

CAPITALink

A Quarterly E-Newsletter from Capital Link, Winter 2014 Issue

Message from the CEO

Allison Coleman, CEO

Inside this Issue:

| | |
|--------------------------|---|
| Message from the CEO | 1 |
| Federal Update | 2 |
| New and Noteworthy | 3 |
| New Resources | 5 |
| Health Center Highlights | 7 |
| Upcoming Events | 8 |

It goes without saying that 2013 was a challenging one for health centers. Change and uncertainty were the watch words for 2013, given doubts about Medicaid expansion; federal budget negotiations and the government shutdown; ACA outreach and enrollment; payment reform and the myriad day-to-day hurdles health centers regularly face. What's amazing is the resilience of the health center mission and the many ways health centers are growing to meet the needs of their communities, with enhanced services and expanded facilities.

As we begin 2014, Capital Link celebrates the achievements of health centers and offers information that may help ongoing efforts to expand access to care and impact patients' overall well-being. The article "**Health Centers: Building a Bridge between Primary Care and Mental Health Care**" on page 3 describes programs and funding sources supportive of the integration of behavioral health services into health centers. We also provide tools for measuring community and economic impact through our enhanced **Statewide Economic Impact Analysis** (page 5) and **Community Asset Mapping** (page 6).

Finally, we offer our thanks to the over 300 health centers who participated in our **National Capital Needs Assessment** (page 3) and give an update on the analysis. We also provide information about resources relevant to health centers, including a federal update, training opportunities, upcoming presentations, and research reports. As always, we hope this information helps you succeed.

Warm Regards,
Allison Coleman, CEO



Federal Update

Keep Up to Date!

Below is a selection of recent health policy and regulatory news 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>

Federal Budget and Appropriations

House Budget Committee Chairman Paul Ryan and Senate Budget Committee Chair Patty Murray unveiled a bipartisan budget deal called The Bipartisan Budget Act of 2013 in December. This deal amends the Budget Control Act by setting increased discretionary spending caps for fiscal years (FYs) 2014 and 2015 and offsets, but does not repeal, sequestration for those two years.

On January 13th, House and Senate Appropriators unveiled The Consolidated Appropriations Act of 2014 (H.R. 3547), which contains all 12 regular appropriations bills and adheres to the \$1.012 trillion discretionary spending level set by the Bipartisan Budget Act of 2013. The allocation for the Labor, Health and Human Services, Education, and Related Agencies (LHHS) bill is \$156.8 billion, roughly the same as allocated for FY2013.

The bill includes level discretionary funding for the Health Centers program which, combined with already-appropriated mandatory funding for health centers available through the Affordable Care Act's Health Center Fund, represents a \$700 million increase in funding from FY2013. The text of H.R. 3547 can be viewed [here](#). Check NACHC's Health Centers On the Hill blog for updates at <http://blogs.nachc.com>.

Health Center Funding Cliff

Health centers are facing the possibility of a 70 percent reduction in funding in the FY 2015 federal budget unless changes are made to address the "Health Center Funding Cliff." This fall, NACHC began conducting an advocacy campaign to "Fix the Health Center Funding Cliff" (<http://www.saveourhcs.org/Fix-The-Cliff.cfm>), an ongoing effort that will continue throughout 2014. Just before the holidays, [a petition](#) containing

over 45,000 signatures was delivered to the White House, where it will be shared with the White House Office of Management and Budget – the office responsible for drafting the President’s budget.

Funding New Access Point Awards Announced in November

The Department of Health and Human Services (HHS) announced 236 New Access Point (NAP) awards in communities across the country. A list of awards can be viewed [here](#). Funded with \$150 million of the Affordable Care Act’s FY 2014 Health Center Fund, these NAPs were previously approved yet unfunded applications from the FY 2013 round of 32 NAPs. These awards will increase access to primary care for over 1.25 million underserved patients at health centers nationally.

