

# CAPITALink

*A Quarterly Resource Bulletin from Capital Link, Winter 2016 Issue*

## Message from the CEO

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2015 was certainly a roller coaster ride, with many highs and lows: we celebrated the 50th anniversary of the health center movement and fixed the Primary Care Cliff, while also weathering threats to the annual appropriation and attempts to repeal the Affordable Care Act. Throughout the year, the health center family showed its resilience as we faced these hurdles together. What's encouraging is the steadfast commitment to the health center mission and the many ways health centers are growing and improving to meet the needs of their communities.

As we begin 2016, Capital Link applauds the achievements of health centers and offers information that may help ongoing efforts to expand access to care and impact patients' overall well-being. This issue contains an invitation for health centers to apply to participate in a new **Healthy Futures Fund Readiness Program**, and highlights our new report exploring the relationship between financial, clinical and operational excellence at America's health centers. We also provide new resources, including an updated infographic illustrating the growing economic impact of health centers nationwide.

We'd like to update you on a few staffing changes here at Capital Link and our lending affiliate, Community Health Center Capital Fund. **Mary Ann Wayne**, Director of Loan Programs at Capital Fund, will be retiring this spring. We're grateful for her six years of hard work and dedication and wish her all the best in this next chapter in life. **Brandon Boyle** has joined us as Capital Fund's new Director of Loan Programs, bringing strong CDFI and banking experience. We'd also like to welcome **Muna Majekodunmi** as Capital Link's new Boston-based Staff Accountant, and **Dale S. Johnson**, who will join our California-based team in the spring as Consultant, Financial and Operations Improvement. We're delighted to have them aboard.

As always, there's also an update on the latest federal issues, health center highlights, and a list of upcoming trainings and presentations (we hope to see you at the NACHC Policy and Issues Forum—visit us at booth #217). Best wishes for a successful 2016!

Warm Regards,  
Allison Coleman, CEO



# Federal Update

Below is a selection of recent health policy and regulatory news and information relevant to health centers and PCAs. For regular updates, subscribe to Capital Link's blog for email notifications at <http://capitallinksblog.blogspot.com/> or access the following links:

NACHC's Health Centers On the Hill and The Policy Shop blogs:  
<http://blogs.nachc.com/>

The Health Resources and Services Administration's About Health Centers tab:  
<http://bphc.hrsa.gov/about/index.html>

The newsroom at the U.S. Department of Health and Human Services:  
<http://www.hhs.gov/news/index.html>

## **FY17 Budget Proposes Funding for Health Centers through FY19**

On February 9, 2016, it was announced that the President's FY 2017 budget proposes a total of \$5.1 billion in funding for Community Health Centers, including \$1.35 billion in discretionary funds and \$3.75 billion in mandatory funds. The budget also calls for extensions of mandatory funding for health centers for two additional years beyond the funding currently in place through FY17. Read more, including NACHC's statement on this proposal, here: <http://www.nachc.org/pressrelease-detail.cfm?pressreleaseID=1049>.

## **FY16 Omnibus Appropriations Legislation Includes Funding for Health Center Growth**

December 17, 2015 - After long negotiations, Congress passed a \$1.8 trillion spending package, which includes discretionary funding of almost \$1.5 billion for the Health Center Program. This is in addition to the \$3.6 billion in mandatory funding provided earlier this year through H.R. 2. The legislation specifies that no less than \$150 million be spent on construction and capital improvements and no less than \$200 million be spent on expansions of health center capacity, including new delivery sites and the addition of services such as dental and behavioral health. Read more at <http://www.nachc.com/pressrelease-detail.cfm?PressReleaseID=1041> and <http://blogs.nachc.com/washington/congress-passes-fy16-funding-bill-and-prevents-government-shutdown/>

## **CMS Announces Funding Opportunity to Discover How Addressing Social Needs Can Improve Health**

On January 5, 2016, the Department of Health and Human Services announced a new funding opportunity of up to \$157 million to test whether screening for health-related social needs and facilitating navigation of community-based services will improve quality and affordability in Medicare and Medicaid. The goal of the five-year Centers for Medicare & Medicaid Services (CMS) Innovation Center program, called the Accountable Health Communities Model, is that beneficiaries struggling with unmet health-related social needs are aware of the community-based services available to them and receive assistance accessing those services. A link to the funding announcement can be found here: <https://innovation.cms.gov/initiatives/ahcm>.

