



NATIONAL  
HEALTH CARE  
*for the*  
HOMELESS  
COUNCIL



## Health Center Strong:

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



**Jonathan Chapman**

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**Heidi Nelson**

CEO, Duffy Health Center

*NHCHC National Conference and Policy Symposium  
May 16, 2018*

## Capital Link - Overview

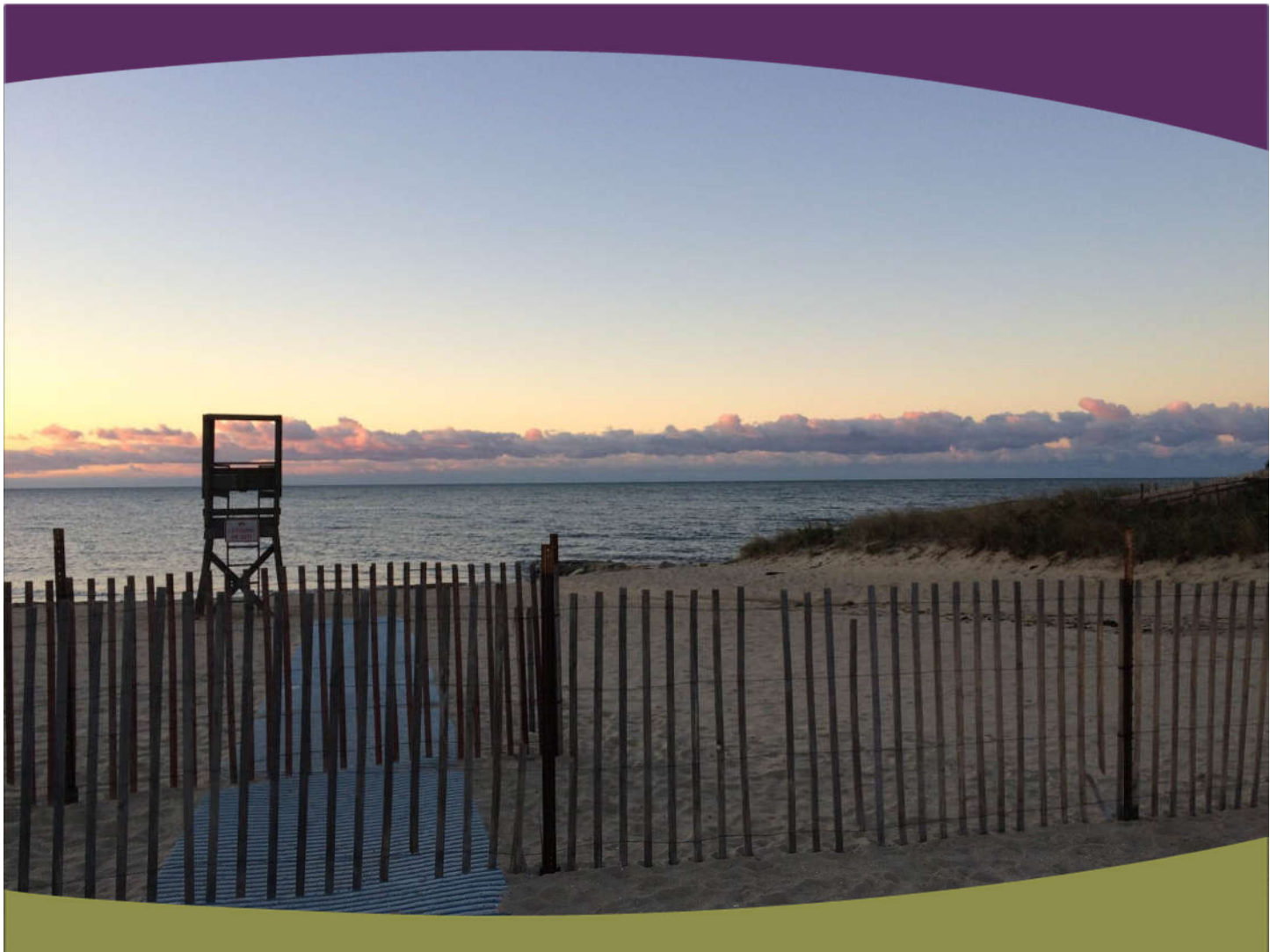
- Launched in 1995, nonprofit, HRSA national cooperative partner
- Offices in CA, CO, MA, ME, MO, SC and WV
- **Over \$1.1 billion** in financing for **over 225** capital projects
  - **Direct assistance** to health centers and complementary nonprofit organizations in planning for and financing operational 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



*Restoring health. Rebuilding lives.*

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# Duffy Health Center

## **MISSION:**

To provide comprehensive, integrated health care and support services to persons who are experiencing homelessness or at risk of homelessness on Cape Cod, and to improve the quality of life for vulnerable populations through community collaborations, leadership, and advocacy.

## **VISION:**

We envision Cape Cod as a community where all persons have access to quality health care, safe and affordable housing, and lives filled with hope and purpose.

## Duffy Health Center: **History**

- Early 1990's: volunteer program based at the NOAH Shelter
- 1997: Incorporated
- 2002: HRSA-Funded
- 2006: DPH licensed to provide mental health services
- 2008: SAMHSA funded to begin providing case management

## Duffy Health Center 2017

- 67 staff
- Budget of \$6.7 million
- Service area - Barnstable County
- 3,300 patients served
- Our patients come from across Cape Cod
  - 45% from the Town of Barnstable, our 'city'

## Homelessness on Cape Cod

- Duffy Health Center served:
  - 3,202 (2017 UDS)
  - 2,608 (2010 UDS)
  - New facility (2011) and broader definition of homelessness
  - 25% street and shelter homeless





## Demographics of Duffy Patients

- 68% of patients have incomes under 100% federal poverty level
- 93% of patients have incomes under 200% federal poverty level
- Over 500 patients that are both on Medicare and Medicaid (disabled and poor)
- 83% homeless

## Clinical Diagnoses

- 320 patients with a Hepatitis C diagnosis (10% of all patients)
- 2/3 with either alcohol or other substance use disorder diagnosis
- 2/3 with a mental health diagnosis

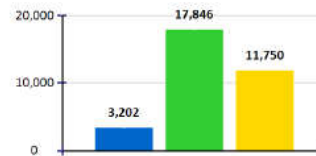
# Duffy Performance Evaluation Profile

## Peer Comparison

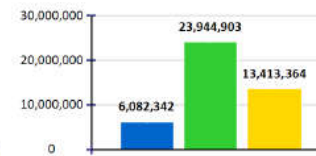
2016

- Duffy Health Center
- MA FQHCs (medians)
- National FQHCs (medians)

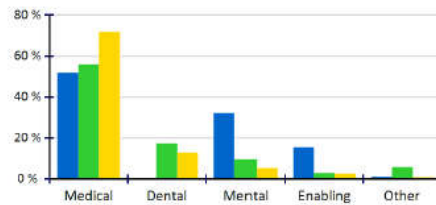
Patient Served 2016



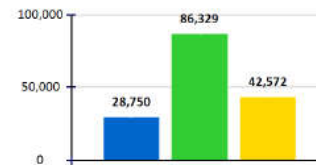
Revenues 2016 (\$)



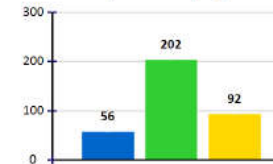
Array of Services 2016  
(Percentage of Total Visits)



Total Visits 2016



Full-Time Equivalent Employees 2016



Key Metrics	Health Center 2016	MA FQHCs Median 2016	National FQHCs Median 2016	Key Metrics	Health Center 2016	MA FQHCs Median 2016	National FQHCs Median 2016
Medical Visits as a Percentage of Total Visits	52%	56%	72%	Total Revenue	\$6,082,342	\$23,944,903	\$13,413,364
Dental Visits as a Percentage of Total Visits	-	17%	13%	Total Patients	3,202	17,846	11,750
Mental Health Visits as a Percentage of Total Visits	32%	10%	5%	Total Visits	28,750	86,329	42,572
Enabling Visits as a Percentage of Total Visits	15%	3%	3%	Total FTEs	56	202	92
Other Professional Visits as a Percentage of Total Visits	1%	6%	1%				

