

2023 Learning Collaborative Introduction

*Planning & Financing a Capital Project
to Support Integrated Care Delivery*

February 8, 2023

Beth Edwards

**Health Center Operations &
Facilities Planner**



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**

- Launched in 1995, nonprofit, HRSA national cooperative partner
- Offices in CA, CO, AL, and MA
- Leveraged \$1.4 billion in financing for over 246 capital projects (about 10% of current health center facility space)
 - **Direct assistance** to health centers and complementary nonprofit organizations in planning for and financing operational growth and capital needs
 - **Industry vision and leadership** in the development of strategies for organizational, facilities, operational, and financial improvements
 - **Metrics and analytical services** for measuring health center impact, evaluating financial and operating trends and promoting performance improvement




What is a Learning Collaborative



Participation & Preparing



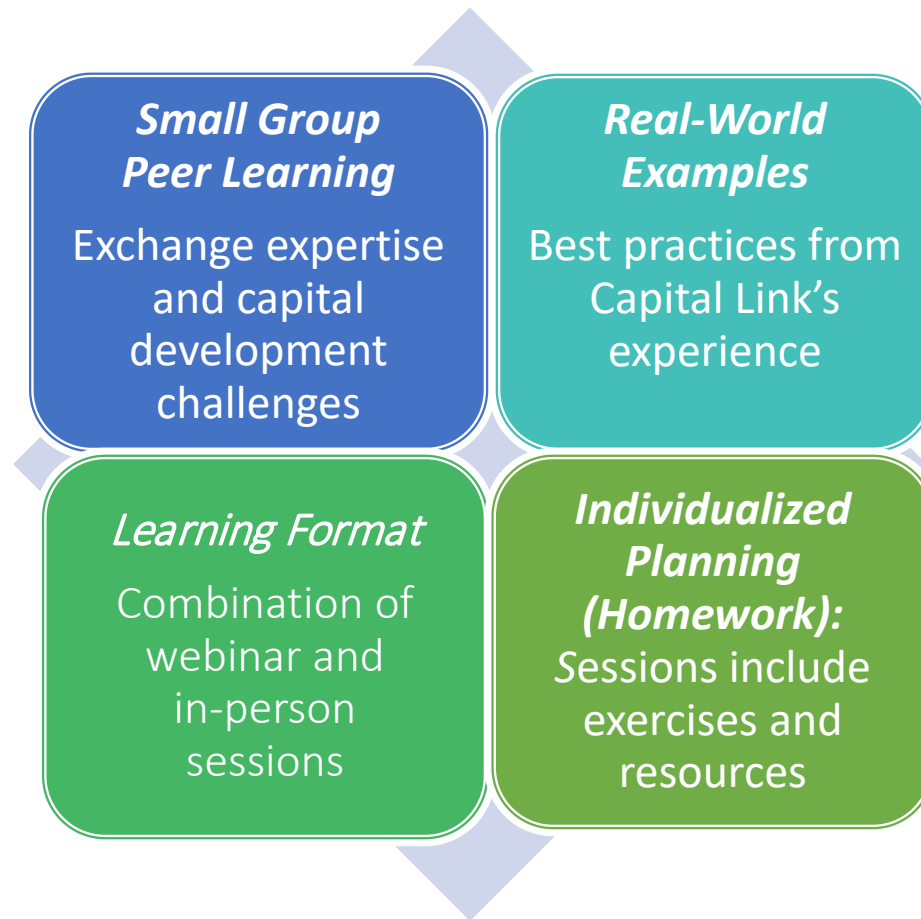
Health Center Benefits



Planning & Next Steps



What is a Learning Collaborative?



- For health centers **planning or anticipating a capital project** in the next **one to five years**.
- **No cost** to participants.
- Five additional interactive learning sessions will provide practical direction and tools for **planning, financing, and completing a capital project**.
- One-hour learning sessions **between February and April 2023**. Conducted via webinars.

