

Financial & Operational Benchmarking

*FQHC Trends & Observations for the
2019-2022 Period*

May 1, 2024

Tony Skapinsky

Senior Project Consultant



www.caplink.org

Our Vision: Stronger health centers, actively building healthy communities

Our Mission: Capital Link works to strengthen community health centers—financially and operationally—in a rapidly changing marketplace. We help health centers:



Nearly
30 years
of experience

Worked with
50+
PCAs/HCCNs
and regional
consortia

ASSISTED **2/3rds** OF HEALTH CENTERS NATIONALLY

LEVERAGED **\$1.4 billion**

FOR **246+** HEALTH CENTER PROJECTS

TOTALING OVER **\$1.7 billion**

Funded With Support From HRSA

Capital Link is a HRSA National Training and Technical Assistance Partner (NTTAP)

This webinar is supported by the Health Resources and Services Administration (HRSA) of the U.S. Department of Health and Human Services (HHS) as part of an award totaling \$1,168,750 with 0 percent financed with non-governmental sources. The contents are those of the author(s) and do not necessarily represent the official views of, nor an endorsement, by HRSA, HHS, or the U.S. Government. For more information, please visit [HRSA.gov](https://www.hrsa.gov).

1. Performance Benchmarking
2. 2019-2022 FQHC Financial & Operational Performance Trend Highlights
 - a. Growth & Expansion
 - b. Patient & Payer Mix
 - c. Revenue Growth & Mix
 - d. Staffing & Productivity
 - e. Financial & Operational Trends
 - f. Quality
3. Performance Evaluation Dashboard
4. Questions



Performance Benchmarking



<http://caplink.org/benchmarking-toolkit>

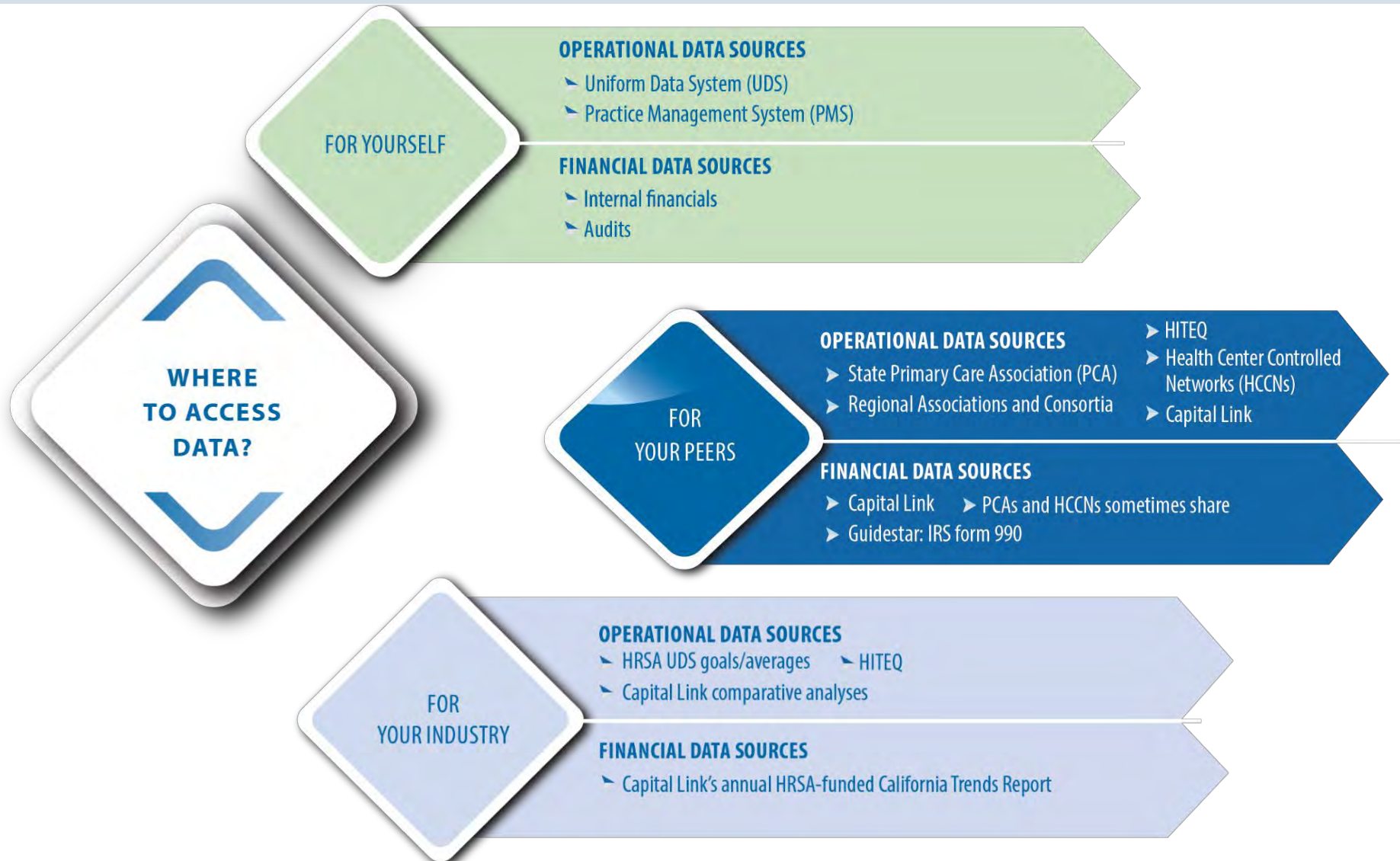
Updated 2024

Goal: Financial Sustainability & Access to High Quality Care



- A standard or point of reference against which things may be compared or assessed.





FEDERALLY QUALIFIED HEALTH CENTERS

Financial and Operational Performance Analysis

2019-2022

An analysis of health centers nationally, including those serving rural communities



Capital Link - Federally
Qualified Health Centers
Financial and Operational
Performance Analysis 2019-
2022 (caplink.org)



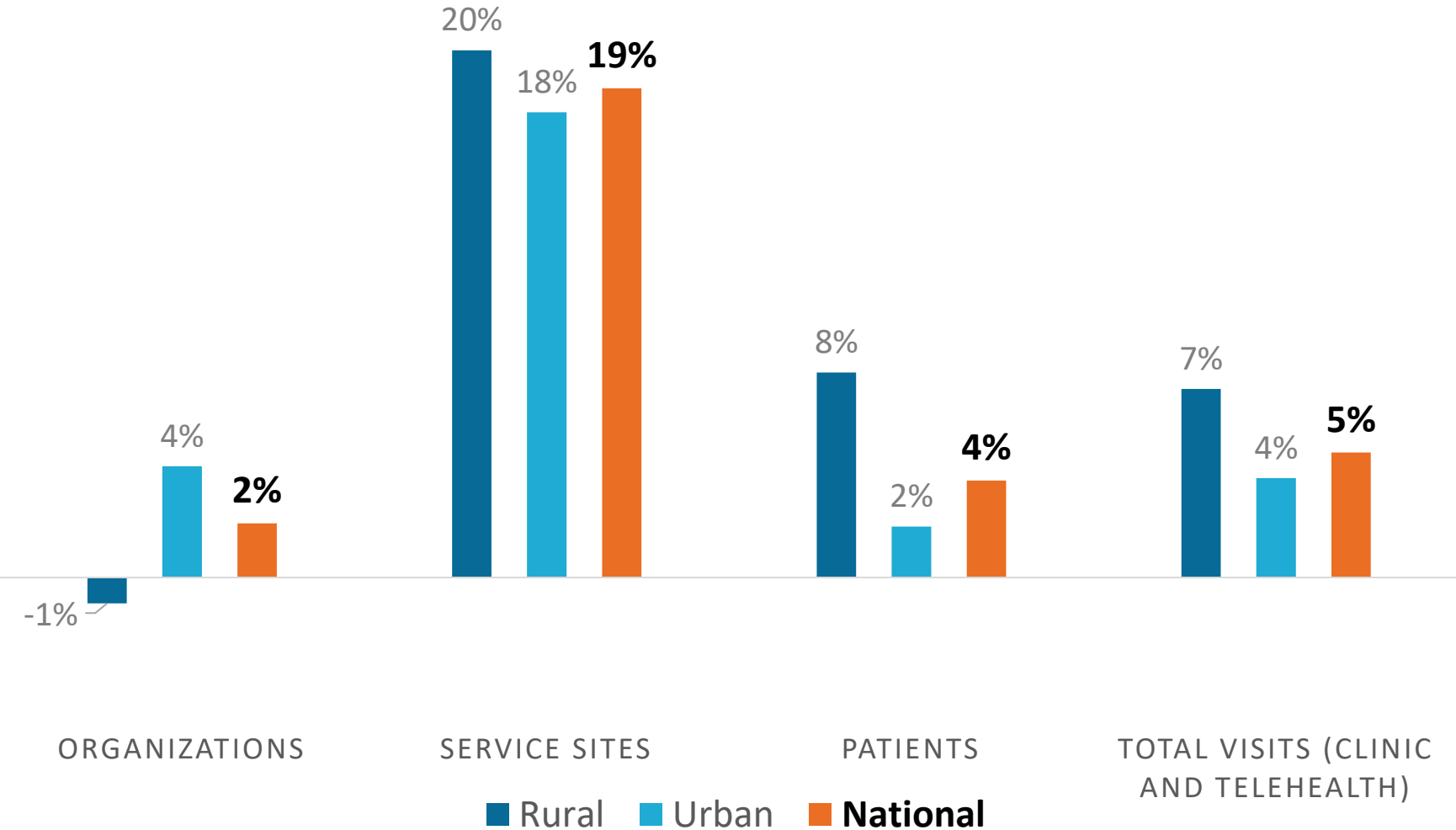
National FQHCs (Section 330s & LALs)

| Financial Audits | 2019 | 2020 | 2021 | 2022 |
|-------------------------|--------------|--------------|--------------|--------------|
| Section 330 Grantees | 1,309 | 1,310 | 1,265 | 1,027 |
| Look Alike | 41 | 38 | 47 | 40 |
| TOTAL | 1,350 | 1,348 | 1,312 | 1,067 |