## 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

## Assessing Performance



# Key Performance Metrics

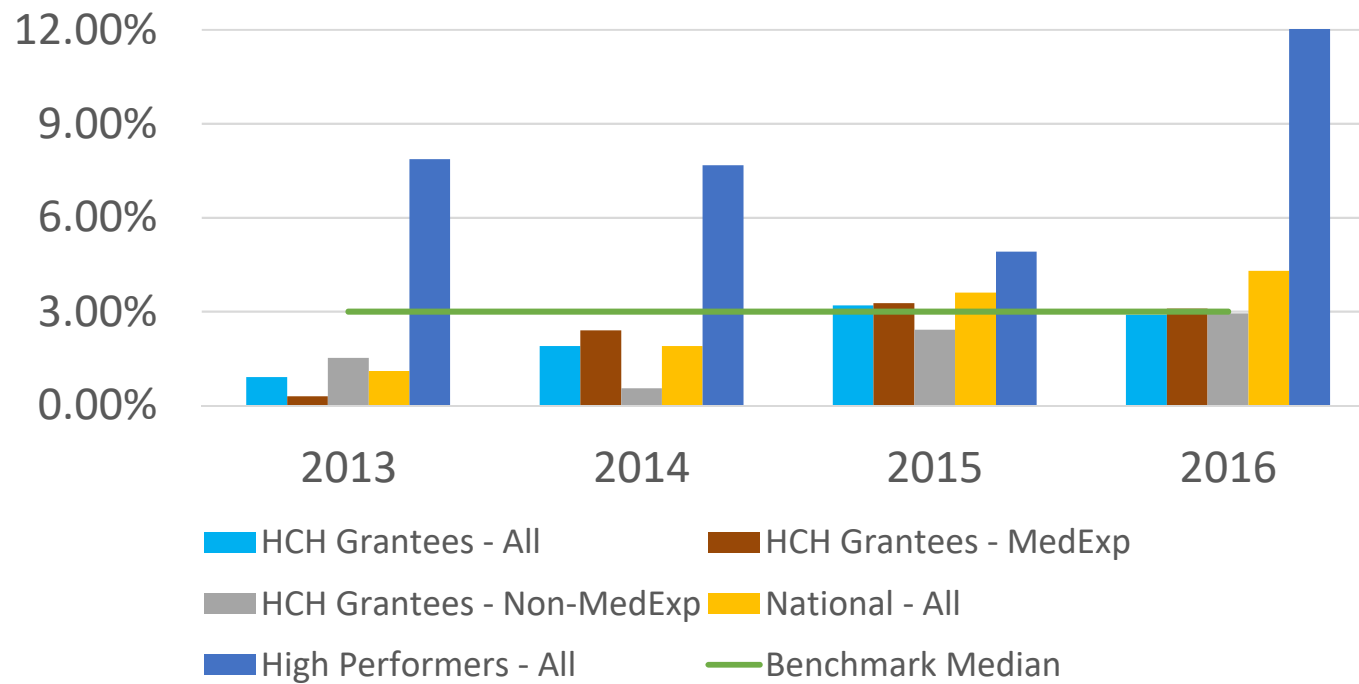
Metric	Why This Is Important
1 Operating Margin	Measuring stick of your business model; margins typically small but need to be positive
2 Bottom Line Margin	Is performance dependent upon large capital grants and/or other sources of non-operating revenue?
3 Personnel-Related Expense	Consumes 70-75% of 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

## Methodology

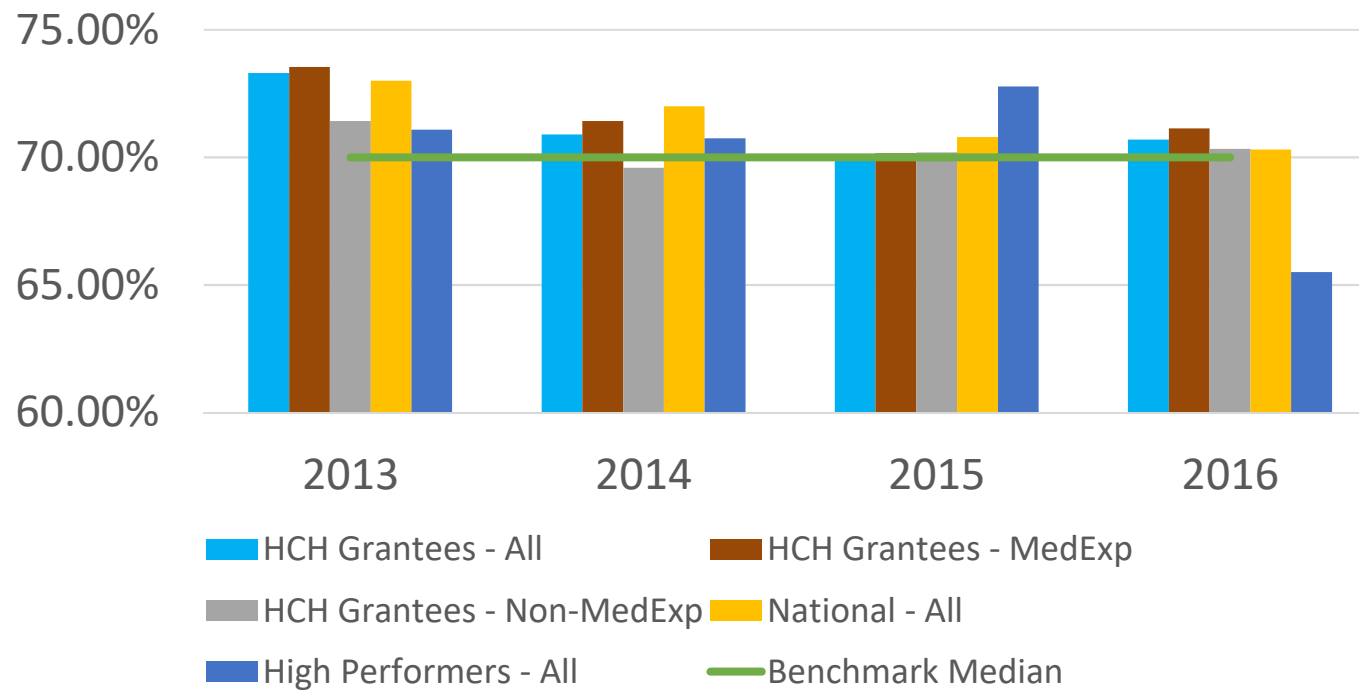
- Capital Link's database contains financial audits and UDS reports for approximately 1,100 health centers
- Medians presented for all categories unless otherwise indicated
- *High Performing* health centers are those that exceed both financial and quality benchmarks
- HCH Grantees are those identified in UDS as receiving 330h funding: ~300 organizations
  - Subgroups of those in/out Medicaid expansion states: ~210/90 split