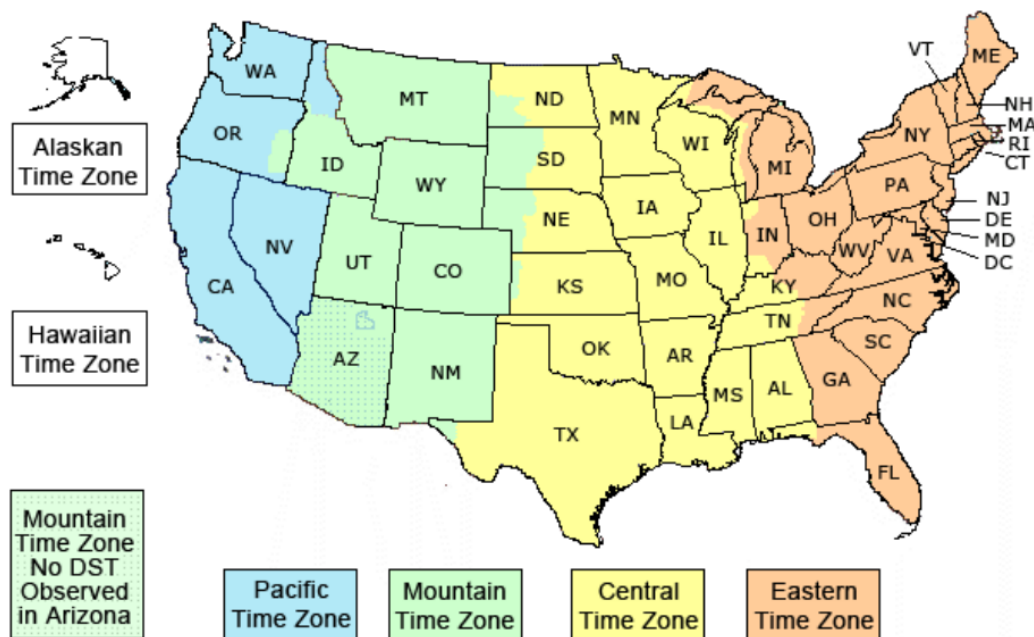
Participation & Preparing

2022 & 2021 Learning Collaborative Participants



Where is Your Organization Located?

- Eastern/Atlantic
- Central
- Mountain
- Pacific
- Hawaii or Alaska



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Readiness : Evaluating Your Market and Determining Operating Model and Space Requirements



Planning: Developing a Business Plan and Financial Forecast



Design and Development: Assembling and Managing a Project Team



Funding: Evaluating your Financing Options and Fundraising Plans



Implementation: Managing a Project and Lessons Learned

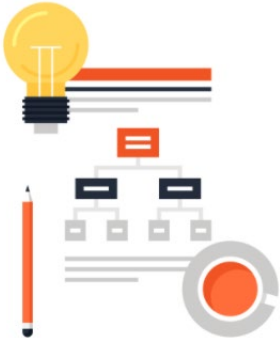
Market Assessment



Project Design



Developing a Business Plan



Project Management



Finance & Funding Options



Session 1: Today

- Introduction to the Learning Collaborative

Session 2: February 22

- Readiness: Evaluating Your Market and Projecting Space Requirements

Session 3: March 1

- Design and Development: Assembling and Managing a Project Team

Session 4:
March 29

- Developing Business Plan and Financial Forecast

Session 5:
April 5

- Funding: Evaluating your Financing Options and Fundraising Plans

Session 6:
April 19

- Implementation: Managing a Project and Lessons learned

Who Should Participate?



