quality medical care. Community needs assessments have been conducted on an ongoing basis since the late 1980s, with major updates every few years. The most recent needs assessment was completed and reported on in our FY2003 Community Benefits Report. A new Community Needs Assessment is already underway as part of the organization's current strategic planning process due for completion during FY2008. Annually, the hospital develops a benefit plan for the coming year, allocates resources for it, and summarizes its activities and outcomes from the prior year.

Our Charitable Role in the Community

To assist in analyzing and quantifying The Memorial Hospital's role as a charitable organization in our community, Community Benefit Standards and Guidelines from three organizations were drawn upon to create a unique reporting model: Catholic Health Association, Voluntary Hospitals of America, and the Wagner School of Public Service at New York University.

Four core standards have evolved and been adopted as the basis for benefits planning:

- The hospital annually documents its formal commitment to a community benefit plan and program for its defined community.
- The scope of the program includes hospital-sponsored projects for the community related to issues identified through regular needs assessment activities.
- The hospital's program includes leadership in activities designed to stimulate other organizations and individuals to join in carrying out a broad community health agenda.
- The hospital fosters an internal environment that encourages Foundation-wide participation and staff involvement in its community benefit program.

The hospital reports its community benefits and charitable contributions in the following areas:

- Charity Care;
- Public Programs (Medicaid);
- Non-Billed Services;
- Low or Negative Margin Services; and
- Community Health Activities: Health promotion and screening activities; health education programs; cash, equipment or in-kind donations; community leadership and volunteer services.

How We Assess the Health of the Community

The hospital engages in ongoing Community Needs Assessments through the collection of quantitative and qualitative data, patient surveys, local and regional health status indicators, and forums that offer input directly from community members, employers, educators and providers.

During fiscal year 2003, Memorial Development Foundation members expanded and built on previous assessment activities by hosting a series of focus groups and public forums. Information and survey results from the earlier Community Needs Assessment were utilized to probe more deeply into the issues affecting the health of the community. The collaborative assessment work allows each agency to create a meaningful benefit plan that allocates scarce resources for areas identified as community priorities.

Needs assessment activities are conducted in collaboration with the agencies who, with the hospital, comprise the Memorial Development Foundation: **Carroll County Health & Home Care Services, Visiting Nurse & Hospice Care Services of Northern Carroll County,** and **White Mountain Community Health Center.**

Additionally, the hospital's Board of Trustees includes representation that gives voice to many diverse community groups including, among others, several small business owners, retired residents, a teacher, a realtor, and several health care providers. The boards of other agencies within the Memorial Development Foundation similarly reflect broad and diverse representation from within the community, both socio-economically and geographically. As non-profit volunteer board members, they bring direct input to the trusts on matters of importance and priority to their communities.

Looking Back – Fiscal Year 2007

The hospital's designation as a **Critical Access Hospital** in 2004 has given additional focus to its community benefit activities. As part of the application process, the hospital prepared and filed an extensive *Access Improvement Plan* that outlined activities designed to improve access and availability of primary care services for area residents in four areas:

- Strengthening the primary care safety net;
- Enhancing community efforts to deliver primary health care services;
- Enhancing access to primary care providers;
- Strengthening the local EMS system.

In carrying out its responsibilities under the Access Improvement Plan during the past year, The Memorial Hospital has adopted the AIP priorities as the community benefits it provides under the "Community Health Activities" section of its plan and report.

During the past fiscal year, three physician practices were brought under the corporate umbrella of the hospital, thus significantly expanding the population that could qualify for free care under TMH's Healthcare Assistance Program. After a full evaluation of its current policies, the Board of Trustees is planning a July 1, 2007 roll-out of an expanded charity care program as part of its community benefit planning for the coming year.

Looking Forward – Fiscal Year 2008

For the coming year (*July 1, 2007 through June 30, 2008*), TMH is in the process of a full strategic planning process which includes data collection, community surveys, and focus groups for a new **Community Needs Assessment**.

Effective July 1, TMH will implement a significant expansion of its **Healthcare Assistance Program**, the financial assistance program that helps people of limited means with the cost of their medical bills. Those with household incomes up to 250% of Federal Poverty Guidelines (FPG) and less than \$200,000 in net worth will be eligible for a full discount of their bills. Previously, the program was open to households earning up to 200% FPG and less than \$100,000 net worth.