## Operating Margin - Medians

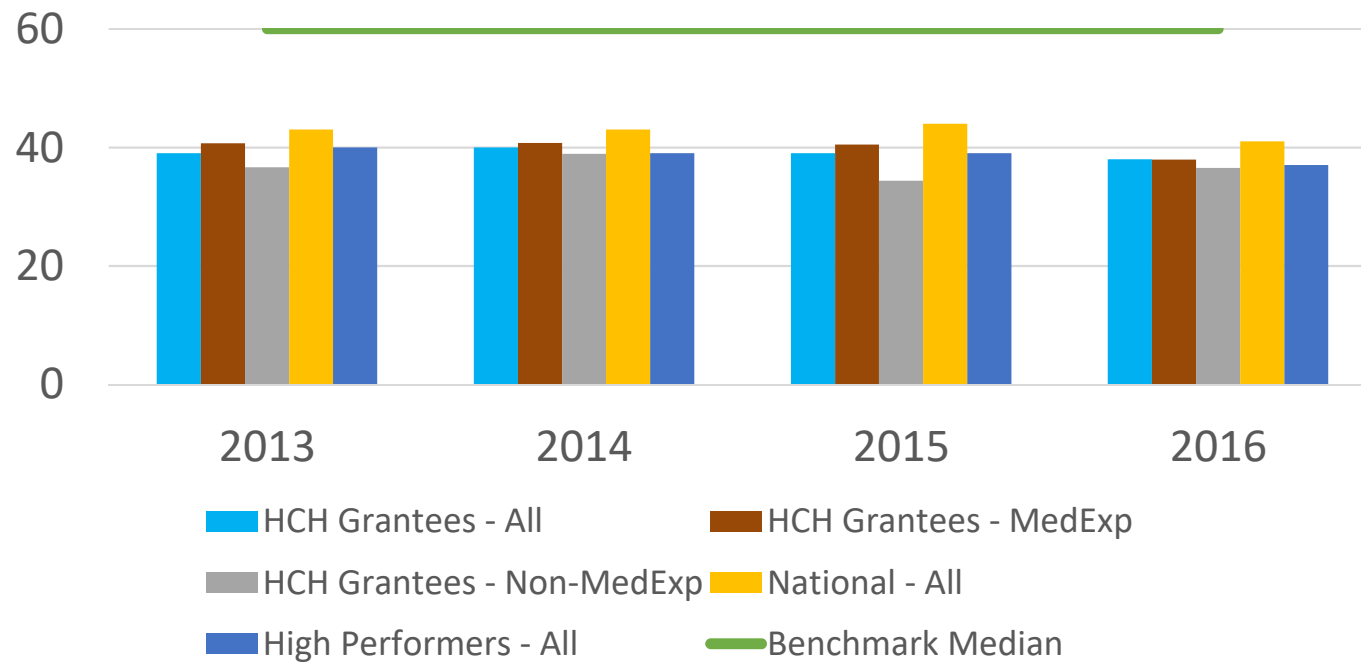




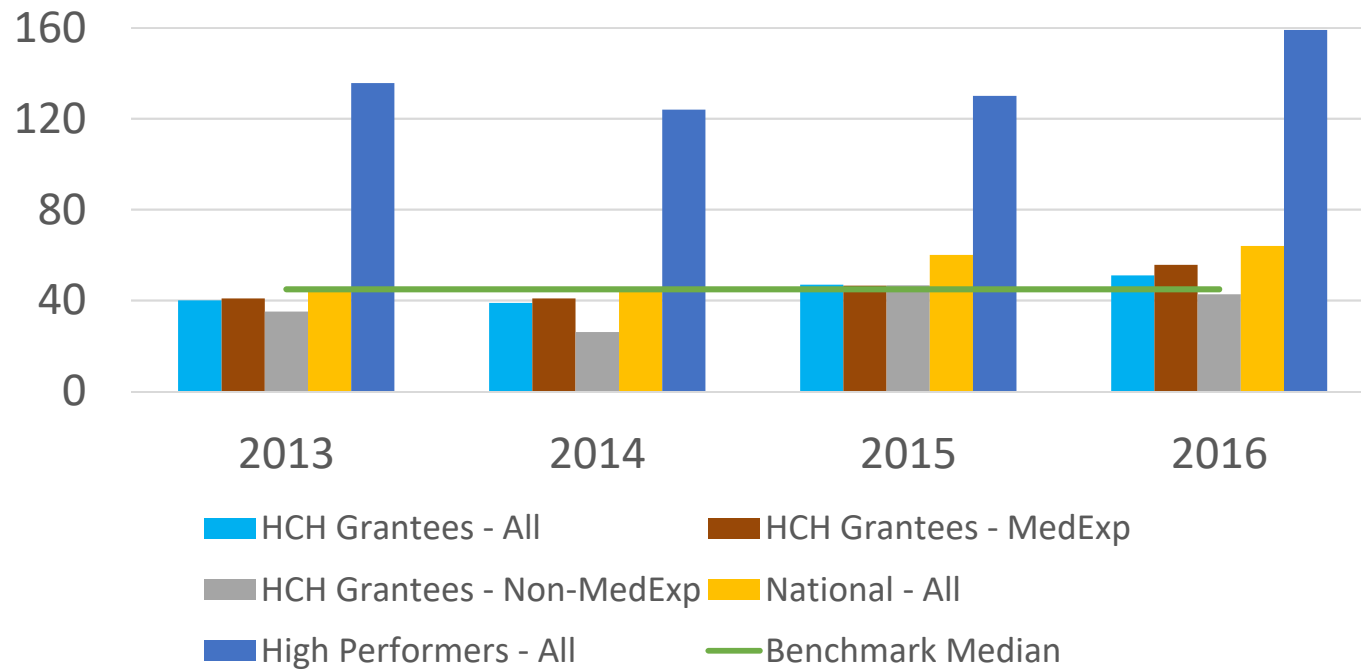
# Personnel-Related Expenses As Percent of Operating Revenue - Medians