Health centers
expanding/
renovating in 1-5
years



Cohort Size:
15-20
Health Centers



Health Center
Staff: Executive,
Clinical,
Financial,
Outreach



Submit application
by 2/20/2023

Assemble a Learning
Collaborative Team

Next Steps

Organize your
project information

Provide financial
audits/UDS reports

- Starting to consider a potential project
- A project has been decided, but no timeline is in place
- Early planning; 2-5 yr. timeline
- Planning underway; construction in 1-2 years
- No imminent projects; just curious

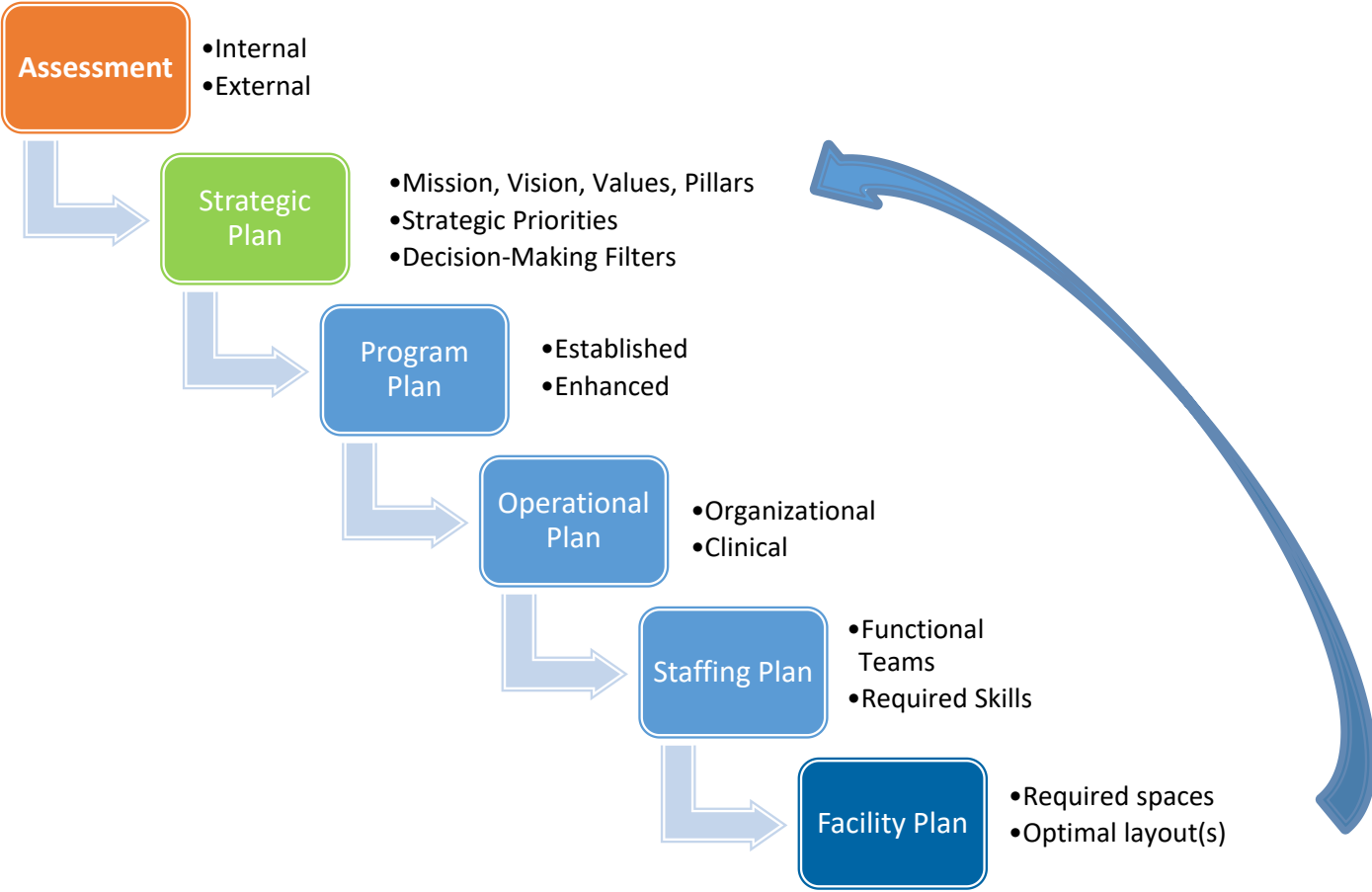


Health Center Benefits

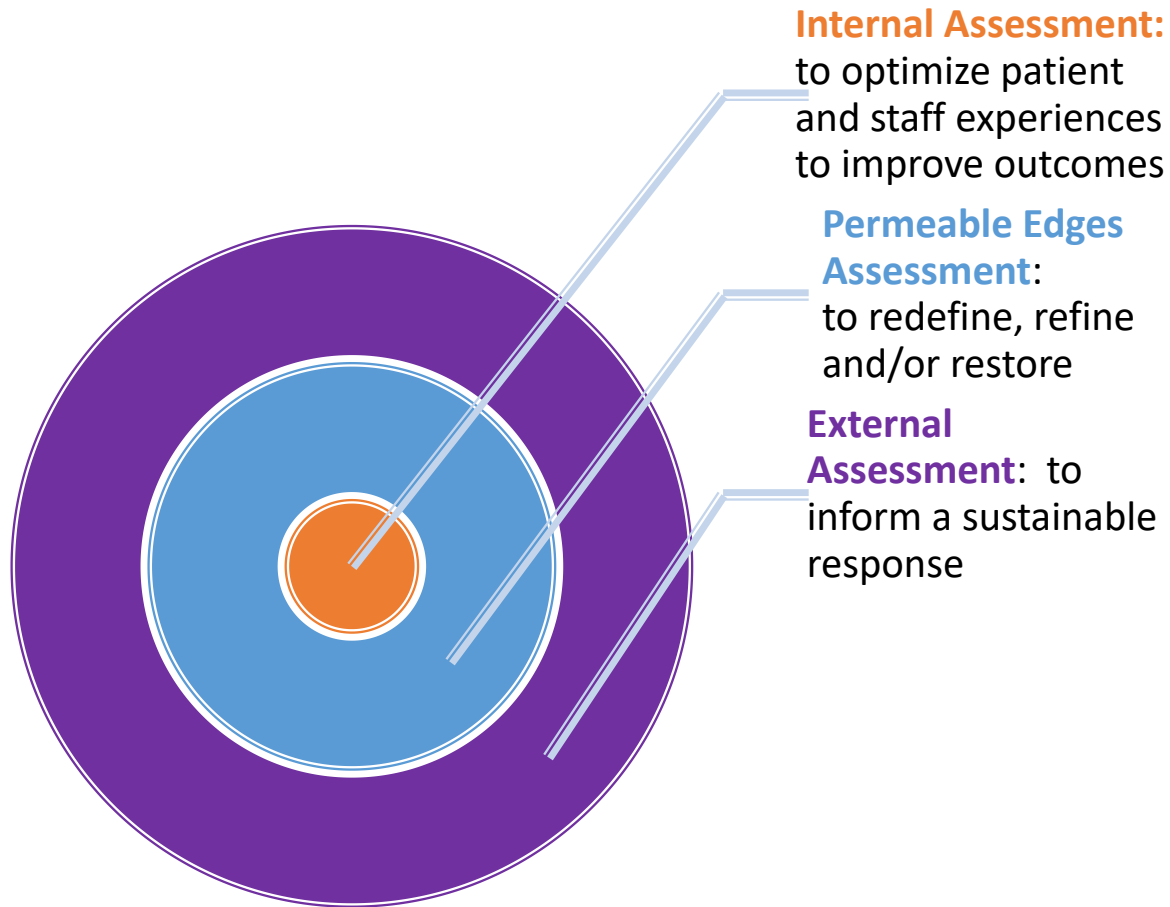
- Step-by-Step Capital Planning
- Dedicated Process & Efforts
- Resources & Clarification on Capital Financing Options and Criteria
- Guidance on Lender Expectations
- Project “Triage”
- Often the “First to Hear” of Capital Related Resources and Opportunities
- Peer Learning



