



# COMMUNITY BENEFIT INVESTMENT: FOOD FOR HEALTH

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## Executive Summary

The five-county area located in central Minnesota is composed of Cass, Crow Wing, Morrison, Todd, and Wadena Counties. This rural area is composed largely of farmland. According to demographic and health data, these counties have some of the highest poverty and food insecurity rates in the state of Minnesota (Feeding America, 2020; U.S. Census Bureau, 2020). This indicates that the community in these counties are highly susceptible to health disparities and health inequities. Community health data supports the claim that there is a significant community need for social or health intervention in each of these counties.

There are six not-for-profit hospitals in the five-county area: Lakewood Health Systems (Staples, MN), St. Gabriel's Health System (Little Falls, MN), Cuyuna Regional Medical Center (Crosby, MN), CentraCare (Long Prairie, MN), Essentia Health (Brainerd, MN), and Tri-County Hospital (Wadena, MN). Under the Affordable Care Act, not-for-profit hospitals are required to conduct community health needs assessments (CHNAs) every three years to assess population health, identify rising community health concerns, and strategize approaches to address these concerns. Through CHNAs, these non-for-profit hospitals have identified obesity, social determinates of health, and mental health as the three major areas of concern in the community.

Moreover, under the Affordable Care Act, not-for-profit hospitals are required to provide community benefit investments in accordance with the IRS tax form 990 Schedule H for 501(c)(3) organizations. Community benefit investments are intended to improve community capacity to address community health concerns identified in the CHNA. Upon investigation, the six not-for-profit hospitals are not meeting this expectation. A mere 4.7% of the community investment budget was invested into community benefit programs, on average, by each of the five hospitals (IRS, 2020).

This report proposes that greater investment in food for health initiatives, such as farm-to-institution and nutrition programs, would help to address the primary health concerns identified in the CHNAs and improve community health. In addition, investment in such programs in collaboration with community organizations would strengthen existing community resources and infrastructure. Prioritization of food for health initiatives could reduce excess healthcare costs attributed to poor nutritional health, obesity, and obesity-related conditions that are burdened by patients and hospitals. Multiple funding streams may be leveraged to achieve these goals. Successful food for health programs led by not-for-profit hospitals exist nationally and within the state of Minnesota, as well. The five-county region has an opportunity to build a healthier future for the community. A food for health initiative is the necessary public health strategy to achieve positive community health outcomes and health equity.

## Demographics

Table 1: Demographics of Cass, Crow Wing, Morrison, Todd, and Wadena Counties Compared to Minnesota State Average

	Minnesota	Cass	Crow Wing	Morrison	Todd	Wadena
<b>Population</b>	5,639,632	29,779	65,055	33,386	24,664	13,682
<b>Race</b>						
White	83.3%	84.4%	95.9%	97.1%	96.3%	95.5%
African American	7.0%	0.4%	0.9%	0.9%	0.7%	1.1%
Native American	1.4%	12.4%	1%	0.4%	0.7%	0.8%
American Asian	5.2%	0.4%	0.5%	0.4%	0.5%	0.5%
Hispanic/Latinx	5.6%	2.3%	1.5%	1.9%	6.8%	2.1%
<b>Education</b>						
High school education	93.1%	92.2%	94.1%	90.7%	87.0%	90.6%
Bachelor's degree or higher	36.1%	23.2%	24.7%	17.3%	15.1%	13.8%
<b>Health</b>						
People without health insurance	5.8%	10.3%	6.5%	6.7%	8.9%	6.7%
Food insecurity rate	7.7%	11.1%	9.8%	9.7%	9.6%	12.7%
<b>Income</b>						
Median income	\$71,306	\$52,204	\$56,549	\$57,815	\$53,585	\$46,605
Poverty rate	9.0%	11.4%	11.4%	10.5%	11.8%	12.5%

