



Performance Evaluation Profile

XYZ Community Health Center 2013-2016



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Methodology

The analysis and results contained in this report are based on two primary data sources covering the 2013 - 2016 period.

- Audited financial statements of health center corporations reported by fiscal year.
- Uniform Data System (UDS) as reported on a calendar year.

The comparative national data set includes aggregated 2016 data from audited financial statements and UDS reports from Capital Link's proprietary financial/operations database. The specific number of health centers included in each comparative data set is listed below.

Data	Peer Group 1	Peer Group 2
Financial Audits	15	15
UDS Data	17	17

Percentiles

Statistical measures used to describe the financial ratios and trends include the 50th percentile (median), 75th percentile, and 25th percentile. By definition, half the values in a set are greater than the median and half are less. Therefore, the median is not skewed by large of small values outside the typical range as can happen with average figures. The 75th percentile is a value that is greater to or greater than 75 percent of the others in the data set. The 25th percentile is a value that is equal to or greater than 25 percent of others.

Notable Findings

This report highlights key financial and operational performance for 2016 of XYZ Health Center. The following notable findings provide a brief review of key performance indicators.

Financial Health

- XYZ reported steadily improving operating and bottom line margins over the entire review period. The positive 18 percentage point swing from 2014 to 2016 resulted in 2016 operating margins well above those of the peer group #1 and peer group #2 medians. The dramatic improvement in margins over the three-year period coincided with a reduced ratio of personnel expense as a percentage of total operating revenue. That ratio dropped almost 30 percentage points due to a nominal reduction in personnel expenses combined with a 75% increase in net patient service revenue over the same period. However, at 44% in 2016 this key ratio was 23 percentage points below the peer group #1 median which could be too low to sustain over any long period of time.
- XYZ's improving margins were reflected in increasing cash balances (measured as days cash on hand). However, at 50 days in 2016 the center was above the benchmark recommended minimum but below the peer group #1 median center. To its credit, XYZ has steadily accelerated its collection of patient accounts receivable though its turnover rate in 2016 still slightly exceeded the 2016 peer group #1 median.

Provider Productivity

- XYZ's medical provider productivity rates improved in 2016. Physician productivity increased 200% in 2016 to a level 48% above the 2016 peer group #1 median, while mid-level productivity rose 12% to a level 6% below the peer group #2

median. Both rates were well above those of the respective peer group medians. The overall productivity improvement may have been influenced by the 27% increase in the ratio of medical support FTEs to medical provider FTEs in 2016.

Operations & Utilization

- XYZ reported four years of increasing numbers of patients and two years of increasing visits over the review period. The patient growth rate in 2016 was over three times those of the median for both peer groups. Strong patient growth rates allowed XYZ to drop its per-patient cost of care in 2016 to a level well below the peer group #2 median and slightly above the peer group #1 median. XYZ's 2016 330 grant revenue per uninsured patient covered 112% of its per-patient cost.

Payer Mix

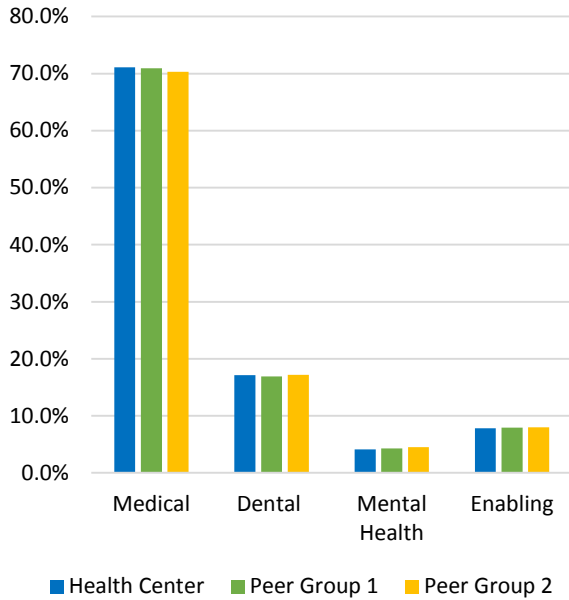
- XYZ's payer mix improved marginally in 2016 with the uninsured percentage dropping 5 percentage points, offset by an increase in Medicaid of 3 points, and in private insurance of 2 points. XYZ's uninsured percentage was 7 points higher than the peer group #1 median, while its Medicaid percentage was 8 points lower.

