

CAPITALink

A Quarterly Resource Bulletin from Capital Link, Spring 2015 Issue

Message from the CEO

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With plans to celebrate the [50th anniversary of health centers](#) in full swing, this issue of Capital Link reflects on the legacy of health centers and highlights ways to demonstrate value, measure impact and improve performance. The article *Metrics that Matter* reviews the importance of measuring and monitoring health center performance, a topic Capital Link has been focusing on in recent presentations, trainings, and research studies. We recently completed a comprehensive study, sponsored by Blue Shield of California Foundation, which resulted in a financial and operational profile of California health centers and a performance benchmarking toolkit. This California toolkit provides a starting point for a national performance benchmarking toolkit, currently in process.

This issue also provides an update on the latest federal issues and new resources, including details on the Health Infrastructure Investment Program funding opportunity. We also include recent health center highlights as well as a list of upcoming presentations and trainings. We hope you find this information helpful. Finally, we hope to see you at the [NACHC Policy and Issues Forum](#). Be sure to visit us at booth #509.

Warm Regards,
Allison Coleman, CEO



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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>

New Funding Opportunity for Facility Expansion

On March 3, 2015, the Health Resources and Services Administration (HRSA) announced the Health Infrastructure Investment Program (HIIP) funding opportunity. Up to \$150 million in Affordable Care Act (ACA) funding will be awarded to Health Center Program grantees for the alteration or renovation, expansion, or construction of a facility. HRSA will hold an informational call about this opportunity on March 24, 2015. Applications are due to Grants.gov by April 21, 2015. Supplemental information is due via the HRSA Electronic Handbooks (EHB) by May 21, 2015. Learn more [here](#).

Bill Introduced to Permanently Extend New Markets Tax Credit Program

February 10, 2015 - the [New Markets Tax Credit \(NMTC\) Extension Act of 2015 \(HR 855\)](#) was introduced to the House of Representatives, followed by [companion legislation](#) in the Senate in late February. The bill would extend the NMTC program indefinitely and provide an increase in allocation authority in 2015 with an adjustment for inflation in the out years. The NMTC program has been a valuable tool for many health centers in financing facilities expansions. According to the U.S. Treasury Department's [CDFI Fund](#), the program has raised more than \$31 billion in private capital, leveraging about \$8 of private capital for every \$1 of NMTC investment in distressed communities. The CDFI Fund is expected to announce 2014 allocation awards to Community development Entities in the spring of 2015. Click [here](#) for more information.

The President's FY2016 Budget Request Released

February 2, 2015 - The President's FY2016 budget proposal includes \$2.7 billion per year for three years in mandatory funding for the Health Centers Program in addition to \$1.5 billion in discretionary funding and reserve funding from the existing Health Center Fund. Together, the budget calls for funding to support continued operations and services at FY15 levels. For additional details, NACHC's statement on the budget request can be viewed here: <http://www.nachc.com/pressrelease-detail.cfm?pressreleaseID=979>

Secretary Burwell Testifies About Health Center Funding Cliff

On February 26, 2015, Health and Human Services (HHS) Secretary Sylvia Mathews Burwell testified before two key House Committees citing the potential loss of access for 7 million patients, loss of 40,000 jobs at health centers, and closure of some 2,000 health center sites if the health center funding cliff is not addressed. Her remarks can be found in NACHC's press release here:

<http://nachc.com/pressrelease-detail.cfm?PressReleaseID=983>

King Vs. Burwell Update

On March 4, 2015, oral arguments for the key health-law case, King v. Burwell, began. Reports indicate that the justices appear to be split. Read more here: http://www.nytimes.com/2015/03/05/us/supreme-court-arguments-health-care-law.html?_r=0

Summary: The Supreme Court case King vs. Burwell seeks to invalidate an Internal Revenue Service rule the Obama administration issued interpreting the law as providing subsidies in all states. Specifically, it challenges U.S. Treasury regulation 26 C.F.R. § 1.36B-2(a)(1) issued under the Patient Protection and Affordable Care Act (ACA). The case focuses on whether the financial subsidies that low- and middle-income Americans receive under the law to help cover the cost of their health coverage is contingent upon what type of insurance marketplace, or exchange, exists in their state. Challengers argue that the wording of the ACA limits the subsidies to residents of states that created their own exchanges, not the 34 that defaulted to the federal government marketplace.