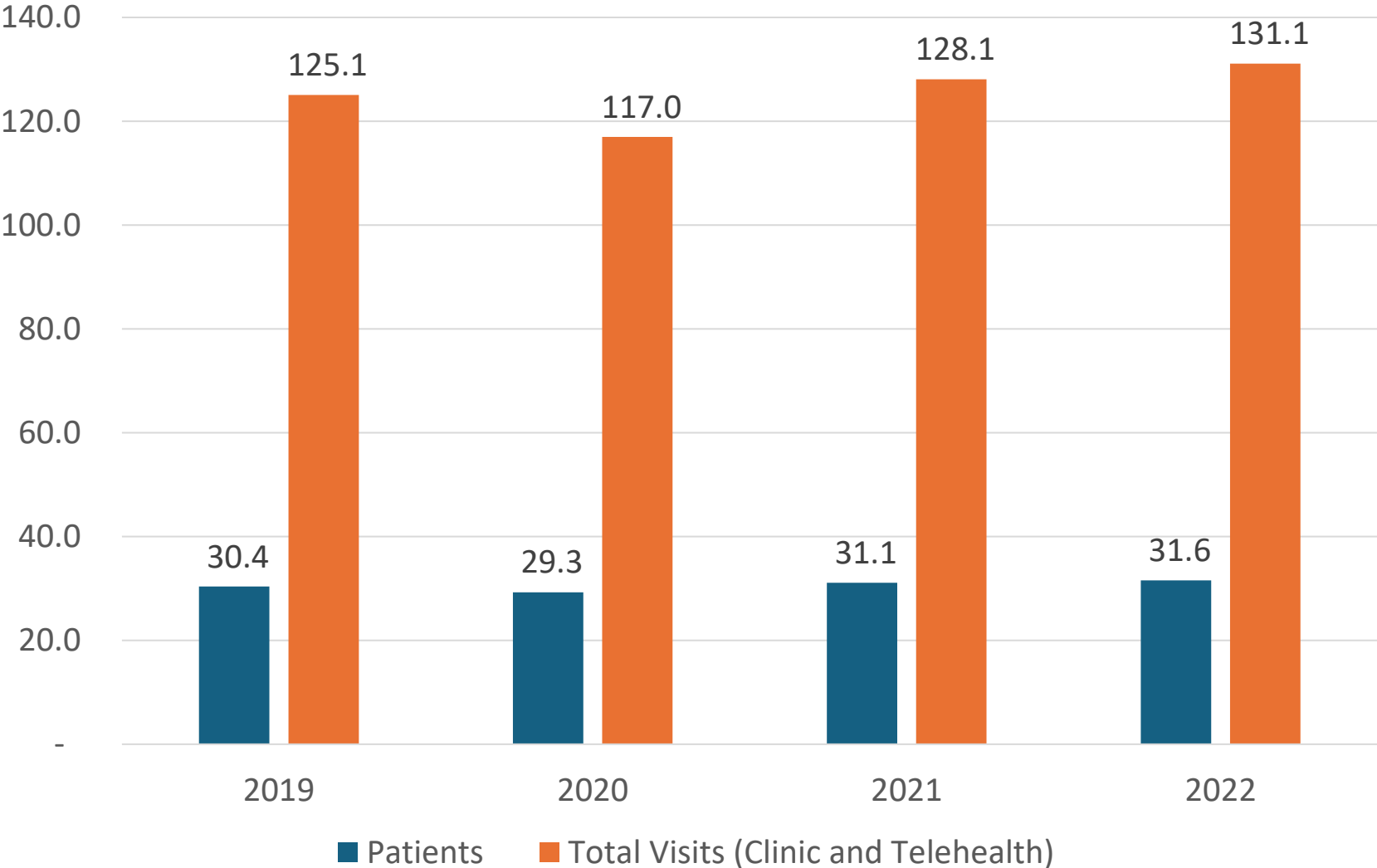
| UDS Datasets | 2019 | 2020 | 2021 | 2022 |
|----------------------|--------------|--------------|--------------|--------------|
| Section 330 Grantees | 1,385 | 1,375 | 1,373 | 1,370 |
| Look Alike | 72 | 87 | 108 | 117 |
| TOTAL | 1,457 | 1,462 | 1,481 | 1,487 |

