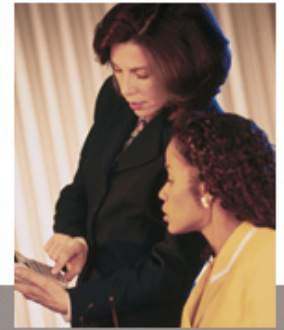




NATIONAL ASSOCIATION OF  
Community Health Centers



America's Voice for Community Health Care



NATIONAL ASSOCIATION OF  
Community Health Centers

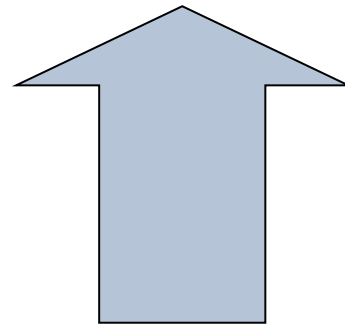
## *America's Voice for Community Health Care*

### **The NACHC Mission**

To promote the provision of high quality, comprehensive and affordable health care that is coordinated, culturally and linguistically competent, and community directed for all medically underserved people.

# Program/Proposal Logic Model

Strategic Planning



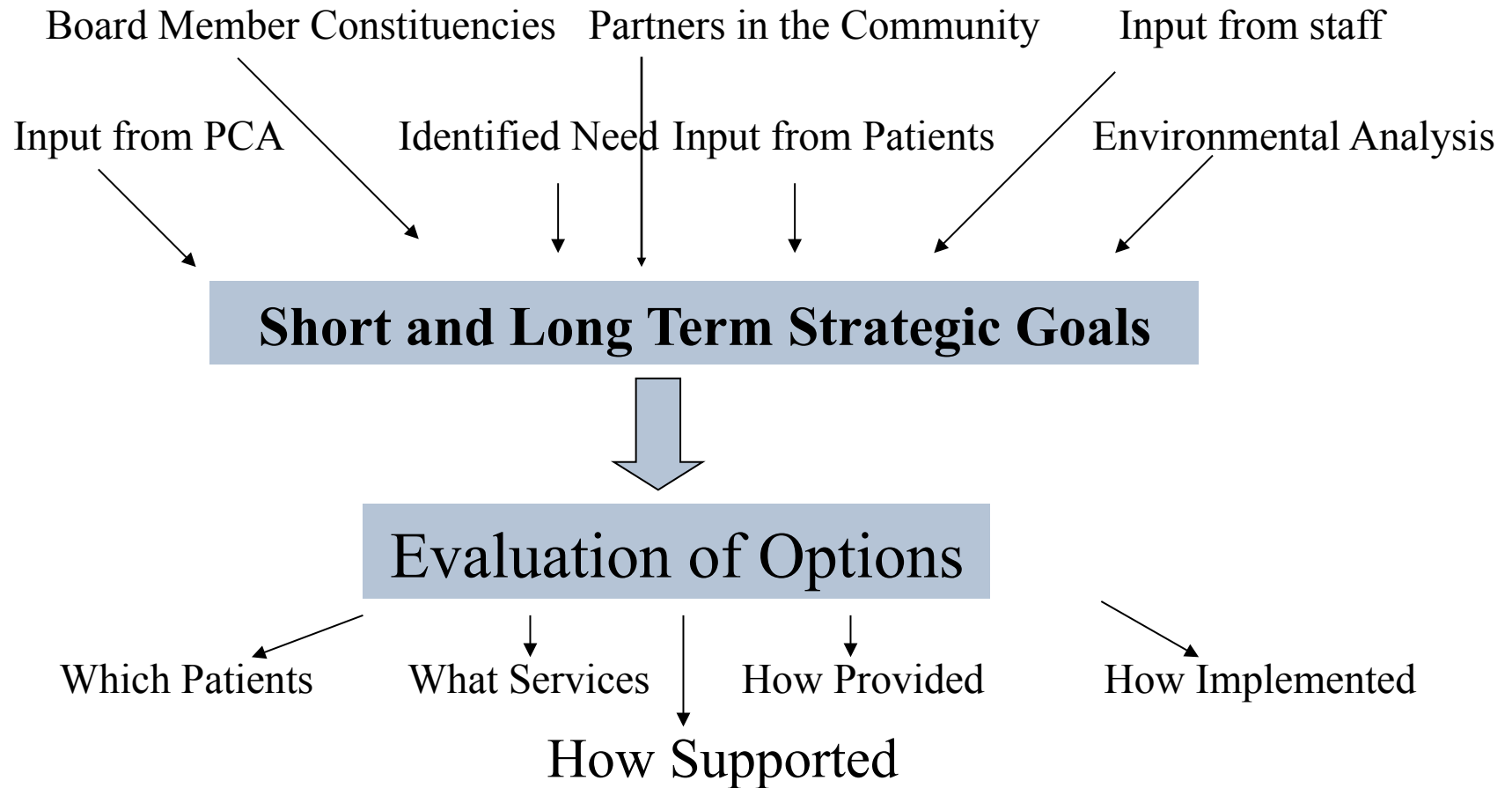
Need for Primary  
Care Services



## Strategic Planning:

The Information Gathered in the Process of Identifying Need Coupled With the Options Available Form the Basis for the Strategic Planning Process

# Strategic Planning:

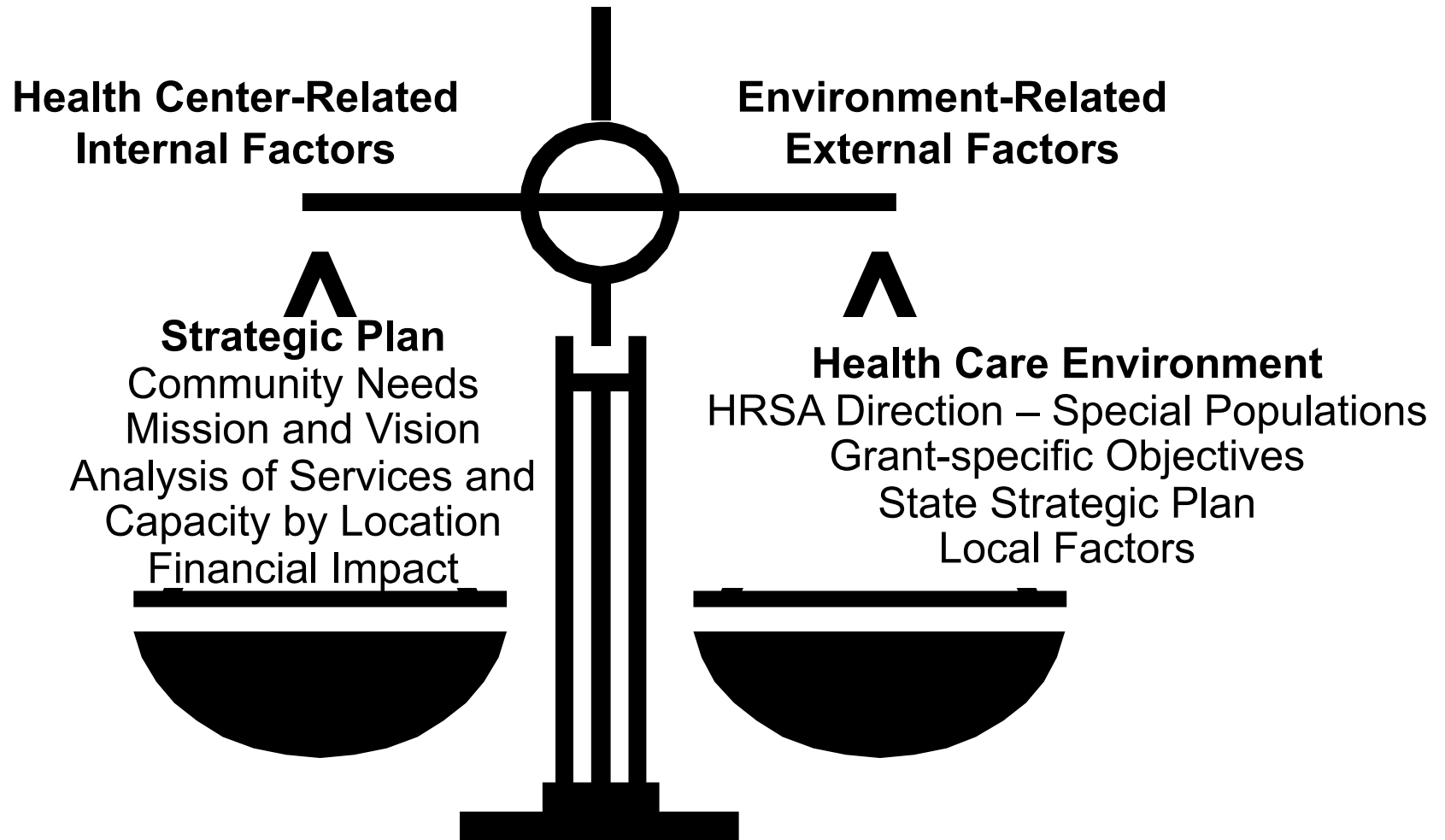




## Define Short and Long Term Goals

- Based on findings from the needs assessment
- Consistent with the Mission and Vision of the Organization