Peer Comparison

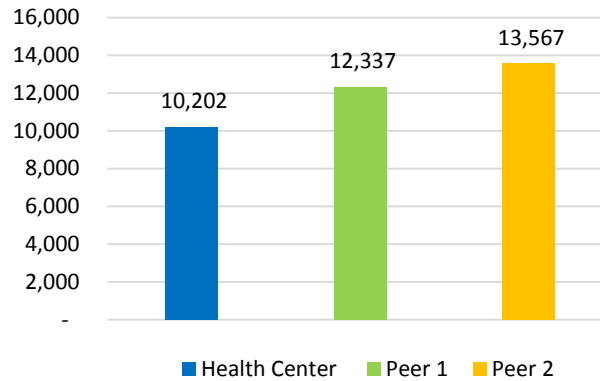
XYZ Health Center vs.
Peer 1 vs. Peer 2

2016

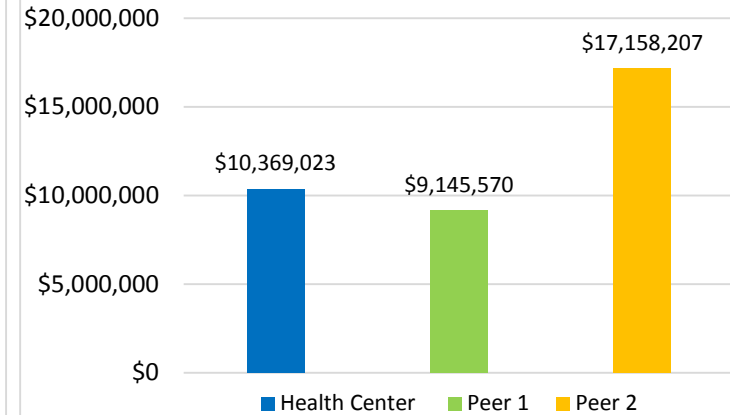
Array of Services 2016



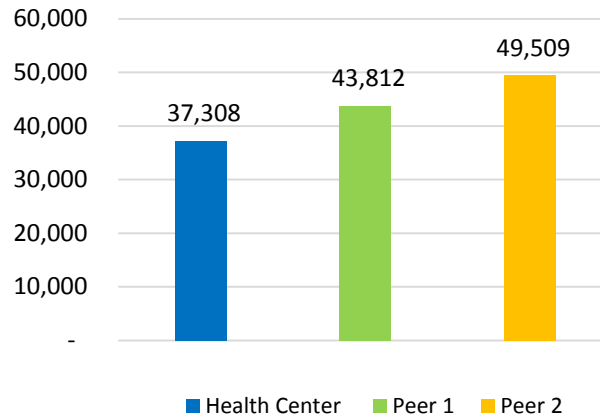
Patients Served 2016



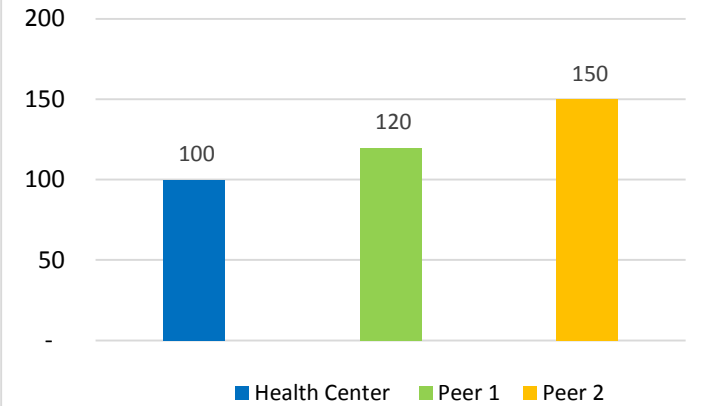
Revenues 2016



Visits 2016



FTEs 2016



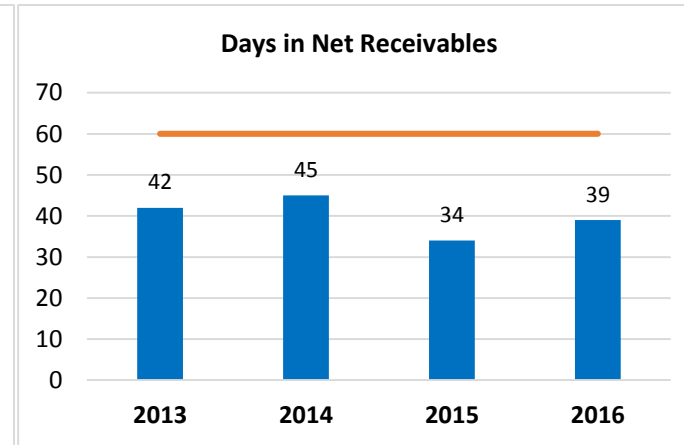
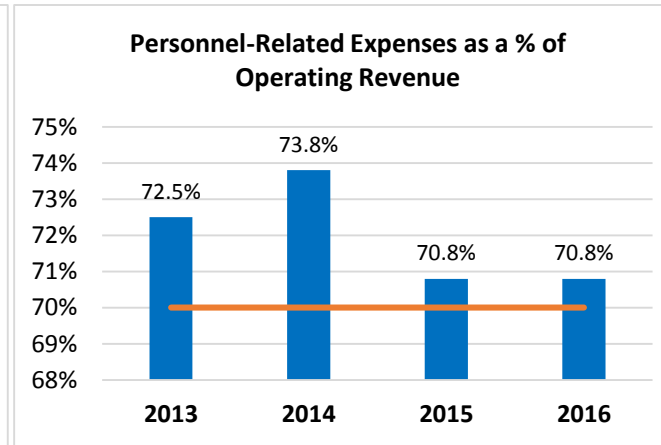
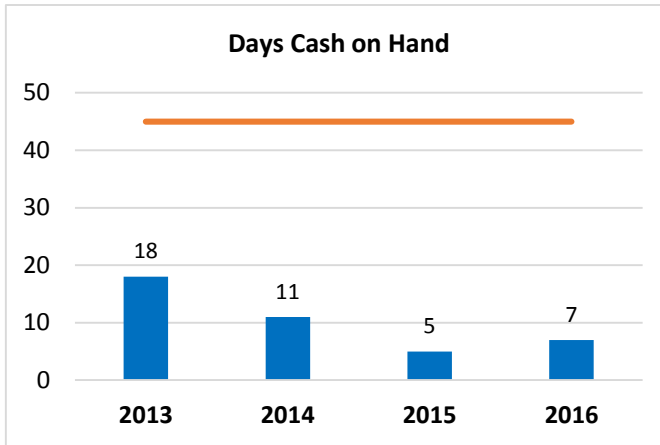
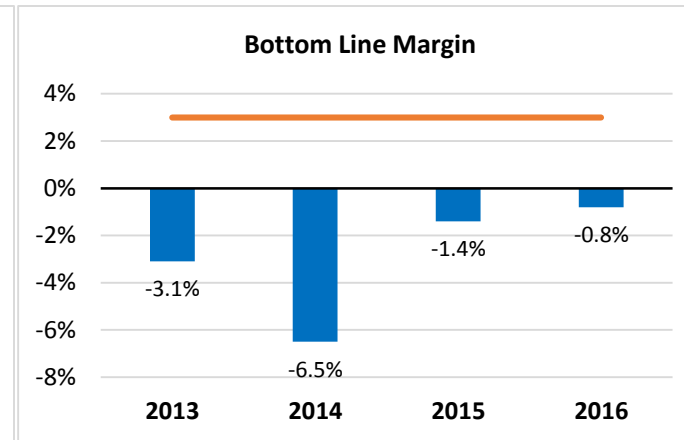
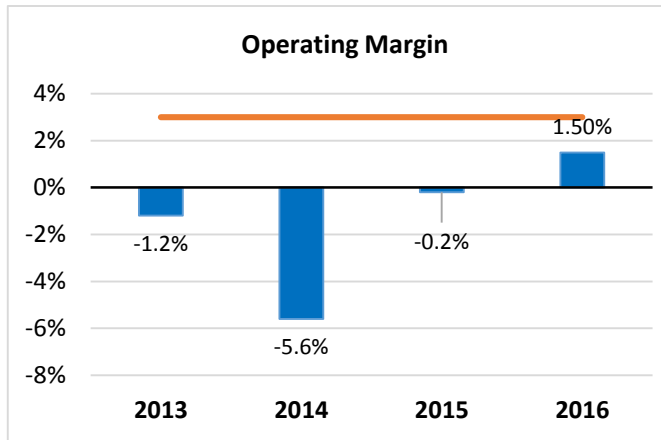
	Health Center 2016	Peer Group 1 (Medians)	Peer Group 2 (Medians)		Health Center 2016	Peer Group 1 (Medians)	Peer Group 2 (Medians)
