NATIONAL HEALTH CARE for the HOMELESS COUNCIL

Health Center Strong:

Demonstrating Health Care for the Homeless Value Through Health Center Performance and Growth Trends

CAPITAL LINK
www.caplink.org

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NHCHC Fall Training Symposium

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Capital Link - Overview

- Launched in 1995, nonprofit, HRSA national cooperative agreement partner
- Offices in CA, CO, MA, ME, MO, SC and WV
- **Over $1.1 billion** in financing for **over 225** capital projects
  - **Direct assistance** to health centers and complementary nonprofit organizations in planning for and financing operational growth and capital needs
  - **Industry vision and leadership** in the development of strategies for organizational, facilities, operational and financial improvements
  - **Metrics and analytical services** for measuring health center impact, evaluating financial and operating trends and promoting performance improvement

What Does Success Look Like?

Time and Resources to Plan

Productive Teams

Improved and Stable Operations

Staff and Patient Satisfaction

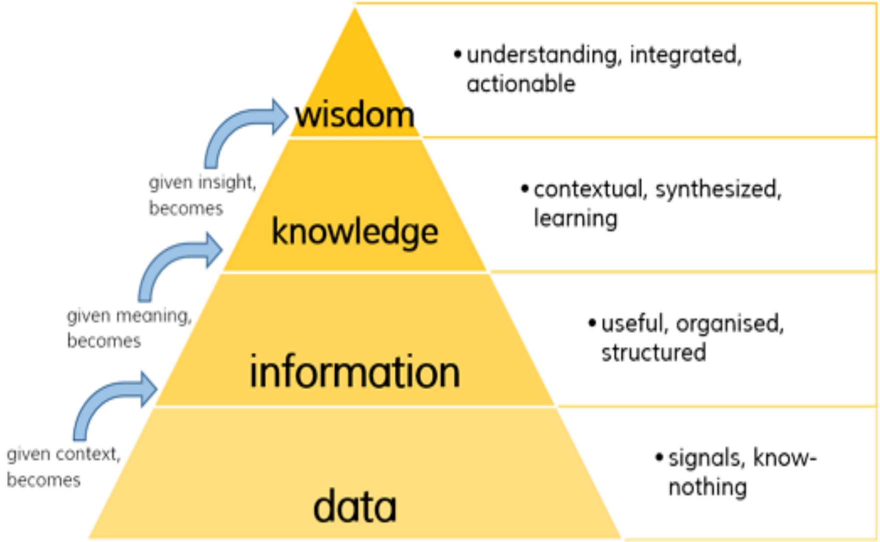
Improved Patient Outcomes

Financial Sustainability

What Does Success Look Like?

You can't manage what you don't know and…

You can't know what you don't measure



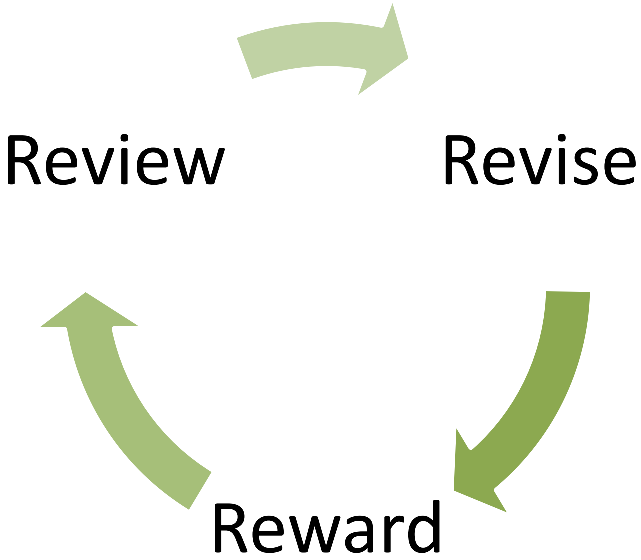
Key Performance Metrics

	Metric	Why This Is Important
1	Operating Margin	Measuring stick of your business model; margins typically small but need to be positive
2	Bottom Line Margin	Is performance dependent upon large capital grants and/or other sources of non-operating revenue?
3	Personnel-Related Expense	Consumes 70-75% of budget; key driver of financial performance
4	Days Net Patient A/R	Financial management starts with collecting your money efficiently
5	Days Cash on Hand	Is there enough liquidity to keep operations running smoothly?
6	Physician Productivity (visits)	Productivity is the basis for revenue generation
7	Mid-Level Productivity (visits)	Productivity is the basis for revenue generation
8	Dental Provider Productivity (visits)	Productivity is the basis for revenue generation

*Capital Link Performance Benchmarking Toolkit

Assessing Performance

- **TRACK**
- **TREND**
- **BENCHMARK**
- **EVALUATE**
- **ACT**
- **MONITOR**



HRSA – Sponsored
High Performers Study

HRSA-Supported High Performance Study: Purpose

Seek to shed light on 2 key questions:

1. Do health centers that excel in providing high quality patient care do better or worse than other health centers financially?

2. What do health centers that achieve high quality and the strongest financial results look like? What do they do differently / better than their peers?

HRSA-Supported High Performance Study: Analytic Approach

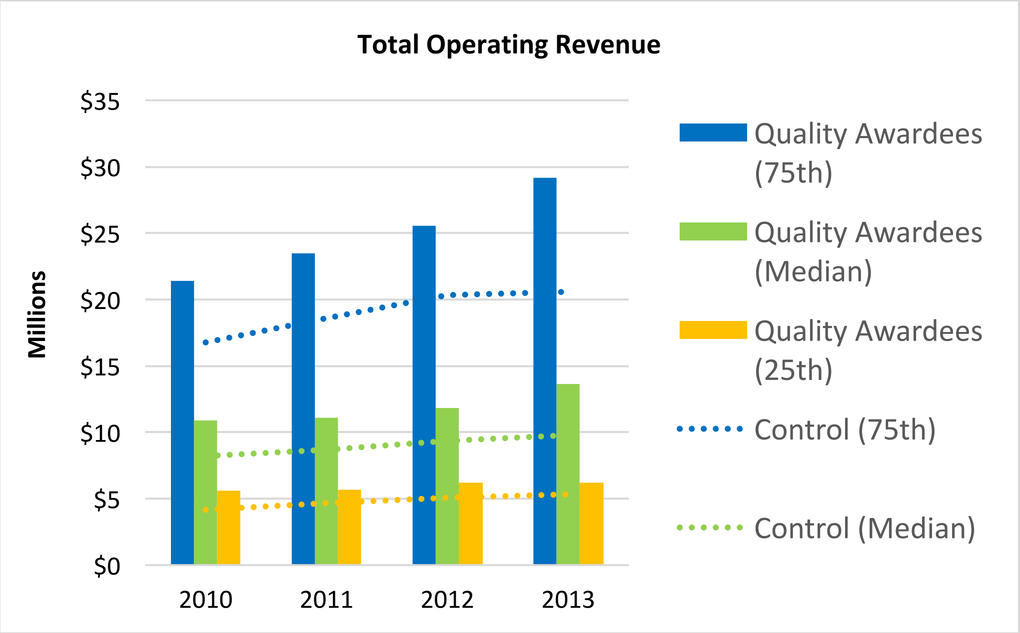
- We studied a cohort of HRSA 2014 Quality Leader Awardees
  - 180 health centers for which we have 4 years of audits
- Control Group: Health centers that did not receive a Quality Leader award
  - 360 health centers for which we have 4 years of audits
- Study time period: 2010 - 2013