HRSA Capital Development Grant Round Expected

The Health Resources and Services Administration (HRSA) is tentatively expected to offer a competitive grant round in early 2014. This capital funding opportunity, totaling approximately \$30 million, will likely grant small awards for minor capital projects or renovations. A key component is expected to be renovations or capital projects necessary for Patient-Centered Medical Home transformations. The complete details have not yet been announced with respect to maximum size and other stipulations, but updates can be accessed at <http://www.hrsa.gov/index.html>.

New and Noteworthy

Thank You for Participating in the National Capital Needs Assessment for Health Centers!

Capital Link closed our national capital needs assessment and is currently analyzing the data provided by over 300 health centers across the nation. We extend our thanks to all who participated in this important project, which will help assess the extent of existing and future health center capital requirements. The results of this study will provide an estimate of the need for additional capital investment to enable health centers to achieve their growth goals. The data also helps us identify strategies for securing capital funding for health centers. Release of the report is expected this spring.

Health Centers: Building a Bridge between Primary Care and Mental Health Care

Health centers are known to eliminate barriers to health care for medically underserved populations and are continually seeking to expand service offerings to meet patient requirements. There is a current focus on the need to increase behavioral and mental health services, including federal commitment to provide grant and loan programs for the expansion of facilities and programs supporting the integration of behavioral health services into health centers. See pages 4 and 5 for resources and recent information available to assist health centers:

NACHC Resources for Behavioral Health and Primary Care Integration

Beginning in 2010, NACHC sought to understand how health centers were responding to the need for behavioral health services and provided recommendations for improving quality of care and increasing capacity. See the [2010 Assessment of Behavioral Health Services](#) in FQHCs and the [2011 Assessment of FQHCs' Integrated Behavioral Health Services](#) for details.

In July 2013, NACHC issued a [press release](#) describing the results of a study with the Robert Graham Center for Policy Studies, noting that “all health centers that receive section 330 grant funding from HRSA are required to provide referrals to substance abuse and mental health providers, but most grantees by far exceed this standard. Nearly three-quarters of health centers had onsite mental health or substance abuse staff as of 2010.” Despite health center efforts to improve access to necessary behavioral health services, the study estimates that in order to meet the expected demand resulting from the Affordable Care Act, behavioral health staff will need to increase more than four-fold.

NACHC also partnered with the [SAMHSA-HRSA Center for Integrated Health Solutions \(CIHS\)](#) in 2012 and 2013 to implement the Behavioral Health Integration Learning Community, addressing the needs of health centers that had little or no behavioral health capacity. Thirteen health center teams participated in the Learning Community to accelerate the integration of behavioral health into their primary care settings. Key teachings and resources from the Learning Community include [The Business Case for the Integration of Behavioral Health and Primary Care](#) and companion [Worksheet](#), and sample screening tools ([PHQ-9](#), [PHQ-2](#), [AUDIT](#), [AUDIT-C](#), and [DAST-10](#)). For more information about the Learning Community, visit the [CIHS Website](#).

Patient-Centered Medical Home Accreditation and Recognition

With the enactment of the Affordable Care Act, Federal-level expectations for health centers to accomplish Patient-Centered Medical Home (PCMH) certification has significantly increased, and with it the requirement for health centers and behavioral health systems to collaborate strategically. For example, the Joint Commission developed a new [Behavioral Health Home Certification](#) product designed to recognize health care organizations that have successfully integrated primary physical and behavioral health care. The Joint Commission began offering this new certification option for organizations accredited under its Behavioral Health Care Accreditation program beginning January 1, 2014. Also, The National Committee for Quality Assurance recently proposed changes to its 2011 PCMH product, which, if approved, potentially require practices to have agreements, co-location, and direct integration with behavioral health providers.

Substance Abuse and Mental Health Services Administration (SAMHSA) Programs

SAMHSA has initiated several programs and changes supportive of behavioral health and primary care integration, including [Primary Care and Behavioral Health Integration](#) (PBHCI), [Wellness Initiative](#), and the [SAMHSA/ HRSA Center for Integrated Health Solutions](#) (CIHS). SAMHSA has also revised its Federal Block Grant program to encourage a broader approach in reaching beyond the populations that have historically been served through the program. According to the [2015 SAMHSA Federal Block Grant application](#), State Mental Health Authorities are expected to discuss their efforts related to coordination with State Primary Care Associations to enhance relationships between health centers, other primary care practices, and publicly funded behavioral health providers.

