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See No Evil, Hear No Evil, Speak No Evil
Healthcare Systems' Opportunities

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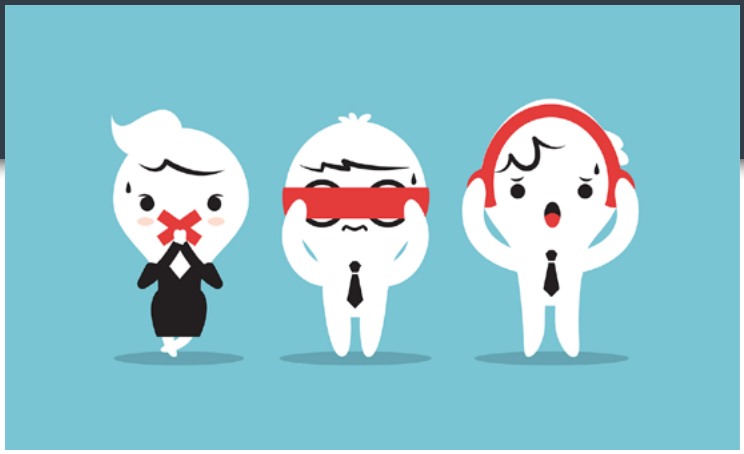

"Various meanings have been ascribed to the iconic monkeys including associations with being of good mind, speech, and action."[1] With complete reporting, shared resources, and appropriate distribution, healthcare entities can maximize benefits for everyone—people served, communities supported, and themselves.

Healthcare systems and hospitals want the public to view them as icons, ideal models in the best ways to address diseases and improve health. Fortunately, many institutions are capable of fulfilling these high expectations.

However, room for improvement exists. Actions speak louder than words. Three recent factual studies have exposed some shortcomings and more importantly, challenged the highest and best use of limited resources to fulfill healthcare systems' missions. The stress of COVID-19 has raised the bar for seeking better prevention within communities rather than just maintaining status quo metrics for social determinants of health.

Directing assets to objectively improve quality, broaden access, and grow community benefits helps everyone's noble quest for health and well-being. Traditional expenditure of resources to enhance brand image, expand in-patient census, and grow market share perpetuates the image of a repair shop, rather than an organized prevention program.

More healthcare systems are extending vertically, acquiring physician practices and other health-related entities. They are simultaneously expanding horizontally, combining with other systems across regions. Unfortunately, this has made healthcare more opaque and has misdirected previous assets. Serving the public is an onerous responsibility that relies on transparency and prudence with limited resources.

By way of background, about 56% of hospitals in America are nonprofit. Any of their excess revenue is normally reinvested in the systems, whether updating facilities and equipment; caring for everyone, regardless of ability to pay; and providing additional documented community benefits to further their missions. Nonprofit hospitals and healthcare systems do not pay corporate or real-estate taxes.[2]

Another 22% of health systems are investor-owned (aka for-profit), who have similar motivations but pay corporate taxes and thus are exonerated from documenting community benefits. This fact doesn't mean for-profit hospitals don't strive to improve the health of the population they serve, particularly as fee-for-service payment migrates to pay-for-value (aka capitation). The remaining hospitals and health care systems are government controlled, like the Veterans Administration or belong to some other miscellaneous category.

COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA)

The Affordable Care Act mandated nonprofit hospitals and healthcare systems must prove and document every three years that the community benefits they produce exceed the tax exemptions they receive, according to Community Health Needs Assessment for Charitable Hospital Organizations—Section 501(r)(3). This obligatory report must:

1. Define the community it serves.
2. Assess the health needs of that community.
3. Solicit and take into account input received from persons who represent the broad interests of that community, including those with special knowledge of or expertise in public health.
4. Document the CHNA in a written report, and that an authorized body of the hospital facility adopts on behalf of the organization.
5. Make the CHNA report widely available to the public.[3]

Three recent studies report how nonprofit systems are doing meeting their obligations. Are they seeing no evil, hearing no evil, speaking no evil? Or are we?

REPORTING AND IMPLEMENTATION OPPORTUNITIES

On August 24, 2021, the *JAMA Network Open* published *"U.S. Nonprofit Hospitals' Community Health Needs Assessment and Implementation Strategies in the Era of the Patient Protection and Affordable Care Act,"* completed by authors from Yale School of Medicine. Concerningly, only 60% of hospitals in a random sample of 500 hospitals had both a CHNA report and an implementation strategy.

While defining a problem is the first important step, having a plan is mission critical. Just as obtaining the correct diagnosis is important in caring for a patient, having the treatment readily available improves the prognosis. Obviously, health system must designate resources to create a strategic plan, employ culturally competent professionals, grant protected time, and provide the funds to implement improvements.

The Yale School of Medicine study showed good compliance with defining the community, obtaining input from the community and completing the report methodology. However, describing the underserved population, prioritizing health challenges, defining required resources, and evaluating the previous plan all needed improvement.