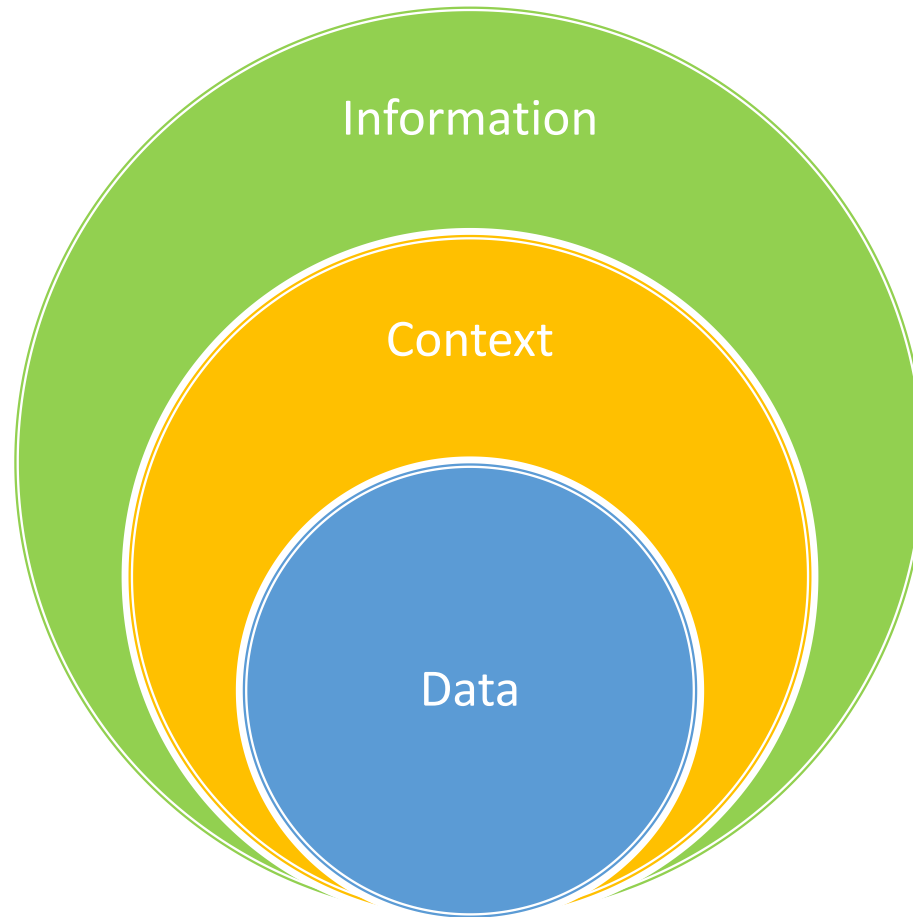
Planning Steps to Assure Capital Development Success