Similarities/Differences in the Data Set

- Patients
- Urban / rural location
- Medicaid expansion state (or not)
- Budget size and regional location

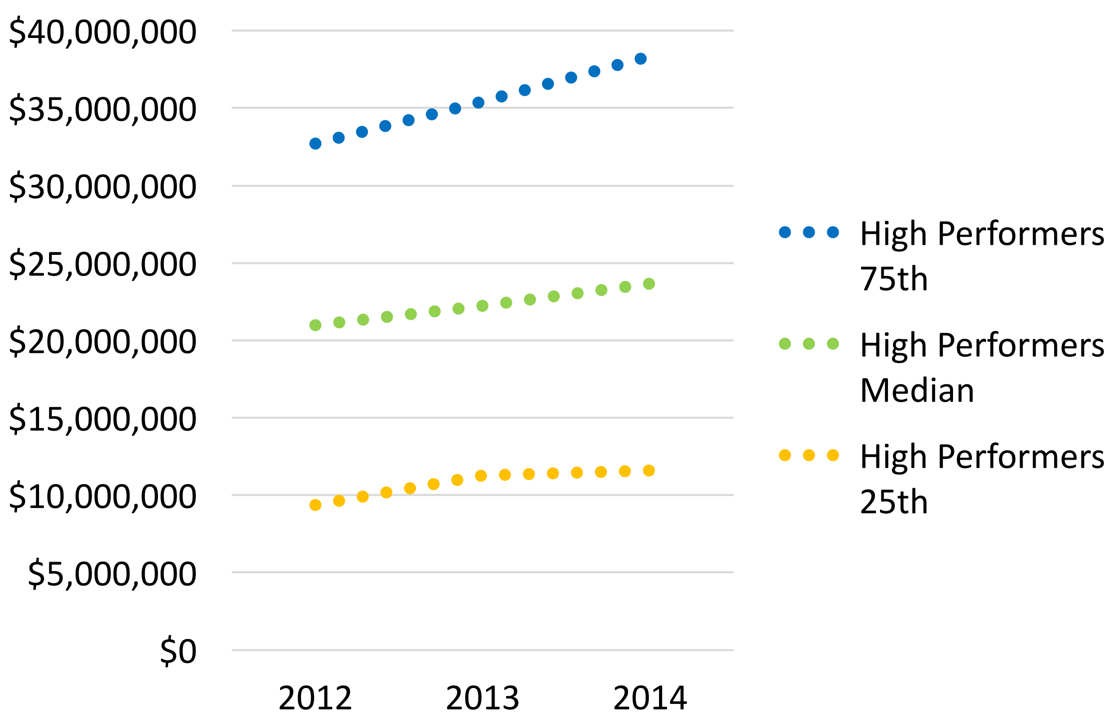
Similarities/Differences in the Data Set

- Size and Location

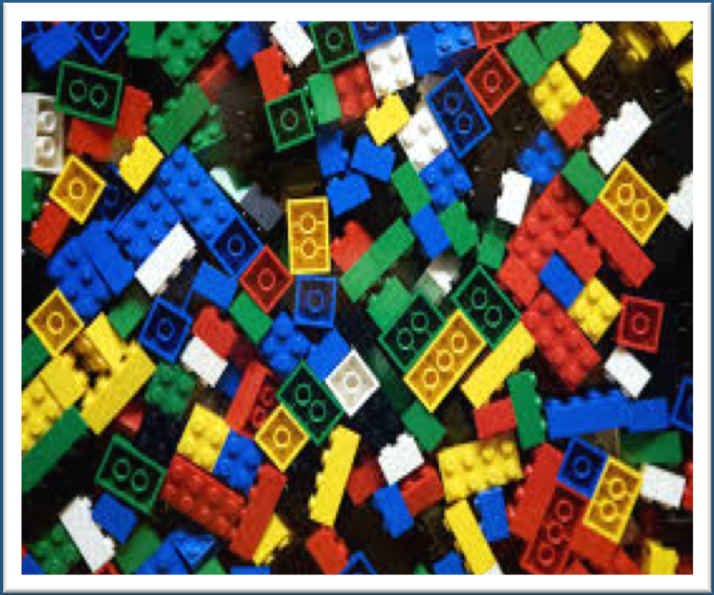


Quality Awardees more likely to be from Northeast (HRSA Regions 1 & 2) and less likely to be from the Southeast (Region 4) or Southwest (Region 6)