## Days in Net Patient Receivables - Medians



## Days Cash on Hand - Medians

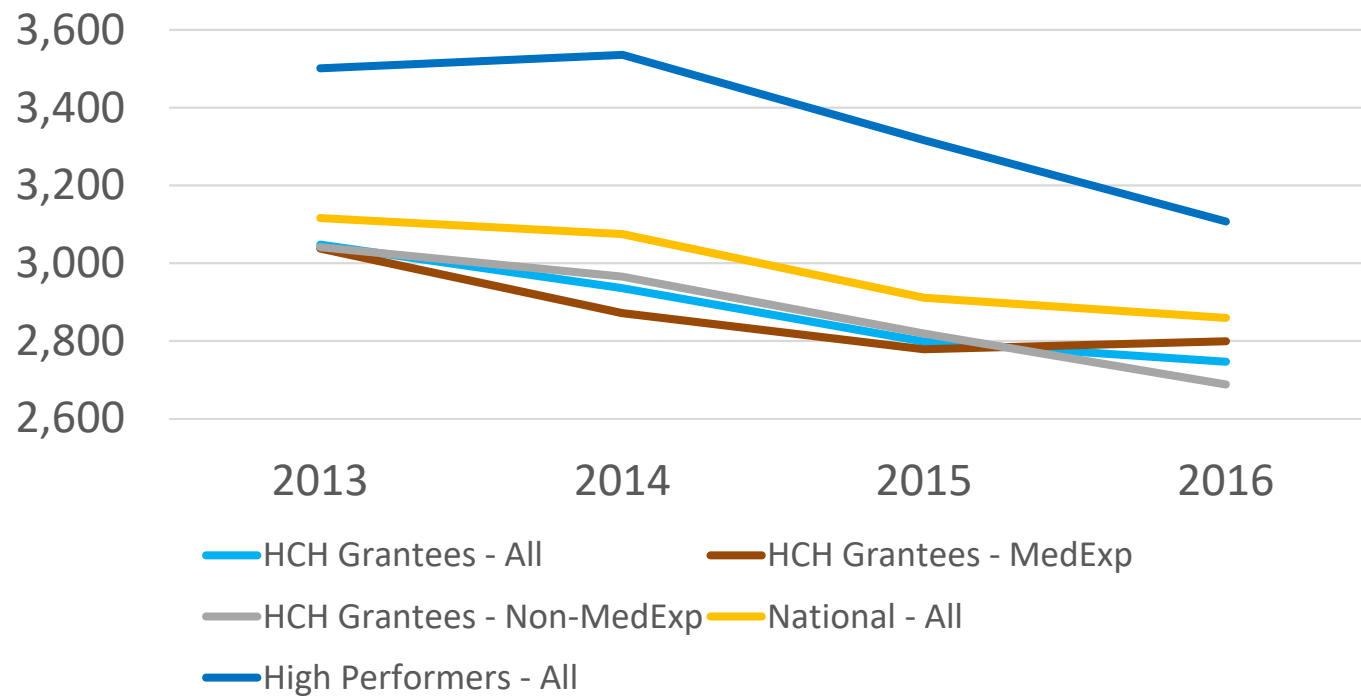


# Duffy Health Center

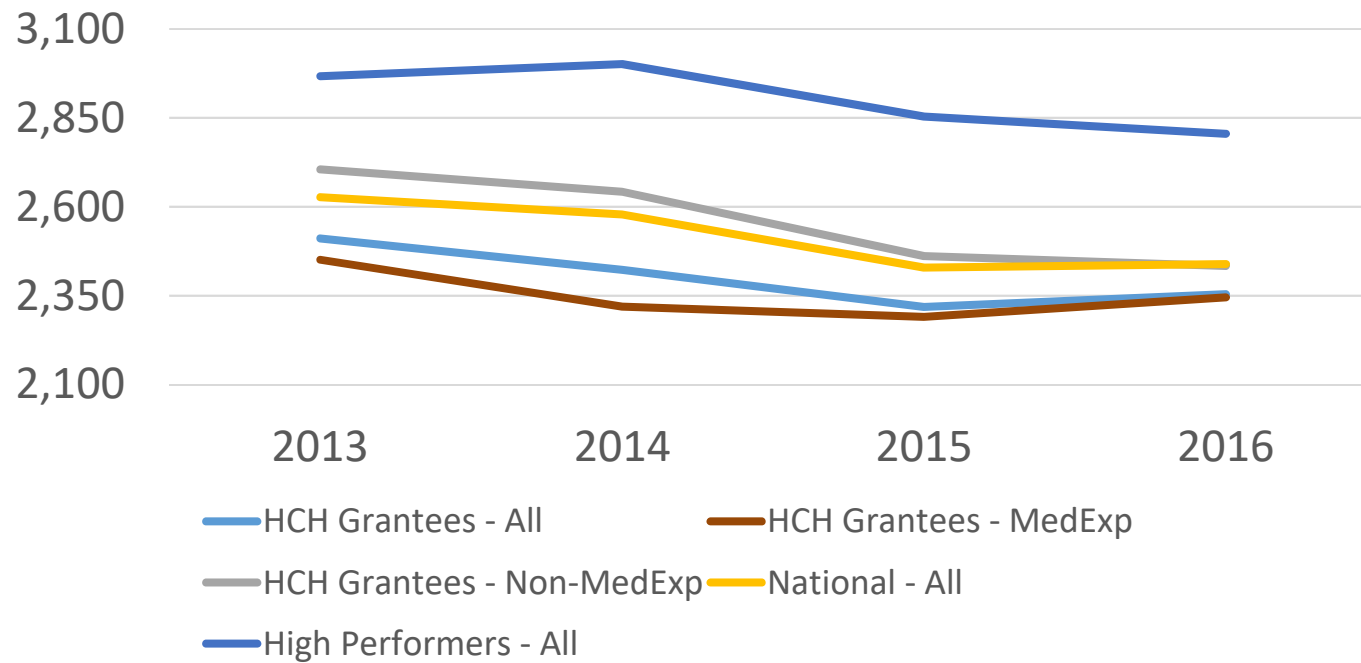
Key Financial Metrics	Target	2013	2014	2015	2016
Operating Margin	> 3%	-6.9%	-4.7%	7.4%	5.6%
Bottom Line Margin	> 3%	-5.0%	-4.4%	7.6%	9.2%
Personnel-Related Expense as Percentage of Operating Revenue	< 70%	83.9%	82.9%	71.0%	75.0%
Days Cash on Hand	> 45 Days	37	35	79	107
Days in Net Patient Receivables	< 60 Days	36	36	32	42

 Benchmark Unmet

## Physician Visits per Physician FTE - Medians



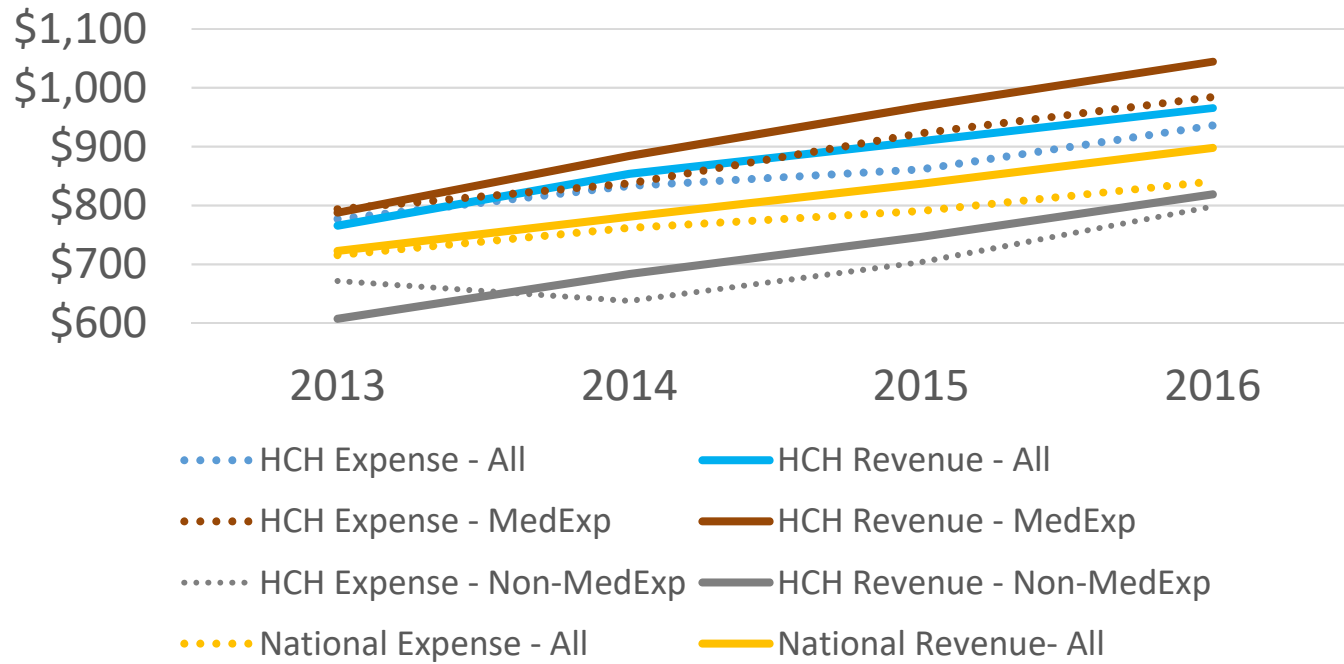
## Mid-Level Visits per Mid-Level FTE - Medians



# Duffy Health Center

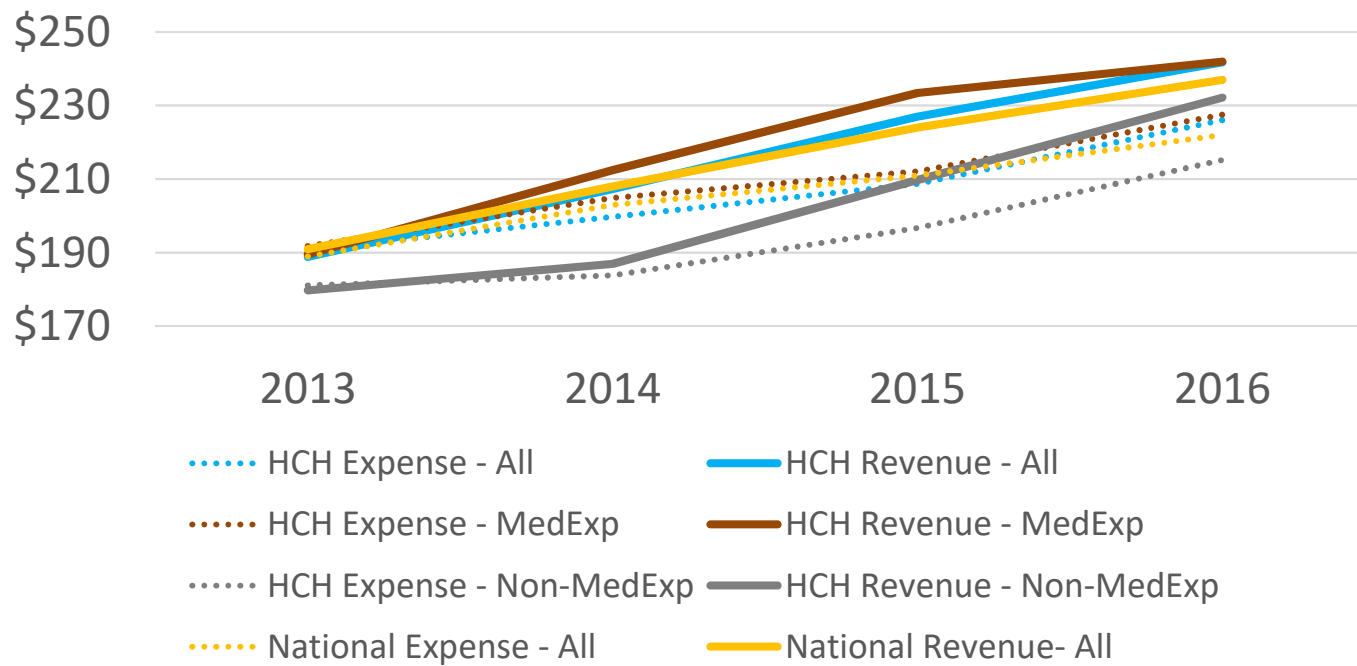
Key Productivity Metrics	2013	2014	2015	2016
Physician Visits per Physician FTE	1,862	2,361	2,436	2,242
Mid-Level Visits per Mid-Level FTE	1,128	1,370	1,496	1,531
Medical Patients per Medical Staff FTE	129	148	170	161
Medical Patients per Medical Provider FTE	262	339	422	437
Dental Visits per Dental Provider FTE	-	-	-	-