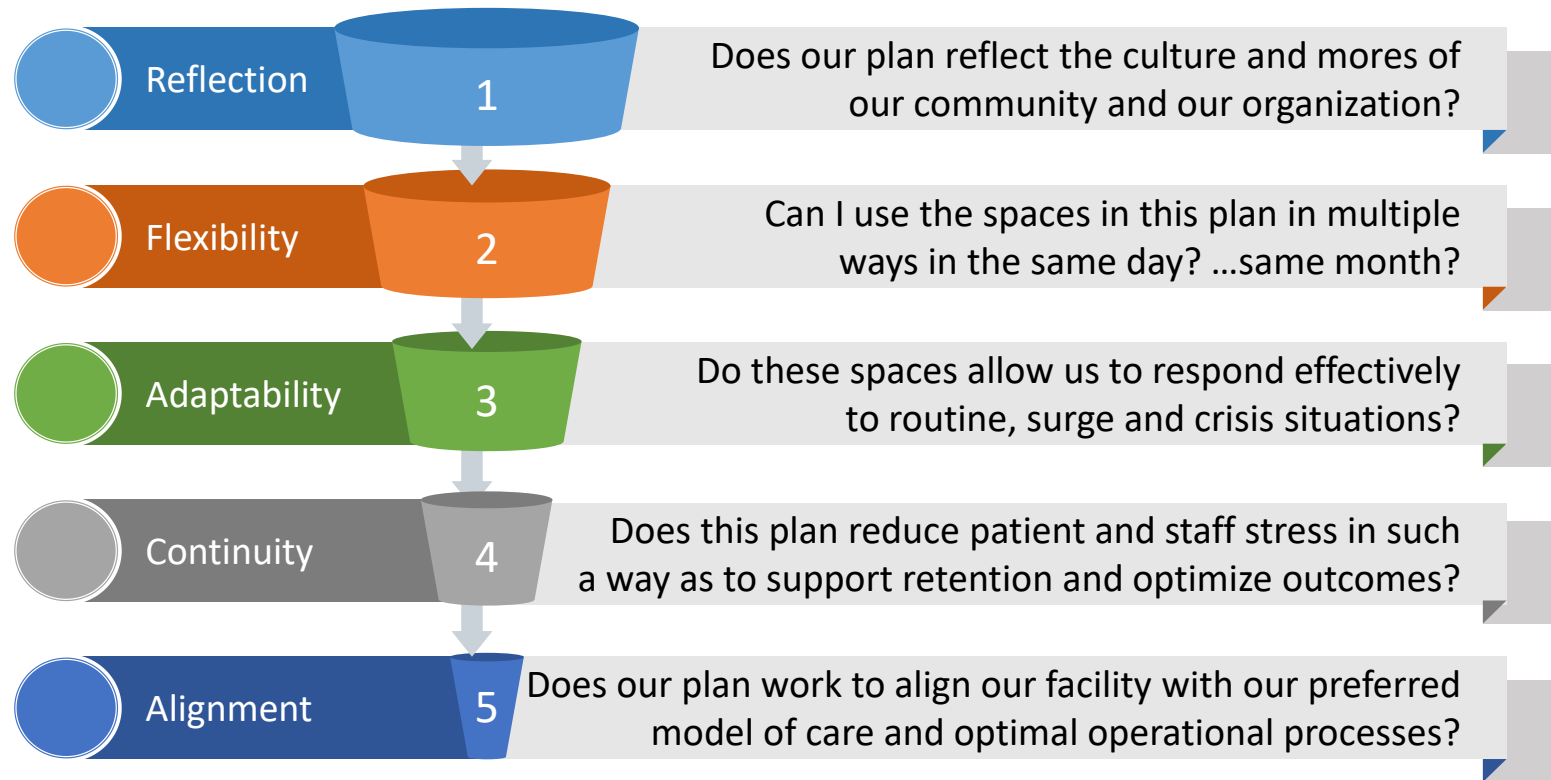
Assessment Success: Take Time to Get the Full Picture



Assessment Success: Demand Data – Respect Context



A Place for Integrated Care Delivery: Decision-Making Filters



	Metric	Why This Is Important
1	Operating Margin	Measuring stick of your business model; margins typically small but need to be positive
2	Bottom Line Margin	Is performance dependent upon large capital grants and/or other sources of non-operating revenue?
3	Personnel-Related Expense	Consumes 70-75% of budget; key driver of financial performance
4	Days Net Patient A/R	Financial management starts with collecting your money efficiently
5	Days Cash on Hand	Is there enough liquidity to keep operations running smoothly?
6	Physician Productivity (visits)	Productivity is the basis for revenue generation
7	Mid-Level Productivity (visits)	Productivity is the basis for revenue generation
8	Dental Provider Productivity (visits)	Productivity is the basis for revenue generation

Metric	Why This Is Important
9 Medical Provider Productivity (patients)	Becomes more important in transition to team-based care
10 Medical Team Productivity	Who are your teams? How do they perform?
11 Cost (Revenue) Per Visit	How are your visit costs changing over time?
12 Cost (Revenue) per Patient	With the move to PCMH, how are patient costs changing?
13 Medical Support Staff Ratio	How strategic is the staffing the medical teams?
14 Non-Clinical Staff Ratio	Non-clinical employees are not revenue drivers
15 Visit/Patient Growth Rates	Are visits growing faster than patients? Is demand growing?