NACHC Submits Recommendations to CMS on Changes to Medicare Cost Reporting Form

February 17, 2015 - NACHC submitted comments to the Centers for Medicare and Medicaid Services (CMS) about proposed changes to the Medicare Cost Report used by Federally Qualified Health Centers (FQHCs). NACHC's primary concern is that the proposed changes would significantly alter the way that per-visit costs are calculated, so that the same data could yield substantially different per-visit amounts, depending on whether the current or proposed methodology is applied. In addition, NACHC offered comments designed to: increase clarity; highlight areas where the requested information is unavailable or seems unnecessary; identify relevant information that has not yet been made available for public comment; and ensure that FQHCs receive adequate notice to adjust to the new requirements. Learn more by visiting:

<http://www.regulations.gov/#!documentDetail;D=CMS-2014-0164-0001>

New and Noteworthy

Metrics that Matter

The strong trend toward “data-informed decision making” generates a growing need for health centers to measure and monitor financial and operational performance in order to inform management decisions. Tracking key metrics over time helps management and boards more effectively understand key drivers and compare performance against peers in order to enhance financial sustainability and continued success. Since health center performance is impacted by both internal and external factors and is driven by the mission of providing quality care and generating high levels of patient satisfaction, ensuring financial sustainability is a balancing act.

But which metrics matter? Capital Link recommends that health centers regularly monitor the 10-15 performance measures most relevant to their own goals and objectives using data available from financial statements, practice management systems, and Uniform Data System (UDS) reporting. Additionally, for meaningful comparative analysis, it is important to benchmark select performance metrics against industry peers.

Capital Link is currently working on a national health center performance benchmarking toolkit, which is planned for release later this spring. This topic will also be discussed in more detail at the following session for health center board members at the upcoming [NACHC Policy and Issues Forum](#):



[Metrics that Matter \(PThH1\)](#)

Thursday, March 19, 2015

8:30-10 am, Washington 1-2

Health Centers Celebrate 50 Years of Success and Value

Fifty years ago, a daring experiment in President Lyndon Johnson's War on Poverty led to the opening of the nation's first community health centers in Boston and the Mississippi Delta. Today, that pilot project has evolved into the largest and most successful primary healthcare system in the U.S. Health centers now serve more than 23 million Americans and save the nation's healthcare system about \$24 billion annually in reduced overall costs from hospitalizations and emergency room visits. Capital Link is joining NACHC in celebrating the people and achievements of the health center movement.



With their inception, community health centers not only formed the basis for quality primary care in America; they also began one of the most successful—and enduring—public-private partnerships in U.S. history. To this day, health centers remain non-profit businesses operated by patient-majority governing boards that meet local healthcare needs. Every dollar invested in health centers means a return on the investment, with more lives saved, reduced healthcare costs, and more jobs.

To showcase the legacy of health centers, NACHC has launched a [new online resource](#) and will be hosting events in conjunction with its 2015 conference schedule. Follow #CHC50 on Twitter or visit www.nachc.com. In January, many health centers and PCAs took advantage of Capital Link's discounted pricing on Economic Impact Analysis (EIA) in preparation for the upcoming [NACHC Policy and Issues Forum](#) and Capitol Hill visits. An 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 can use this information to highlight the impact and value of a wide range of functions, including operations, capital projects, behavioral health programs, and residency programs. An EIA can also estimate the impact of a cut to health center funding—and as such can be a useful tool for helping policy makers see what's at stake for your community in the event that Congress fails to extend health center funding beyond September 30, 2015. For more information, please contact Steve Rubman at srubman@caplink.org or visit our website at <http://www.caplink.org/services/?id=75:economic-impact-analysis&catid=5:services>.