Medical Services	71.1%	70.9%	70.3%	Patients	10,202	12,337	13,567
Dental Services	17.1%	16.9%	17.2%	Revenues	\$10,369,023	\$9,145,570	\$17,158,207
Mental Health Services	4.1%	4.3%	4.5%	Visits	37,208	43,812	498,509
Enabling Services	7.6%	7.9%	8.0%	Total Full-Time Equivalent Employees	100	120	150

Financial Dashboard

XYZ Health Center

2013-2016

Capital Link Benchmark

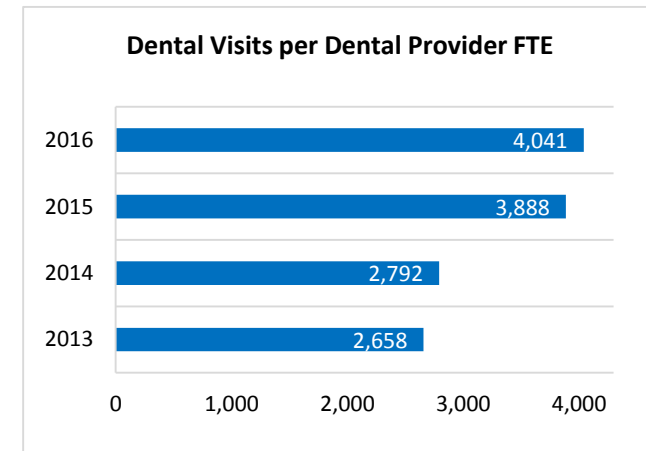
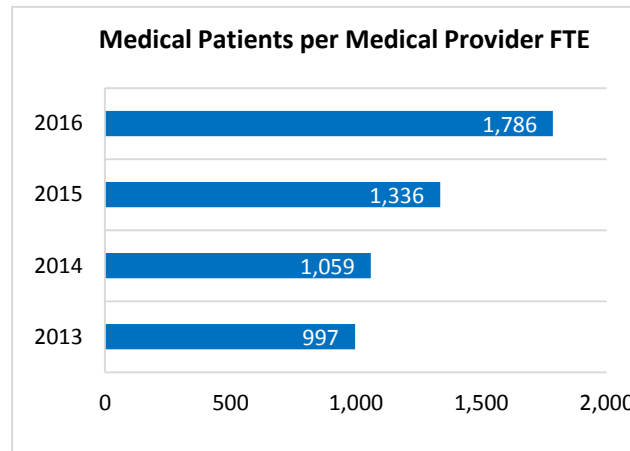
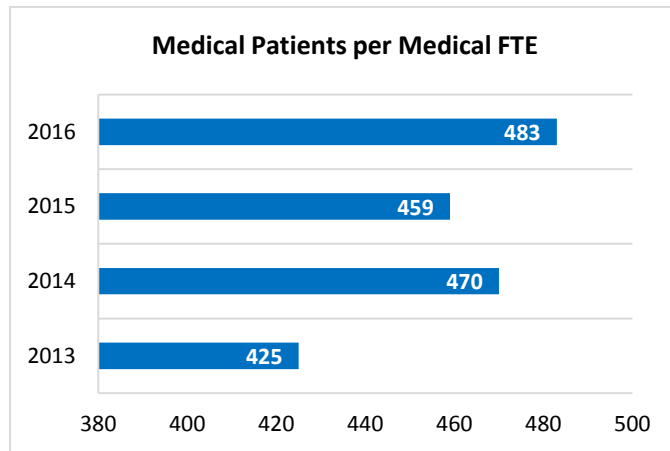
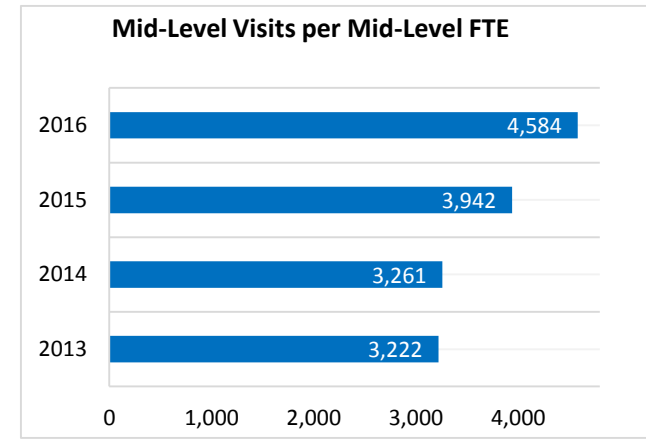
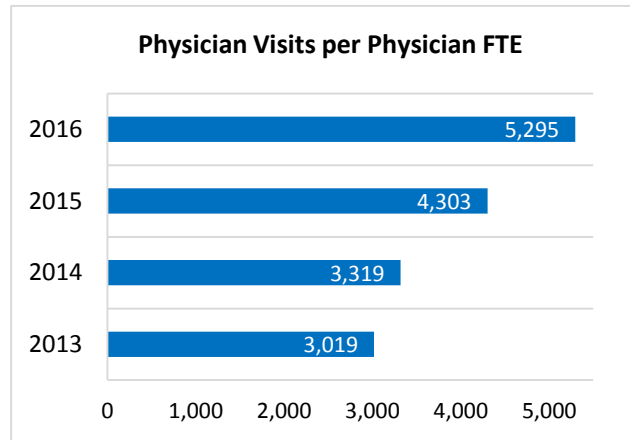


