



Community Development Manual

Table of Contents

Primary Health Care
Access Models.....1

Shortage Designations.....5

Health Care Access:
Where to Start.....6

Becoming an FQHC.....7

Grant Writing Assistance.....10

Primary Health Care Access Models

Free Clinics: Requirements and Definitions

- Typically, care is provided by volunteers
- No specific federal or state definition or regulations
- The Wisconsin Department of Health Services maintains [a list](#).

Resources

HRSA Rural Health Outreach Grant Program offers competitive grants to support the development of new and innovative health care delivery systems in rural communities that lack essential health services. Applicants must be located in rural areas, be public or private non-profit, and must include collaboration with at least two other community partners. Learn more at [HRSA's Rural Health Web site](#).

The [National Association of Free Clinics](#) provides resources on operations, continuing education, funding; and discounted and donated products.

[Free Clinics of the Great Lakes](#) provides discounted drugs, test strips, information sharing, and learning opportunities.

Liability Coverage

[Wisconsin Volunteer Health Care Provider Program](#) is a state program that provides liability coverage for volunteer licensed health providers who provide outpatient care at free clinics.

The [Federal Tort Claims Act Coverage of Free Clinic \(FTCA\) Volunteer Health Care Professionals](#) describes other coverage options.

Rural Health Clinics: Requirements and Definitions

- May be non-profit or for-profit clinic
- Must be located in a rural (non-urban) area in a federally designated shortage area (Health Professional Shortage Area, Medically Underserved Area, or Governor's Shortage Area)
- Must provide routine outpatient primary care (diagnostic, therapeutic and basic lab)
- Must provide first response services to common serious injuries and acute illnesses
- A nurse practitioner, physician assistant, or nurse midwife must be on-site and available to see patients 50% of the time the clinic is open
- Must have referral arrangements with area hospital
- Must have a quality improvement program in place

The Wisconsin Department of Health Services maintains a list of [Rural Health Clinics](#).

Benefits

- Eligible for cost-based reimbursement for a defined set of outpatient services for patients who use Medicare and Medicaid
- Eligible to bill private insurance for covered patients
- May have a sliding fee scale and patient co-payments
- Access to National Health Service Corps providers if located within a Health Professional Shortage Area (HPSA)

Resources for Rural Health Clinics

- HRSA Office of Rural Health: [Starting a Rural Health Clinic](#)
- [National Association of Rural Health Clinics](#)
- [Rural Assistance Center](#)
- [Centers for Medicare & Medicaid](#)
- Wisconsin Division of Quality Assurance [Rural Health](#)
- [Wisconsin Office of Rural Health](#)

Federally Qualified Health Centers (FQHCs), “Community Health Centers” (CHCs): Requirements and Definitions

- Non-profit tax exempt organization or public entity
- Located in a Medically Underserved Area (MUA) or serve a Medically Underserved Population (MUP)
- Governed by a community-based board (51% must be Health Center patients)
- Applied for, and received, a competitive federal CHC grant (new access point)
- Must have a Quality Improvement program
- Must offer a sliding fee discount on services to uninsured patients <200% FPL
- Must provide comprehensive primary health care, including medical, oral, and behavioral health care – using employed model, referral, or contract
- Provide services to individuals within a service area regardless of the patient’s ability to pay
- Facilitate access to care through services such as outreach, transportation, translation, case management, and education

Benefits

- Federal Tort Claims Act malpractice coverage
- 340B Drug Pricing Program (discounted pricing)
- Federal loan guarantee for capital improvements
- Vaccines for Children program
- Access to National Health Service Corps providers
- Receive federal Community Health Center grants
- Can apply for competitive federal grants for expansions and new sites
- Cost-based reimbursement for Medicare and Medicaid patients
- Sliding scale patient co-payments and private insurance
- State Community Health Center grants divided among Community Health Centers

Resources for FQHCs

- DHHS [Health Resources & Services Administration](#)
- [National Association of Community Health Centers](#) (NACHC)
- [Wisconsin Primary Health Care Association](#) (WPHCA)
- [State of Wisconsin Primary Care Office](#)

Hallmarks of an FQHC

Fees based on ability to pay

Quality primary health care, open to all

Highly competent professional health care team

Community control (community majority board)

FQHC Look-Alikes: Requirements & Definitions

- Must meet all the eligibility and program requirements of a FQHC/Community Health Center
- Do NOT have a federal CHC grant
- Private non-profit or public entity
- Located in a Medically Underserved Area (MUA) or serve an Medically Underserved Population (MUP)
- Download [Policy Information Notice \(PIN\) 2009-06](#) for details.

Benefits

- The best foundation from which to become an FQHC
- Cost-based reimbursement for Medicare
- Prospective payment for Medicaid
- Sliding scale patient co-payments and billing private insurance
- Access to 340B drug pricing
- Access to National Health Service Corps providers

Resources for FQHC Look-Alikes

- See resources under FQHCs

Shortage Designations

Many of the programs noted above require that entities either be located in, or serve, a Medically Underserved Area (MUA), Medically Underserved Population (MUP), or a Health Professional Shortage Area (HPSA). Each of these are federally designated areas where the underserved population-to-provider ratios are below a minimum threshold, as defined by a federal process. In Wisconsin, MUAs, MUPs, and HPSAs are completed on an as-requested basis – so not having a current designation does not mean that you might not be eligible for one.