RESOURCE ALLOCATION OPPORTUNITIES

"Top hospitals work to improve health both inside and outside their walls," states Dr. Vikas Saini, President of the Lown Institute in a July 11, 2021 report. Hospital spending on charity care and community investment is more important than ever because forces outside of traditional medical care control about 80% of health and wellness. Ranking 3,641 hospitals on community benefits produced some unexpected results for major institutions that have traditionally been pleased with their programs.[4]

Transparency, married with metrics created in the digital age, creates opportunities to share performance information that may or may not always be welcome and/or expected. The Lown Institute examined "fair share spending" for 2,391 private nonprofit hospitals, a subset of the above larger group. The Lown Institute compared those private nonprofit hospitals' retained earnings to charitable spending—data gleaned from their publicly available federal tax returns, showing Medicaid revenue, charity care, and community investment.

The 2018 study "Comparing the Value of Nonprofit Hospitals' Exemption to Their Community Benefits" defined a threshold for the amount of community care. The conclusion: hospitals that spend at least 5.9% of overall expenditures on charity care and

community investment are exceeding the benefit of their tax-exempt status.

Twenty-eight percent of hospitals in the above Lown Institute report are exceeding expectations, but sadly, the rest are underperforming, including many with "great" brands and images built around long-term, expensive marketing campaigns as noted next.[5]

REDIRECTING MARKETING DOLLARS TO PREVENTION

Does advertising by hospitals and healthcare systems have any relationship to quality? A July 2, 2021 article in the Journal of the American Medical Association answered this question. The unsettling conclusion stated: The results of this cross-sectional study suggest that the amount hospitals spent on direct-to-consumer advertising was not associated with publicly reported measures of hospital quality; instead, hospital advertising spending was higher for financially stable hospitals with higher net incomes.[6]

Healthcare has evolved dramatically over the past fifty years to include much more emphasis on financial well-being, perhaps overshadowing the noble calling of caring for patients.

Almost half of the more affluent healthcare systems (2,239 of 4,569 or 49% included in the study) are using valuable resources on marketing — probably not part of their mission statements. Boasting via a marketing scheme, when objective differences do not confirm the facts, doesn't help anyone. The mortality rate, readmission rate, patient satisfaction, and Center for Medicare and Medicaid star ratings were not meaningfully different between hospitals and healthcare systems that advertised and those that did not. The financially better-off hospitals can spend more money on advertising unrelated to performance.

Opportunities abound for healthcare systems to increase life expectancy, decrease misery, and positively influence the health and well-being of the communities that support their institutions. Marketing has less influence on these positive attributes for wellness than prevention and quality, so perhaps less should be spent on marketing. Over the past few months, whether welcome or not, national healthcare news services and academic institutions have surfaced questionable motivations.

THREE SOLUTIONS

Well-intentioned healthcare executives embracing three interrelated solutions will not only improve the health and well-being of those they serve but also easily correct the above three deficiencies. Three action steps are necessary:

- First, expand access to care for everyone, across the socioeconomic spectrum, to mitigate the severity of illness.
- Second, focus on prevention to help everyone by decreasing the need and cost of care.
- Third, invest in effective, sustainable, community programs that can accelerate both previous goals.

Reaching these three goals shared in the triannual CHNA would exceed expectations for the communities served as well as regulatory bodies — plus the aims are the right thing to do.

Studies show that by switching resources from dispensable marketing campaigns focused on image to effective prevention programs centered on people, places, and policy, hospitals can lengthen life expectancy, improve well-being, and lower costs. By acting good mind, speech, and action recommended in the conclusions of the studies above, we'll see fewer instance of Seeing, Hearing and Speaking Evil. Change follows transparency.

SOURCES

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AUTHOR

Dr. Allen Weiss is Chief Medical Officer for the national Blue Zones Project. Having practiced rheumatology, internal medicine, and geriatrics for 23 years and been President and CEO for 18 years of a 716-bed, two-hospital integrated system, Dr. Weiss now has a national scope focused on prevention.

After graduating from Columbia University's College of Physicians and Surgeons and subsequently completing his training at both the New York Presbyterian Hospital and Hospital for Special Surgery of Cornell University, he had a solo practice in Rheumatology, Internal Medicine, and Geriatrics for twenty-three years. He is recognized both as a Fellow of the American College of Physicians and a Fellow of the American College of Rheumatology.

Dr. Weiss's national commitments and honors include: named as one of the Top 100 outstanding physician leaders of healthcare systems by Becker's Hospital Review multiple times; chosen as a keynote speaker at numerous meetings; served five years on the Regional Advisory Council of the American Hospital Association; elected to the American Hospital Association Board in 2017; selected as Chairman of the Upper Midwest Vizient Board; and continues as a Director of American Momentum Bank. In 2005, he was invited to testify on information technology before the U.S. House Ways and Means Health Subsection.