New to the program are two additional tiers of discounts for those above the current limits. Qualified households with income up to 300% FPG and less than \$250,000 net worth will be eligible for a 30% discount, while those up to 400% FPG with less than \$300,000 net worth can receive a 15% discount on charges.

In addition, individual and collaborative activities will continue that address the previously identified areas of community need in our **Access Improvement Plan**, as follows:

Flex Program Area	Community Need	Objective
<p>1. Strengthen the Primary Care Safety Net</p>	<p>Uninsured and under-insured populations in need of primary care and hospital services</p>	<p>Support White Mountain Community Health Center as the most appropriate environment to serve health care needs of uninsured, Medicaid and low income families</p> <p>Expand financial assistance programs for uninsured and underinsured patients</p>

<p>2. Enhance community efforts to deliver primary health care services.</p>	<p>Demonstrated lack of access, affordability and/or availability to services in these areas, as documented in 2003 Community Needs Assessment:</p> <ul style="list-style-type: none"> • Mental health • Dental care • Prescription drugs • Transportation • Information & referral • Prevention, wellness & education 	<p>Improve and expand access, affordability and availability of services in these areas:</p> <ul style="list-style-type: none"> • Mental health • Dental care • Prescription drugs • Transportation • Information and referral • Prevention, wellness & education
<p>3. Enhance access to primary care providers.</p>	<p>Timely access to primary care providers.</p>	<p>Recruit and maintain appropriate number of qualified primary care providers in hospital service area.</p> <p>Create, maintain or expand programs that support primary care and related services</p>
<p>4. Strengthen the local EMS system.</p>	<p>Quality EMS services and linkages among local squads and providers</p> <p>Adequate supply of certified EMS personnel</p> <p>Inter-facility patient transport</p> <p>Adequate and appropriate trauma services</p> <p>Adequate and appropriate public health networks</p>	<p>Offer clinical site training for EMS personnel</p> <p>Participate in NH Trauma System</p> <p>Participate in development of local public health networks and emergency response systems</p>

Financial and related support for all of the aforementioned programs is expected to continue, and in some cases, be expanded or adapted as warranted by changing situations.

TMH also supports other community activities in categories identified in the 2003 Community Needs Assessment, and those which have come to forefront since that time.

In addition, the hospital expects to continue its community leadership in development of opportunities and support for health care careers and education, promotion of volunteerism for all ages, and enhancement of the quality of life in the Mt. Washington Valley and surrounding communities.

CATEGORY 1: Charity Care

Charity care is measured by most healthcare providers as the COST of free or discounted healthcare services to persons that have demonstrated an inability to pay. *It is exclusive of bad debt.*

During the past fiscal year, Memorial’s **Healthcare Assistance Program (HAP)** was available to families with incomes at or below 200% of Federal Poverty Guidelines. It covers inpatient, outpatient and emergency services for ALL members of the approved family unit for one year. The program does not restrict participation based on residency. At all times, charity care is provided to patients in a manner that protects their privacy and ensures their dignity.

During FY 2007, TMH completed a full evaluation of its current policies, and plans significant changes to the program’s qualifying criteria beginning July 1, 2007 which are designed to greatly improve access to care for those with limited means to pay.

	FY2006	FY2007	Budget FY2008
# of Applications Approved	940	932	
\$ Cost of Discounted Services	2,168,507	1,739,156	2,160,000

CATEGORY 2: Public Programs

The two most prominent public programs that hospitals participate in are Medicare and Medicaid. In New Hampshire, most healthcare providers receive reimbursement from these public programs *at a rate less than it costs to provide these services*.

This “shortfall” – the difference between the reimbursement and the COST of the service provided – is identified as a **community benefit** under most suggested reporting guidelines and formats. The hospital’s designation as a **Critical Access Hospital (CAH)** status has eliminated shortfalls under the Medicare program due to cost reimbursement. Therefore, only shortfalls for the Medicaid program are reported.

FY2006	Charges	Cost	Reimbursed	Shortfall
MEDICAID				
Inpatient	1,429,701	643,365	357,045	286,320
Outpatient	1,389,645	580,960	530,127	50,833
<i>Total Medicaid Shortfall/Benefit</i>				\$337,153

(*Figures reported in this section are estimates and are not final as of the filing of this report.)

CATEGORY 3: Non-Billed Services

Non-billed services are those that have been designed as a public benefit with a charitable or community service intent. Typically, these services are offered at no cost or at a reduced fee. Continued participation in all programs is anticipated for FY2008, with expansion anticipated in Medication Bridge and the Women’s Health Initiative.