## New Markets Tax Credit Program Updates

### FY17 Budget Proposes to Make the NMTC Permanent at \$5 Billion in Authority

February 9, 2016 – The President’s fiscal year (FY) 2017 budget includes a proposal for the permanent extension of the New Markets Tax Credit Program (NMTC), which promotes investments in low-income communities, providing \$5 billion in annual allocation authority. Read the more on the NMTC Coalition blog at <http://nmtccoalition.org/blog/>.

### Five Year New Markets Tax Credit Program Extension

December 17, 2015 – The Protecting Americans from Tax Hikes Act (PATH Act) included a deal between Congressional negotiators and the White House to extend the New Markets Tax Credit Program for five years at an allocation level of \$3.5 billion annually. The bill included permanent extensions of several provisions, including the research and development tax credit. Just before the holidays, the House and Senate passed the PATH Act and the President signed it into law. <https://www.bdo.com/getattachment/2ccf64fd-5806-452d-a27b-d976cf8f146a/attachment.aspx>.

### NMTC Coalition Celebrates 15th Anniversary of the NMTC Program

On December 21, 2000, President Bill Clinton celebrated the signing of H.R. 4577, appropriations legislation that included the provisions of the Community Renewal Tax Relief Act and the New Markets Tax Credit Program. Since then nearly \$75 billion in capital flow to distressed rural and urban communities nationwide. A video of President Clinton’s 2000 speech can be found here: <http://nmtccoalition.org/2015/12/21/nmtc-coalition-celebrates-15th-anniversary-of-the-nmtc/>

# New and Noteworthy

## Health Centers Invited to Apply for Healthy Futures Fund Readiness Program

The Healthy Futures Fund (HFF), a collaboration between the Local Initiatives Support Corporation (LISC), Morgan Stanley, and The Kresge Foundation that launched in 2012, recently announced that it will invest an additional \$100 million in projects that promote healthy communities and address the social determinants of health. Utilizing New Markets Tax Credit (NMTC) financing, HFF is seeking to finance innovative, groundbreaking projects that will serve as models for the unique ways in which FQHCs are collaborating with partners to improve the health of their communities.

Ideal projects can best be defined as “gazelle projects,” or FQHC-sponsored capital projects that are ahead of their peers, moving quickly to address the social determinants of health in their communities; characterized by nimble leadership, discerning vision and swift progress. Projects should involve collaborations between health centers and other community partners that expand access to health care while also addressing at least one other critical community need, such as affordable housing, access to healthy food, job training, schools, elder care and other projects to advance community wellness.

In addition to providing attractive financing, HFF is offering a free HFF Readiness Program, sponsored by LISC and Kresge, for a limited number of FQHCs interested in obtaining financing through the HFF. Offered through Capital Link, the HFF Readiness Program is available to select health centers through a competitive application process; those that successfully complete the technical assistance program will be eligible for HFF grant funding to advance their project planning.

Health centers are invited to apply to participate in the HFF Readiness Program by accessing our call for proposals at <http://www.caplink.org/images/stories/Services/Application-Form-HFF-Readiness-Program-2016.pdf>. Applications are due March 4, 2016.

Learn more by visiting the Healthy Future Funds website at <http://www.healthyfuturesfund.org/> or Capital Link's [Healthy Futures Fund Readiness Program webpage](#). Contact Jonathan Chapman, Capital Link's Director of Community Health Center Advisory Services at [jchapman@caplink.org](mailto:jchapman@caplink.org) for details.



### **Help Us Report on the Capital Needs of Health Centers!**

For the past seven years, Capital Link has conducted a study, with support from HRSA, to determine the extent of existing and future health center capital needs and funding requirements. By providing an estimate of the additional capital investment required for health centers to meet growth targets, this national capital needs assessment helps focus attention on the evolving needs of health centers as they work to support high-quality patient care.