Total Operating Revenue



Data

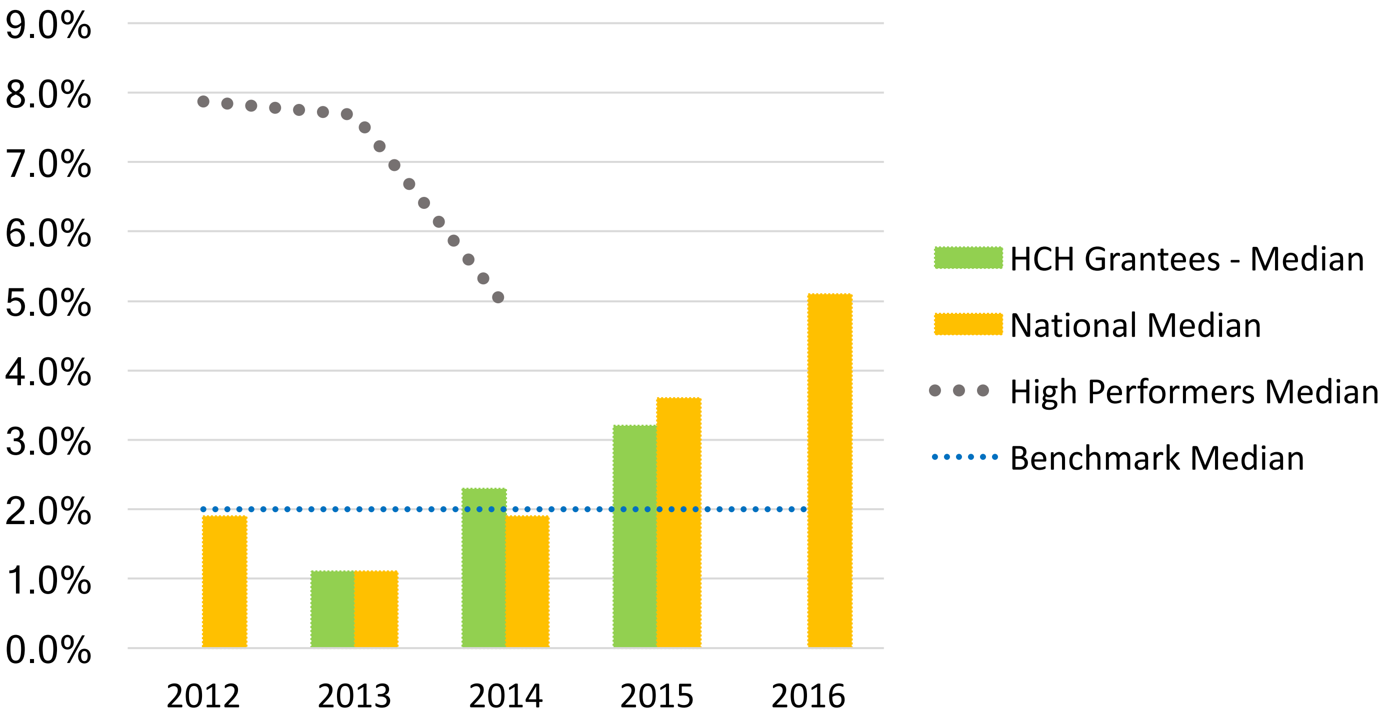


Overall Finding

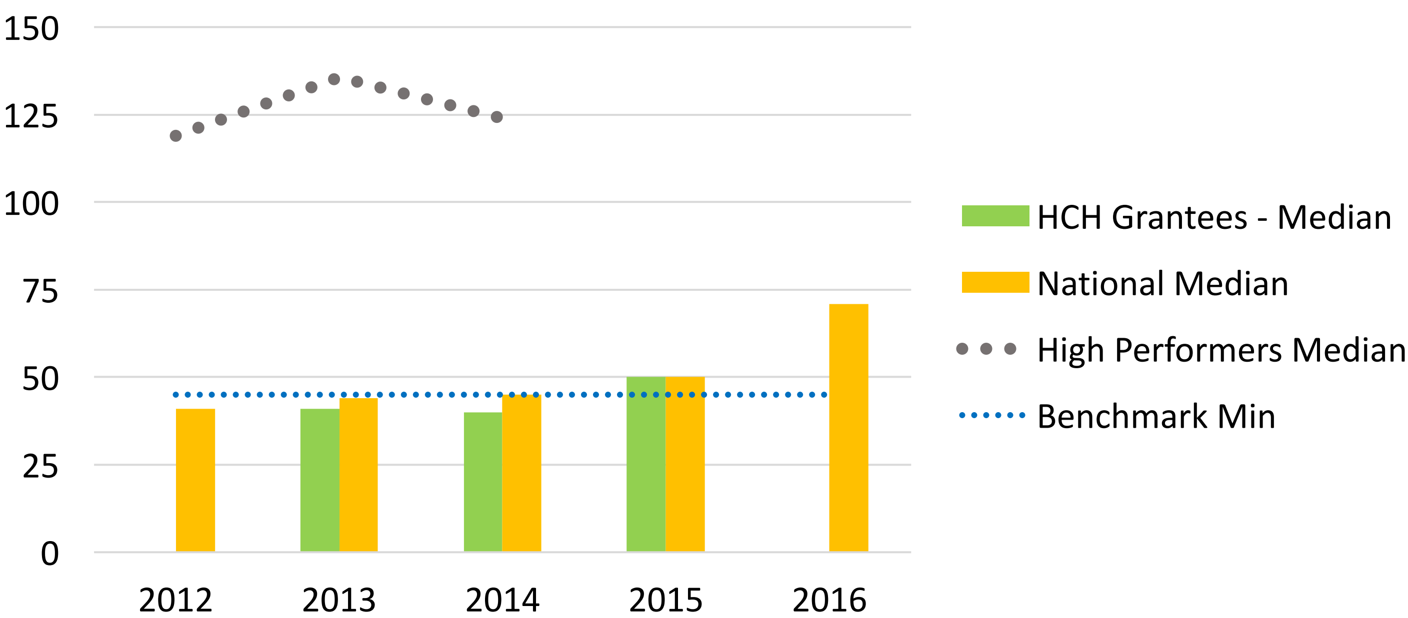
Clinical quality and strong financial performance go hand in hand!

Quality Awardees perform better on key financial ratios!!