Shortage Designations and Eligibility for Federal and State Programs

Shortage Designation Type	Nat'l Health Service Corps: Loan Repayment*	Wis. Loan Repayment*	Wis. J-1 Visa Waivers (foreign MDs)*	CMS Medicare HPSA Bonus Payment	Wis. Medicaid Bonus Payment**	FQHC*	CMS Rural Health Clinic Certification*
HPSAs							
Primary care-geographic	●	●	●	●	●		●
Primary care-low income population	●	●	●		●		●
Dental-low income population	●	●					
Mental health-geographic	●	●	●	●			
Mental health-low income population	●	●	●				
Facility-primary and mental health	●	● (Primary care only)	●				
Automatic-CHC/RHC/Tribal	●	●	●				
MUA							
MUA			●			●	●
MUP							
MUP			●			●	
MUP-exceptional governor's			●			●	
Governor shortage							
Governor shortage							●

*These federal/state programs have additional eligibility criteria in addition to location in a designated shortage area

**The Wis. Medicaid HPSA bonus is available for specified primary care services provided in a designated primary care HPSA or provided to a patient who lives in a primary care HPSA.

Visit Wisconsin Dept. of Health Services Primary Care Office [Web site](#) for more information.

To request a survey to see if your community qualifies for a shortage designation, please contact Anne Dopp at the Wisconsin Primary Care Office, anne.dopp@dhs.wisconsin.gov or 608-267-7121. Include the primary reason for requesting a designation. Because of the intense data collection and analysis required to assess each community, please allow adequate time for the request.

We Know Our Community Needs More Health Care Access: Where Do We Start?

If you and others in your community are taking steps to establish a new, local Community Health Center, this checklist will help you identify major steps and assess your progress. You do not have to complete the steps on this checklist in order; in fact, you will probably want to jump ahead or revisit earlier steps throughout the process to assure that you are taking new partnerships and developments into consideration.

Readiness Checklist

1. Engaged Community Coalition

- Identify key partners
- Identify barriers
- Identify facilitators
- Identify your communities strengths, weaknesses, opportunities and threats
- Consider which model would be most suitable for your community
- If you are interested in developing an FQHC or FQHC Look-Alike, is there an existing 501(c)3 (Non-Profit) that would be interested in being the applicant?

2. Familiarize the Group with FQHC/FQHC Look-Alike Requirements

3. Medically-Underserved Area (MUA) or Medically-Underserved Population (MUP) Designation

- Who is the target community that the CHC plans to serve?
- Is the target community within a MUA or MUP?
- Will all residents (including the medically underserved, low income, and/or uninsured) within the MUA or MUP be able to access the CHC?
- Are there other areas/groups outside the MUA or MUP that the CHC foresees having in its service area/user population?

4. Conduct a Community Needs Assessment

- What do you think the needs are for the proposed target community?
- What have you done to start documenting these needs?
- Collect data on health indicators from local health care providers, Community Action Programs or Agencies, home health agencies, and other stakeholders. See the Data Resources Appendix for tips on collecting county-level data.

5. Articles of Incorporation

- Draft Articles (will most likely be incorporated as a Not-for-Profit)
- File Articles

6. 501(c)3 (Non-Profit) Status

- Obtain, complete, and file form 1023 with the IRS
- Obtain a Wisconsin Certificate of Exempt Status (CES)
- Register with the State of Wisconsin to solicit or receive contributions

7. Community-Based Board of Directors

- Draft mission, vision, and bylaws (to define size and selection of Board, number of meetings, and how board will operate)
- Recruit a community-based board, paying attention to bylaws, and HRSA composition requirements*
- Is there legal expertise on the board, or has a source for legal expertise been identified?
- Initial meeting to approve articles and bylaws, authorize tax-exempt filing, elect officers, agree on periodic meeting structure, committee structure, and (if applicable) appoint board members to committees

*HRSA requires Health Center boards to: 1) Consist of at least 9 but not more than 25 members; 2) Maintain a majority (at least 51%) of members who are being served or who will be served by the Health Centers; 3) Represent the diversity of the community (age, gender, race/ethnicity, expertise, community connections); 4) Not have more than half the members of the board be individuals who derive more than 10% of their annual income from the health care industry; 5) Not have members who are employed by the Health Center or are relatives of Health Center employees.

We Know We Want to Become an FQHC: Where Do We Start?

Contact the Wisconsin Primary Health Care Association (WPHCA)

WPHCA is a state training and technical assistance resource for both existing Health Centers and communities interested in starting a new community health center. WPHCA's process will include connecting interested communities with nearby existing CHCs for initial meetings. It might be possible that an expansion of an existing CHC would be advantageous in your community. If that doesn't seem feasible or timely, WPHCA will work with communities to develop their own independent organizational entity.