# HCH Grantees - Operating Revenue & Expense Per Patient - Medians

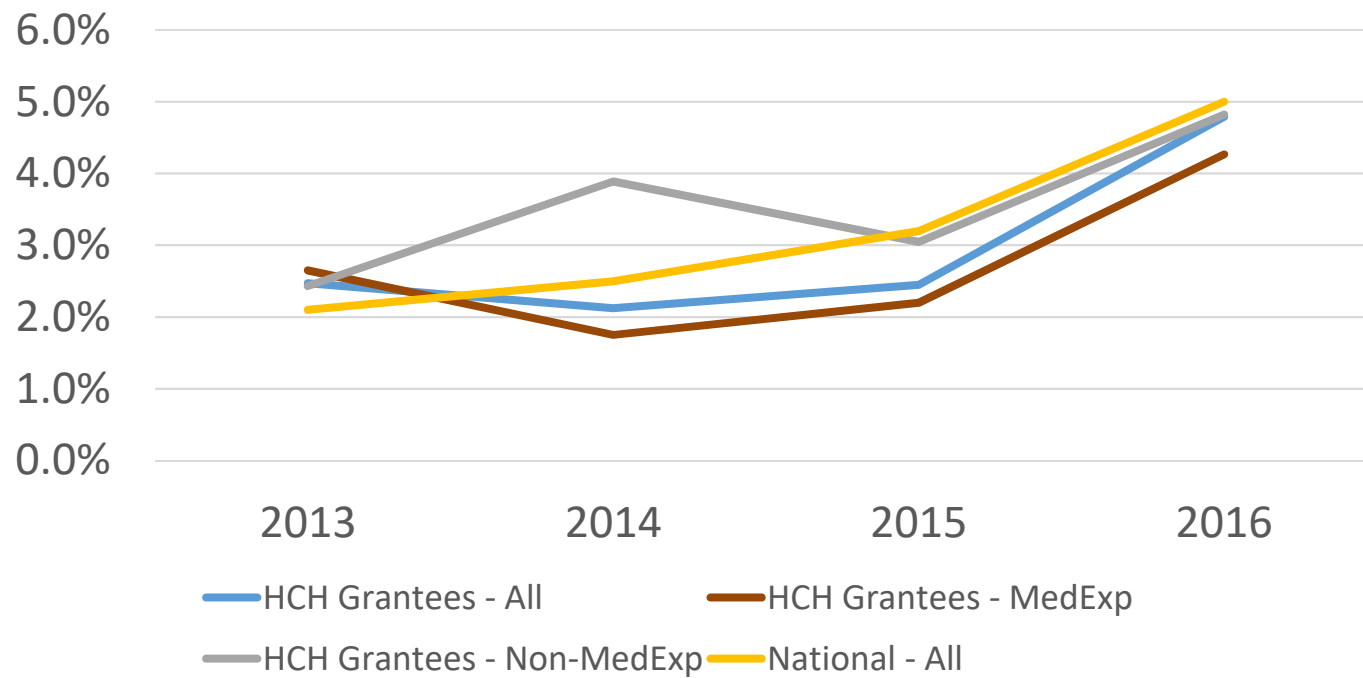




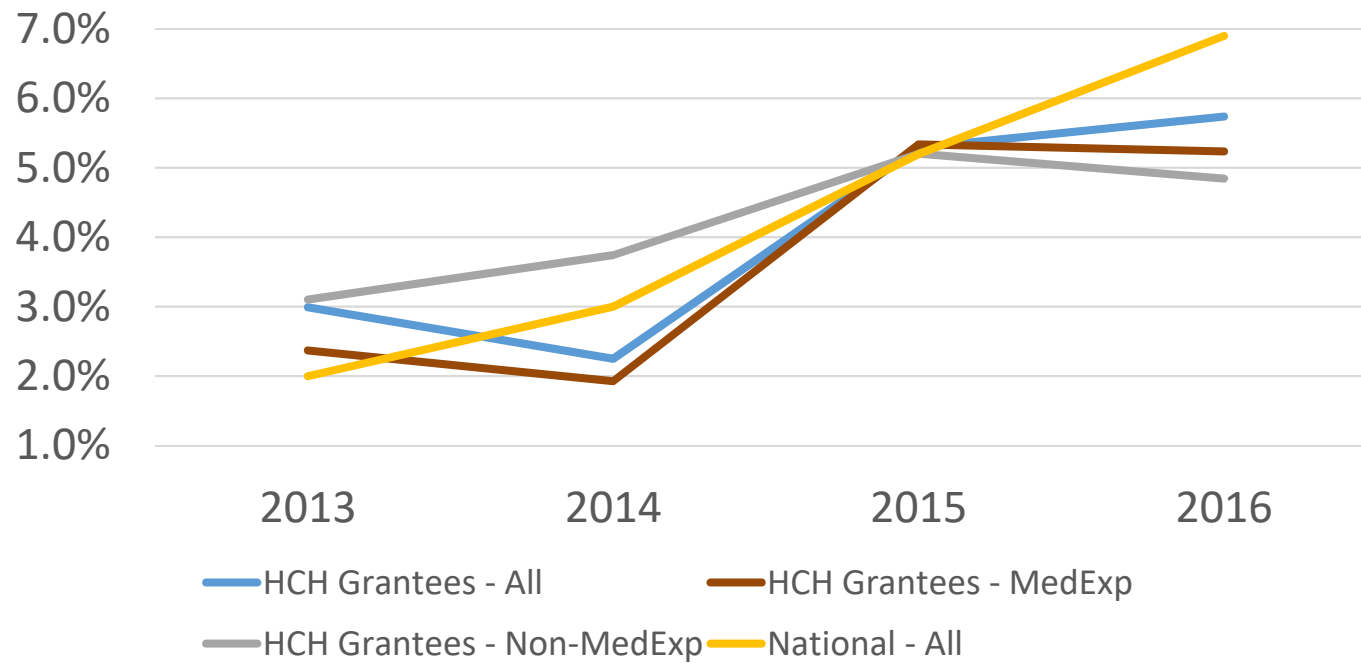
# HCH Grantees - Operating Revenue & Expense Per Visit - Medians