Thank You for Participating in Our National Capital Needs Assessment

We want to thank all of the health centers that participated in our national capital needs assessment. Your help in compiling this information is invaluable.

Results of this important assessment:

- Inform the development of new capital financing programs and technical assistance services—from which all health centers can benefit
- Help identify the most effective strategies for health centers to secure capital funding to achieve their expansion goals
- Help to educate capital funding sources and policy makers regarding the scale and types of health center capital needs and related funding requirements necessary to expand health center operations

A report with results from our last national capital needs assessment, "Capital Plans and Needs of Health Centers: A National Perspective," is available on our website at <http://www.caplink.org/resources/reports>.

If you haven't had a chance to complete this year's assessment, there is still time! Complete your survey now by going to <http://survey.clicktools.com/go?iv=155xphy7uu58k>.

Resources

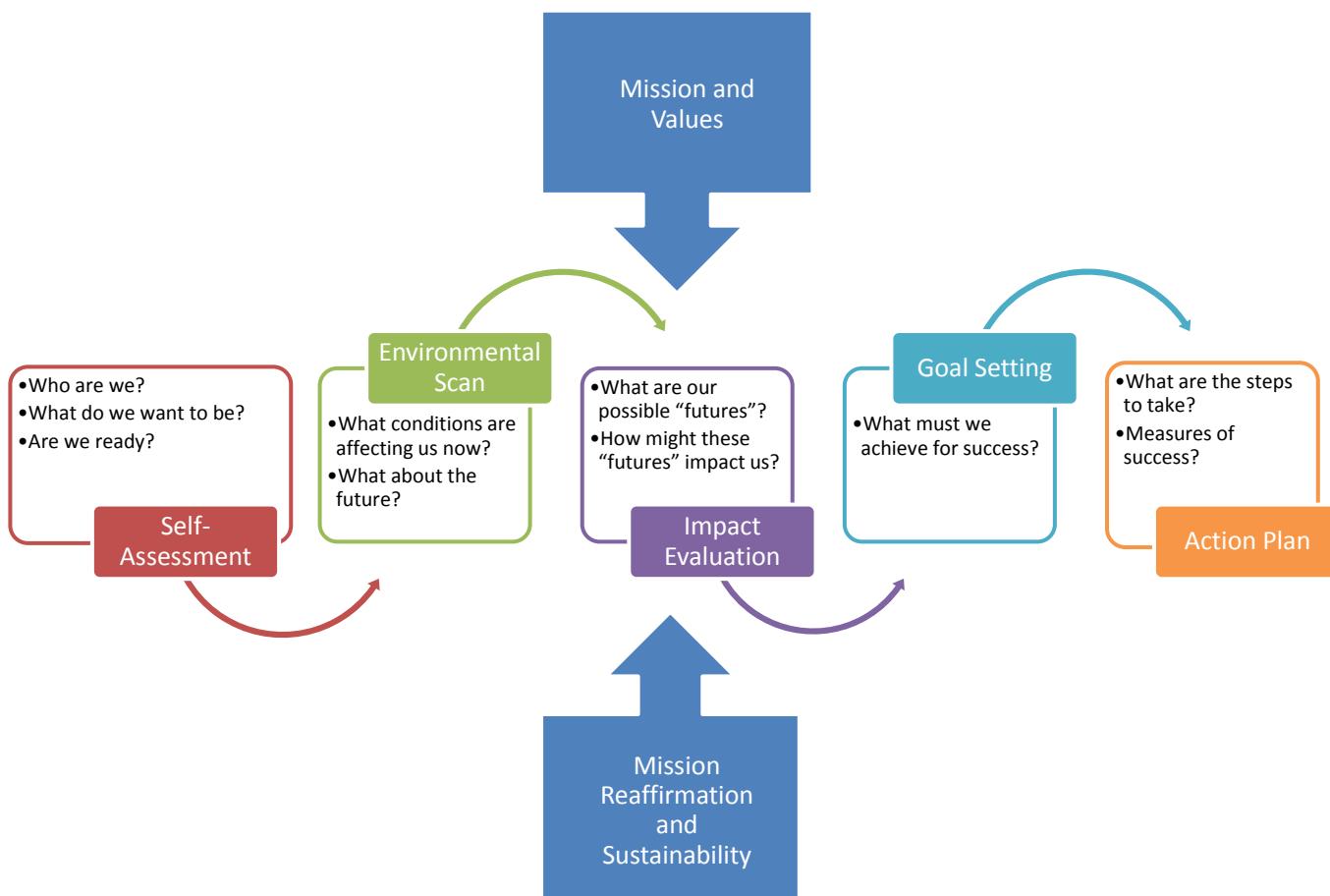
Coming Soon! Creating a Dynamic and Useful Strategic Plan – A Toolkit for Health Centers