Recruit a Community-Based Board of Directors and Legal Expertise

Community Health Center Boards are required Federal Regulations to meet certain requirements. Health Center boards must:

- Consist of at least 9 but not more than 25 members
- Maintain a majority (at least 51%) of members who are being served or who will be served by the Health Centers
- Represent the diversity of the community (age, gender, race/ethnicity, expertise, community connections)
- Not have more than half of the members of the Board be individuals who derive more than 10 percent of their annual income from the health care industry
- Not have members who are employed by the Health Center or relatives of Health Center employees

Draft Articles of Incorporation

Articles of incorporation establish the Health Center as a legal entity. Community Health Centers are generally incorporated as not-for-profit entities, which makes them eligible to apply for tax-exempt status under state and federal income tax laws.

Sample Articles of Incorporation

[Example 1](#): Minnesota Council of Nonprofits

[Example 2](#): Free Management Library

Draft Mission, Vision, Bylaws

Bylaws provide governing rules for internal Health Center operations from defining the size and selection of the Board of Directors, the number of board meetings, how the board will operate,

[Sample Bylaws](#): Minnesota Council of Nonprofits

Obtain Tax-Exempt Status Materials

[Form 1023](#), Application for Recognition of Exemption

Application fees at time of submission \$750

Hold an Initial Meeting of the Board

- Approve Articles
- Approve Bylaws
- Authorize Tax-Exempt Filing
- Elect Officers
- Agree on periodic meeting schedule
- Agree on committee structure
- Appoint board members to committees

File Articles of Incorporation

Visit the Dept. of Financial Institutions' [Web site](#) for answers on forms and filing. Submit Articles of Incorporation and 1 exact copy to:

Department of Financial Institutions
PO Box 7846
Madison, WI 53707-7846

Information: (608) 261-7577

Fax: (608) 267-6813

Web Site: www.wdfi.org/corporations

Filing Fee: \$35

File Application with the IRS for tax-exempt status

Submit Form 1023, Application for Recognition of Exemption to:

Internal Revenue Service
P.O. Box 12192
Covington, KY 41012-0192

Information: (800) 829-1040
Forms: (800) 829-3676
Web Site: www.irs.gov/charities

Filing Fee: \$750 (\$300 if revenues less than \$10,000/year)

*Note: Federally exempt 501(c)(3) organizations are automatically exempt from Wisconsin corporate franchise and income taxes and need not apply for exemption.

Obtain a Wisconsin Certificate of Exempt Status (CES)

Generally, federally exempt 501(c)(3) organizations will qualify for sales tax exemption in Wisconsin. To obtain a Certificate of Exempt Status (CES) number, the organization must submit Form S-103 (CES) along with a copy of the IRS determination letter, Articles of Incorporation, bylaws, and a statement of income and expenses for the organization's most recent accounting period to:

Wisconsin Department of Revenue
PO Box 8902
Madison, WI 53708-8902

Information: (608) 266-2776
Fax: (608) 267-1030
Web Site: www.dor.state.wi.us

Register to the State of Wisconsin to Solicit or Receive Contributions

Wisconsin non-profit entities must register with the Wisconsin Department of Regulation and Licensing (DRL) in order to solicit contributions or have contributions solicited on its behalf in excess \$5,000. Form #296 along with Articles of Incorporation, bylaws, IRS 501(c)(3) determination letter, and a statement explaining how the organization will use the contributions must be received by the DRL by July 31st.

- If contributions received >\$5,000: Submit Form #308
- If contributions received >\$100,000: Submit audited financial statement, Form #11952, and Form #308 with filing
- If the organization uses a professional fund-raiser to solicit in Wisconsin, the name and address of said fund-raiser must be provided

Department of Regulation & Licensing
Charitable Organizations
PO Box 8935
Madison, WI 53708

Phone: (608) 266-2112
Fax: (608) 267-3816
Web Site: www.drl.wi.gov

Filing Fee: \$15

"Contributions" refers to those either solicited or unsolicited. Also, IRS Form 990 may be filed in lieu of Form #308 (Charitable Organizational Annual Financial Report), but must be accompanied with Form #1952.

- Develop and obtain Board approval on strategic plan**
- Develop work plans and organizational budgets**
- Identify source of accounting experience**
- Establish accounting system and record-keeping procedures**
- Develop a fundraising plan**
- Apply for nonprofit mail permit**
- Develop and submit grant proposals; initiate fund raising from individual donors**

We Need Help with Grant Writing or Grant Editing

The benefits with contracting with an experienced company or person to help you with your New Access Point grant application are numerous. Not only do they have extensive experience in developing high-quality, high-scoring grant applications, but they also provide critical strategic, health care, and business planning guidance as the application is developed. If you intend to contract for any stage of the process, from the full grant development to a technical edit at the end of your process, it would be best to contact people early and often. The best grant writers will be in high demand during the health reform period. A list of grant writers is available on request as a courtesy from WPHCA. Email Lisa Olson, Program Coordinator at lolson@wphca.org.

Copyright 2010
Wisconsin Primary Health Care Association

WPHCA
4600 American Parkway
Suite 204
Madison WI 53718
608-277-7477
www.wphca.org