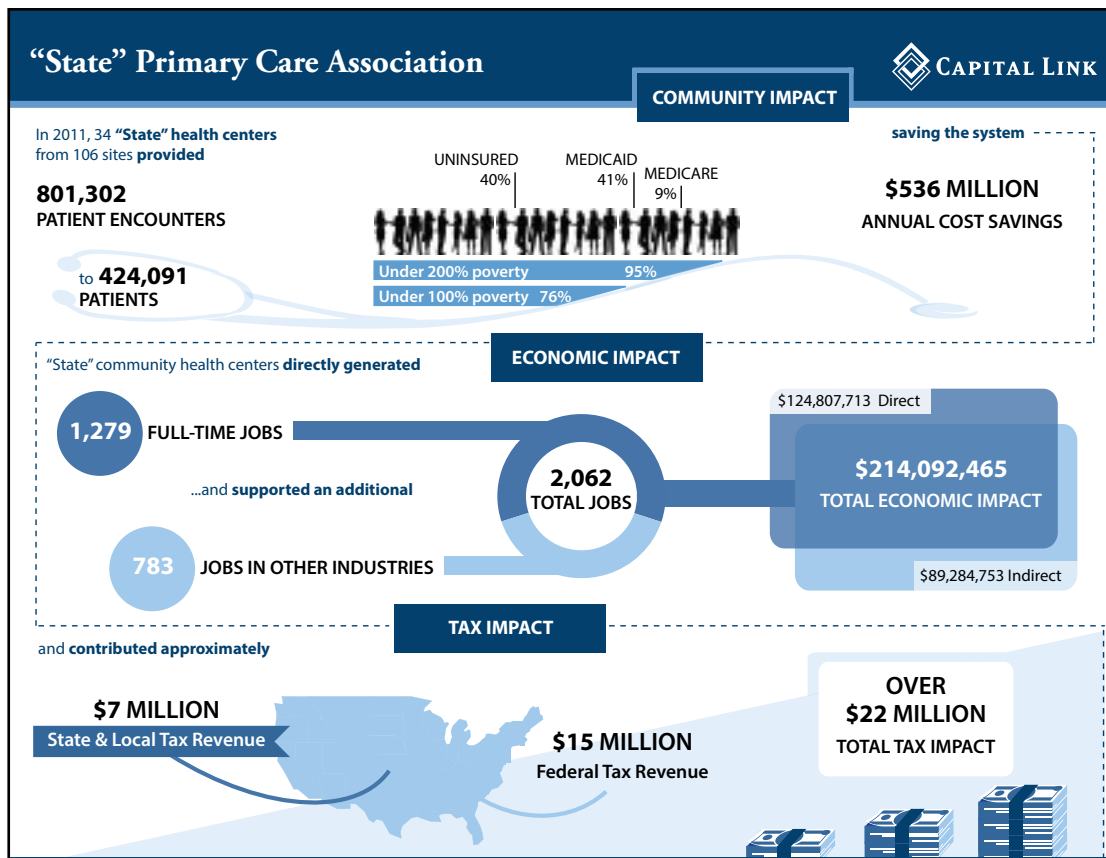
Upcoming Funding Opportunities

In mid-December, the White House announced the availability of \$100 million to increase access to mental health services and improve facilities. Health centers seeking to expand or add mental or behavioral health services may soon be eligible for \$50 million in grant funding from the Department of Health and Human Services (HHS). In addition, the U.S. Department of Agriculture (USDA) has set a goal of investing up to \$50 million to increase access to mental health care in rural areas over the next three years. The funding will be used for the construction, expansion, or equipping of rural mental health facilities and will be provided through the Community Facilities direct loan program. For more information about the grant program, access the press release from the White House [here](#). For more information about the loan program in rural areas, access the press release from the USDA [here](#).