Demographic information of Minnesota and the five-county regions of Cass, Crow Wing, Morrison, Todd, and Wadena counties has been retrieved from the United States Census Bureau database. Data are based on information gathered from residents in the 2019 Census report. According to these data, each of the counties rank below average in achievement of a bachelor's degree of higher and median income. Moreover, these counties rank above the Minnesota state average in people without health insurance and poverty rate (U.S. Census Bureau, 2020). In fact, Wadena County is one of the most impoverished counties in Minnesota (Minnesota Compass, 2019). Food insecurity rates were retrieved from Feeding America Minnesota is ranked as the 7th worst state in the nation for food insecurity, with a rate of 7.7% (Minnesota Department of Health, 2019). As shown in Table 1, each of the counties in the five-county region rank worse than the Minnesota state average (Feeding America, 2020).

## **CHNA Trends**

The not-for-profit hospitals Lakewood Health Systems, St. Gabriel's Health System, Cuyuna Regional Medical Center, CentraCare, Essentia Health, and Tri-County Hospital conduct community health needs assessments (CHNAs) every 3 years. These hospitals are within the five-county areas of Cass, Crow Wing, Morrison, Todd, and Wadena. Results from the latest assessments reveal similar health trends amongst the counties. The community health needs assessments identified three categories of priority in which there is the greatest concern for community health: obesity, social determinates of health, and mental health. Two of these categories directly involve food and nutrition. Nutrition and access to nutritious food is an essential role in overall health. Research has shown that healthy nutritional status can reduce the risk of chronic disease development, improve overall health, and reduce medical costs (Minnesota Department of Health, 2019; USDA, 2020).

The rate of obesity and obesity-related conditions, such as diabetes or high blood pressure, has steadily increased since the early 2000s. CDC data from 2019 indicates that the average rate of overweight and obesity was 65% in Minnesota (CDC, 2020). CHNA reveals that 73.7% of residents in Morrison, Todd, and Wadena counties are overweight or obese. In the region, rates of obesity, as well as other chronic nutrition-related diseases, are higher than the Minnesota state average. Currently, the five-county region exceeds the Healthy People 2020 target goal of 30.6%. This is a significant community health concern given the great body of evidence that suggests that obesity can increase the risk of morbidity and mortality. In addition to regular physical activity, consumption of healthful, nutritious foods can help individuals achieve a healthy weight status and prevent chronic disease development (USDA, 2020).

The social determinates of health have gained significant notoriety and are considered to have the greatest influence on wellbeing and health outcomes. Among other factors, the food

environment can have a significant effect on health in regards to food access, security, and behavior. On average, 1 in 9 people within the five-county region experiences food insecurity (Feeding America, 2020). The Health4Life Survey used to inform the community health needs assessments revealed that over half of respondents from the community believed that access to healthy food is a problem in their county. Their concern is not misplaced. Data from Feeding America (2020) indicates that the rate of food insecurity or limited access to food within each county of the five-county region is greater than the Minnesota state average. In fact, the rate within Wadena County is almost twice as high as the average rate of food insecurity in Minnesota. This has translated to food behavior. The Health4Life Survey also indicated that only 16.6% of respondents met the recommended daily intake of 2 cups of fruit. A mere increase to 19.3% of respondents met the recommended daily intake of 2.5 cups of vegetables. This could be why food insecurity is associated with poor health outcomes and increased medical costs (Minnesota Department of Health, 2019).

## **Community Benefit Investment Budget**

Under the Affordable Care Act, not-for-profit hospitals are required to conduct community health needs assessments. This is done to monitor and track the health of the community population, as well as help strategize ways to address developing health concerns and motivate communities to reach health promotion goals. In addition, the Affordable Care Act requires not-for-profit hospitals to invest in community benefit programs. Not-for-profit organizations, including hospitals, are tax-exempt, meaning they do not have to pay federal taxes. However, hospitals may only qualify for tax exemption if they provide community benefit investments. The idea is that these hospitals would invest in community programs that address the health concerns identified in the community health needs assessment. This would encourage a preventative rather than a prescriptive approach.