While always important, strategic planning has recently become an organizational imperative for health centers as they seek to successfully navigate uncharted territory brought on by demographic shifts, economic influences, policy changes, and bureaucratic adjustments. Strategic planning is an organization-wide effort to assess key influences, reinforce operating systems, establish objectives, and mobilize staff and other stakeholders to meet the challenges of a changing environment.

Supported by HRSA and developed in partnership with NACHC, we will soon release ***Creating a Dynamic and Useful Strategic Plan – A Toolkit for Health Centers***. This new resource will contain the tools, information, and resources necessary to guide health centers through the strategic planning process in a series of interrelated steps, illustrated in the image below.

The Toolkit initiates the process by examining and reaffirming the health center's mission and purpose, which remains at the forefront of planning to ensure alignment of decisions and actions with values and vision. The steps that follow provide a reliable pathway to future success by helping the health center generate well-informed expectations, measurable organizational objectives, and definitive steps to attain those goals.

Look for the Strategic Planning Toolkit on the NACHC and Capital Link websites soon!



New Report and Toolkit Provide California Health Centers with a Framework for Performance Improvement

Capital Link recently released [a comprehensive financial and operational profile of California health centers and a performance benchmarking toolkit](#). These resources, sponsored by Blue Shield of California Foundation, help health centers access and interpret key metrics and compare their performance to their peers. In an era of change driven by healthcare reform, health centers need analytic tools to help convert performance data into actionable intelligence that supports strategic growth and financial sustainability. ***California Community Health Centers: Financial & Operational Performance Analysis, 2010-2013*** updates Capital Link's statewide, multi-year financial and operational profile. It also more closely analyzes select trends for rural health centers and assesses the operational characteristics of a subgroup of financially high-performing health centers.

Performance Benchmarking Toolkit for California Health Centers provides data analysis tools to help health centers more effectively track performance, benchmark with peer data, and incorporate operational insights that target financial sustainability and continued success.



[Click here](#) to access the Financial & Operational Performance Analysis.

[Click here](#) to access the Performance Benchmarking Toolkit.

NACHC Primary Care Cliff Funding Estimator

As we progress quickly through the current federal fiscal year, the primary care funding cliff looms large. Health center leaders are bracing for the possibility of cuts of up to 65% to 75% in federal funds beginning October 1, 2015. As local health centers, primary care associations, and their allies appeal to Congress and the White House to fix the cliff, individual centers should be using the online calculator to estimate the individual impact that a cut of this magnitude would have on their programs. Advocates continue to urge health center leadership, board members, and patients to mobilize efforts to avoid these extreme cuts. More information can be found by visiting the Primary Care Cliff Funding Estimator on the Resources section of [NACHC's website](#).