New Resources

Enhancements to Our Statewide Economic Impact Analysis

Capital Link's [Statewide Economic Impact Analysis](#) (EIA) uses economic modeling software to measure the impact health centers have on their communities as they expand their reach. In addition to analyzing economic impact and job creation, the report has been enhanced to provide annual cost savings to the system and tax revenues. In the past, health centers have used this information to educate policymakers, seek community support, and pursue funding opportunities, so our new format includes the customized [infographic](#) below. To learn more, contact Steve Rubman, Manager of Data Resources & Analysis, at srubman@caplink.org.



Using Community Asset Mapping to Understand Your Neighborhood

As health centers prepare for the transition from volume-based health care reimbursement to outcomes-based reimbursement, it is essential to consider new ways to positively impact patient health. With growing evidence that lifestyle choices and access to resources, such as fresh food and safe places to walk, may have a greater influence on health outcomes than health care, it is important for health centers to gain an understanding of all of the factors that influence health in a community.



With Community Asset Mapping, you can examine all of the assets – and shortcomings – of your community in order to identify ways to promote healthier behaviors and increase access to resources, therefore positively impacting patient outcomes. To learn more about Community Asset Mapping and other tools for understanding your community, access our recent webinar recording “Who Are the People in Your Neighborhood: A Guide to Understanding and Mapping Your Community” at www.caplink.org/resources/webinars or contact Rebecca Polan, Project Consultant, at rpolan@caplink.org.

New Resource Coming Soon!

Impact of Capital Projects on Health Centers: Growth, Financial Trends, and Operational Transformation

Serving as Issue 3 in the **Community Health Center Financial Perspectives** series, this new report summarizes the impacts of capital projects on health center operations and financial performance, based on a study of 176 organizations. Written for an audience of health center leaders, this document takes a data-informed approach to guide health center capital planning and financing processes. The report was supported by the Citi Foundation and prepared by Capital Link and Community Health Center Capital Fund and will be available in the coming month. Check www.caplink.org/resources/reports for more information.

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: <http://www.caplink.org/client-impact/client-stories>. The latest addition is a project highlight on **Santa Cruz Women's Health Center in California**. We also congratulate five health centers for completing financing for their projects since last quarter: **Family Health Centers, Omak, WA; Family Health Centers of Worcester, MA; Shasta Community Health Center, Redding, CA; Presbyterian Medical Services, Farmington, NM; and PrairieStar Health Center, Hutchinson, KS.**

Family Health Centers (FHC), WA completed financing for a new 19,793 square foot medical facility to replace its main clinic in Omak, WA. The one-story building will house 14 primary care exam rooms and three primary care procedure rooms, nearly double the amount of the previous facility, allowing FHC to serve an additional 4,780 new patients annually. Funding for the approximately \$8.5 million project included \$ 6,378,240 loan from the Healthy Futures Fund, a \$910,941 LISC Subordinated Loan, and \$1,235,000 in FHC equity.

Family Health Center of Worcester (FHCW), MA completed financing for a 24,000 square foot expansion and renovation of an existing facility, formerly occupied by Worcester City Hospital. The new building will house 20 exam rooms, eight dental operatories, as well as pharmacy and vision services, and will enable FHCW to serve an additional 8,000 new patients and add 25,000 new billable encounters per year. Funding for the \$7.6 million project included a New Markets Tax Credit transaction and a \$5 million HRSA Capital Development-Building Capacity grant.

Shasta Community Health Center, CA completed financing for a new, 26,000 square foot medical facility to replace its existing clinic. The three-story building will house 24 primary care exam rooms and a training center for patient education and continuing education needs, and will allow Shasta to serve an additional 6,000 new patients. Funding for the approximately \$18.5 million project included a New Markets Tax Credit transaction and a \$5 million HRSA Capital Development-Building Capacity grant.

Presbyterian Medical Services (PMS), NM completed financing for two capital projects – a new, 28,000 square foot medical facility in Farmington and a 2,500 expansion to a facility in Socorro. Both projects, upon completion, will allow PMS to add approximately 22,000 new patient visits per year. Funding for the approximately \$11.8 million project included a New Markets Tax Credit transaction and a \$5 million HRSA Capital Development-Building Capacity grant.