Growth & Expansion

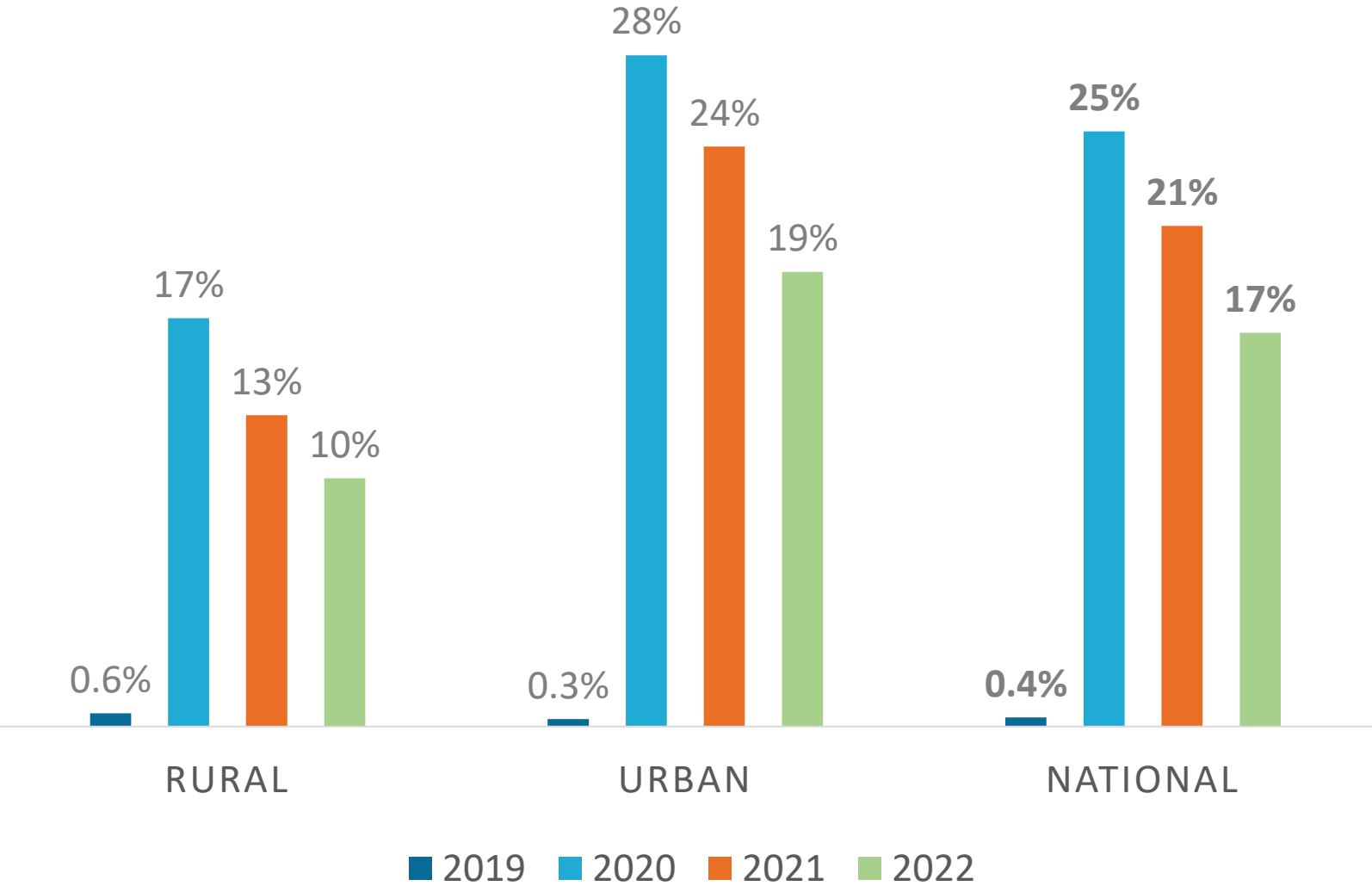
Organizational Growth Rates 2019-2022



National Patient & Visit Trends 2019-2022

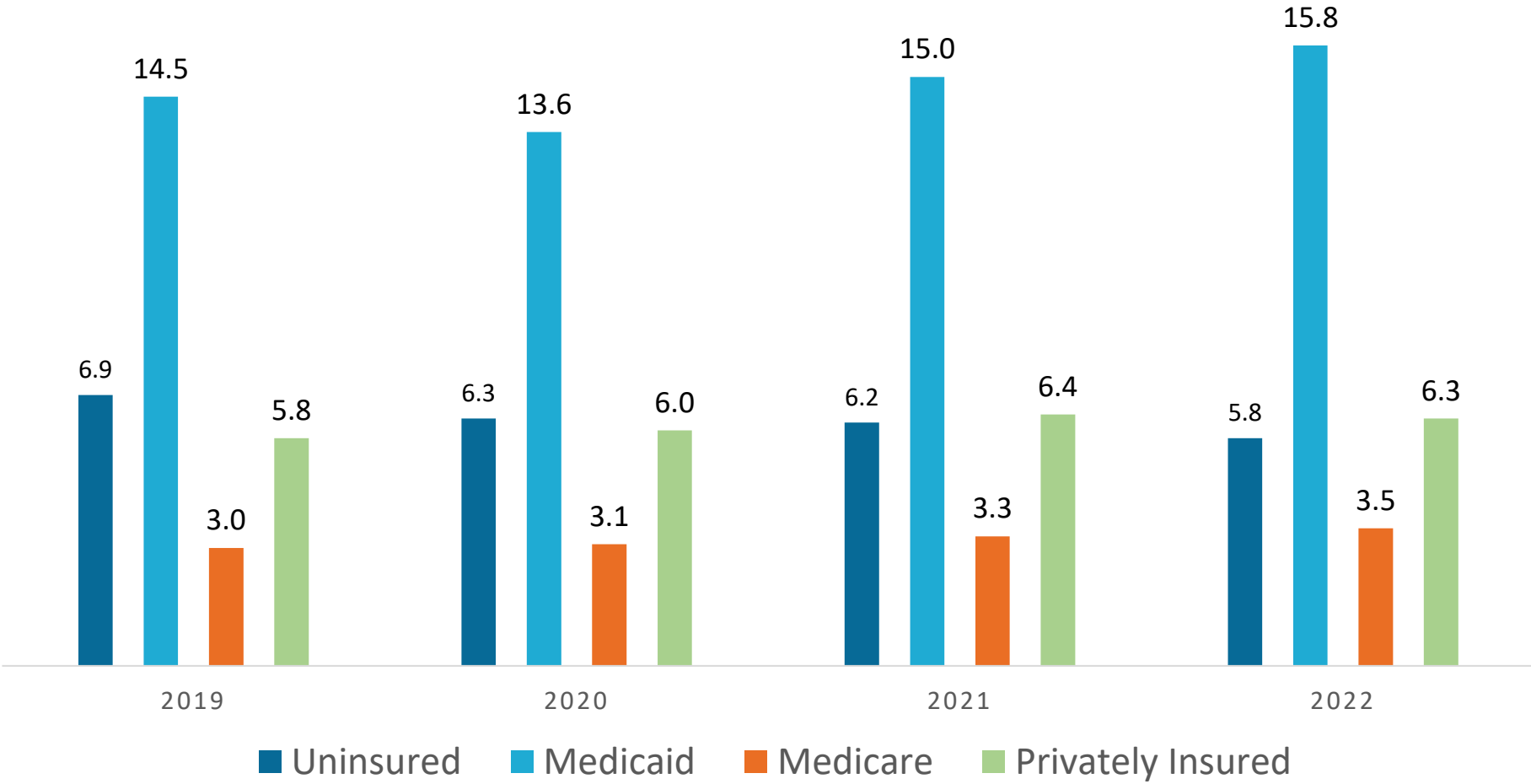


Telehealth Visits as a Percent of Total Visits 2019-2022



Patient & Payer Mix

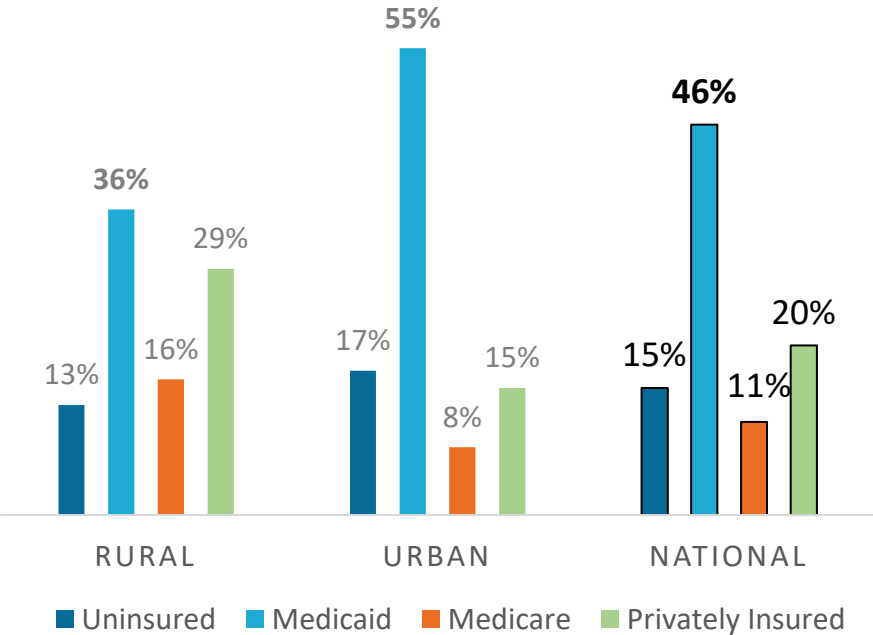
Patient Mix: Number Of Patients By Insurance Category 2019-2022 (Millions)



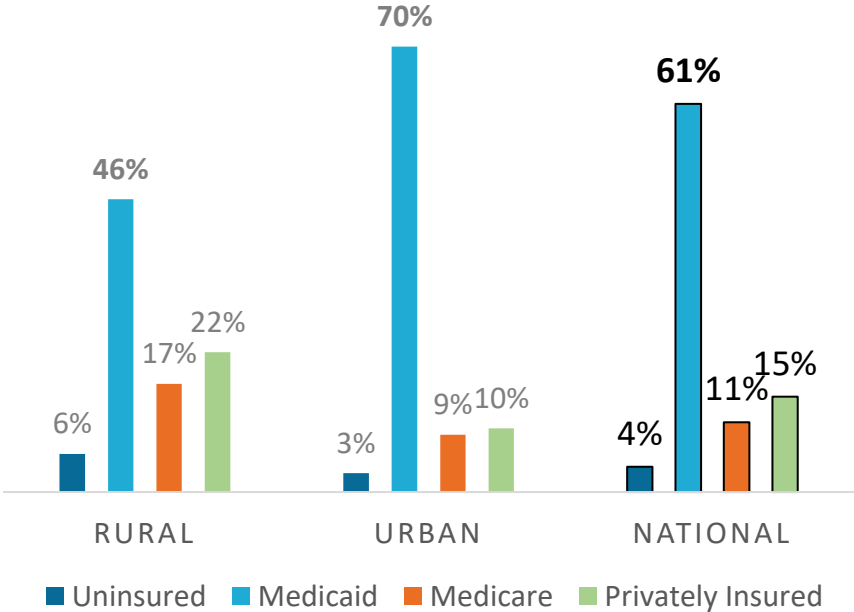
Median PATIENT/PAYER Mix by Location 2022