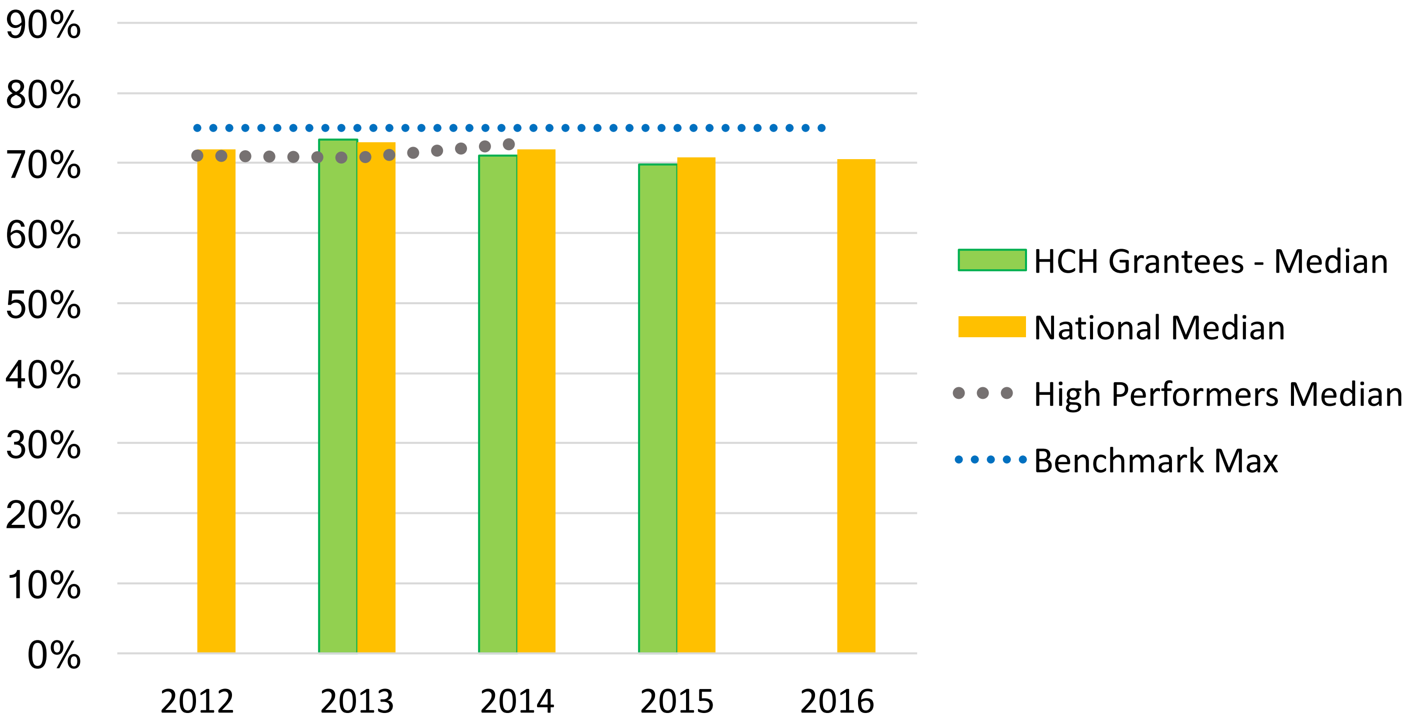
Operating Margin



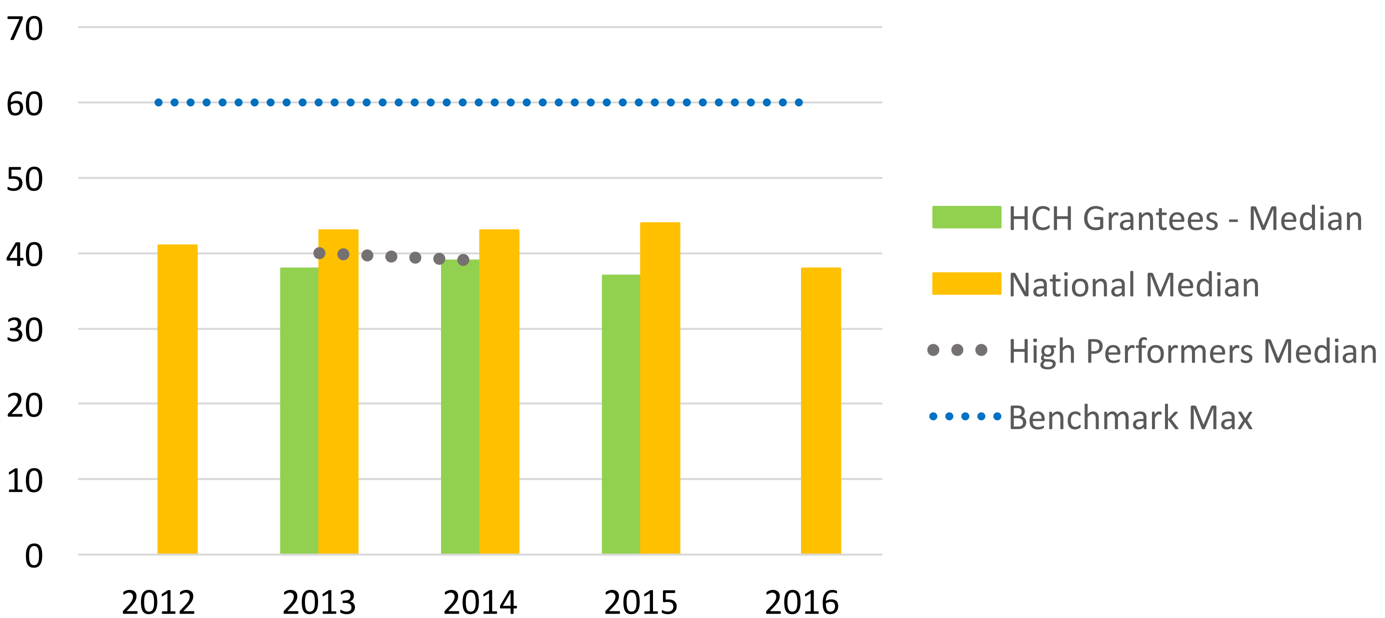
Days Cash on Hand



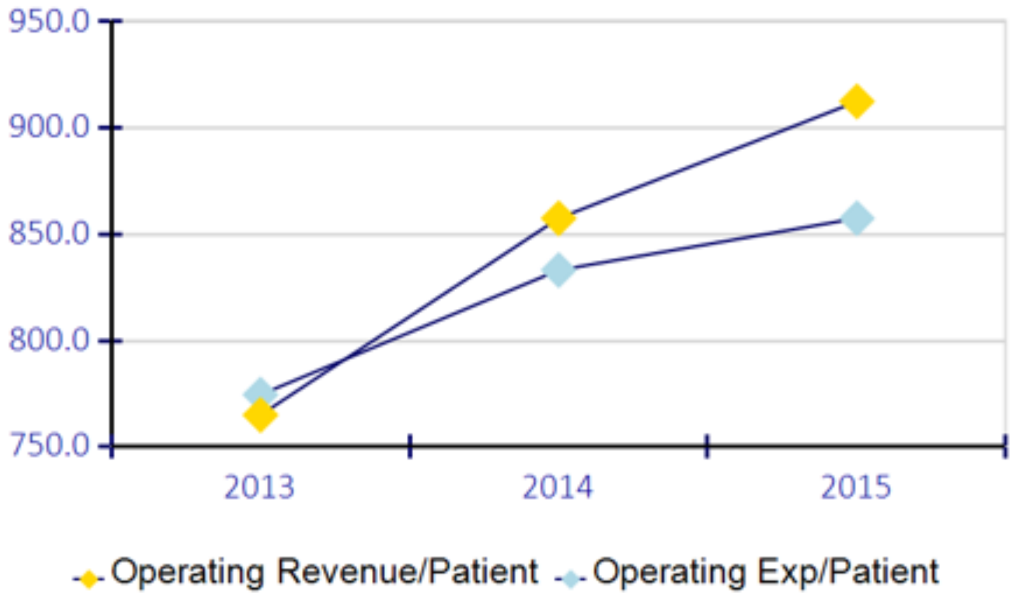
Personnel-Related Expenses As Percent of Operating Revenue



