



Harness the Power of Your Community Health Needs Assessment to Address SDOH and Advance Health Equity

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Hospitals are required to complete a community health needs assessment (CHNA) every three years to meet the statutory requirements set forth by the Internal Revenue Service (IRS) and mandated in the Affordable Care Act (ACA). While the IRS and ACA both require that hospitals develop implementation plans to address identified needs, there is much discretionary leeway in the types of needs identified and the implementation plans assigned to those needs. To align with national priorities in advancing health equity, hospitals should use CHNAs to identify key social drivers of health (SDOH) that affect their communities and develop tailored solutions to address them.

Payment Reform Focused on Equity and Quality Improvement

CMS is incorporating health equity elements into all Medicare, Medicaid, and Children's Health Insurance Program (CHIP) initiatives over the next 10 years.¹ This will affect every hospital and health system's data collection and reporting, capacity-building plans, and educational infrastructure.

CMS's Innovation Center has already begun implementing health equity requirements into its model pilots. The Accountable Care Organization Realizing Equity, Access, and Community Health (ACO REACH) program, for example, includes reporting demographic and SDOH data, factors health equity into financial benchmarking, and requires participants to include annual health equity action plans. The Medicare Advantage Value-Based Insurance Design model is also implementing health equity measures.

¹ [CMS Framework for Health Equity 2022–2032](#), April 2022.

Similar payment innovations are underway at the state level. For example, California’s Department of Health Care Services (DHCS), which finances and administers the state’s Medicaid program, updated its Comprehensive Quality Strategy (CQS) in 2022 to address multiple drivers of health at the individual and system level.² Specifically, DHCS’s “Bold Goals: 50x2025” initiative aims to reduce five types of health disparities by half and outlines a set of priority clinical outcome measures that will be incorporated into value-based payment models.

Furthermore, California’s Department of Managed Health Care is mandating improvements in data collection and stratification, workforce diversity and cultural responsiveness, and disparity reduction efforts beginning in 2023. Specifically, an organization will need to show improvement in 13 health equity and quality measures to optimize Medi-Cal managed care rates.³

→ Key Board Takeaways

- CMS is incorporating health equity as a “foundational element” across all its programs. Innovative state Medicaid value-based payment programs will also incorporate health equity outcomes.
- In response, boards should ensure that 1) the CHNA is designed to fully assess barriers and inequities that influence health outcomes and 2) initiatives aimed at addressing CHNA-identified SDOH optimize the programs, services, and resources provided by the hospital and/or its community partners.
- Implementation frameworks to address SDOH should focus on areas that require immediate action, maximize organizational capabilities and community partnerships, and embed technology-enabled pathways to connect patients to supportive resources.

Addressing SDOH

Hospitals and health systems are facing new accountabilities for advancing health equity and reducing health disparities. Numerous studies have linked health disparities to socioeconomic and related SDOH characteristics, which can include food insecurity,

2 “DHCS Comprehensive Quality Strategy,” 2022.

3 CMS, *2022 Health Equity and Quality Committee Recommendations Report*.

housing instability, limited community resources, and structural and interpersonal racism. Therefore, failing to address the SDOH findings from your most recent CHNA will translate to lower performance in state and federal value-based programs.

Step 1: Ensure the CHNA Collects Meaningful Data on SDOH

To utilize a CHNA to address SDOH, collect data that identifies vulnerable populations and aggregates key findings in a way that allows for analysis of significantly impacted areas. For example, if timely screening for breast cancer is identified as an issue, determine the potential impact by demographic categories (e.g., ethnicity, household income, and age) and/or geography. An implementation strategy can then be developed to focus on specific segments of the population.

Boards should regularly review their hospital's CHNA to ensure it is properly stratifying the patients served, including underserved communities and historically marginalized populations. Boards should also regularly engage in generative dialogue to determine the desired outcomes for their communities and help guide implementation strategies (see "Generative Dialogue" sidebar).

→ Generative Dialogue

Generative dialogue is a process that allows boards to move away from fact-based discussion or a question-and-answer format. When engaging in a generative dialogue, the focus is on a future state or what could be. The goal is not to find a solution or come to a decision about an issue, but to envision a range of possibilities or end states where all ideas are considered.

Generative dialogues that could drive the best use of CHNAs might explore questions such as:

- What does a healthy community look like in 10 years?
- What barriers to health equity could we eliminate with unlimited resources?
- What community partnerships would we pursue if possible?
- What challenges to community health might emerge in the next 20 years?

These generative conversations can help boards look to the future and reshape CHNA processes to address SDOH and emerging challenges.

Step 2: Define the Significant SDOH Areas of Concern that Require Intervention

The next step is to identify SDOH-related issues that affect the people of your community. For example, if lack of access to your hospital's physical locations is leading to poor health outcomes in breast cancer, prioritize better accessibility to screening services. Consider adding new locations in highly impacted communities or deploying mobile services that target the populations identified in the CHNA as having the greatest need.

Hospitals and health systems should also explore ways to identify SDOH-related needs at the time of visit. A common strategy for doing so is implementing routine screening for health-related social needs and referring patients to community resources as a part of their treatment plan. For example, if a CHNA finding states that a subset of the community has a high likelihood of housing insecurity, then screening questions would be embedded in questionnaires where the affected population most commonly presents (e.g., the emergency department). Once identified, a direct referral to a community-based resource would be made.

Step 3: Maximize the Hospital's Capabilities and Community Partnerships

Initiatives aimed at improving SDOH and health equity should optimize the programs, services, and resources provided by the hospital and/or its community partners. Start by assessing how your existing capabilities can be deployed to meet the needs identified in step 1.

For example, if a need for additional mammography screenings is identified, can your organization deploy a mobile mammography strategy that uses existing staff resources or partnerships? If not, is there an existing service you can partner with? Are there community organizations that can support the childcare and transportation needs of individuals needing to travel for mammography services? These questions guide a planning process that starts with internal capabilities, then moves to existing community partners, and, lastly, considers creating new community partnerships.

Step 4: Embed Technology-Enabled Pathways to Connect Patients with Supportive Resources

Exploring additional telemedicine options is another way to increase access to care by minimizing geographic barriers. Do you have existing resources (e.g., an EMR or a patient portal) that can pilot a virtual urgent care campaign? If not, consider partnering with a vendor that can provide the needed technology.

→ Key Questions for Boards to Ask about SDOH and Health Equity

- Federal and state agencies are incorporating health equity into their payment models. How prepared is our hospital to address SDOH and comply with new requirements aimed at reducing healthcare disparities?
- Does our CHNA provide a clear picture of SDOH within the communities we serve?
- What actionable steps should the board take to ensure quality programs are aligned and community partnerships are maximized to address SDOH and advance health equity?
- What top two or three SDOH should our organization prioritize for intervention?

Harnessing the Power of CHNAs for SDOH-Related Improvements

Hospital boards should evaluate their organization's CHNA and ensure that both the assessment and planning processes fully harness the power of this periodic report. CHNAs should not just be regulatory window dressing to meet compliance requirements. Properly utilized, they are a powerful tool for improving healthcare delivery tactics, strengthening community partnerships, and driving high-quality outcomes.

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