Your participation helps:

- quantify the capital needs of health centers nationally in order to inform public sector stakeholders;
- encourage private sector foundations and lenders to develop new funding sources to help health centers meet their needs;
- identify new or emerging needs, beyond “brick and mortar” capital — such as working capital to support rapid growth or acquisition of private practices;
- identify areas for additional technical assistance to help your health center reach development goals; and
- position your health center to receive information on emerging funding sources targeted to your specific needs.

We're preparing our new assessment and will send it in the next few weeks, so stay tuned! Your assistance in this important effort is greatly appreciated.

# Resources

## **New Study Examines the Relationship between Health Center Clinical, Financial, and Operational Excellence**

Health centers are experiencing greater demands on their services as health reform implementation proceeds, often necessitating growth and operational transformation. As their role as key providers of primary care increases, health centers need to assess their current performance and develop strategies for improvement. Prior Capital Link studies have provided health centers, Primary Care Associations, and other stakeholders with insight into financial and operational trends. This analysis furthers our knowledge by examining the operating models, strategies, and practices of high-performing health centers to better understand the factors that work for and against the co-occurrence of strong clinical performance and financial sustainability. This research sought to answer the following questions for the first time:

1. Do health centers that excel in providing high-quality patient care do better or worse than other health centers financially?
2. What are the characteristics of health centers that achieve both high-quality care and strong financial results?
3. What do high-performing health centers do differently or better than their peers?

The results of this analysis show that it is possible to reach quality targets while also performing well financially. Quality Awardee health centers achieve key quality targets and invest more in enabling staff and services, but are also able to produce strong financial results through revenue maximization, efficient medical care teams, and higher utilization through positive engagement with patients. The data further indicates that the highest performers have a greater ability to control costs—in particular, staffing costs—even though they are more heavily staffed with generally higher-cost physicians.

Key findings are illustrated in our infographic on the next page. Access a free download of the complete report at [www.caplink.org/resources/publications](http://www.caplink.org/resources/publications).

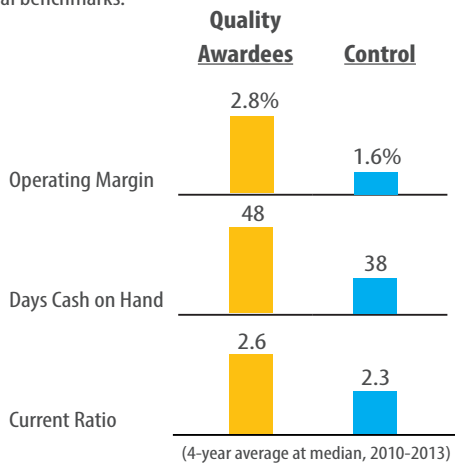
# Hallmarks of High Performance: Exploring the Relationship between Clinical, Financial and Operational Excellence at America's Health Centers



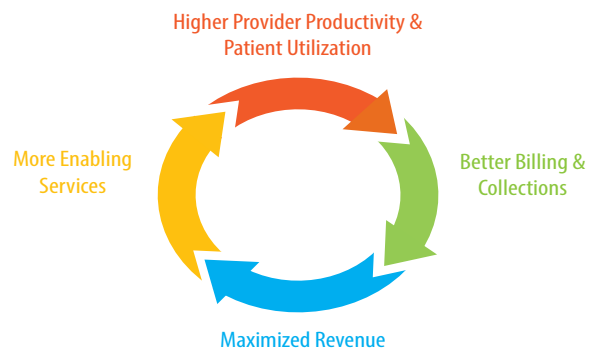
This study, sponsored by the Health Resources and Services Administration (HRSA), sought to identify the hallmarks of success of the highest performing health centers to gain an understanding of their operating models and provide benchmarks for performance improvement. Capital Link examined whether health centers that were recognized with 2014 HRSA clinical quality awards ("Quality Awardees") fare better or worse financially than other health centers (the control group). The study then analyzed the highest quartile of the Quality Awardees, a "High Performers" subset of health centers that have achieved both excellent clinical and financial performance.

## Quality Awardees

Health centers that received a quality award were more likely to perform better than their control group peers along key financial benchmarks.