## Patient Growth Rates - Medians



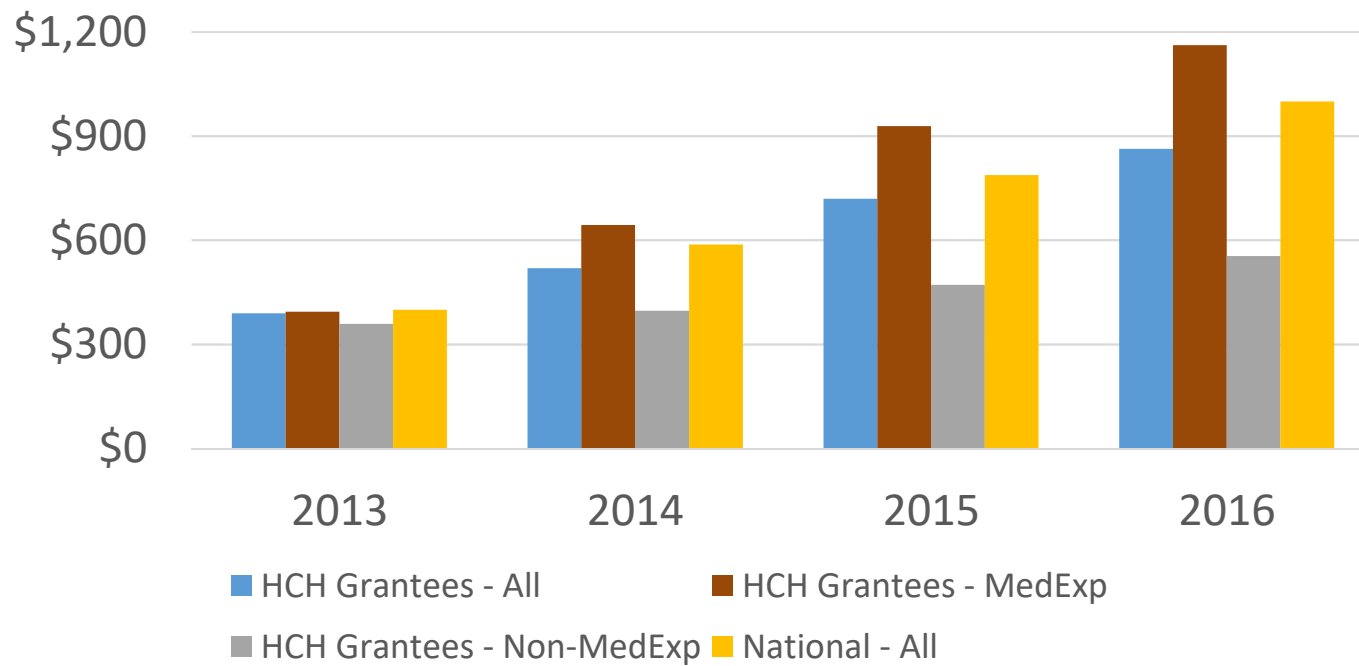
## Visit Growth Rates - Medians



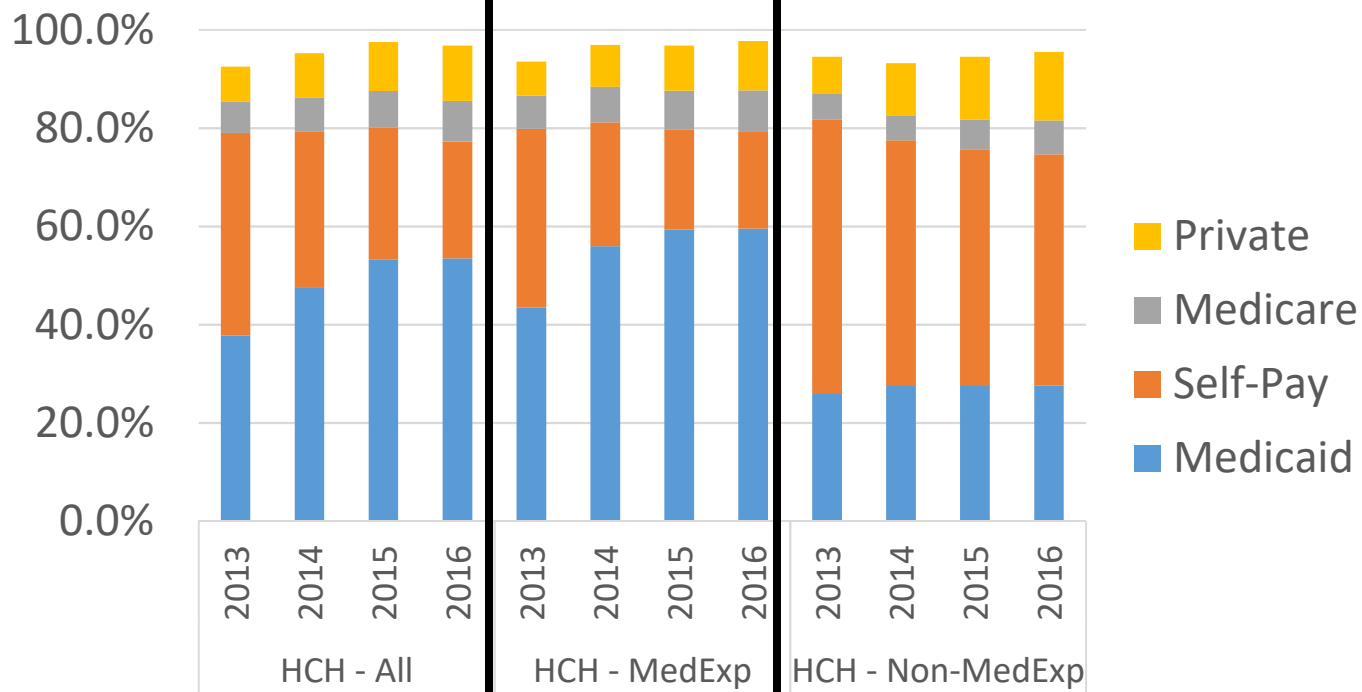
# Duffy Health Center

Key Operations & Utilization Metrics	2013	2014	2015	2016
Operating Revenue per Patient	\$1,828	\$1,797	\$1,689	\$1,900
Operating Expense per Patient	\$1,954	\$1,882	\$1,564	\$1,793
Operating Revenue per Patient Visit	\$172	\$188	\$200	\$212
Operating Expense per Patient Visit	\$184	\$197	\$185	\$200
Non-Provider Medical Staff per Medical Provider	1.0	1.3	1.5	1.7
Administrative, Facilities, and Patient Support FTEs as Percent of Total FTEs	38%	33%	39%	37%
Patient Growth Rate	-13%	3%	9%	-2%
Visit Growth Rate	-4%	-7%	-4%	4%

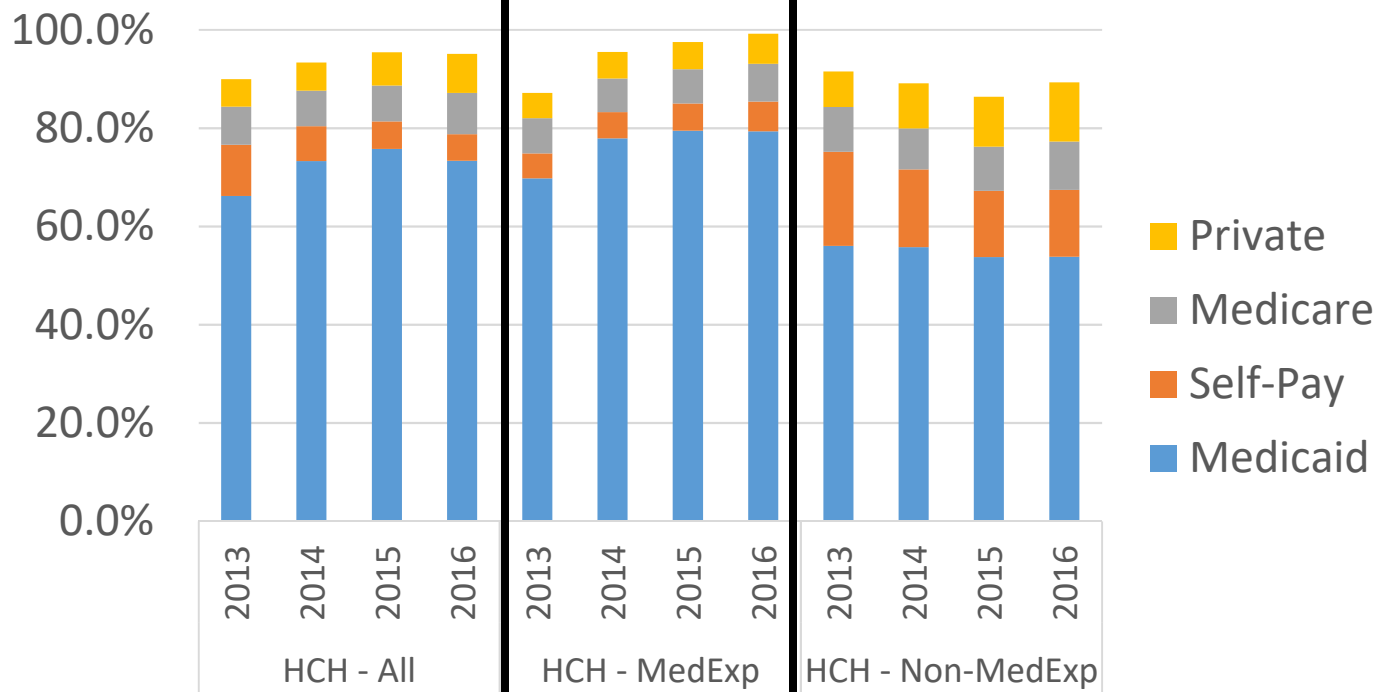
## 330 Grant Dollars per Uninsured Patient - Medians