Not-for-profit hospitals report community benefit investments to the Internal Revenue Service (IRS) via the IRS Form 990 Schedule H. Community benefit investments may come in the form of financial assistance to patients or bad debt attributable to financial assistance, subsidized health services, absorbing unreimbursed underpayments of Medicaid and other means-tested government programs, funding of medical research and education for health professionals, and finally community benefit programs. Hospital community benefit investment budget is separated into these categories on the Schedule H IRS Form 990. This information is publicly available online to ensure accountability. National data from 2017 shows that, on average, hospitals spend 13.8% of their annual budget on community benefit investments. Of these investments, 46.4% is spent on financial assistance, unreimbursed Medicaid, and other unreimbursed costs from means-tested government assistance programs (American Hospital Association, 2020).

However, not-for-profit hospitals that reside in the five-county region of Cass, Crow Wing, Morrison, Todd, and Wadena are underperforming in this regard, with the exception of St. Gabriel's Health System. St. Gabriel's Health System invested 46.37% of their community benefit investment budget on financial assistance, unreimbursed Medicaid, and other unreimbursed costs from means-tested government assistance programs. With the exclusion of St. Gabriel's Health System, not-for-profit hospitals Lakewood Health Systems, Cuyuna Regional Medical Center, CentraCare, Essentia Health, and Tri-County Hospital spend, on average, 87.9% of their community benefit investment budget on financial assistance, unreimbursed Medicaid, and other unreimbursed costs from means-tested government assistance programs. A mere 2.3% of this budget was invested into community benefit programs, on average, by each of the five hospitals (IRS, 2020).

Table 1: Tri-County Not-For-Profit Hospitals 2019 Community Benefit Expenses

	Net Community Health Improvement Services and Community Benefit Services	Total Financial Assistance and Means-Tested Government Programs	Total Net Community Benefit Expenses
<b>Lakewood Health Systems</b>	\$335,852	\$9,441,425	\$10,033,285
<b>Cuyuna Regional Medical Center</b>	\$483,866	\$12,485,631	\$13,114,569
<b>CentraCare</b>	\$0	\$2,742,939	\$2,745,400
<b>Essentia Health</b>	\$96,993	\$9,395,356	\$9,558,054
<b>Tri-County Hospital</b>	\$372,100	\$5,267,846	\$10,139,834
<b>St. Gabriel’s Health System</b>	\$215,984	\$615,726	\$1,320,974