Days in Net Patient Receivables

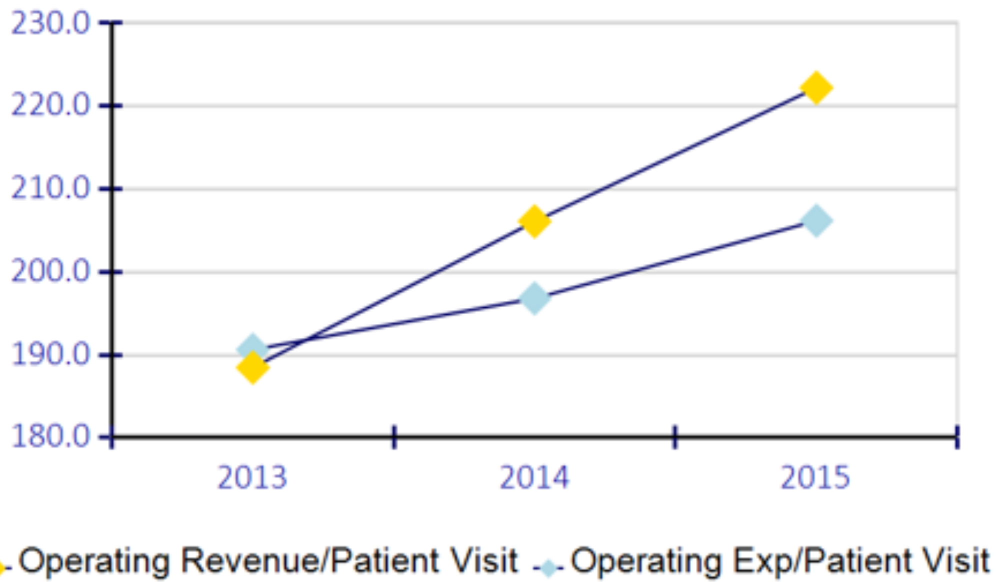


HCH Grantees - Operating Revenue & Expense Per Patient



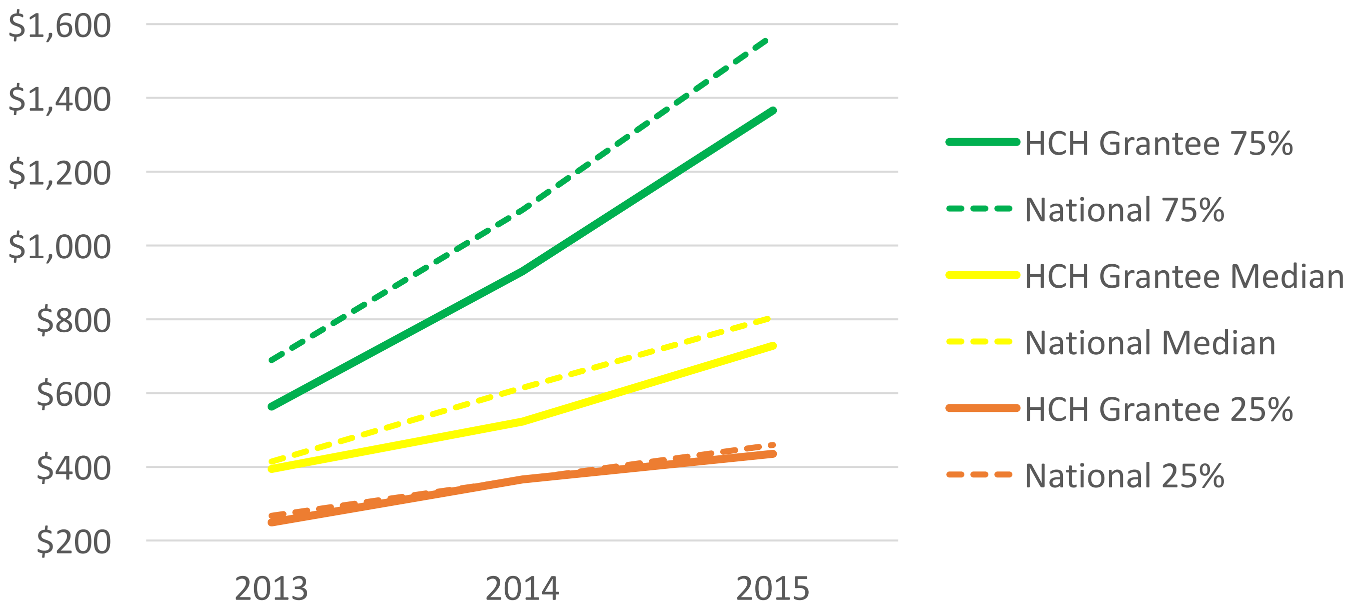
2016 National Medians: Revenue $904; Expense $842

HCH Grantees - Operating Revenue & Expense Per Visit

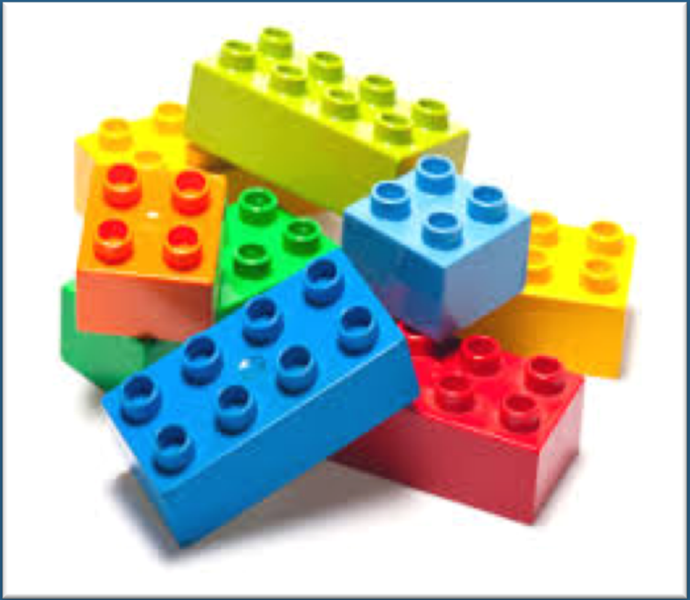


2016 National Medians: Revenue $230; Expense $214

330 Grant Dollars per Uninsured Patient



Information



Quality Awardees Achieve Stronger Overall Results, Despite …

- Proportionally less grant funding

- Slightly less favorable payer mix

How Do Quality Awardees Achieve Stronger Overall Results?