# Payer Mix: Patients per Payer as a Percentage of Total Patients - Medians



# Payer Mix: Collections per Payer as a Percent of Total Collections - Medians



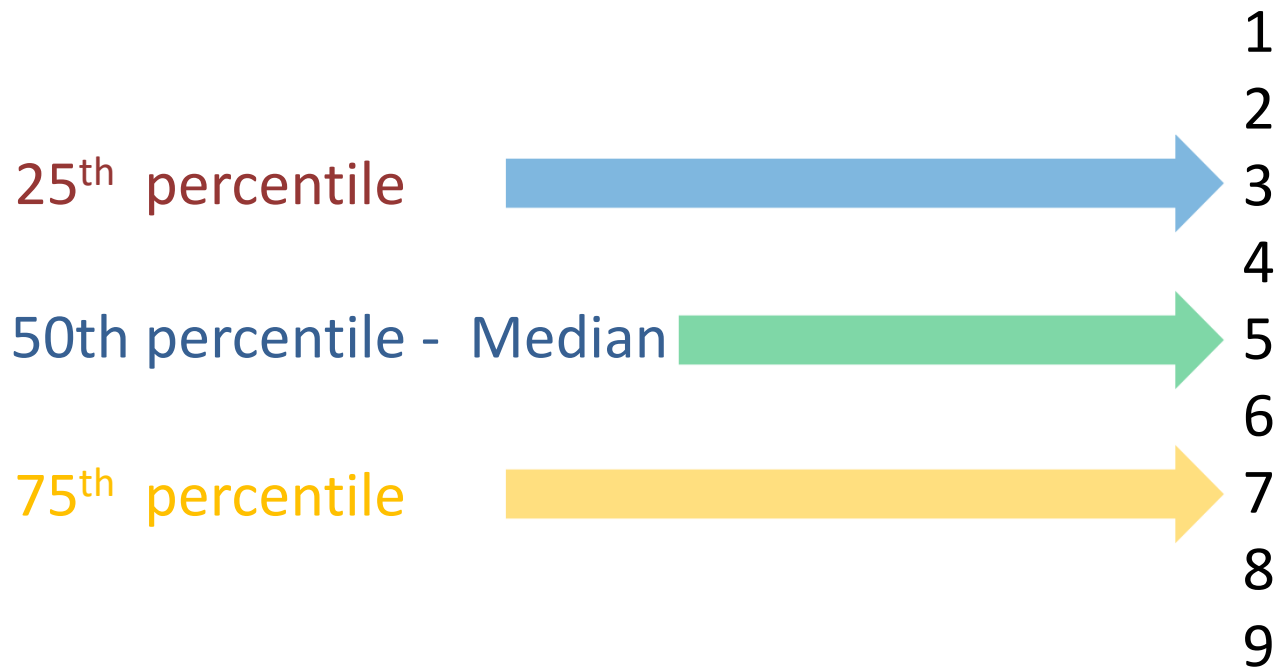
# Duffy Health Center

Payer Mix	2013	2014	2015	2016
Self-Pay Patients as Percentage of Total Patients	28%	14%	15%	9%
Self-Pay Collections as Percentage of Total Collections	0%	0%	0%	1%
Medicaid Patients as Percentage of Total Patients	41%	63%	60%	62%
Medicaid Collections as Percentage of Total Collections	69%	81%	78%	76%
Medicare Patients as Percentage of Total Patients	17%	16%	19%	21%
Medicare Collections as Percentage of Total Collections	14%	14%	18%	19%
Other Publicly Insured Patients as Percentage of Total Patients	14%	5%	0%	0%
Other Public Collections as Percentage of Total Collections	16%	4%	1%	0%
Privately Insured Patients as Percentage of Total Patients	1%	2%	7%	8%
Private Insurance Collections as Percentage of Total Collections	1%	1%	3%	4%

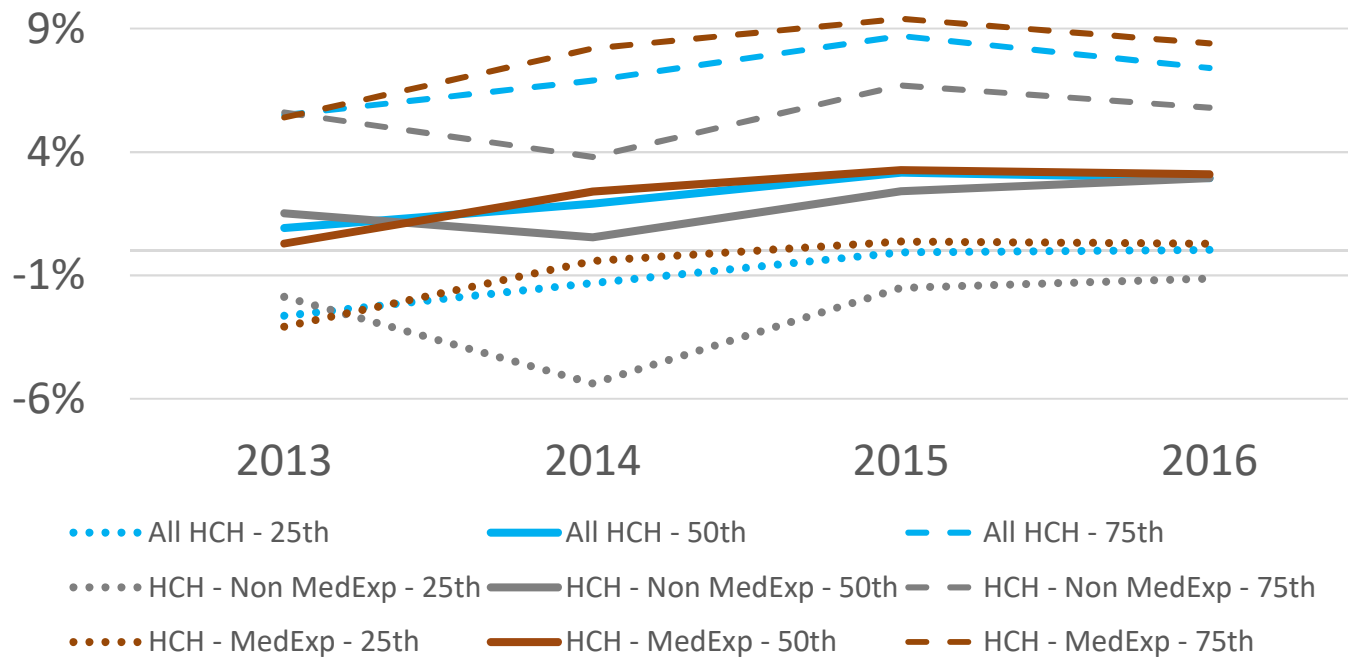


# Quartiles

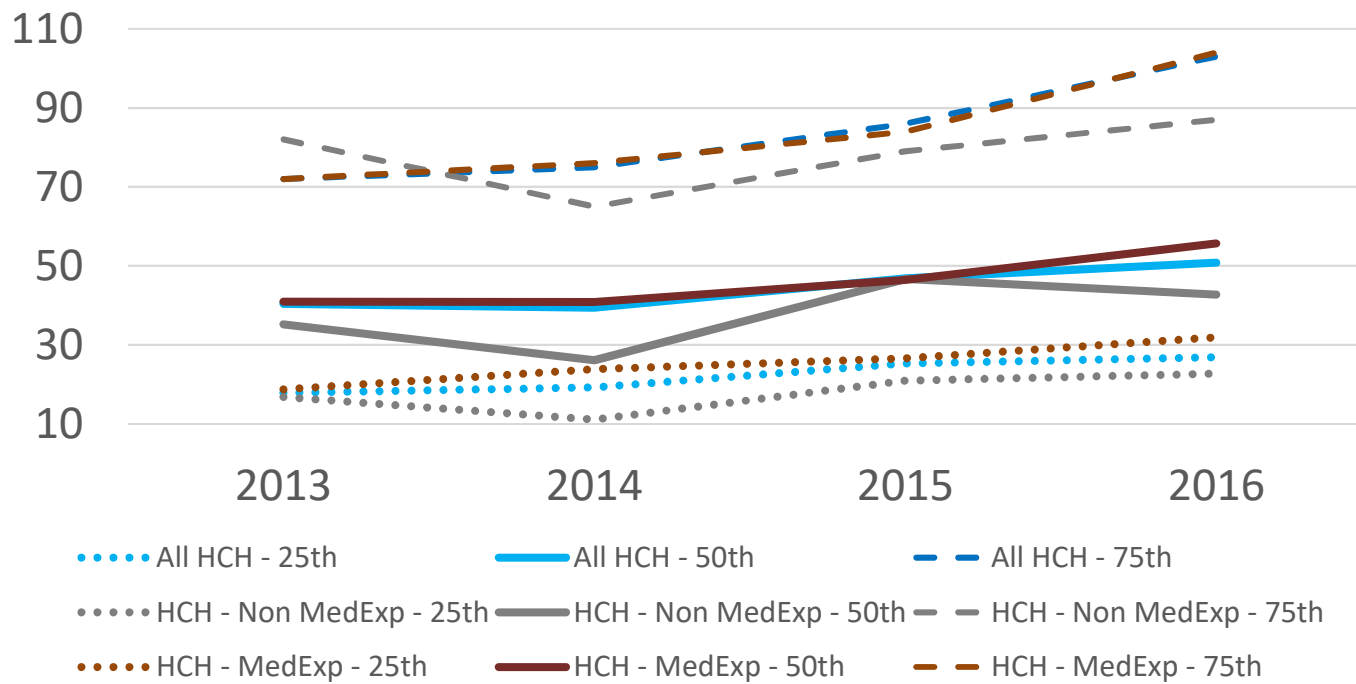
## *25<sup>th</sup> Percentile, Median, & 75<sup>th</sup> Percentile*