Financial Health	Target	2013	2014	2015	2016	Peer Group 1	Peer Group 2
Operating Margin	>3%	-5.2%	-4.8%	3.1%	13.2%	0.0%	3.6%
Bottom Line Margin	>3%	-3.1%	-4.8%	3.3%	13.5%	5.8%	5.1%
Days Cash on Hand	>45 Days	18	20	41	50	69	50
Personnel-Related Expense as % of Operating Revenue	<70%	72.5%	74.2%	47.8%	44.3%	67.4%	71.1%
Days in Net Patient Receivables	<60 Days	30	31	25	24	21	37

Productivity Dashboard

XYZ Health Center

2013-2016

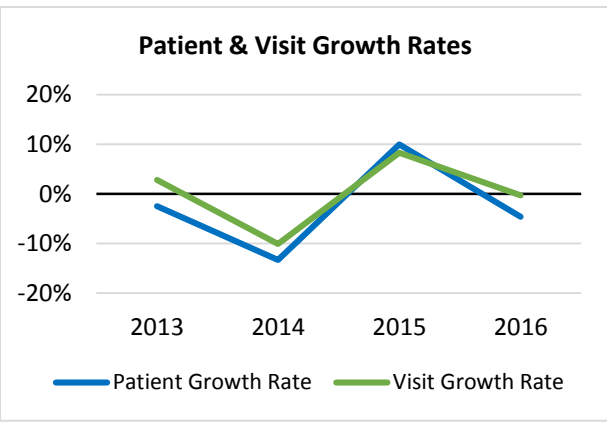
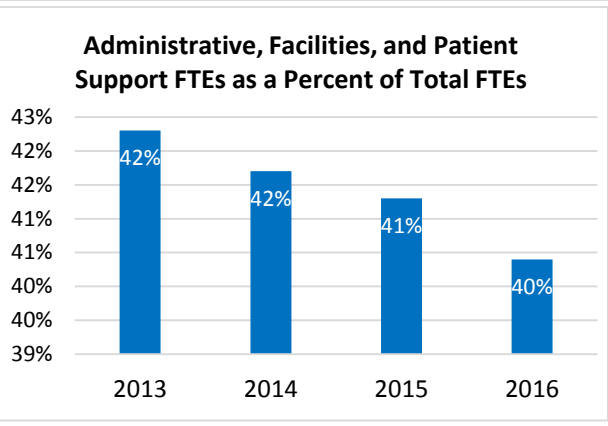
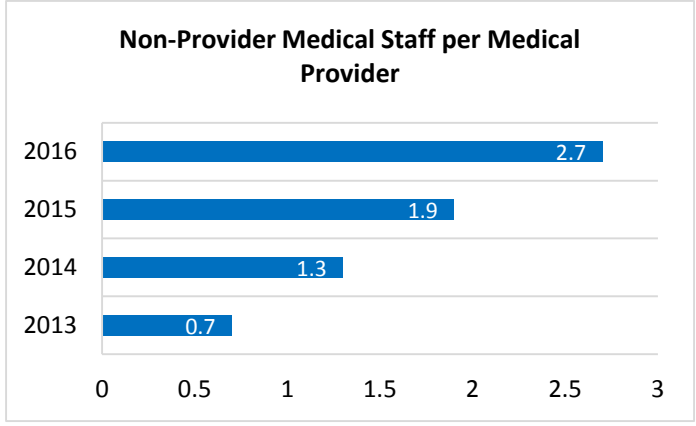
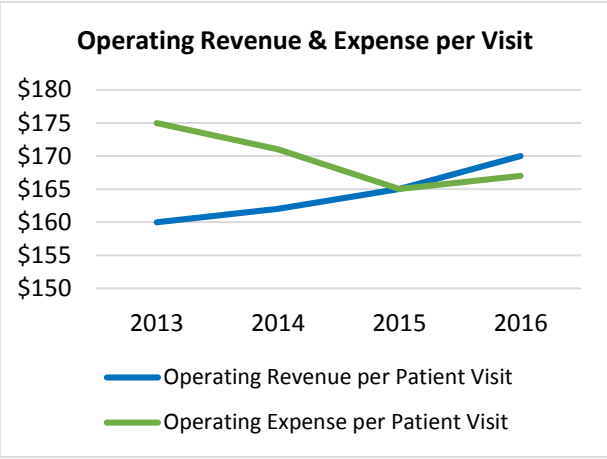
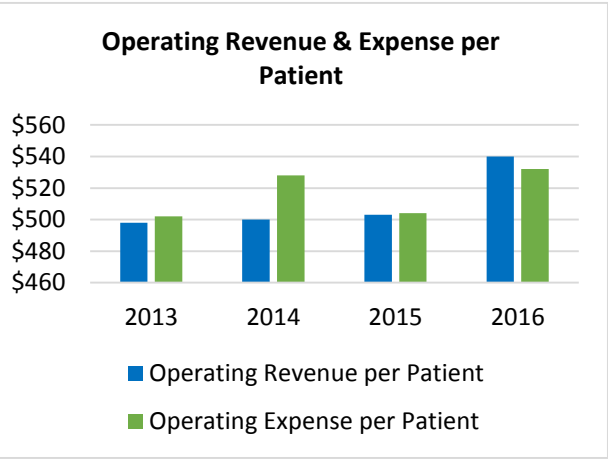