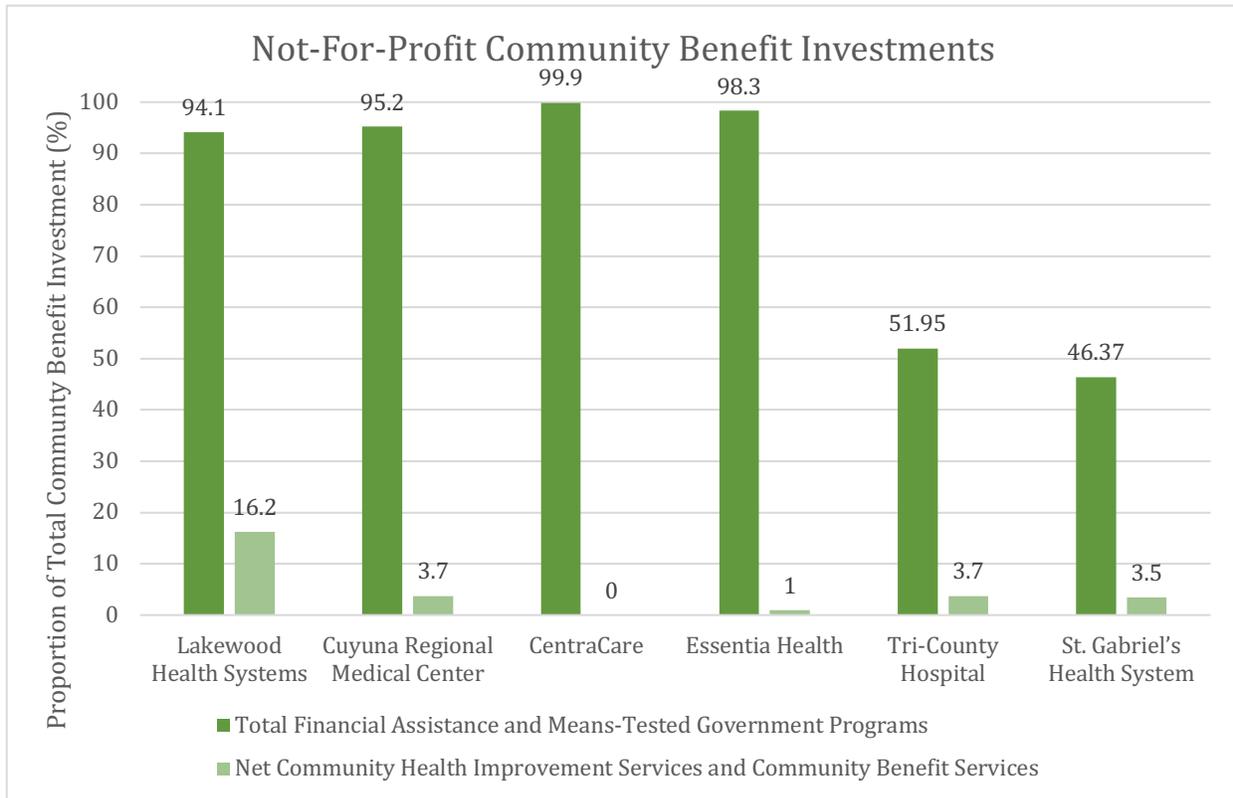


Figure 1: Distribution of 2019 Community Benefit Investment Budget at Tri-County Not-For-Profit Hospitals

The community benefit investment budgets of each of the six hospitals has been broken down in Table 2 and Figure 1. As shown, there is a disproportionate distribution of financial investments amongst the hospitals. Rural hospitals typically experience a greater challenge to remain in service. Rural hospitals serve populations that are more elderly, unhealthy, impoverished, and lacking health insurance. This may result in a significant burden of healthcare cost for the hospital. These circumstances have manifested in the distribution of community benefit investment budgets for the six not-for-profit hospitals in the Cass, Crow Wing, Morrison, Todd, and Wadena counties. Currently, the intention of the Affordable Care Act is not being met to its fullest potential.

## Strategies

### I. Program investment

Rural not-for-profit hospitals have the advantage of intimately knowing their community and its needs. Unfortunately, factors that exist outside of the hospital walls can have the greatest impact on the health and wellbeing of the public. The social determinates of health have a

significant influence on community health but can play a crucial role in the betterment of it. Based on the results from the community health needs assessments, not-for-profit hospitals have set goals to prevent and reduce the rate of obesity seen in children and adults, as well as improve the food environment in communities to increase food access, security, and positive food behavior. All the not-for-profit hospitals identify food as an essential factor to improve population health. A food for health initiative is the necessary public health strategy to achieve positive community health outcomes and health equity.

Community collaboration has been named as a foundational strategy to improve population health. Hospitals should leverage resources that currently exist and improve community capacity to advance strategies of addressing health concerns. It is paradoxical that food insecurity exists in rural Minnesota, home to many local farms. This discrepancy can be reversed through community initiatives. Organizations like Sprout MN strengthen the local food and agriculture community. They have leveraged existing food sources within the local rural farming market to increase access to nutritious food in the community. Empowerment of the rural-to-rural market through investment in farm to institution could be the solution to this double-edged dilemma. Farm-to-institution programs include, but are not limited to, farm to school programs, summer food service program, on-site farmer's markets, comarketing CSAs for employees and patients, and continuing culinary education. These hospitals have the opportunity to build and strengthen community partnerships with organizations that address health concerns identified through the CHNAs. This would result in the convergence of efforts to work towards collective solutions. This is the opportunity to engage stakeholders to create a more equitable food system and have a greater positive community impact. In addition to greater community benefit investments, healthcare providers could provide resources and recommendations for at-risk patients to participate in programs. Many individuals trust their local health care providers for advice. This could be a successful point of intervention.