PATIENT MIX 2022

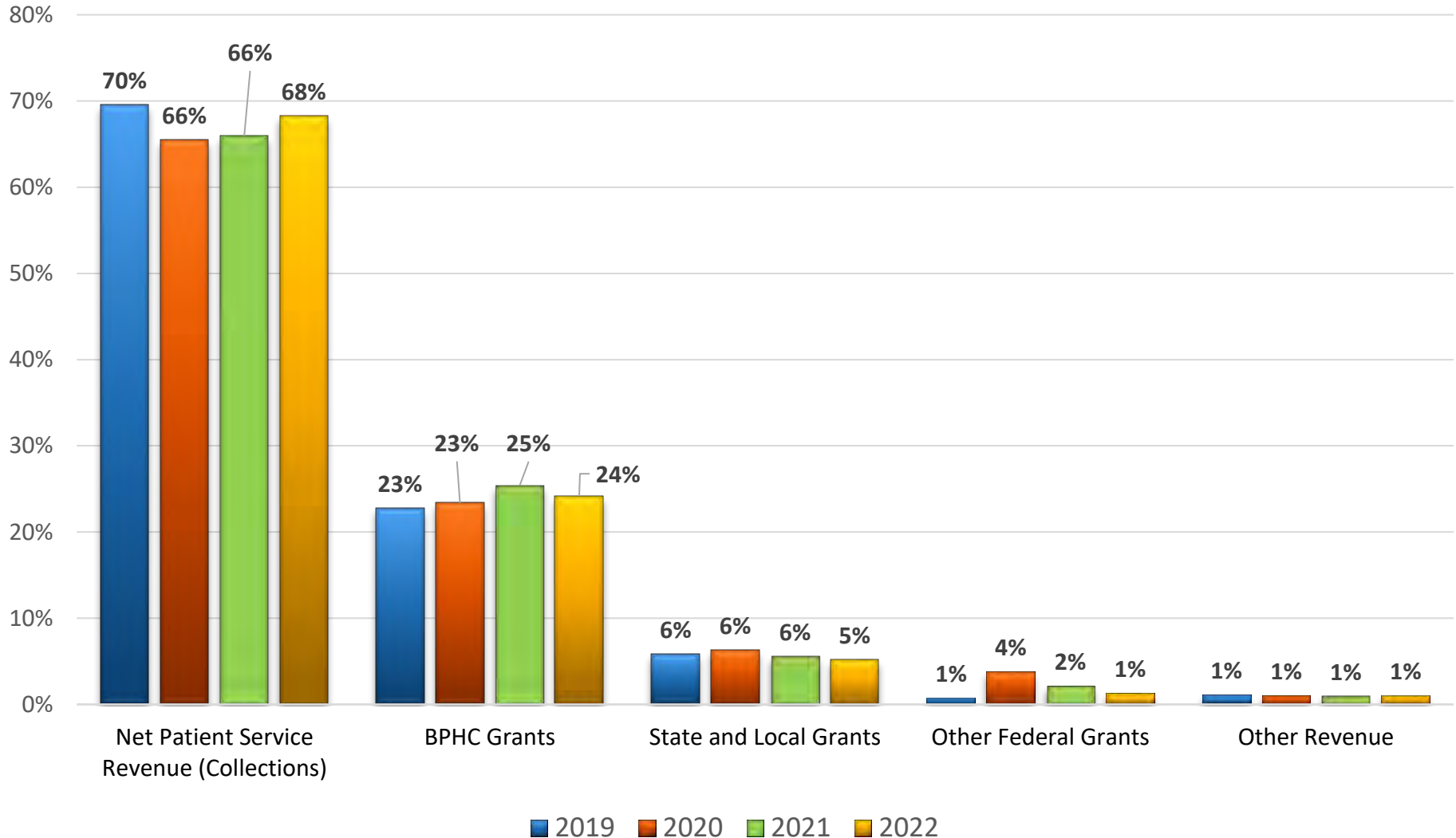


PAYER MIX 2022

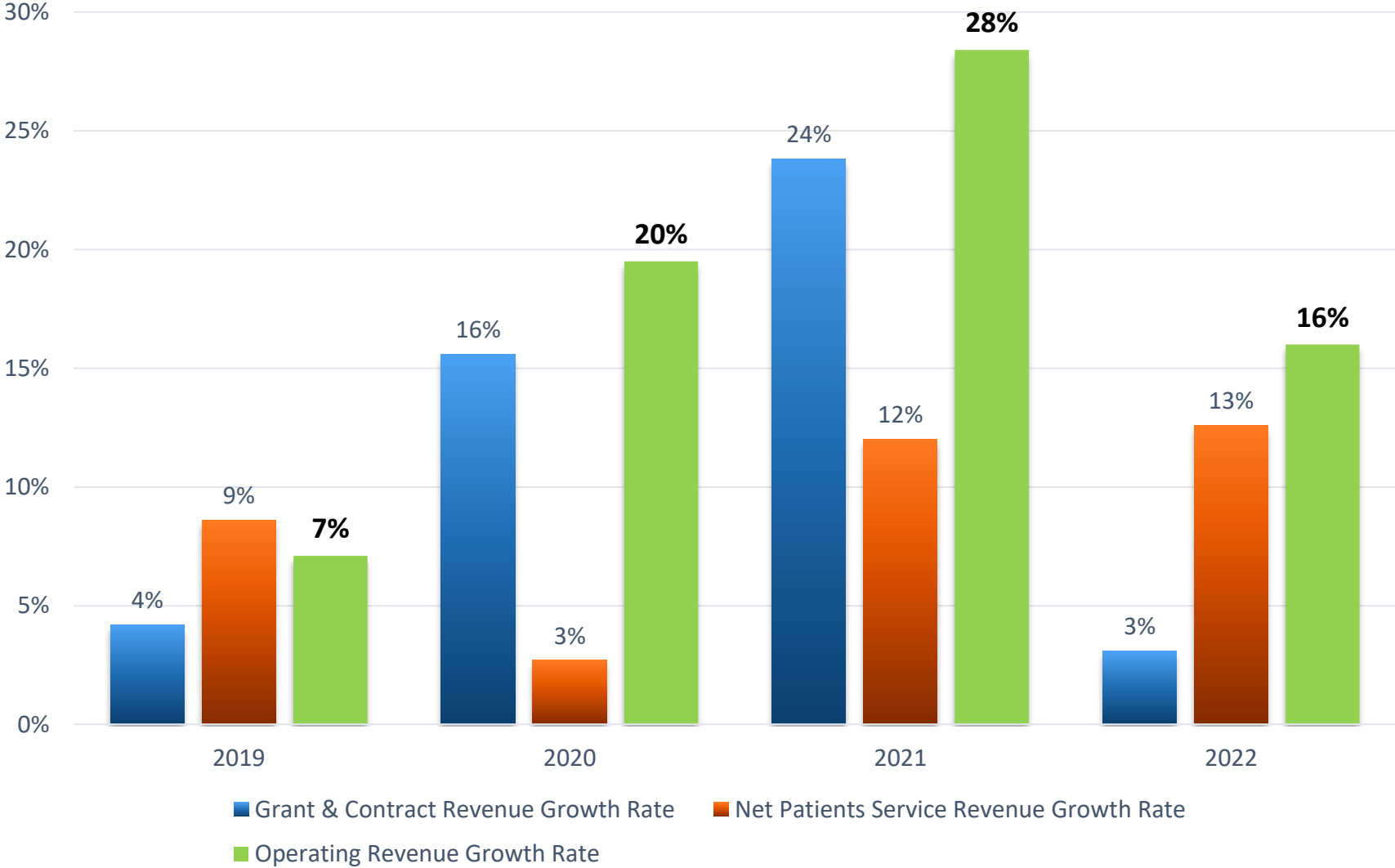


Revenue Growth & Mix

Total Revenue Mix 2019-2022



Revenue Growth by Source 2019-2022

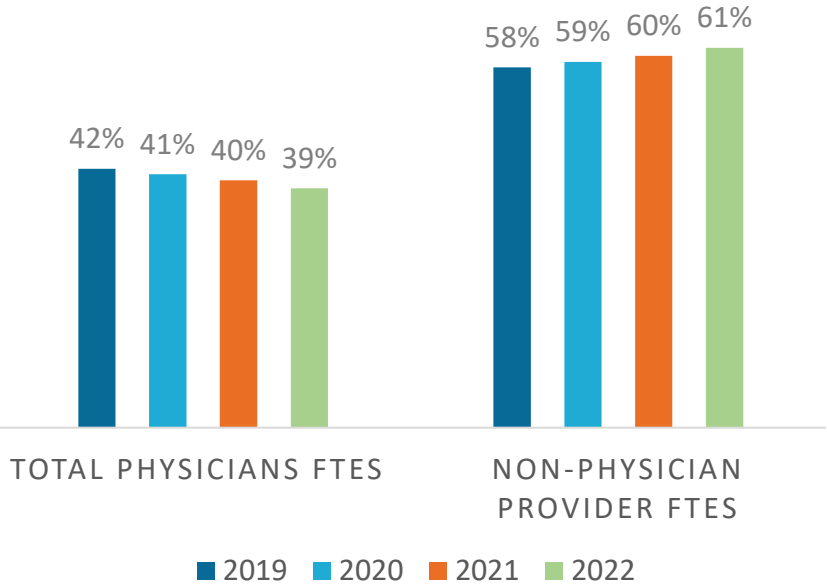


Staffing & Productivity

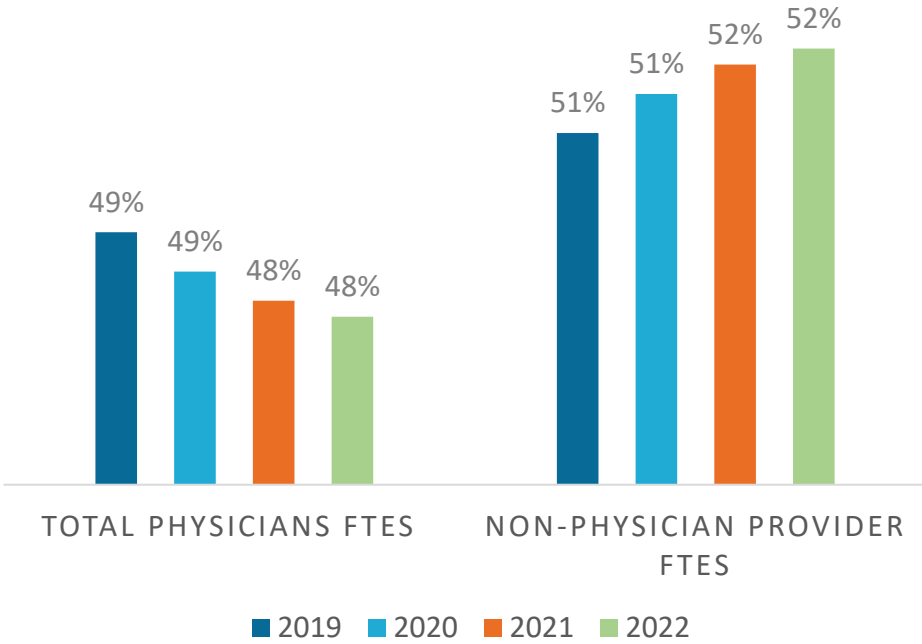
Medical Provider Staffing Trends 2019-2022