Productivity Metrics	2013	2014	2015	2016	Peer Group 1	Peer Group 2
Physician Visits/ Physician FTEs	3,019	3,319	4,303	5,295	4,500	4,250
Mid-Level Visits/ Mid-Level FTEs	3,222	3,261	3,942	4,584	4,500	4,250
Medical Patients/ Medical Provider FTEs	425	470	459	483	490	500
Medical Patients/ Medical Staff FTEs	997	1,059	1,336	1,786	1,250	1,500
Dental Visits/ Dental Provider FTEs	2,658	2,792	3,888	4,041	3,870	3,500

Operations & Utilization Dashboard

XYZ Health Center

2013-2016



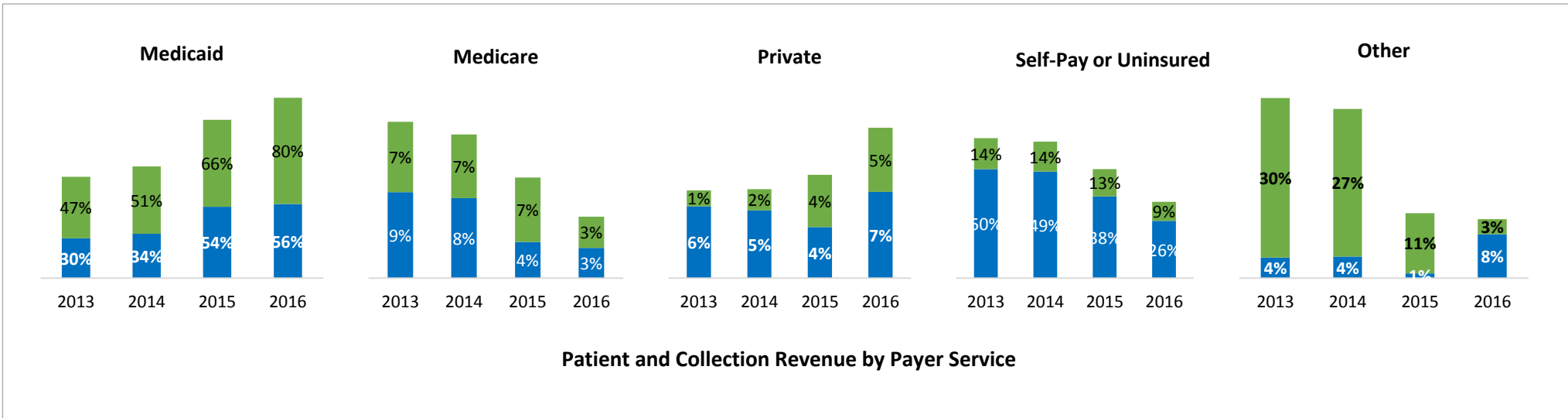
Operations & Utilization Metrics	2013	2014	2015	2016	Peer Group 1	Peer Group 2
Operating Revenue Per Patient	\$498	\$500	\$503	\$540	\$662	\$954
Operating Expense Per Patient	\$502	\$528	\$504	\$532	\$646	\$914
Operating Revenue Per Visit	\$160	\$162	\$165	\$170	\$184	\$212
Operating Expense Per Visit	\$175	\$171	\$165	\$167	\$181	\$198
Non-Provider Medical Staff per Medical Provider	0.7	1.3	1.9	2.7	2.5	2.2
Administrative, Facilities, and Patient Support FTEs as a percent of Total FTEs	42.3%	41.7%	41.3%	40.4%	37.5%	35.5%
Patient Growth Rate	-2.5%	-13.3%	10.0%	-4.6%	0.6%	70.9%
Visit Growth Rate	-2.5%	-13.3%	10.0%	-4.6%	0.6%	70.9%