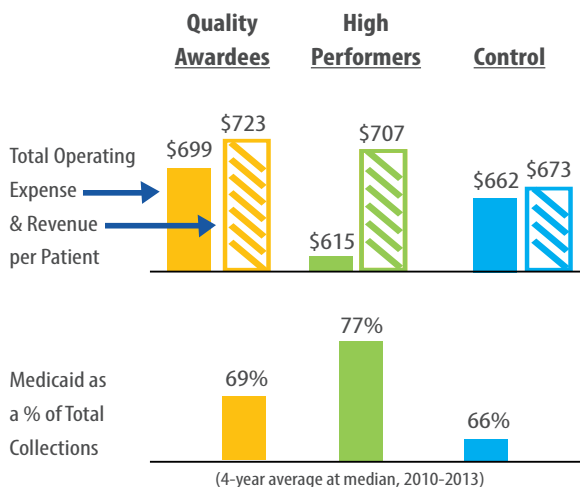


Quality Awardees achieved strong results by maximizing revenues through higher provider productivity, higher patient utilization and better collections, particularly of Medicaid revenue, all while also investing double the amount of the control centers in enabling services.



## High Performers

The highest quartile of Quality Awardees, High Performers had the greatest profitability through expense control and better collections.



## Hallmarks of Success

While Quality Awardees as a group excelled at revenue maximization, High Performers were able to invest more in enabling services because of their ability to control costs.



Access the report at:  
[www.caplink.org/resources/publications](http://www.caplink.org/resources/publications)