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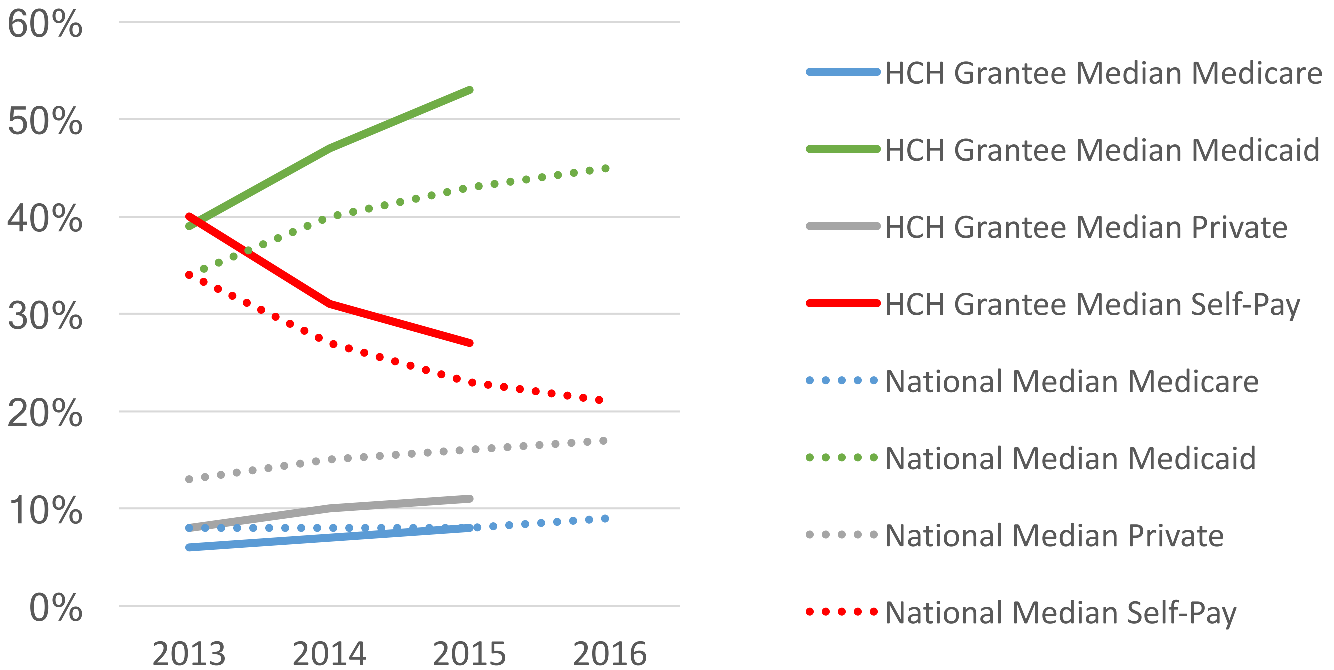
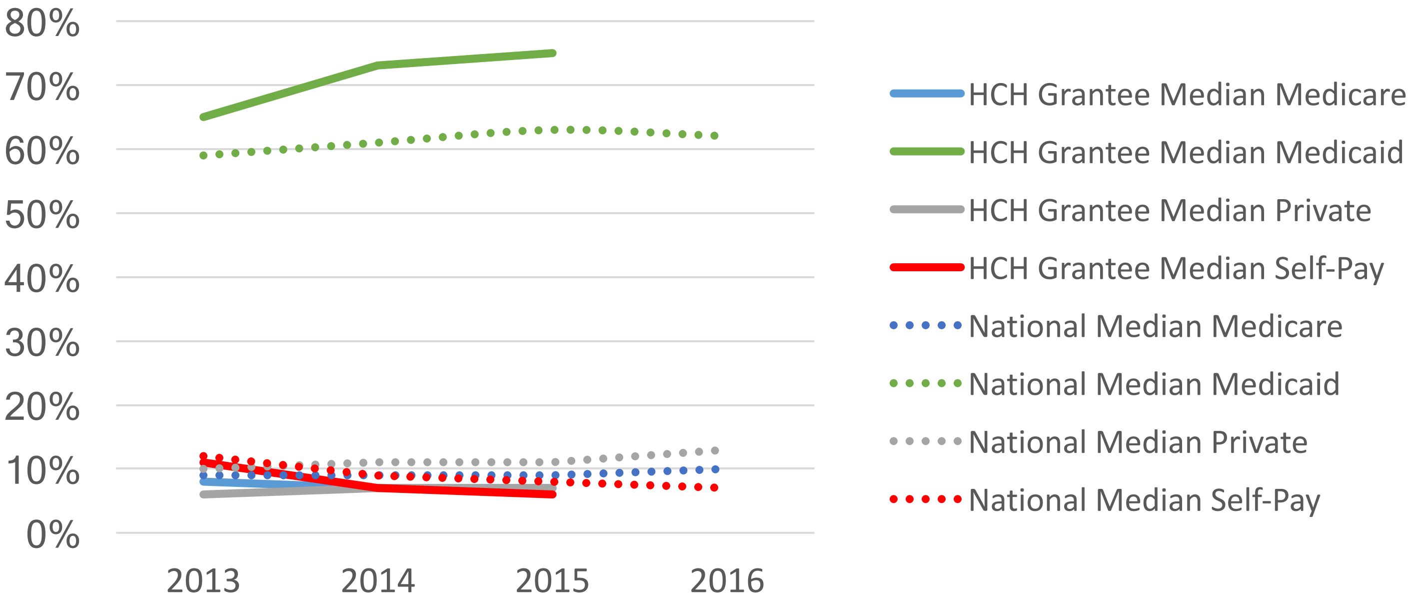
- Slightly different service and staffing mix
- Better collections
- Higher utilization
- Higher productivity

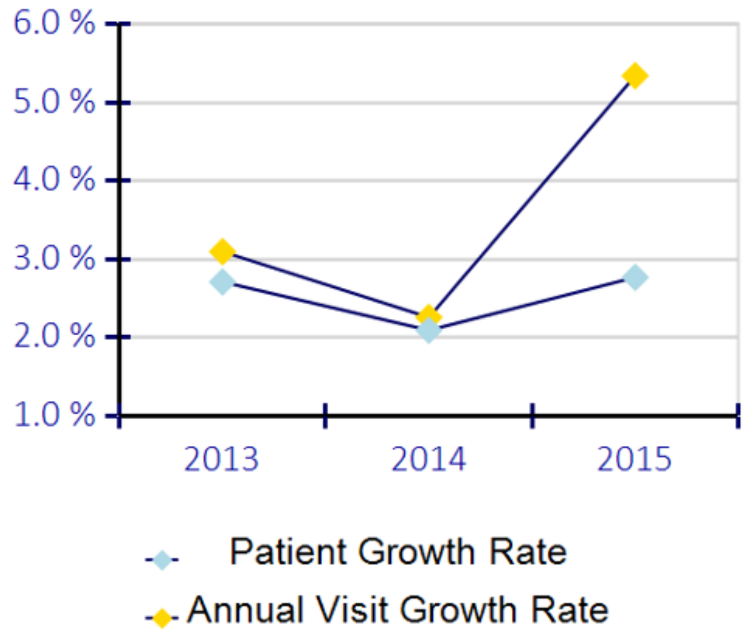
Payer Mix: Patients per Payer as a Percentage of Total Patients