Payer Mix Dashboard

XYZ Health Center

2013-2016

■ % of Patients
■ % of Collection Revenue



Payer Mix	2013	2014	2015	2016	Peer Group 1	Peer Group 2
Self-Pay as a Percentage of Total Patients	50.2%	49.0%	37.6%	26.3%	23.9%	40.3%
Self-Pay Collections as a Percentage of Total Collections	14.2%	13.8%	12.6%	8.8%	3.9%	3.3%
Medicaid Patients as a Percentage of Total Patients	30.1%	33.6%	53.9%	55.9%	61.8%	49.9%
Medicaid Collections as a Percentage of Total Collections	46.5%	50.7%	65.7%	80.3%	79.5%	82.4%
Medicare Patients as a Percentage of Total Patients	8.8%	8.2%	3.7%	3.1%	5.2%	4.0%
Medicare Collections as a Percentage of Total Collections	7.2%	6.5%	6.6%	3.2%	8.8%	3.5%
Other Publically Insured Patients as a Percentage of Total Patients	3.8%	4.0%	0.9%	8.1%	0.1%	3.4%
Other Public Collections as a Percentage of Total Collections	29.5%	27.3%	11.1%	2.8%	2.2%	3.9%
Privately Insured Patients as a Percentage of Total Patients	5.5%	5.2%	3.9%	6.6%	5.9%	2.4%
Private Collections as a Percentage of Total Collections	1.2%	1.6%	4.0%	4.9%	3.6%	0.8%

Financial Health: Performance and Liquidity Measures

XYZ Health Center 2013-2016

Performance and Liquidity Measures	Target	2013	2014	2015	2016	Percentile	Peer Group 1	Peer Group 2
Current Ratio	>1.25	2.1	2.3	3.4	5.5	75	4.7	4.5
						50	3.9	2.7
						25	3.0	1.7
Operating Margin	>3%	-1.2%	-5.6%	-0.2%	1.5%	75	5.0%	7.5%
						50	0.0%	3.6%
						25	-5.6%	0.0%
Bottom Line Margin	>3%	-3.1%	-6.5%	1.4%	-0.8%	75	8.4%	9.8%
						50	5.8%	5.1%
						25	3.1%	1.6%
Debt Service Coverage Ratio	>1.25	-0.4	0.1	7.1	25.1	75	8.2	11.8
						50	4.4	7.0
						25	2.6	3.4
Personnel-Related Expense as a Percentage of Operating Revenue	<70%	72.5%	73.8%	70.80%	70.8%	75	80.4%	76.4%
						50	67.4%	71.1%
						25	55.0%	64.2%
Days Cash on Hand	>45	18	11	53	71	75	131	90
						50	66	37
						25	28	15
Days in Net Patient Receivables	<60 Days	42	45	34	39	75	86	86
						50	57	57
						25	23	23
Days in All Receivables	<60 Days	42	45	34	39	75	46	46
						50	39	39
						25	23	23
Days in Accounts Payables	<45 Days	46	46	50	44	75	46	46
						50	39	39
						25	23	23

Financial Health: Other Performance Measures, Financial Growth Rates

XYZ Health Center 2013-2016

	2013	2014	2015	2016	Percentile	Peer Group 1	Peer Group 2
Other Performance Measures							
Change in Net Assets as a Percentage of Expense	2.1%	2.1%	3.2%	5.8%	75	7.1%	7.1%
					50	3.9%	3.9%
					25	2.8%	2.8%
Working Capital to Monthly Expense Ratio	0.6	1.2	3.1	4.2	75	3.2	4.1
					50	2.6	2.2
					25	1.8	1.0
Long-Term Debt Ratio	0.1	0.1	0.1	0.2	75	0.2	0.3
					50	0.0	0.1
					25	-	-
Fringe & Taxes to Salaries Ratio	16.2%	17.3%	18.5%	19.2%	75	38.7%	38.7%
					50	19.2%	19.2%
					25	8.1%	8.1%
Financial Growth Rates							
Operating Revenue Growth Rate	-4.2%	10.6%	2.5%	3.1%	75	13.8%	14.8%
					50	8.4%	6.2%
					25	2.0%	2.0%
Operating Expense Growth Rate	-4.2%	10.6%	2.5%	3.1%	75	13.8%	13.9%
					50	8.4%	7.4%
					25	2.0%	2.0%
Grants and Contracts Revenue Growth Rate	-0.4%	15.6%	19.9%	3.1%	75	13.8%	20.8%
					50	18.4%	8.4%
					25	12.0%	6.0%
Net Patient Service Revenue Growth Rate	9.0%	27.6%	22.5%	23.1%	75	33.8%	17.8%
					50	29.2%	9.4%
					25	18.0%	2.0%
Working Capital Growth Rate	-4.2%	10.6%	112.5%	63.1%	75	91.8%	34.8%
					50	58.4%	18.4%
					25	20.0%	-2.0%