New Issue Brief Explores Medical-Legal Partnerships

There are currently 60 FQHCs and look-alike health centers across the U.S. with medical-legal partnerships with civil legal aid agencies. In the fall of 2014, HRSA released guidance clarifying that civil legal aid services may be included in the range of enabling services that health centers may choose to provide to meet the primary care needs of their patients. A new issue brief, entitled "Medical-Legal Partnership and Health Centers: Addressing Patients' Health-Harming Civil Legal Needs as Part of Primary Care," aims to help health centers understand the benefits of this partnership and provide potential resources to assist with implementation. You can access the brief [here](#).

Health Center Project Highlights

Capital Link regularly profiles health centers that have successfully completed their expansion plans. These health center stories are available on our website here: <http://www.caplink.org/client-impact/client-stories>. The next addition will be **Presbyterian Medical Services, NM**, which is scheduled to be released in the next few weeks.

We'd like to congratulate the following health centers for closing financing for their capital projects:

- Central City Community Health Center, CA
- Family Health Centers of San Diego, CA
- North End Waterfront Health, MA
- Outer Cape Health Services, MA
- Neighborhood Health Association, OH

We would also like to congratulate **Dimock Community Health Center, MA** for having recently made the final payment on a tax exempt bond that was issued in 1995. Issued through Capital Link's lending affiliate, Community Health Center Capital Fund and guaranteed by seven Boston teaching hospitals, these bonds were the first of their kind in the nation ever to be issued for a community health center. Congratulations on reaching this milestone!

Upcoming Events

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

Industry Presentations

NACHC Policy and Issues Forum

Washington, DC

March 18-22, 2015

Booth #509

Metrics that Matter (PThH1)

Thursday, March 19, 2015

8:30-10 am, Washington 1-2

Presenters: Dave Kleiber, Senior Project Consultant, Capital Link; and Cindy Barr, Operations and Facilities Planner, Capital Link

Learn more: <http://www.caplink.org/newsevents/events>

Market Assessment and Payer Mix Modeling in an Era of Health Reform (PFH3)

Friday, March 20, 2015

3:30-5 pm, Washington 3

Presenters: Rebecca Polan and Dan Woodman, Project Consultants, Capital Link

Learn more: <http://www.caplink.org/newsevents/events>

Indiana Primary Health Care Association 2015 Annual Conference

May 4-5, 2015

Creating Spaces that Facilitate Your Transition to Patient-Centered Medical Home

May 5, 2015, Time TBD

Presenter: Cindy Barr, Project Consultant, Capital Link

Capital Planning: Developing Your Internal Project Team

May 5, 2015, Time TBD

Presenter: Cindy Barr, Project Consultant, Capital Link

Massachusetts League of Community Health Centers Annual Community Health Institute

May 6-8, 2015

Market Assessment and Payer Mix Modeling in an Era of Health Reform

Day and Time TBD

Presenters: Rebecca Polan and Dan Woodman, Project Consultants, Capital Link

2015 California Primary Care Association Chief Financial Officers Annual Conference

Santa Rosa, CA

May 14-15, 2015

From Surviving To Thriving: Sustainability Through Improved Financial and Operational Performance and a Team-Based Environment

Friday, May 15, 2015, 10:15 -11:45am

Presenters: Tony Skapinsky, Project Consultant, Capital Link; Cindy Barr, Project Consultant, Capital Link

Association for Utah Community Health Annual Meeting & Primary Care Conference

May 14-15, 2015

West Valley City, UT

Predicting Payer Mix in Utah's Marketplace

May 15, 2015, Time TBD

Presenter: Dave Kleiber, Senior Project Consultant

Metrics That Matter- Financial Information for Board Members

May 15, 2015, Time TBD

Presenter: Dave Kleiber, Senior Project Consultant

Webinars

Capital Link's next series of seasonal webinars will be scheduled soon and posted [here](#) on our website. Also, you can find recordings of our past webinars on our website [here](#).