PrairieStar Health Center, KS completed financing to relocate and expand their Hutchinson, KS clinic to a new 33,000 square foot facility six miles south in South Hutchinson. The one-story building will include 26 medical exam and procedure rooms, and seven dental operatories. Upon completion, the expansion will allow PrairieStar to see a 23 percent increase in new patients within the first year, an additional 2,256 patients. Funding for the \$8.9 million project included a \$3.3 million loan from Prairie Bank of Kansas and a \$5 million HRSA Capital Development-Building Capacity grant.

Upcoming Events and Webinars

Capital Link regularly presents information important to health centers and Primary Care Associations at industry conferences and our seasonal webinar series!

Upcoming Presentations

Below are a few of our upcoming scheduled events. Complete descriptions are available on our website at <http://www.caplink.org/newsevents/events>.

Financing Community Health Centers CDFI Training Series

January - June, 2014

With many of the provisions of the Affordable Care Act going into effect in 2014, health centers need to expand their operations now in order to provide their comprehensive model of care to a growing patient base. Community Development Financial Institutions (CDFIs) are stepping forward to help by participating in [a new Capacity Building Initiative](#) supported by the U.S. Department of the Treasury's CDFI Fund.

Through this effort, CDFIs will develop the skills to successfully finance community health centers in medically underserved markets. The Opportunity Finance Network (OFN) partnered with leading industry experts—Capital Link, Primary Care Development Corporation, and Capital Impact Partners—to develop a new training and technical assistance program for CDFIs.

Six, free two-day training workshops will be offered to provide CDFIs with a comprehensive overview of the CHC landscape and how CDFIs can provide financial services to CHCs. The Foundations training workshops will be held from January through June 2014. See a list of the trainings [here](#). CDFIs can apply to attend [here](#).

[NACHC Policy and Issues Forum, Washington, DC](#)

March 19-23, 2014

Accelerating Health Center Expansion: An Introduction to CDFIs and the New “Lenders Coalition for Community Health Centers”

Thursday, March 20, 2014

8:30 a.m. – 10 a.m. Thurgood Marshall South

Speaker/Moderator: Allison Coleman, CEO, Capital Link

Speaker Panel: Representatives from NACHC; Opportunity Finance Network; Capital Impact Partners; Local Initiatives Support Corporation

CDFIs play a critical role in helping community health centers obtain affordable capital to strengthen their capacity and expand their facilities. Recently a group of CDFIs established a new [“Lenders Coalition for Community Health Centers” \(LCCHC\)](#) to educate policymakers about issues that impact health center growth, financial stability, and access to capital, and advocate for policies and resources that will improve health center financing tools and enhance CDFIs’ ability to foster community health center expansion.

[National Council for Behavioral Health Conference ‘14, Washington DC](#)

May 5-7, 2014

The National Council Conference is the nation’s premier specialty healthcare conference, attended by executives, board members, and staff from community mental health and substance use treatment organizations. This event features the latest innovations, science, and business and clinical best practices. Visit Capital Link at Booth 833 in the Exhibit Hall.

Webinars

Making the Numbers Talk: A Four Year Review of Health Center Operational Data

Wednesday, February 26, 2-3 PM EST

Presenter: David Kleiber, Project Consultant, Capital Link

Register [here](#).

Capital Link recently published *Financial and Operational Ratios and Trends of Community Health Centers*, 2008-2011, the first in the *Community Health Center Financial Perspectives* series of resources sponsored by the Citi Foundation. Utilizing our extensive database of community health center audits and operational data from HRSA’s Uniform Data System reports, Capital Link analyzed a variety of financial and operating metrics to identify key trends for health centers nationally. This webinar will primarily cover the highlights of [the report](#) focusing on the key metrics that reflect operating issues such as service line expansion, productivity by service line, provider and non-provider staffing trends and patient utilization rates.

About Capital Link

Capital Link is a 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 advisory 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 or connect with us on Facebook, LinkedIn or Twitter.