Productivity: Visits

XYZ Health Center 2013-2016

	2013	2014	2015	2016	Percentile	Peer Group 1	Peer Group 2
Physician Visits Per Physician FTE	3,019	3,319	4,303	5,295	75	5,098	5,098
					50	4,098	4,098
					25	3,098	3,098
Mid-Level Visits Per Mid-Level FTE	3,222	3,261	3,942	4,584	75	5,098	5,098
					50	4,098	4,098
					25	3,098	3,098
Medical Visits Per Medical Provider FTE	4425	470	459	483	75	5,098	5,098
					50	4,098	4,098
					25	3,098	3,098
Medical Visits Per Non-Provider Medical Staff FTE	997	1,059	1,336	1,786	75	5,098	5,098
					50	4,098	4,098
					25	3,098	3,098
Dental Visits Per Dental Provider FTE	2,658	2,792	3,888	4,041	75	5,098	5,098
					50	4,098	4,098
					25	3,098	3,098
Mental Health Visits Per Mental Health Provider FTE	4,098	3,098	5,098	4,338	75	5,098	5,098
					50	4,098	4,098
					25	3,098	3,098
Enabling Services Per Enabling FTE	2,103	1,189	1,084	2,258	75	5,098	5,098
					50	4,098	4,098
					25	3,098	3,098
Total Visits	4,098	3,098	5,098	4,338	75	5,098	5,098
					50	4,098	4,098
					25	3,098	3,098
Total Visits Per All FTE	518	53	647	720	75	5,098	5,098
					50	4,098	4,098
					25	3,098	3,098
Total Visits Per Provider FTE	3,141	3,067	3,942	4,120	75	5,098	5,098
					50	4,098	4,098
					25	3,098	3,098

Productivity: Patients

XYZ Health Center 2013-2016

	2013	2014	2015	2016	Percentile	Peer Group 1	Peer Group 2
Medical Patients Per Medical FTE	470	459	483	502	75 50 25	502 483 398	502 483 398
Medical Patients Per Medical Provider FTE	470	459	483	502	75 50 25	502 483 398	502 483 398
Dental Patients Per Dental Provider FTE	470	459	483	502	75 50 25	502 483 398	502 483 398
Mental Health Patients Per Mental Health Provider	470	459	483	502	75 50 25	502 483 398	502 483 398
Total Patients	5,891	6,887	4,358	5,841	75 50 25	10,555 7,654 2,514	10,555 7,654 2,514
Total Unduplicated Patients per Total FTE	470	459	483	502	75 50 25	502 483 398	502 483 398
Total Patients Per Provider FTE	470	459	483	502	75 50 25	502 483 398	502 483 398

Operations & Utilization: Revenue & Cost per Patient

XYZ Health Center 2013-2016

	2013	2014	2015	2016	Percentile	Peer Group 1	Peer Group 2
Operating Revenue Per Patient	\$588	\$498	\$400	\$398	75	\$588	\$588
					50	\$483	\$483
					25	\$398	\$398
Operating Expense Per Patient	\$588	\$498	\$400	\$398	75	\$588	\$588
					50	\$483	\$483
					25	\$398	\$398
Net Patient Service Revenue Per Patient	\$588	\$498	\$400	\$398	75	\$588	\$588
					50	\$483	\$483
					25	\$398	\$398
Total Revenue	\$6,334,387	\$7,039,660	\$7,581,225	\$6,870,167	75	\$8,987,654	\$8,987,654
					50	\$6,543,210	\$6,543,210
					25	\$3,210,789	\$3,210,789
Total Expenses	\$5,334,387	\$5,039,660	\$6,581,225	\$4,870,167	75	\$7,987,654	\$7,987,654
					50	\$6,543,210	\$6,543,210
					25	\$2,210,789	\$2,210,789
Direct Medical Cost Per Medical Patient	\$588	\$498	\$400	\$398	75	\$588	\$588
					50	\$483	\$483
					25	\$398	\$398
Direct Dental Cost Per Dental Patient	\$588	\$498	\$400	\$398	75	\$588	\$588
					50	\$483	\$483
					25	\$398	\$398
Mental Health Cost Per Mental Health Patient	\$588	\$498	\$400	\$398	75	\$588	\$588
					50	\$483	\$483
					25	\$398	\$398
330 Grant Dollars per Uninsured Patient	\$328	\$226	\$827	\$541	75	\$1,195	\$1,195
					50	\$870	\$870
					25	\$489	\$489

Operations & Utilization: Revenue & Cost per Visit

XYZ Health Center 2013-2016

	2013	2014	2015	2016	Percentile	Peer Group 1	Peer Group 2
Operating Revenue Per Visit	\$588	\$498	\$400	\$398	75 50 25	\$588 \$483 \$398	\$588 \$483 \$398
Operating Expense Per Visit	\$588	\$498	\$400	\$398	75 50 25	\$588 \$483 \$398	\$588 \$483 \$398
Net Patient Service Revenue Per Visit	\$588	\$498	\$400	\$398	75 50 25	\$588 \$483 \$398	\$588 \$483 \$398
Direct Medical Cost Per Medical Visit	\$588	\$498	\$400	\$398	75 50 25	\$588 \$483 \$398	\$588 \$483 \$398
Direct Dental Cost Per Dental Visit	\$588	\$498	\$400	\$398	75 50 25	\$588 \$483 \$398	\$588 \$483 \$398
Mental Health Cost Per Mental Health Visit	\$588	\$498	\$400	\$398	75 50 25	\$588 \$483 \$398	\$588 \$483 \$398