# Strategic Thinking Process

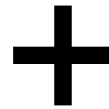


# Strategic Thinking Internal Factors



## Strategic Plan

- Mission
- Vision for growth
- Goals/objectives



## Community Needs

- Demographic and health status data
- Target population needs survey
- Board input/participation



## Health Care Environment

- Competition
- Politics
- Collaborators
- Policy/Reimbursement environment
- Local health care ecology

## Strategic Thinking External Factors



### HRSA (Others?) Strategic Directions

- Historical/Philosophical Influences
  - Statutory imperatives
- Administration Priorities
  - Frontier & rural
- Funding Trends/Mandates
  - Special pops only applications
- Create a new primary care delivery system - what does that mean????



THERE ARE OPTIONS

## Focusing on FQHC'S

What are the potential opportunities?



# THERE ARE OPTIONS

## An FQHC:

- New Funded Organization
  - FQHC Look-Alike
- Existing Grantee Expanding Capacity and/or Services

# HEALTH TRUST FUNDING

- ADDITIONAL \$11 BILLION 2011-2015
  - \$1.5 BILLION IN CONSTRUCTION
  - \$9.5 BILLION IN 330 OPERATING FUNDS





## PRESENT APPROPRIATION \$2.19B

FY	NEW DOLLARS	TOTAL APPROPRIATION
FY 2011	\$1 B	\$3.19 B
FY 2012	\$200 M	\$3.39 B
FY 2013	\$300 M	\$3.69 B
FY 2014	\$700 M	\$4.39 B
FY 2015	\$1.4 B	\$5.79 B



## TRADITIONAL TYPES OF 330 FUNDING

- OPEN TO NEW ORGANIZATIONS:
  - PLANNING GRANTS
  - NEW ACCESS POINTS
- OPEN TO ONLY 330 GRANTEES
  - EXPANDED MEDICAL CAPACITY
  - SERVICE EXPANSIONS
  - ENABLING
- NEW AND INTERESTING THINGS TO FUND - WHAT DOES THAT MEAN????



# THERE ARE OPTIONS

## Not An FQHC??

- Free Clinic
- Rural Health Clinic
  - Others?
- Partnerships



## COLLABORATIONS

### SO WHAT DO WE WANT TO DO AND WHAT ARE THE IMPLICATIONS??

1. **We want to collaborative with an FQHC to provide some services for their patients - that works here's what you can and cannot do:**
  - **If they are “required services” there must be written agreement with the partner provider that can be:**
  - **a referral arrangement**
    - Partner will provide defined care to health center patients who are referred to it by health center regardless of ability to pay
    - Partner is financially, clinically and legally responsible and is solely liable for damages related to services
    - Partner bills and collects payment for the services
    - Patients receiving services are partner's patients for the referred services



## COLLABORATIONS

### SO WHAT DO WE WANT TO DO AND WHAT ARE THE IMPLICATIONS??

1. **We want to collaborative with an FQHC to provide some required services for their patients - that works here's what you can and cannot do:**
  - **Or you can have a contractual agreement:**
    - Whereby the partner provides services to health center's patients on behalf of health center and is paid either on a hourly or negotiated fee basis
    - clinical, administrative and/or managerial expertise and experience that health center cannot obtain directly but wants to include in-scope
    - Health center is financially, clinically and legally responsible for the services purchased
    - Patients receiving services are health center patients - FQHC owns medical records and does all billing and collections



# AFFILIATIONS AND INTEGRATED SERVICES

## SO WHAT DO WE WANT TO DO AND WHAT ARE THE IMPLICATIONS??

1. **We want to have an umbrella affiliation with an FQHC to provide some services for their patients - that works here's what you can and cannot do:**
  - Develop a broad continuum of activities that the FQHC and partner provide for each other
  - Identify mutual obligations and benefits
  - Cannot abridge any of the FQHC Governing Board autonomies or authorities
  - Cannot violate any of the FQHC's requirements or obligations
  
2. **We want to develop integrated services model - for services in the FQHCs scope of project:**
  - Integrated services/programs are operated under health center umbrella and the health center assumes operational and financial authority for services/programs
  - Partner's clinicians are either integrated into health center's workforce or purchased by health center through a Lease of Clinical Capacity
  - May require "Transition Agreement"
  - Cannot impact health center board's autonomy and compliance



# RESIDENCY PROGRAMS

## SO WHAT DO WE WANT TO DO AND WHAT ARE THE IMPLICATIONS??

### 1. We want to have residency program in an FQHC

- Residency program takes responsibility for teaching functions, costs of faculty and trainee salaries and benefits, malpractice insurance, and reasonable reimbursement to the FQHC for the extra costs of medical education
- FQHC retains authority over the policies and procedures, quality assurance, ability to remove faculty and/or trainees, diagnosis, billing for care, and scope of services (location, type of service, etc.)