Payer Mix: Collections per Payer as a Percent of Total Collections

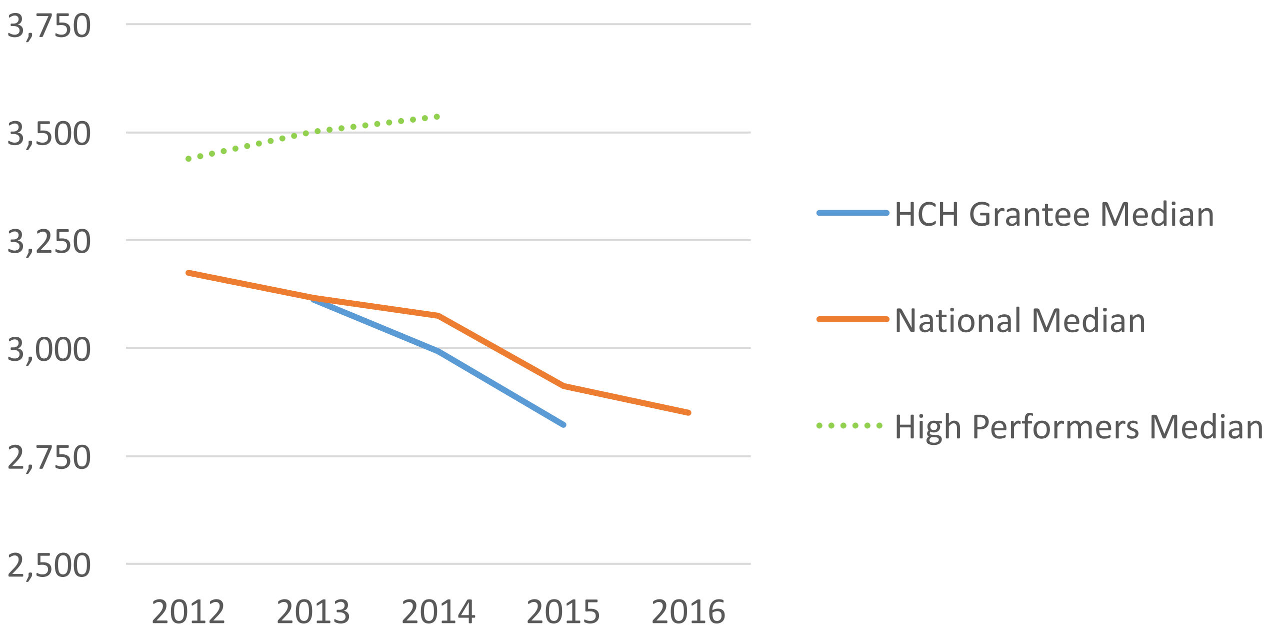


HCH Grantees - Median Growth

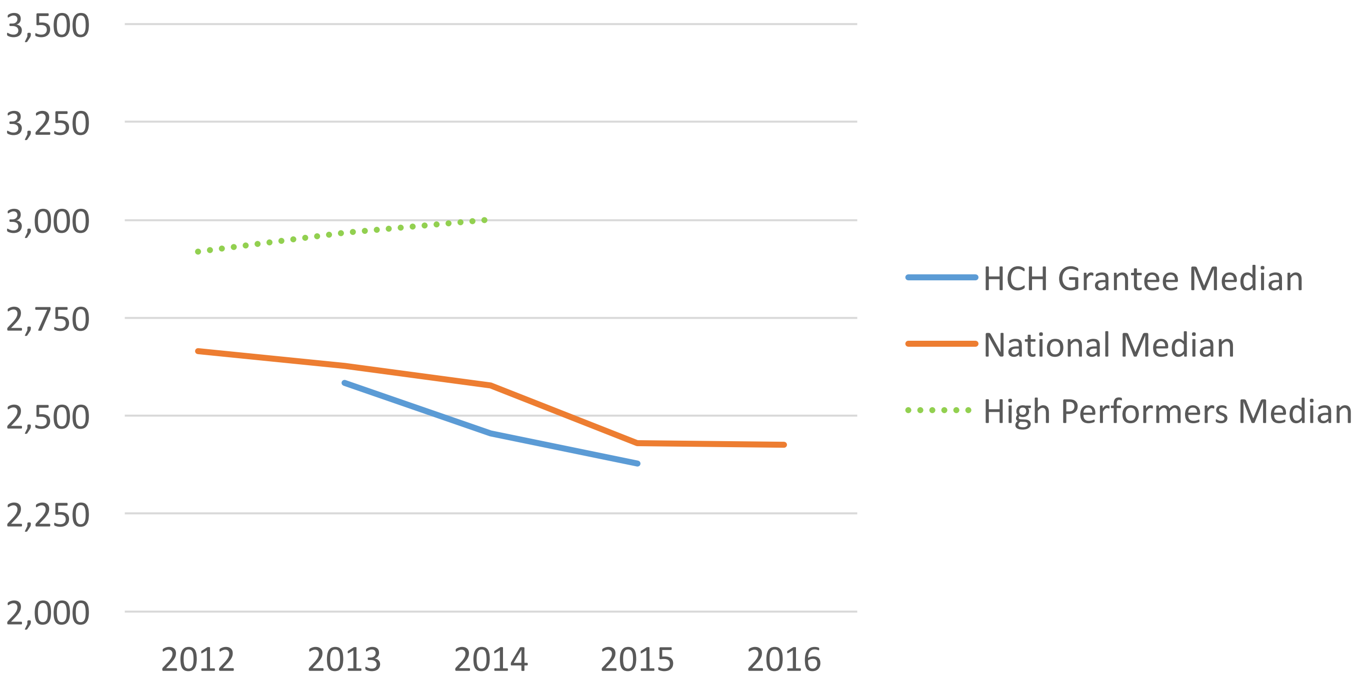


2016 National Median: Patients 5.0%; Visits 6.9%

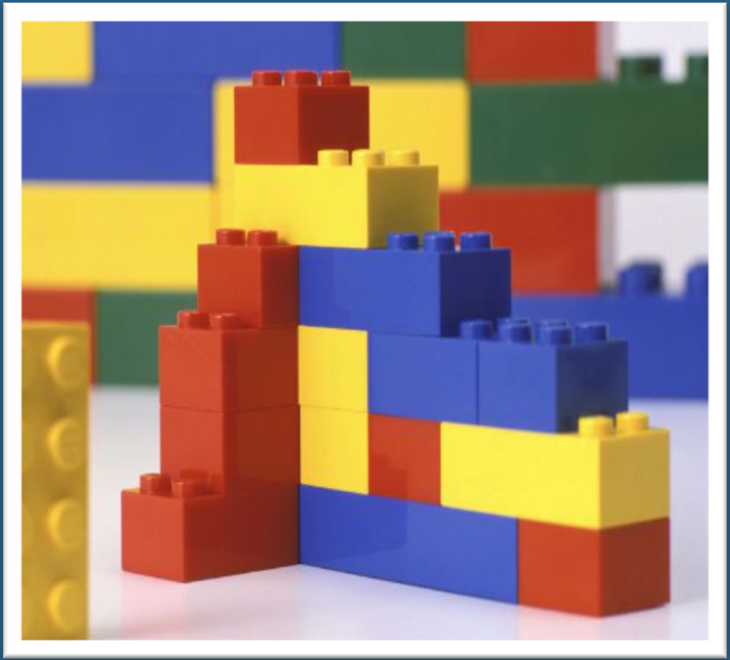
Physician Visits per Physician FTE



Mid-Level Visits per Mid-Level FTE



Knowledge

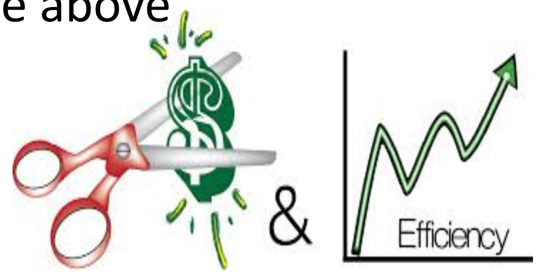


Other Distinguishing Characteristics - High Performers

- Even higher utilization
- Higher proportion of enabling services and staff
- Newer facilities
- Lower mid-level to physician ratio
- Heavier pediatric focus
- Longer average tenure of management staff

Conclusions

- Quality Awardees appear to be stronger financially primarily due to:
  - Revenue maximization
  - Positive engagement with patients, which drives higher utilization
  - Productive teams
- High Performers are good at all the above AND are strong on cost control (particularly staffing costs)



Distinguishing Characteristics – HCH Grantees

- HCH Grantee Median is primarily following National median trends although doing better in Days in A/R
- Have reversed 2013 outcomes and now revenues exceed expenses on both patients and visits
- Medians rely on Medicaid more than National
- Similar downward trend as National in provider productivity
- Positive growth trends with visits having a greater increase than patients