In effect, this could reduce healthcare costs that hospitals currently burden. In 2017, obesity was responsible for approximately \$3.2 billion additional medical expenses in Minnesota. Furthermore, it is estimated that 35% of the medical expenses were financed by Medicare and Medicaid (Minnesota Department of Health, 2018). Supporting community initiatives designed to improve nutritional health and reduce obesity could effectively improve community health. Improved community health could result in fewer hospital visits and reduced excess healthcare costs attributed to poor nutritional health, obesity, and obesity-related conditions. The prioritization of primary prevention is the solution to unnecessary adverse symptoms of reliance on tertiary prevention approaches.

## **II. Funding streams**

Greater community benefit investment from hospitals could provide community programs with the support they need to provide interventions that combat community health concerns and improve population health. Moreover, a funding model that can leverage hospital investments to procure more funding from grants or other funding streams is a viable option that would result in more impactful outcomes. This model expands upon current funding models and may be used to subsidize a program. Funding must be procured to support the program, but also the administration and operation of it. Greater funding may directly contribute to growing community capacity, sustainability, and improved community health.

Numerous funding streams exist. Grants from local, state, and federal governments may provide additional financial support that could help subsidize programs. Grants from local, regional, and national foundations may also help to subsidize community programs. For example, the Community Heart & Soul Seed Grant Program provides funding for community organizations in small towns and cities. They match \$10,000 in funding that a municipality or partnering organization, such as a not-for-profit hospital, invests in a program. Corporate sponsorships are another viable option. Corporations may provide matching gifts to programs. This entails corporations matching the donation of their employees, clients, or a partnering organization. Ultimately, the power of an investment from one organization can be leveraged to procure further investments from other funding streams.

### **III. Successful Food for Health programs**

#### **Presbyterian Hospital of Albuquerque, New Mexico**

Farm to institution and other nutrition-related initiatives can have a profound impact on the community they are serving. In 2016, the Presbyterian Hospital of Albuquerque, New Mexico made a commitment to a more equitable food system. After conducting an intensive CHNA, the Presbyterian Hospital decided to forge partnerships with community organizations to develop solutions to existing community health concerns identified in the needs assessment. Similarly, to the five-county region, the CHNA identified nutritional health and food security as a top priority. In response, the not-for-profit hospital invested in various programs that centered around food for health models (Healthcare Without Harm, 2018).

Investments were made to community supported agriculture programs, farmers markets, and administrative support to a district-wide school garden program. Each of these initiatives uplift the local food system and improve access to fresh, locally grown produce. This strengthens the rural-to-rural market for farmers and combats food insecurity in the community. The initiative focused particularly on healthy food access for communities with high poverty rates, low educational achievement, and minority populations. Additionally, the Presbyterian Hospital invested in the Wellness Referral Center that connects patients to resources and community

programs to prevent and manage nutrition-related conditions and other chronic diseases. This increased participation in community benefit programs and reinforced the food for health initiative (Healthcare Without Harm, 2018).

The Presbyterian Hospital, along with their stakeholders, were dedicated to establishing a more equitable food system and addressing high rates of food insecurity in Bernalillo County. The food for health initiative was supported by a combination of funding sources. The Center for Community Health, a new division at the hospital, leveraged over \$12.5 million in funding to help subsidize community benefit programs they invested in. By investing in community programs and increasing staff capacity to administer these programs, the community experienced greater access to local, healthy food, individuals engaged in healthier eating patterns, and the local food system was bolstered. Consequently, physical, mental, and economic health will improve in the community. Their success was attributed to cross-sector engagement, partners who share equally in the work, and a unifying force towards meeting their objective (Healthcare Without Harm, 2018).