# HCH Grantees – Operating Margin Percentiles



# HCH Grantees – Days Cash on Hand Percentiles



## Distinguishing Characteristics – HCH Grantees



- Operating Margin: all percentiles have seen a positive trend although the 25<sup>th</sup> percentile is approaching breakeven
- Personnel-Expense: all HCH medians have seen a positive trend and operating at recommendation
- Days in Net Patient Receivables: all HCH medians consistently exceeding recommendation
- Days Cash on Hand: all percentiles improving with median at recommendation and 25<sup>th</sup> percentile less than 30 days

## Distinguishing Characteristics – HCH Grantees



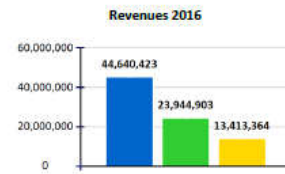
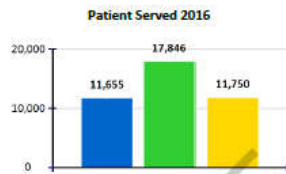
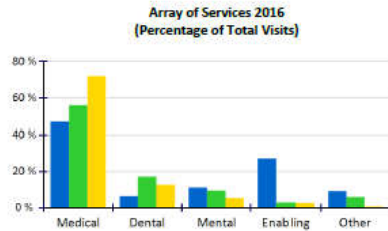
- Medical Provider Productivity was slowing declining similar to national trends until 2016
- All HCH medians indicate positive margins per patient and visit
- Both patient and visit growth rate medians remain positive
- 330 Funding per Uninsured Patient differs significantly between Medicaid (non)Expansion states
- Significantly higher percentages of Medicaid patients and collections in Medicaid Expansion states

# Performance Evaluation Profiles (PEP)

## Peer Comparison

2016

■ XYZ Health Center  
■ State FQHCs  
■ National FQHCs



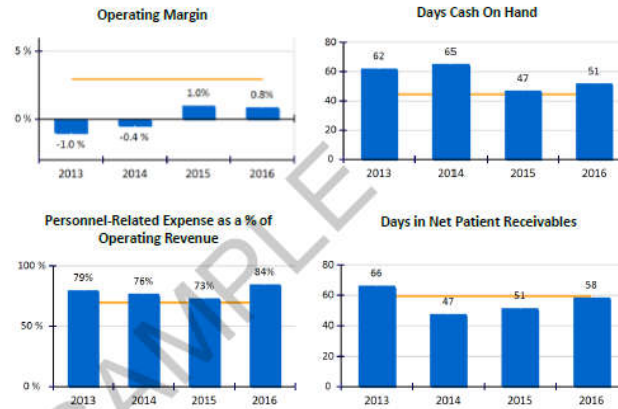
Key Metrics	Health Center 2016	State FQHCs Median 2016	National FQHCs Median 2016	Key Metrics	Health Center 2016	State FQHCs Median 2016	National FQHCs Median 2016
Medical Visits as a Percentage of Total Visits	47%	56%	72%	Total Revenue	\$44,640,423	\$23,944,903	\$13,413,364
Dental Visits as a Percentage of Total Visits	6%	17%	13%	Total Patients	11,655	17,846	11,750
Mental Health Visits as a Percentage of Total Visits	11%	10%	5%	Total Visits	134,146	86,329	42,572
Enabling Visits as a Percentage of Total Visits	27%	3%	3%	Total FTEs	378	202	92
Other Professional Visits as a Percentage of Total Visits	9%	6%	1%				

# Performance Evaluation Profiles (PEP)

## Financial Dashboard

XYZ Health Center  
2013 - 2016

Capital Link Benchmark



Key Financial Metrics	Target	2013	2014	2015	2016	State FQHCs Median 2016	National FQHCs Median 2016
Operating Margin	> 3%	-1.0%	-0.4%	1.0%	0.8%	0.9%	4.2%
Bottom Line Margin	> 3%	3.5%	10.4%	14.3%	-0.9%	2.3%	5.5%
Personnel-Related Expense as Percentage of Operating Revenue	< 70%	79.4%	76.3%	72.7%	84.3%	72.0%	70.5%
Days Cash on Hand	> 45 Days	62	65	47	51	39	68
Days in Net Patient Receivables	< 60 Days	66	47	51	58	43	40

# Performance Evaluation Profiles (PEP)

Performance Detail								
Financial Health: Performance and Liquidity Measures								
XYZ Health Center 2013 - 2016								
Performance and Liquidity Measures	Target	2013	2014	2015	2016	Percentile	State FQHCs 2016	National FQHCs 2016
Operating Margin	> 3%	-1.0%	-0.4%	1.0%	0.8%	75	3.5%	9.6%
						50	0.9%	4.2%
						25	-0.7%	0.6%
Bottom Line Margin	> 3%	3.5%	10.4%	14.3%	-0.9%	75	4.8%	11.4%
						50	2.3%	5.5%
						25	-0.6%	1.4%
Personnel-Related Expense as Percentage of Operating Revenue	< 70%	79.4%	76.3%	72.7%	64.3%	75	75.9%	75.4%
						50	72.0%	70.5%
						25	67.8%	64.3%
Days Cash on Hand	> 45 Days	62	65	47	51	75	96	119
						50	39	68
						25	20	32
Current Ratio	> 1.25	3.8	3.4	2.9	2.6	75	3.8	5.2
						50	2.6	3.1
						25	1.7	1.9
Days in Net Patient Receivables	< 60 Days	66	47	51	58	75	58	61
						50	43	40
						25	31	29
Days in All Receivables	< 60 Days	58	45	49	52	75	52	59
						50	41	41
						25	31	29
Days in Accounts Payable	< 45 Days	31	28	31	47	75	49	45
						50	34	29
						25	25	18
Debt Service Coverage Ratio	> 1.25	16.9	6.3	12.8	-	75	5.4	18.5
						50	3.0	6.8
						25	2.1	2.7
Leverage	< 3.0	0.4	0.4	0.1	0.1	75	1.7	0.8
						50	0.8	0.4
						25	0.4	0.2

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Performance Evaluation Profile 2013 - 2016

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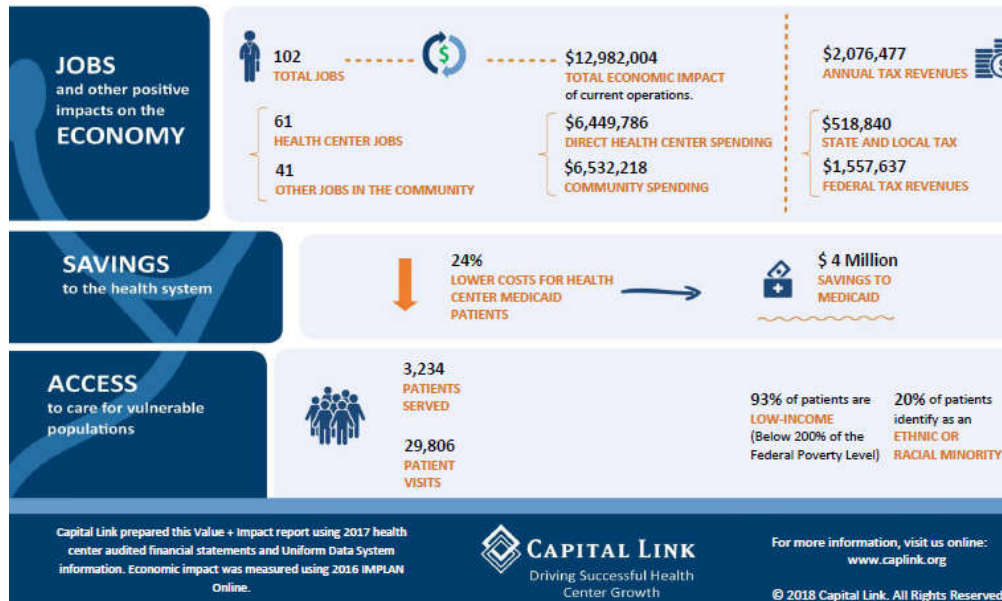


# Duffy Health Center

## VALUE IMPACT of HEALTH CENTERS Duffy Health Center

Federally Qualified Health Centers and other safety-net clinics such as **Duffy Health Center** provide tremendous value and impacts to their communities—from **JOBS** and **ECONOMIC STIMULUS** to local communities; **SAVINGS** to the health care system; **ACCESS** to care for vulnerable populations.

Highlights of **2017** contributions are shown below.



## What Does Success Look Like?



## Contact Information

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