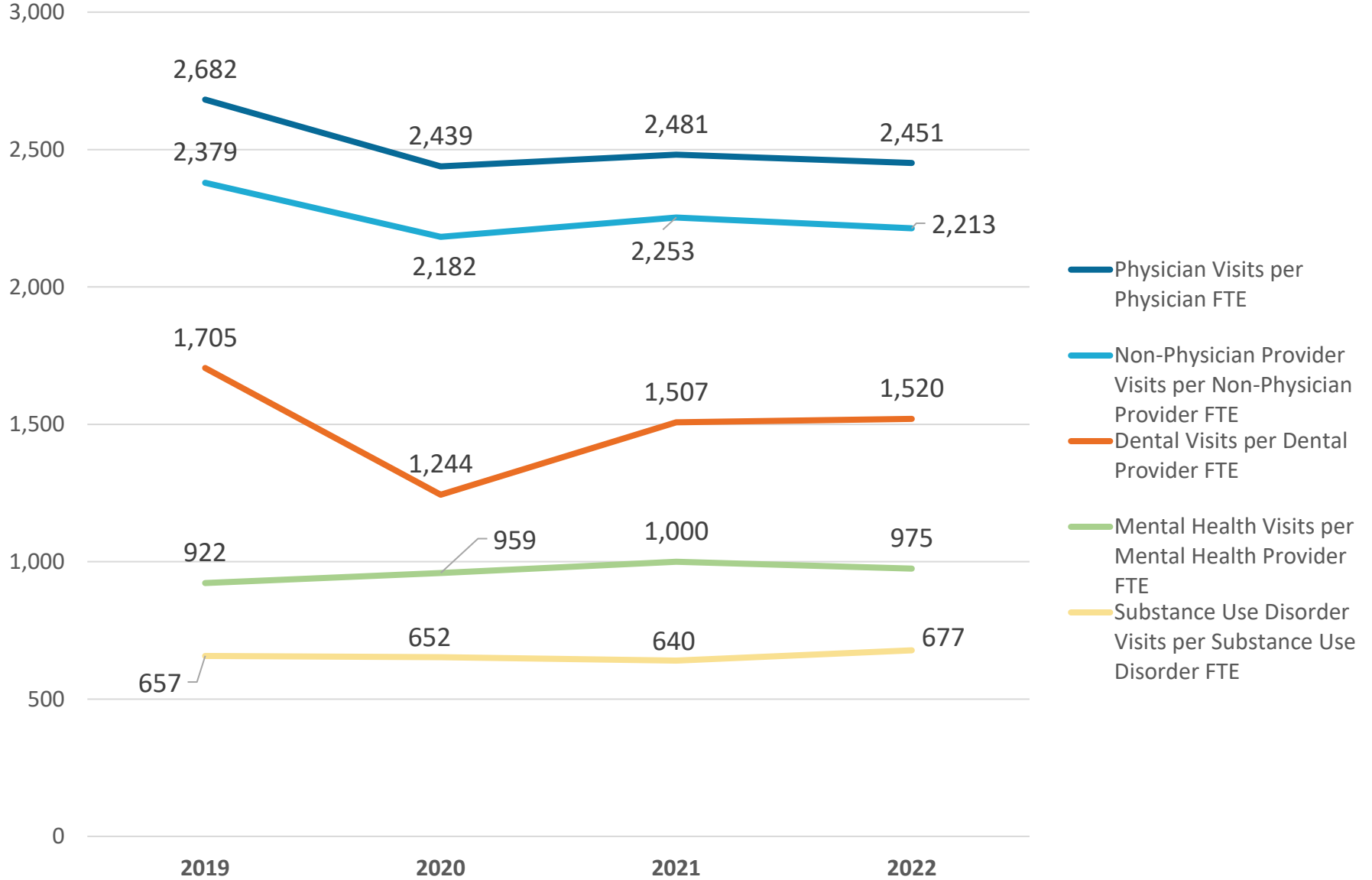
**RURAL HEALTH CENTER MEDIAN
MEDICAL STAFFING TRENDS, 2019-
2022**



**NATIONAL HEALTH CENTER MEDICAL
STAFFING TRENDS, 2019-2022**



Median Productivity Trends: Visits Per FTE 2019-2022 (National dataset)



Financial & Operational Trends

FINANCIAL HEALTH (CORPORATE LEVEL)

| | | |
|---|--|---|
| Operating Margin | Assesses overall strength of business model; margins are typically small but need to be positive | $\frac{\text{Change in Operating Net Assets}}{\text{Total Operating Revenue}}$ |
| Bottom Line Margin | Shows whether performance is dependent upon large capital grants and/or other sources of non-operating revenue | $\frac{\text{Change in Net Assets}}{\text{Total Operating Revenue}}$ |
| Personnel-Related Expense as Percent of Revenue | Consumes 70-75% of revenues; key driver of financial performance | $\frac{(\text{Salaries and Related Expenses} + \text{Fringes and Payroll Taxes} + \text{Professional/Contracted/Consultant Fees})}{\text{Total Operating Revenue}}$ |
| Days in Net Patient Accounts Receivable | Reflects effectiveness of financial management, which starts with collecting money efficiently | $\frac{\text{Net Patient Accounts Receivable}}{\text{Net Patient Service Revenue} / 360}$ |
| Days Cash on Hand | Measures cash management and whether there is enough liquidity to keep operations running smoothly | $\frac{(\text{Unrestricted Cash} + \text{Investments})}{(\text{Total Operating Expenses} - \text{Depreciation}) / 360}$ |

PRODUCTIVITY AND FINANCIAL OPERATIONS (PRODUCE FOR EACH SERVICE AREA)

| | | |
|---------------------------------------|--|--|
| <p>Provider Productivity (Visits)</p> | <p>Visit productivity is the basis for revenue generation [in a fee-for-service environment]</p> | $\frac{\text{Provider Visits}}{\text{Provider FTEs}}$ |
| <p>Cost (and Revenues) per Visit</p> | <p>Understand how your visit costs and revenues are changing over time. Do your revenues exceed cost?</p> | $\frac{\text{Total Expenses (or Revenues)}}{\text{Total Visits}}$ |
| <p>Visit Growth Rates</p> | <p>Assess how quickly visits are growing. More visits drive higher revenues in a fee-for-service environment</p> | $\frac{(\text{Total Visits Current Period}) - (\text{Total Visits in Prior Period})}{\text{Total Visits in Prior Period}}$ |