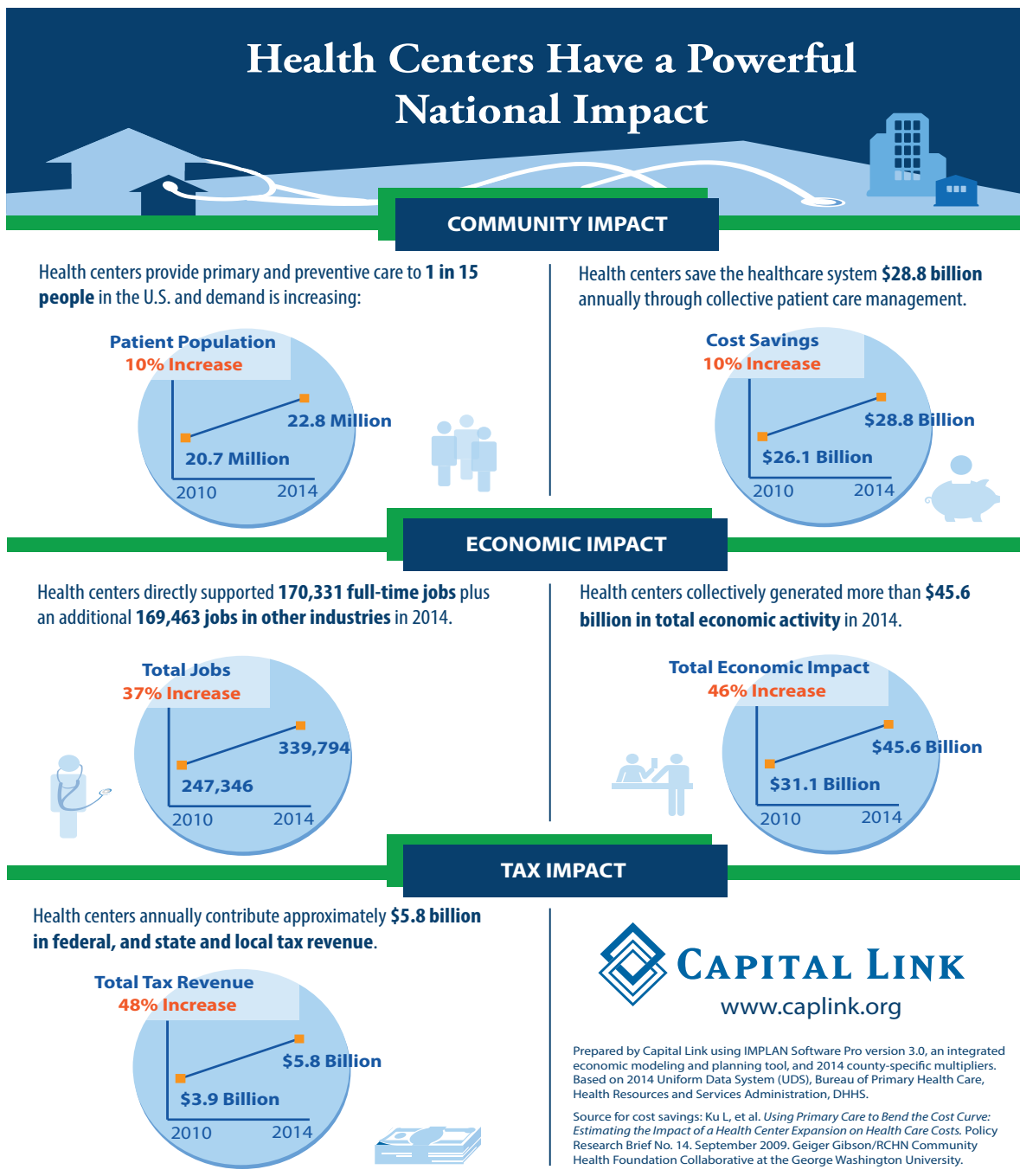


This study was supported by the Health Resources and Services Administration, Bureau of Primary Health Care.

## New National Economic Impact Analysis and Special Pricing for State and Individual EIAs

Using economic modeling software, an Economic Impact Analysis (EIA) measures the effect a health center's current operations has on the communities it serves, including job creation, tax impact, and cost savings. Health centers and PCAs have used this information in the past to educate policymakers, seek community support, and pursue funding opportunities.

In preparation for the upcoming NACHC Policy and Issues Forum, Capital Link updated the National Economic Impact Analysis with the latest data and is offering **discounted pricing on our statewide and individual EIA reports**. In order to receive your EIA before the P&I, you must submit all necessary information by **February 28th**. To find out more and order, please contact Steve Rubman, Director of Data and Information Systems, at [srubman@caplink.org](mailto:srubman@caplink.org).





## NACHC Payment Reform Readiness Assessment Tool

This Payment Reform Readiness Assessment Tool identifies key competency areas needed for successful health center engagement in the most prevalent and emerging payment reform models. It is designed to help health centers assess their current state of readiness, and to identify areas for improvement. The tool is not specific to one payer type or payment reform model. Rather, it is designed to capture core readiness areas that are needed for participation on in a variety of payment reform models in use by both public and private payers. The readiness assessment tool is designed to begin the conversation among health center leadership and staff about successful engagement in payment reform models. [https://survey.qualtrics.com/jfe/form/SV\\_2tQbTOSfvQzkHqt](https://survey.qualtrics.com/jfe/form/SV_2tQbTOSfvQzkHqt)

## Brand new CHroniCles website

CHroniCles, the dynamic, multi-media website dedicated to the living history of the community health center movement, is newly redesigned. The updated website improves overall user experience and allows visitors to better access the site on mobile and tablet devices. Check out the newly launched site here: <http://www.chcchronicles.org/>.

## Coming soon from Capital Link:

- *Creating a Culture that Sustains a Patient-Centered Medical Home* (Publication)
- *Informing the Development of a Patient-Centered Medical Home Facility* (Publication)

# Health Center Project Highlights

Capital Link regularly profiles health centers that have successfully completed their expansion plans. These health center stories are available at <http://www.caplink.org/client-impact/client-stories>. Upcoming additions include **Neighborhood Health Association, OH**, and **Family Healthcare of Hagerstown, MD** (formerly **Walnut Street Community Health Center**).

## MLCHC Celebrates 50th Anniversary of US Health Centers

**Massachusetts League of Community Health Centers** (MLCHC) 50th anniversary op-ed is printed in the latest edition of Commonwealth Magazine. The piece focuses on how health centers are already living in the future of health care as a result of the seeds sown 50 years ago with the founding of the nation's first medical home at Columbia Point, Dorchester. Read the article here: <http://commonwealthmagazine.org/health-care/community-health-centers-have-been-ahead-of-the-curve/>. Also, MLCHC's Jim Hunt & Harbor Health Services, Inc.'s Dan Driscoll shared the Community Health Center Movement story with WCVB in Boston. Watch here.