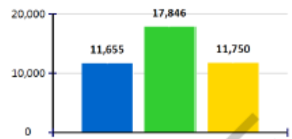
Performance Evaluation Profiles (PEP)

Peer Comparison

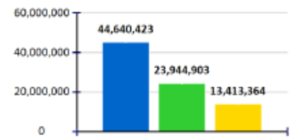
2016

- XYZ Health Center
- State FQHCs
- National FQHCs

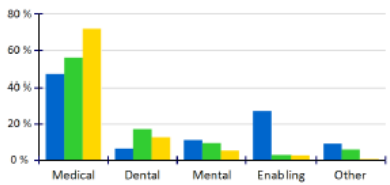
Patient Served 2016



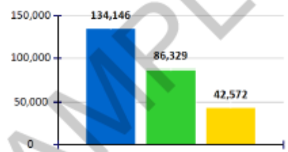
Revenues 2016



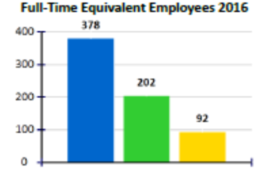
Array of Services 2016
(Percentage of Total Visits)



Total Visits 2016



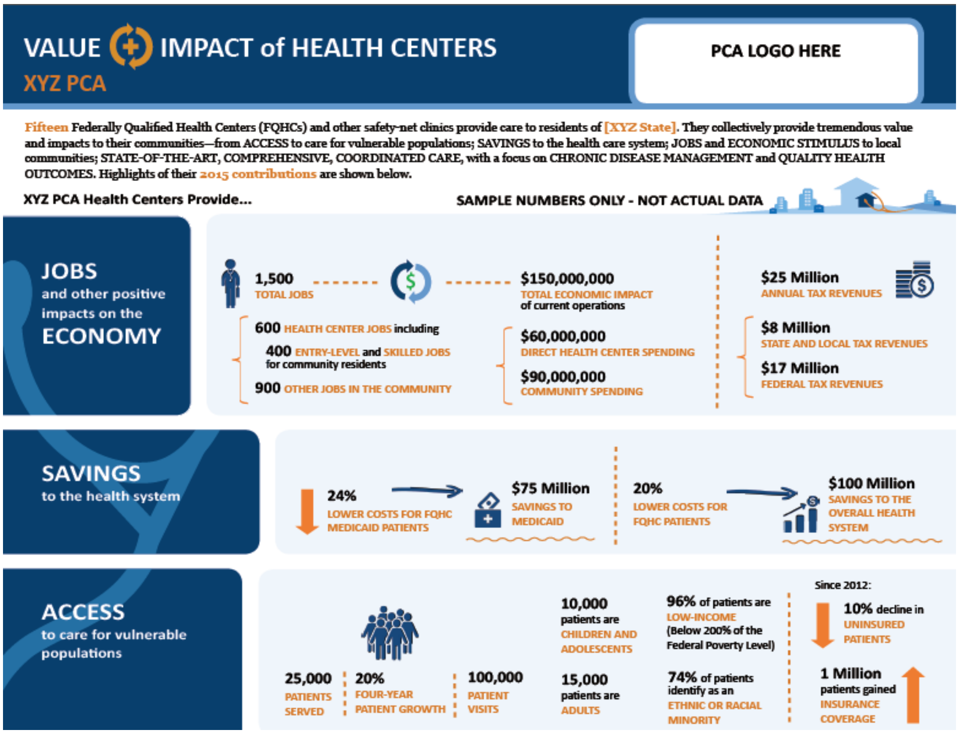
Full-Time Equivalent Employees 2016



Key Metrics	Health Center 2016	State FQHCs Median 2016	National FQHCs Median 2016
Medical Visits as a Percentage of Total Visits	47%	56%	72%
Dental Visits as a Percentage of Total Visits	6%	17%	13%
Mental Health Visits as a Percentage of Total Visits	11%	10%	5%
Enabling Visits as a Percentage of Total Visits	27%	3%	3%
Other Professional Visits as a Percentage of Total Visits	9%	6%	1%

Key Metrics	Health Center 2016	State FQHCs Median 2016	National FQHCs Median 2016
Total Revenue	$44,640,423	$23,944,903	$13,413,364
Total Patients	11,655	17,846	11,750
Total Visits	134,146	86,329	42,572
Total FTEs	378	202	92

Value & Impact of Health Centers



What Does Success Look Like?

Time and Resources to Plan

Productive Teams

Improved and Stable Operations

Staff and Patient Satisfaction

Improved Patient Outcomes

Financial Sustainability

Wisdom

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