### **CHI St. Francis Health of Breckenridge, MN**

Food for health initiatives are gaining support in rural parts of Minnesota. In 2019, the CHI St. Francis Health began an implementation strategy to build a farm-to-institution program in an effort to address health concerns in the community. The CHI St. Francis Health is located in Breckenridge, Minnesota located on the western border of central Minnesota. It lies on the border with the town Wahpeton, North Dakota – its twin town. The communities in each of the towns are blended and share many trends in population data. Although both these towns are surrounded by many large-scale agricultural farms, health data revealed that there are high rates of food insecurity due to poverty and lack of access to fresh fruits and vegetables (Anderson, 2021). Data from the 2019 CHNA survey revealed that 45% of respondents do not consume the recommended daily intake of fruits and vegetables. This indicates a nutritional deficiency among members of this community despite their proximity farms (CHI St. Francis Health (2019). CHI St. Francis Health developed this community intervention to create a more equitable food system and, thus, improve community health (Anderson, 2021).

The CHI St. Francis Health has begun efforts to develop an on-campus, permaculture-inspired 1.5-acre organic produce farm to improve community health (Anderson, 2021). The goals of The Farm at St. Francis are threefold: (1) to understand the interconnections of community capital (i.e. natural capital, political capital, social capital, and cultural capital) to harness for the development of a sustainable local food system; (2) build and strengthen the network of community stakeholders, particularly among underrepresented groups, dedicated to local food policy and community health; (3) Improve food security through increasing food access, advance food equity among vulnerable populations, and broaden economic growth

opportunities for in local food for health initiatives for underrepresented groups (Luke Preussler, personal communication, January 7, 2022). The CHI St. Francis Health is utilizing multiple funding streams to financially support this community health initiative. They have procured grant money from corporations, as well as funding from not-for-profit healthcare systems, such as Common Spirit Health. While this project was initiated in 2019, progress was interrupted during the COVID-19 pandemic. In 2021, implementation of this farm-to-institution program resumed (Anderson, 2021). This program shows promise for the adoption of food for health initiatives in rural Minnesota.

## **Summary**

The five-county region of Cass, Crow Wing, Morrison, Todd, and Wadena is home to some of the worst community health outcomes in the state of Minnesota. The most recent CHNA reports conducted by local not-for-profit hospitals in this central Minnesota region have identified obesity, social determinates of health, and mental health the most significant community health concerns. This is, in part, due to the current food environment that has led to food insecurity and poor food behavior. Lack of access to nutritious food in the five-county region is a fallacy. This region is home to many farmers that currently function on a rural-to-urban market. Investment in local farm to institution programs would reallocate nutritious food from local farmers to the rural market. This would improve food security for many community members who cannot afford or access nutritious food. Engagement of stakeholders, such as local organizations, would improve community capacity to advance this program. This will increase access to, availability, and consumption of healthy foods, particularly for those who are at-risk or food insecure.

A healthier community would result in a reduction of financial burden that not-for-profit hospitals currently bear. The proposed initiative of farm-to-institution prioritizes a primary prevention approach rather than tertiary prevention approach, after onset of poor health outcomes have already occurred. Through this model, community initiatives would be sustainable and impactful. The five-county region can have the capacity to achieve better community health outcomes such as healthy body weight and food security, as well as improve overall economic, physical, and mental health in the community. Not-for-profit hospitals have the advantage of knowing the exact needs of the community it serves. Not-for-profit hospitals must continue momentum and leverage existing funding streams to maximize the impact of their investments. Greater investment in community benefit programs is the opportunity to build strength and resilience in the community. A food for health initiative is the necessary public health strategy to achieve positive community health outcomes and health equity.

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