Operations & Utilization: Staffing, Quality of Care

XYZ Health Center 2013-2016

	2013	2014	2015	2016	Percentile	Peer Group 1	Peer Group 2
Staffing							
Non-Provider Medical Staff per Medical Provider	1.0	1.0	1.1	1.4	75 50 25	2.2 2.0 1.7	2.3 2.0 1.6
Non-Provider Dental Staff per Dental Provider	2.3	2.3	1.5	1.1	75 50 25	1.4 1.1 1.1	1.8 1.2 0.9
Non-Provider Mental Health Staff per Mental Health Provider	-	-	-	-	75 50 25	- - -	0.2 - -
Administrative, Facilities, and Patient Support FTEs as Percent of Total FTEs	59%	54%	50%	50%	75 50 25	40% 35% 33%	40% 37% 32%
Quality of Care							
Percentage of Children Immunized	59%	68%	88%	89%	75 50 25	88% 76% 74%	87% 77% 70%
Percent of Patients with Asthma Given an Asthma Treatment Plan	91%	88%	88%	89%	75 50 25	95% 90% 88%	97% 91% 78%
Percentage of Patients Screened for Colorectal Cancer	17%	6%	5%	-	75 50 25	29% 10% 9%	40% 27% 15%

Operations & Utilization: Service Mix

XYZ Health Center 2013-2016

	2013	2014	2015	2016	Percentile	Peer Group 1	Peer Group 2
Medical Visits as a Percentage of Total Visits	66.8%	63.78%	60.7%	59.8%	75	71.8%	82.0%
					50	64.2%	71.9%
					25	60.7%	60.1%
Dental Visits as a Percentage of Total Visits	30.3%	32.0%	33.6%	34.1%	75	20.9%	22.4%
					50	7.3%	13.1%
					25	4.4%	5.0%
Mental Health Visits as a Percentage of Total Visits	0.6%	0.6%	0.6%	0.6%	75	21.4%	9.0%
					50	7.4%	4.3%
					25	0.6%	1.8%
Enabling Visits as a Percentage of Total Visits	-	-	-	-	75	2.1%	9.2%
					50	-	3.8%
					25	-	0.9%
Total Visits per Patient	3.0	3.2	3.4	3.6	75	4.0	4.8
					50	3.5	4.1
					25	3.4	3.6

Operations & Utilization: Utilization Growth Rates

XYZ Health Center 2013-2016

	2013	2014	2015	2016	Percentile	Peer Group 1	Peer Group 2
Medical Patient Growth Rate	-6.3%	9.1%	-4.5%	2.0%	75	58.2%	12.0%
					50	38.6%	2.9%
					25	14.7%	-2.7%
Medical Visit Growth Rate	-4.9%	-4.9%	0.6%	1.1%	75	33.5%	13.7%
					50	22.0%	4.3%
					25	8.5%	-3.1%
Dental Patient Growth Rate	15.4%	3.5%	4.2%	4.8%	75	64.8%	29.4%
					50	4.2%	10.8%
					25	-12.9%	0.1%
Dental Visit Growth Rate	53.7%	5.2%	11.1%	6.2%	75	45.4%	33.7%
					50	37.8%	11.3%
					25	24.4%	1.0%
Mental Health Patient Growth Rate	-7.7%	3.7%	7.1%	7.4%	75	95.5%	47.9%
					50	33.1%	13.1%
					25	20.1%	-9.7%
Mental Health Visit Growth Rate	6.3%	-	0.8%	1.2%	75	24.0%	53.6%
					50	0.8%	17.9%
					25	-0.9%	-2.4%
Patient Growth Rate	10.0%	-4.6%	-2.0%	1.2%	75	59.5%	10.6%
					50	37.9%	3.2%
					25	14.3%	-2.3%
Visit Growth Rate	8.3%	-0.3%	5.7%	6.2%	75	36.5%	17.0%
					50	21.7%	5.6%
					25	8.7%	0.6%

Payer Mix: Billing and Collections

XYZ Health Center 2013-2016

	2013	2014	2015	2016	Percentile	Peer Group 1	Peer Group 2
Self-Pay Collections as a Percentage of Total Collections	2.1%	2.1%	3.2%	5.8%	75	8.9%	8.9%
					50	5.5%	5.5%
					25	2.8%	2.8%
Bad Debt Write-Offs as Percentage of Total Self-Pay Charges	2.1%	2.1%	3.2%	5.8%	75	8.9%	8.9%
					50	5.5%	5.5%
					25	2.8%	2.8%
Medicaid Collections as a Percentage of Total Collections	2.1%	2.1%	3.2%	5.8%	75	8.9%	8.9%
					50	5.5%	5.5%
					25	2.8%	2.8%
Medicare Collections as a Percentage of Total Collections	2.1%	2.1%	3.2%	5.8%	75	8.9%	8.9%
					50	5.5%	5.5%
					25	2.8%	2.8%
Other Public Collections as a Percentage of Total Collections	2.1%	2.1%	3.2%	5.8%	75	8.9%	8.9%
					50	5.5%	5.5%
					25	2.8%	2.8%
Private Insurance Collections as a Percentage of Total Collections	2.1%	2.1%	3.2%	5.8%	75	8.9%	8.9%
					50	5.5%	5.5%
					25	2.8%	2.8%