- **Operating Margin =**

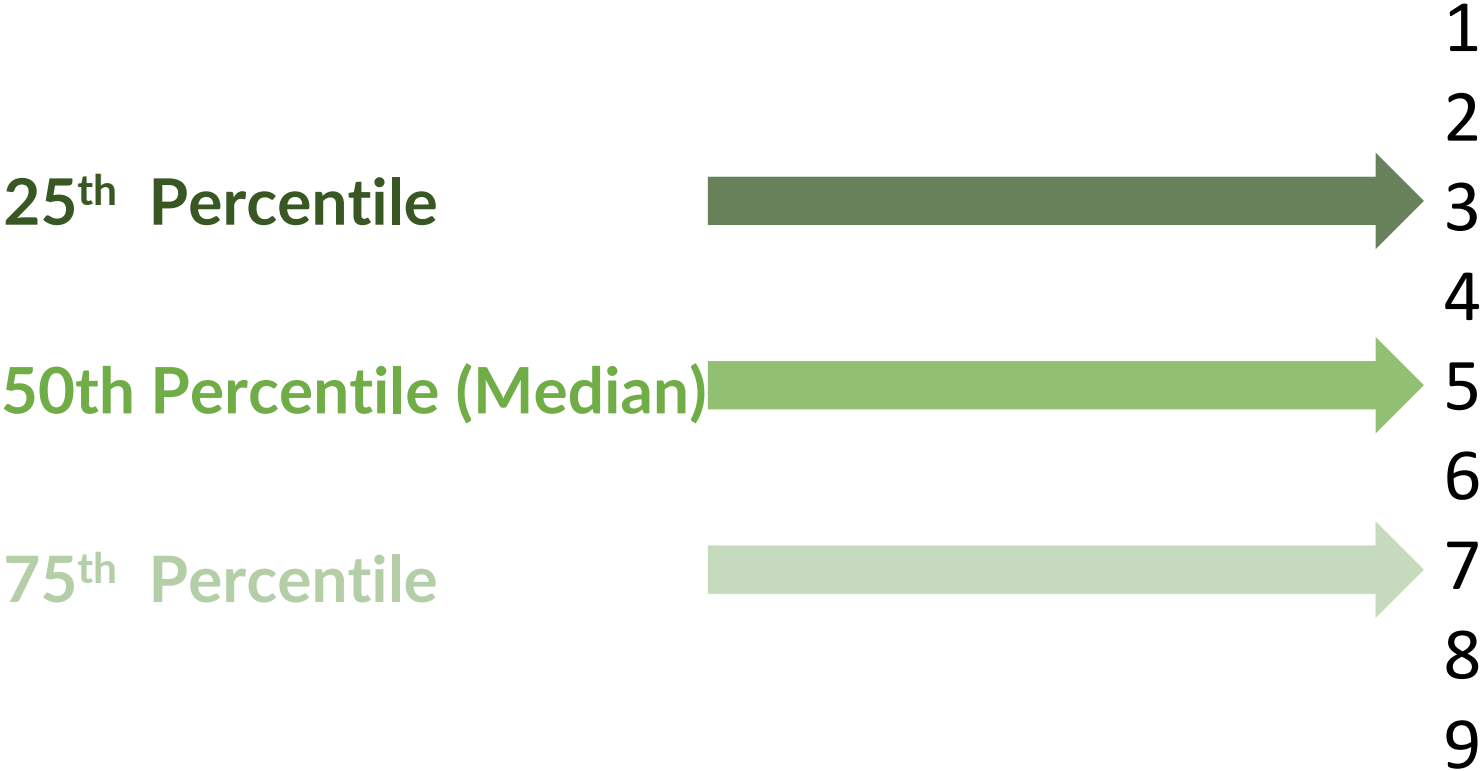
Change in Net Operating Assets / Total Operating Revenue

- **Personnel-Related Expenses as a % of Total Revenues =**

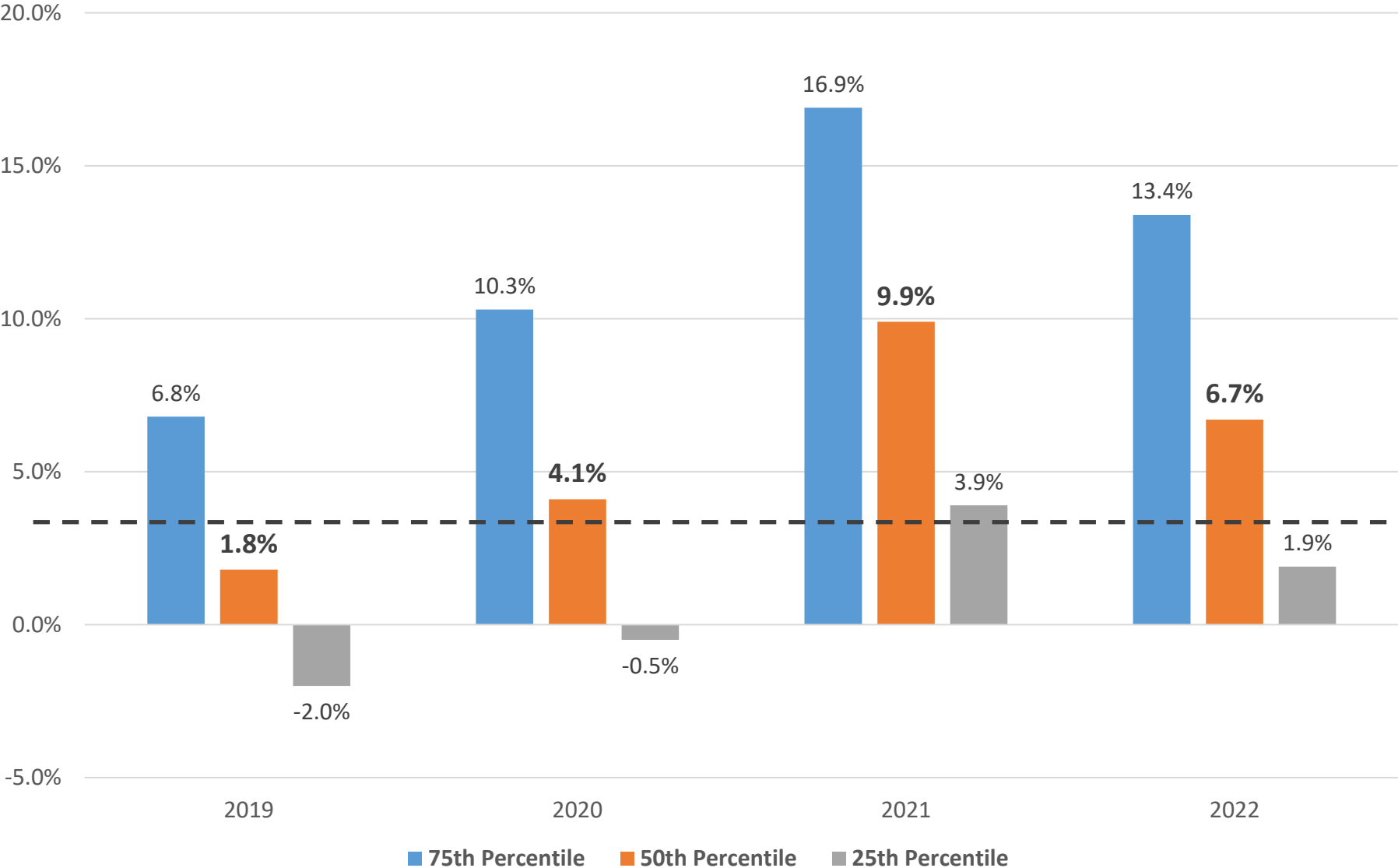
*Salaries & Related Expenses + Fringes & Payroll Taxes +
Professional/Contracted/Consultant Fees
Total Operating Revenues*

- **Days Cash on Hand =**

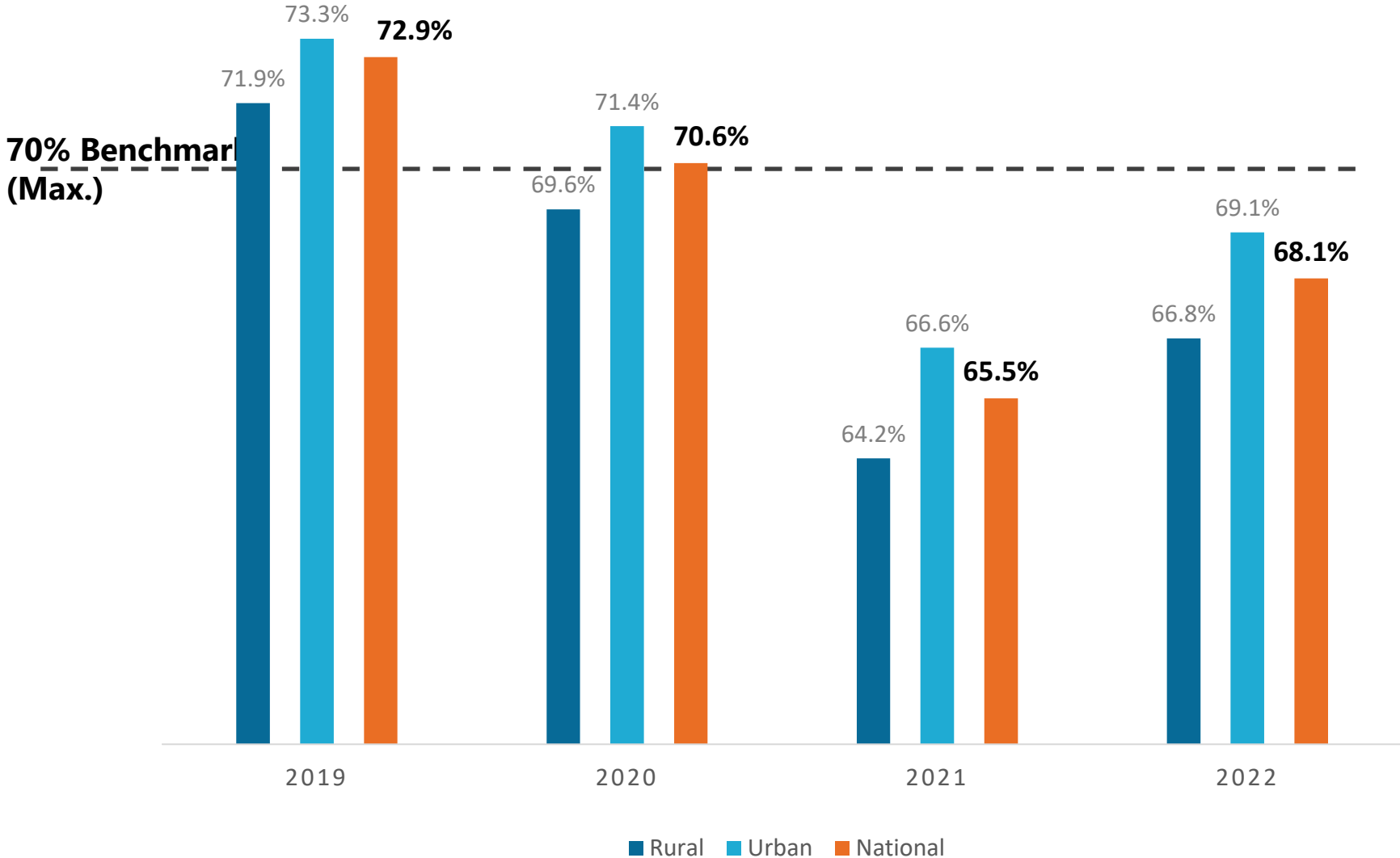
*Unrestricted Cash
(Total Operating Expenses – Depreciation) / 360 days)*