## ER DIVERSION

### SO WHAT DO WE WANT TO DO AND WHAT ARE THE IMPLICATIONS??

1. **We want to coordinate with our hospital partner to do an ER diversion program**
  - You can co-locate so that ER personnel can offer non-urgent patients the option of going to the health center
  - The hospital can provide referral options for non-urgent patients to the health center facility - perhaps with transportation
  - The health center can station triage staff in the ER to offer the non-urgent patients the option of going to the center and can do entry and appointment-making, etc.
- **But you must be sure that all federal CMS and EMTALA requirements are met and followed**



# HOWEVER UNDER ANY AND ALL COLLABORATION MODELS

- THE INTEGRITY OF THE FQHC'S CORPORATE STRUCTURE MUST BE MAINTAINED
  - No parent/subsidiary or similar structures (e.g., Sole Member) unless
    - Health center retains all Board selection and composition requirements, and exercises all prescribed authorities and
    - The structure is specifically approved by HRSA



# HOWEVER UNDER ANY AND ALL COLLABORATION MODELS

- Governance: under all affiliation arrangements, board must remain compliant with all Section 330-related selection and composition requirements and retain all prescribed authorities
  - No other entity or appointed individual may
    - Select the majority of health center board members, non-consumer members, or members of the Executive Committee, or function as board chair
    - Preclude the selection, or require the dismissal, of board members not appointed by that party
    - Have overriding approval authority, veto authority or “dual majority” authority



# HOWEVER UNDER ANY AND ALL COLLABORATION MODELS

- Management and Finance
  - No other entity/individual can employ Executive Director/CEO
  - No other entity/individual can employ CFO and/or CMO, subject to good cause exception (PIN #98-24)
- Health Services/Clinical Operations
  - No other entity/individual can employ the majority of health center's PCPs, subject to good cause exception (PIN #98-24)
  - Non-exclusivity: no other entity/individual can control health center's relationships with other providers unless control will not impact health center's ability to collaborate and coordinate with other local providers



# A RELATED BUT DIFFERENT QUESTION

- Can we come under the FQHC's "umbrella" and then spin-off on our own in a couple of years??

**Once an organization merges with an FQHC they become a part of that FQHC corporation, that is they cease to exist as a separate entity. The FQHC governing board and management assume control over the "merged" organization. Spinning off a site is not under the full control of the FQHC but rather involves significant negotiation with HRSA.**



## AND THERE ARE DECISIONS

- What is the cost of one choice v another (cost-benefit analysis)?
- What is the cost of applying (likely return on investment)?
- What is the cost to us in changing v not changing (political capital; tradition; commitments; public persona)?



## Strategic Planning:

# Will It Work?

Evaluate the Feasibility of the Plan  
Due Diligence



## Program Documents: Grant-Related Requirements

- Medicaid & Medicare Statutes (Social Security Act 1905(1)(2)(B)(iii) and 1861(aa)(4)(b) respectively)
  - Define “Federally Qualified Health Center” as a provider type eligible for enhanced reimbursement under Medicaid and Medicare
- Grant enabling statute: Section 330 of the Public Health Service Act, as amended by Public Law 107-251 (October 26, 2002)
- Program-specific regulations: 42 CFR Part 51c (community health centers) and 42 CFR Part 56 (migrant health centers)
- DHHS administrative regulations: 45 CFR Part 74, incorporating OMB Circulars A-110, A-122, A-133 (which are codified at 2 CFR Part 215 and Part 230)
  - Financial and program management systems, including cost principles
  - Procurement standards
  - Property and equipment standards
  - Reporting requirements
- DHHS Grants Policy Statement



## Key Documents: Grant-Related Requirements

- Bureau of Primary Health Care (BPHC) Policies
  - Program Information Notices (PINs)
    - PIN # 98-23: Health Center Program Expectations
    - PIN # 2008-01: Scope of Project Policy
    - PINs # 97-27 & 98-24: Affiliation policies
    - PIN # 2007-09: Service Area Overlap Policy and Process
  - Program Assistance Letters (PALs)
- Notice of Grant Award (NGA) and special terms and conditions



# STAY IN TOUCH!!!!

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