## Geiger Gibson Health Center, 50th Anniversary

December 11, 2015 marked the 50th Anniversary of **Geiger Gibson Community Health Center**, originally the Columbia Point Health Center, and the first community health center in the nation. We congratulate their momentous achievement made possible by patients, staff, community partners, and legislative champions. <https://theharborsedge.wordpress.com/2015/09/30/50th-anniversary-of-the-health-center-movement/>



## NEW Health Charlestown, MA Opens New Facility

Capital Link would like to congratulate **NEW (North End Waterfront) Health, MA**, on the grand opening of a new facility in Charlestown, MA. NEW Health Charlestown will offer a range of services, which include adult primary care, behavioral health, vision and dental services, among others. Our lending affiliate, Community Health Center Capital Fund, provided financing for this new site.

## Upcoming Events

Below are a few of our next scheduled events. For the most up-to-date information, please visit our website at: <http://www.caplink.org/newsevents/events>.

### INDUSTRY PRESENTATIONS

#### **NACHC Policy and Issues Forum**

March 16-19, 2016  
Washington, DC  
Booth# 217

#### **Identifying the Drivers of Maximum Performance**

Thursday, March 17th, 8:30 - 10:00am  
Presenters: Jonathan Chapman, Director of Community Health Center Advisory Services, Capital Link;  
Charles Moore, President, HealthMETRICS

#### **Hallmarks of High Performance: Exploring the Relationship between Clinical, Financial, and Operational Excellence at America's Health Centers**

Thursday, March 17th, 10:30 am - 12 pm  
Presenters: Allison Coleman, Chief Executive Officer, Capital Link; Robert Urquhart, Chief Financial Officer, Greater Lawrence Family Health Center

#### **Predictive Analytics**

Friday, March 18th, 8:00 - 9:30 am  
Presenters: Jonathan Chapman, Director of Community Health Center Advisory Services, Capital Link

#### **OCHIN 2016 Learning Forum**

April 14 - 16, 2016  
Portland, OR

#### **Hallmarks of High Performance at America's Community Health Centers**

April 15, 2016, breakfast keynote session  
Presenter: Allison Coleman, CEO, Capital Link

## TRAININGS

### **Advancing the Financial Strength of California Clinics**

#### **200 Series: Additional Trainings**

<https://ccalac.org/services/leadership/advancing-financial-strength-project/>

February 25-26, 2015

Los Angeles, CA

## PCA CONFERENCES

### **2016 Community Clinic Association of Los Angeles County Annual Health Care Symposium**

<https://ccalac.org/events/symposium/>

April 1, 2016

Costa Mesa, CA

### **2016 Community HealthCare Association of the Dakotas Annual Conference**

<http://www.communityhealthcare.net/calendar>

Fargo, ND

May 3-4, 2016

### **2016 Massachusetts League of Community Health Centers Community Health Institute & Exhibit Fair**

<http://www.massleague.org/Calendar/Event.php?id=869>

May 4-6 2016

Falmouth, MA

### **Northwest Regional Primary Care Association Spring Primary Care Conference**

<http://www.nwrpca.org/events/EventDetails.aspx?id=526101>

May 16-19, 2016

Portland, OR

### **California Primary Care Association Chief Financial Officers Conference**

<https://www.cpcarevents.org/Public/Core/Events/eventdetails.aspx?iKey=2CF2016>

May 17-18, 2016

Carlsbad, CA

## WEBINARS

Capital Link offers a seasonal series of webinars at no charge, designed to offer useful information for health centers on a wide range of topics. Please check our website for upcoming webinars: <http://www.caplink.org/newsevents/upcoming-webinars>

### **About Capital Link**

Capital Link is a national non-profit organization that has worked with hundreds of health centers and primary care associations for over 15 years to plan capital projects, finance growth, and identify ways to improve performance. We provide innovative consulting services and extensive technical assistance with the goal of supporting and expanding community-based health care. For more information, visit us at [www.caplink.org](http://www.caplink.org) or connect with us on Facebook, LinkedIn, or Twitter.