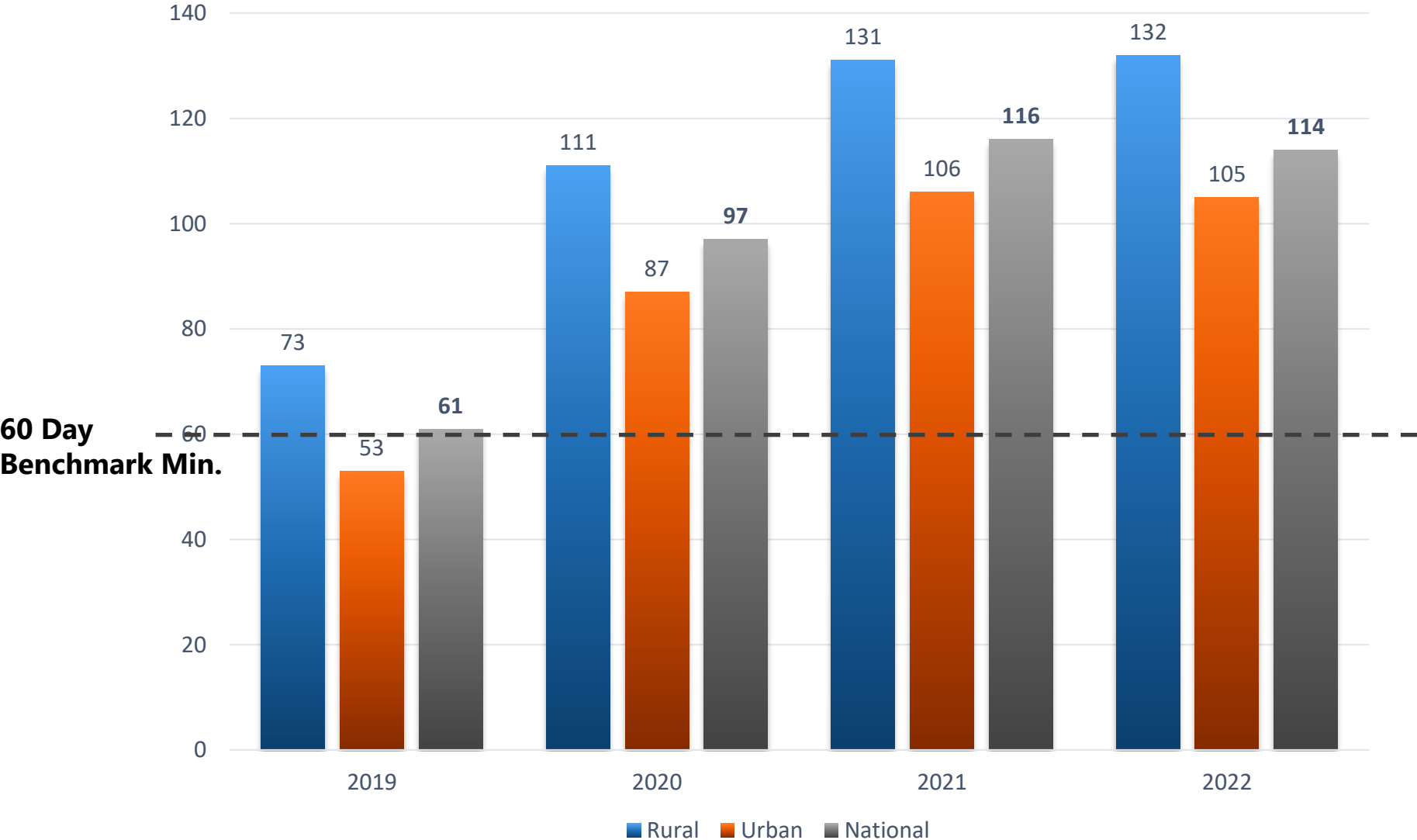
Operating Margin 2019-2022 (Quartiles)



Median Personnel-Related Expenses As A Percent of Operating Revenue 2019-2022



Days Cash On Hand 2019-2022, by Location



Quality of Care

Quality of Care Changes 2021-2022

National Median



| Quality of Care | National | | | |
|--|----------|------|---------------|---------------------|
| | 2021 | 2022 | 2021 vs. 2022 | 2021 vs. 2022 |
| Percentage of Children Receiving Appropriate Vaccinations by Age 2 | 31% | 26% | -5% | 5-point Decline |
| Percentage of Patients 3-17 with BMI, Nutrition & Physical Activity Documented | 68% | 69% | 1% | 1-point Improvement |
| Percentage of Patients 18 and over with BMI & Follow Up Documented (If BMI outside normal) | 63% | 61% | -2% | 2-point Decline |
| Percentage of Patients Screened for Colorectal Cancer | 40% | 41% | 1% | 1-point Improvement |
| Percentage of Patients 12 and over Screened for Depression and Follow-up Plan Documented (If Positive) | 70% | 72% | 2% | 2-point Improvement |
| Percentage of Patients 6-9 at Moderate to High Risk of Caries Receiving Sealant on First Permanent Molar | 52% | 54% | 2% | 2-point Improvement |
| Percentage of Patients with Controlled High Blood Pressure | 60% | 63% | 3% | 3-point Improvement |
| Percentage of Patients with Diabetes and Hemoglobin A1c Poor Control | 32% | 30% | -2% | 2-point Improvement |

Quality Of Care Metrics Rural vs Urban 2022



| | Rural | Urban | National | | |
|--|-------|-------|----------|------|-----------------|
| Quality of Care | 2022 | | | | |
| Percentage of Children Receiving Appropriate Vaccinations by Age 2 | 20% | 30% | 26% | -10% | 10 points Lower |
| Percentage of Patients 3-17 with BMI, Nutrition & Physical Activity Documented | 66% | 72% | 69% | -6% | 6 points Lower |
| Percentage of Patients 18 and over with BMI & Follow Up Documented (If BMI outside normal) | 62% | 59% | 61% | 3% | 3 points Higher |
| Percentage of Patients Screened for Colorectal Cancer | 43% | 40% | 41% | 3% | 3 points Higher |
| Percentage of Patients 12 and over Screened for Depression and Follow-up Plan Documented (If Positive) | 71% | 73% | 72% | -2% | 2 points Lower |
| Percentage of Patients 6-9 at Moderate to High Risk of Caries Receiving Sealant on First Permanent Molar | 54% | 53% | 54% | 1% | 1 point Higher |
| Percentage of Patients with Controlled High Blood Pressure | 64% | 62% | 63% | 2% | 2 points Higher |
| Percentage of Patients with Diabetes and Hemoglobin A1c Poor Control | 28% | 31% | 30% | -3% | 3 points Lower |

*How Does Your Health Center Compare?
Dashboard Sample*



Performance Evaluation Profile

National 2019 - 2022



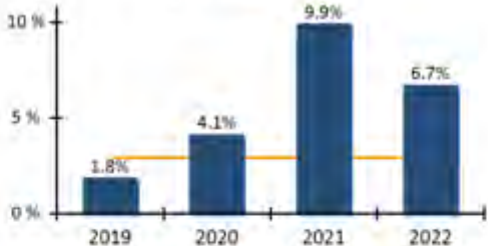
[Capital Link - Performance Evaluation Profile \(caplink.org\)](http://caplink.org)

