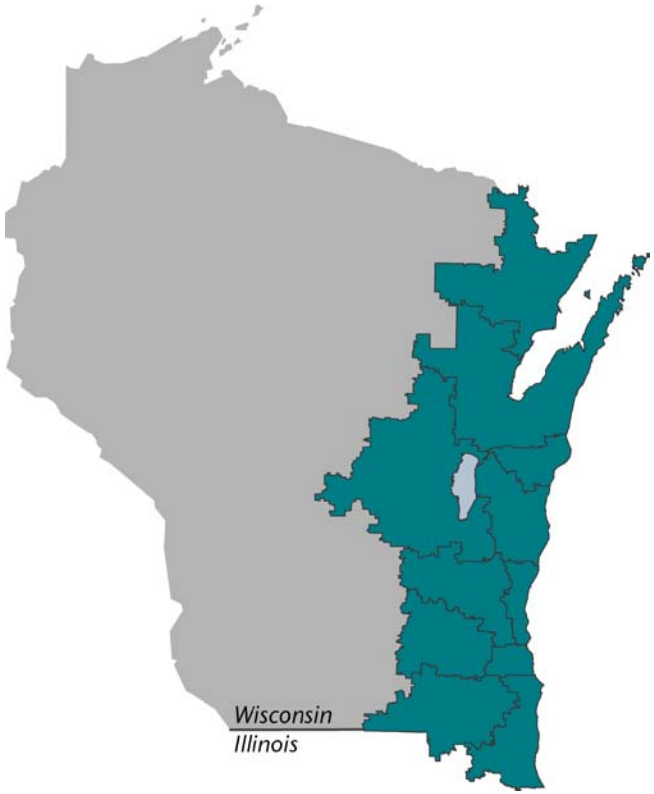
Institutional Governance and Oversight

Community Benefit

Mark Huber, MS

Vice President, Social Responsibility
Aurora Health Care

Aurora at a Glance



- Private, not-for-profit integrated health care provider serving 90 communities
- 15 hospitals, multiple EINs
- 157 clinic sites
- 1,416 employed physicians
- Largest homecare organization in the state
- 82 retail pharmacies
- 30,000 caregivers
- 91,000 inpatient discharges
- 2 million hospital and outpatient visits
- 4 million ambulatory care visits
- $41 million charity care at cost
- $224 million Medicaid shortfall at cost
- $32 million community benefit programs
- $297 million total community benefits

Aurora Health Care®

Aurora Health Care is a not for profit health care provider and national leader in efforts to improve health care quality.

A Social Responsibility Framework

It's about:

- Mission
- Leadership
- Quality
- Transparency

Working Definitions

- Social Responsibility is the business strategy that shapes the values underpinning an organization's mission and the choices made each day by its executives, managers and employees as they engage with community stakeholders.

  --Source: Center for Corporate Citizenship at Boston College

- Social Responsibility is a commitment to improve community well-being through discretionary business practices and contributions of corporate resources.

  --Source: Northwestern Kellogg School of Management, S.C.

Aurora's Definition

The principle that guides Aurora Health Care's actions as a not-for-profit to improve the health and well-being of the communities it serves.

Aurora Health Care®

A Board Committee for Social Responsibility

It should be:

- Meaningful for all our external stakeholders
- Meaningful for all Aurora caregivers
- Focused on critical community needs
- Cost-effective
- Measureable

Social Responsibility Committee Charter
Aurora Health Care Board of Directors

- Monitor IRS community benefit reporting requirements (Form 990, Schedule H)
    - Oversee an annual assessment of community health needs to ensure Aurora is consistently responsive to the needs of the communities and individuals it serves;
    - Contribute to the planning and implementation of Aurora's community benefit program
    - Review and approve Aurora's annual Community Benefit report
- Evaluate how Aurora has fulfilled its vision and mission with regard to social responsibility and population health improvement
- Report to the board on social responsibility activities and policies

Social Responsibility Committee Composition

Current

- Professor, Department of Management, DePaul University
- Health Commissioner, City of Milwaukee
- Attorney, specializing in geriatrics, Plymouth
- Professor of Economic Development & Urban Studies, UWM
- Senior Minister, Milwaukee
- Professor of Nursing (retired), Kenosha
- Community Development Leader, Milwaukee
- Business Leader, Wauwatosa

Adding

- Two Physicians with population health focus
- Community Health Foundation representative
- North Region representative

Internal Management and Operational Structures

Community Benefit is a distinct management function and should be approached with the same rigor as other organizational priorities:

1. Integrate community benefit throughout the organization's core documents: Mission, Vision, Values, Strategic Plan
   Example: Aurora's Strategic Plan includes a goal to "Foster healthy and vibrant communities"
2. Align Community Benefit staff with the CEO or a member of the senior leadership team
3. Create a Community Benefit Team for every Hospital/EIN including representation as appropriate from administration, finance, communications, clinical departments, and mission/community outreach
4. Establish a dashboard to monitor and evaluate progress on targeted needs
5. Create transparent mission related policies on charity care, billing and collection, community sponsorship review, etc.

Governance Challenges Under Schedule H Guidelines

The requirement to report community benefit at the legal entity (EIN) level creates governance challenges for health care systems:

1. Must align community benefit budgets with Hospital EINs in order to be counted in community benefit totals.

2. EIN level reporting does not result in apples-to-apples comparisons between health systems. For example systems vary as to inclusion of medical groups/clinics in hospital EINs.

3. Community Benefit reporting at the EIN level undercuts a core value of integrated systems – developing excellence and management efficiency in signature programs addressing needs in common across EINS (access to health care, obesity, tobacco use, binge drinking).