FY2006: SERVICE/PROGRAM	# Served	Target Group	Actual Charge	Reduced Charge	\$ Benefit
<i>Carroll County HealthLine: A toll-free information and referral service for local, state & national health and human services</i>	953	<i>General public</i>	-0-	-0-	\$27,900
<i>NH Breast & Cervical Cancer Early Detection Program – Enrollment Site providing free mammograms</i>	82	<i>Uninsured and under-insured women over 40 meeting age & income criteria</i>	\$260	-0-	\$21,320
<i>Women’s Health Initiative: Reduced-rate Mammogram Voucher program for TMH providers and White Mtn. Community Health Center</i>	110	<i>Uninsured and under-insured women seen by local practices who do not qualify for other financial assistance</i>	\$260	\$52	\$22,880
<i>Medication Bridge: Initiative to provide low-income individuals with access to free or low-cost prescription drugs</i>	1,601 prescriptions ordered	<i>Low-income, uninsured patients of TMH providers in need of long-term medications</i>	-0-	-0-	<i>Program cost to TMH: \$60,000 (Cash value of prescriptions to clients: \$476,845)</i>

CATEGORY 4: Low or Negative Margin Services

Low or negative margin services are defined as services that DO NOT produce any margin of revenue over expenses, but are offered by the hospital as part of its mission because it is a needed service that would not otherwise be available in the local community. In The Memorial Hospital, the following services meet that definition:

- **Cardiac Rehabilitation**
- **Chemotherapy/Oncology**
- **Emergency Department & Trauma Center**
 - **Intensive Care Unit**
- **Maternity Unit/Nursery, Labor & Delivery**
 - **Medical/Surgical Unit**
- **Merriman House (ICF level nursing home)**
 - **Operating Room**
- **Physical Therapy/Rehabilitation Services**

There is no direct cost benefit attributable to this category; rather, it is implied that a hospital brings benefit to the community by offering these necessary healthcare services regardless of the fact that they do not and cannot pay for themselves.

No other health care facility exists within a 30-mile radius that provides emergency or maternity services.

TMH anticipates and has budgeted for the same results in FY2008.

CATEGORY 5: Community Health Activities
Health Promotion & Screening Activities; Health Education Programs; Cash, Equipment & In-Kind Donations; Community Leadership; Volunteer Services

This category includes work done in collaboration with many local agencies* in response to identified local health needs. Specifically, the hospital alone or through collaborative efforts carried out the following types of activities:

- Programs and events sponsored by the hospital, alone or in collaboration with others, focusing on promotion of health or diagnostic health screenings for the benefit of community groups, schools, and other local organizations or businesses at no cost or reduced fee;
- Educational programs and presentations by the hospital for community groups, schools, and other local organizations or businesses at no cost;
- Contributions of cash, supplies, equipment, meeting space, sponsorships or other donations to support community organizations;
- Community leadership and participation in efforts and groups that play a role in community building and/or community health; hospital management and employee participation in numerous local boards, organizations, school and civic activities; and
- Services and programs that provide opportunities for adults and teens to contribute to the organization and the greater community in meaningful ways through volunteerism, job shadowing, internships and continuing education.

FY2007 Community Health Activities	Expenses
White Mountain Community Health Center – TMH Financial Support	\$134,595
Community Health Events, Programs and Activities	\$35,850
Scholarships, Volunteer and Student Programs	\$31,794
TOTAL:	\$202,239

* **Partners in various projects during FY2007 included, but were not limited to:**
 American Cancer Society, American Diabetes Association, American Heart Association, Area Mental Health Practitioners Forum, Carroll County Health & Home Care Services, Carroll County HealthLine, Dollars for Scholars, Foundation for Healthy Communities, Fryeburg Academy, Gibson Center for Senior Services, Jen’s Friends Cancer Foundation, Merriman House, MWV Chamber of Commerce, MWV Economic Council, MWV Healthcare Associates, NH Dept. of Health & Human Services, NH Technical College, Northern Women’s Healthcare, Project Graduation, RSVP, SAU #9 and #13, MSAD #53, ServiceLink of Carroll County, Starting Point Domestic Violence, Tamworth Community Nurse Association, Tin Mountain Conservation Center, Valley Outreach, Vaughn Community Services, Visiting Nurse & Hospice Care Services of Northern Carroll County, White Mountain Community Health Center, and White Mountain Milers.