Financial Dashboard

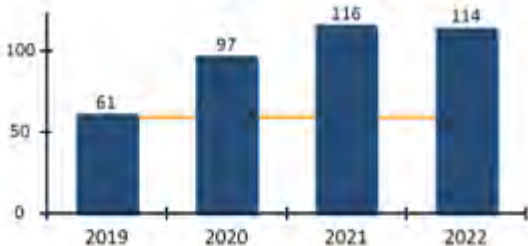
National
2019 - 2022

Capital Link Benchmark

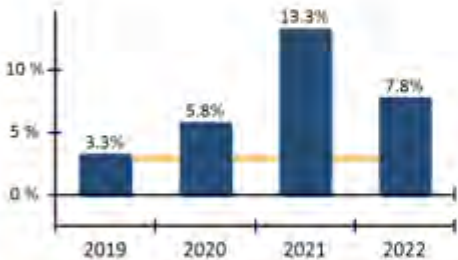
Operating Margin



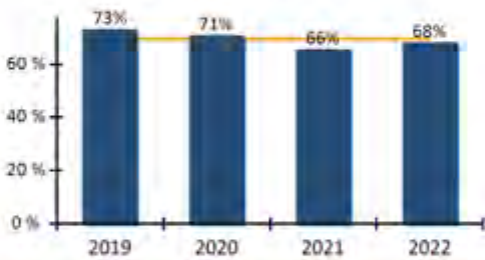
Days Cash on Hand



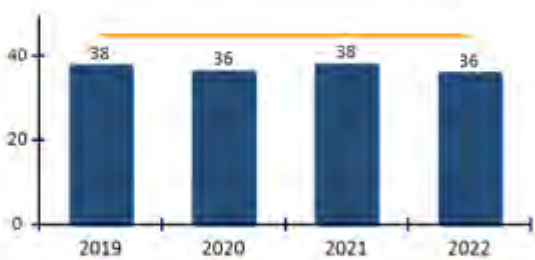
Bottom Line Margin



Personnel-Related Expense as a % of Operating Revenue



Days in Net Patient Receivables



| Key Financial Metrics | Target | 2019 | 2020 | 2021 | 2022 | Rural Median 2022 | Urban Median 2022 |
|--|-----------|-------|-------|-------|-------|-------------------|-------------------|
| Operating Margin | > 3% | 1.8% | 4.1% | 9.9% | 6.7% | 8.6% | 5.2% |
| Bottom Line Margin | > 3% | 3.3% | 5.8% | 13.3% | 7.8% | 9.9% | 6.7% |
| Personnel-Related Expense as Percentage of Operating Revenue | < 70% | 72.9% | 70.6% | 65.5% | 68.1% | 66.8% | 69.1% |
| Days Cash on Hand | > 60 Days | 61 | 97 | 116 | 114 | 132 | 105 |
| Days in Net Patient Receivables | < 45 Days | 38 | 36 | 38 | 36 | 36 | 36 |

■ Benchmark Unmet

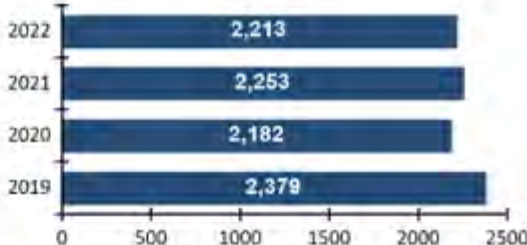
Productivity: Visits Dashboard

National
2019 - 2022

Physician Visits per Physician FTEs



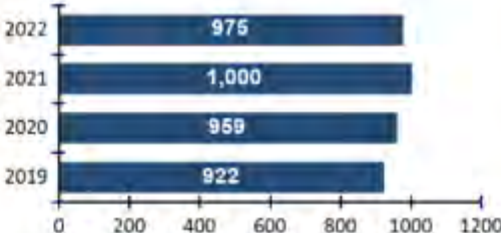
Non-Physician Visits per Non-Physician Provider FTEs



Dental Visits per Dental Provider FTEs



Mental Health Visits per MH FTE



Substance Use Disorder Visits per SUD FTEs



| Key Productivity Metrics | 2019 | 2020 | 2021 | 2022 | Rural Median 2022 | Urban Median 2022 |
|--|-------|-------|-------|-------|-------------------|-------------------|
| Physician Visits per Physician FTE | 2,682 | 2,439 | 2,481 | 2,451 | 2,448 | 2,453 |
| Non-Physician Provider Visits per Non-Physician Provider FTE | 2,379 | 2,182 | 2,253 | 2,213 | 2,187 | 2,234 |
| Dental Visits per Dental Provider FTE | 1,705 | 1,244 | 1,507 | 1,520 | 1,404 | 1,612 |
| Mental Health Visits per Mental Health Provider FTE | 922 | 959 | 1,000 | 975 | 969 | 977 |
| Substance Use Disorder Visits per Substance Use Disorder FTE | 657 | 652 | 640 | 677 | 652 | 682 |

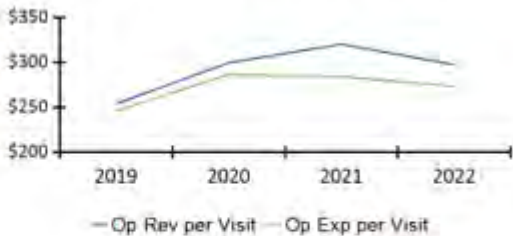
Operations & Utilization Dashboard

National
2019 - 2022

Operating Revenue & Expense per Patient



Operating Revenue & Expense per Visit



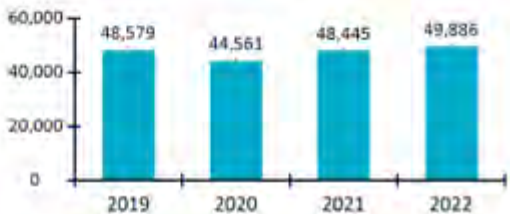
330 Grant Dollars per Uninsured Patient



Total Clinic and Virtual Visits



Total Visits



| Key Operations & Utilization Metrics | 2019 | 2020 | 2021 | 2022 | Rural Median 2022 | Urban Median 2022 |
|---|---------|---------|---------|---------|-------------------|-------------------|
| Operating Revenue per Patient | \$1,022 | \$1,192 | \$1,324 | \$1,382 | \$1,344 | \$1,420 |
| Operating Expense per Patient | \$979 | \$1,126 | \$1,176 | \$1,260 | \$1,194 | \$1,328 |
| Operating Revenue per Patient Visit | \$254 | \$300 | \$320 | \$297 | \$311 | \$290 |
| Operating Expense per Patient Visit | \$246 | \$287 | \$284 | \$274 | \$279 | \$269 |
| Total Clinic Visits | 48,502 | 34,377 | 40,284 | 42,388 | 35,561 | 49,770 |
| Total Virtual Visits* | - | 6,726 | 5,226 | 4,200 | 2,196 | 7,285 |
| Total Visits | 48,579 | 44,561 | 48,445 | 49,886 | 39,305 | 59,306 |
| 330 Grant Dollars per Uninsured Patient | \$988 | \$1,058 | \$1,139 | \$1,213 | \$1,788 | \$953 |

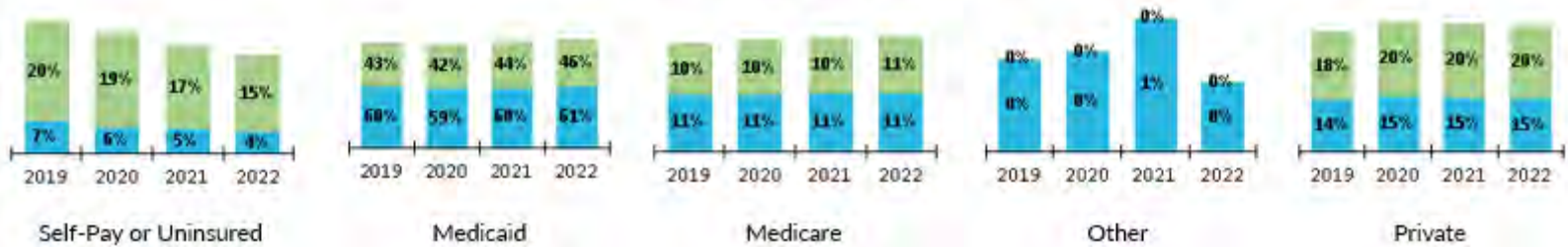
* Virtual Visits as defined by HRSA were not captured in the UDS until 2019.

Payer Mix Dashboard

National
2019 - 2022

■ % Of Patients
■ % Of Collection Revenue

Patient and Collection Revenue by Payer Service



| Payer Mix | 2019 | 2020 | 2021 | 2022 | Rural Median 2022 | Urban Median 2022 |
|--|------|------|------|------|-------------------|-------------------|
| Self-Pay Patients as Percentage of Total Patients | 20% | 19% | 17% | 15% | 13% | 17% |
| Self-Pay Collections as Percentage of Total Collections | 7% | 6% | 5% | 4% | 6% | 3% |
| Medicaid Patients as Percentage of Total Patients | 43% | 42% | 44% | 46% | 36% | 55% |
| Medicaid Collections as Percentage of Total Collections | 60% | 59% | 60% | 61% | 46% | 70% |
| Medicare Patients as Percentage of Total Patients | 10% | 10% | 10% | 11% | 16% | 8% |
| Medicare Collections as Percentage of Total Collections | 11% | 11% | 11% | 11% | 17% | 9% |
| Other Publicly Insured Patients as Percentage of Total Patients | - | - | - | - | - | - |
| Other Public Collections as Percentage of Total Collections | 0% | 0% | 1% | 0% | 0% | 0% |
| Privately Insured Patients as Percentage of Total Patients | 19% | 20% | 20% | 20% | 29% | 15% |
| Private Insurance Collections as Percentage of Total Collections | 14% | 15% | 15% | 15% | 22% | 10% |

Questions?

Tony Skapinsky

Senior Project Consultant

805/544-2355

tskapinsky@caplink.org

Visit us online: www.caplink.org

- Learn more about our products and services
- Download our free publications and resources
- Register for upcoming webinars
- Sign up for our newsletter and email updates
- Check out our blog