Performance Evaluation Profile

XYZ Health Center 2018 - 2021



Capital Link – Performance Evaluation Profile (PEP)

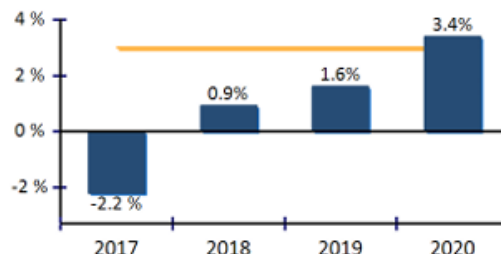
<https://www.capl原因.org/peps>

Financial Dashboard

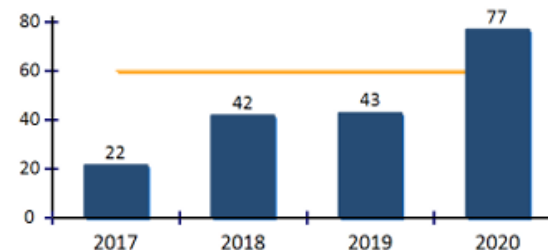
XYZ Health Center
2018 - 2021

— Capital Link Benchmark

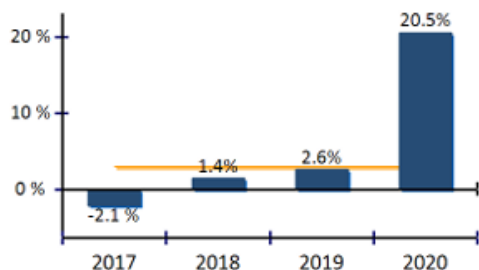
Operating Margin



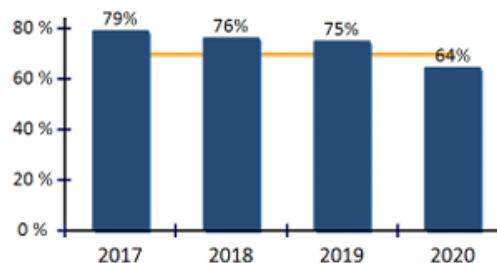
Days Cash on Hand



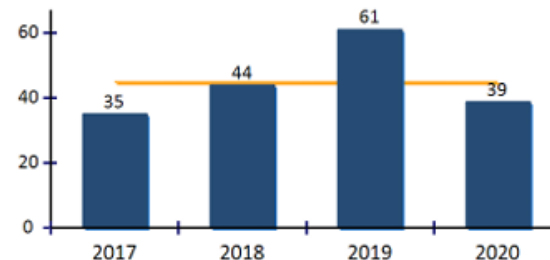
Bottom Line Margin



Personnel-Related Expense as a % of Operating Revenue



Days in Net Patient Receivables



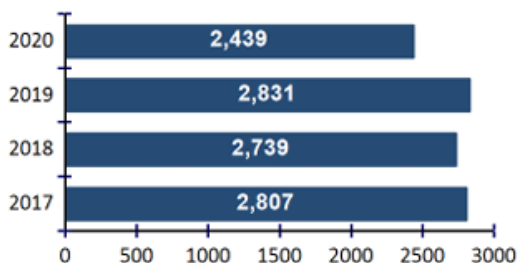
Key Financial Metrics	Target	2018	2019	2020	2021	State FQHCs Median 2021	National Median 2021
Operating Margin	> 3%	-2.2%	0.9%	1.6%	3.4%	1.4%	3.8%
Bottom Line Margin	> 3%	-2.1%	1.4%	2.6%	20.5%	3.6%	5.3%
Personnel-Related Expense as Percentage of Operating Revenue	< 70%	78.9%	76.2%	74.8%	64.2%	71.6%	71.1%
Days Cash on Hand	> 60 Days	22	42	43	77	110	98
Days in Net Patient Receivables	< 45 Days	35	44	61	39	28	36

■ Benchmark Unmet

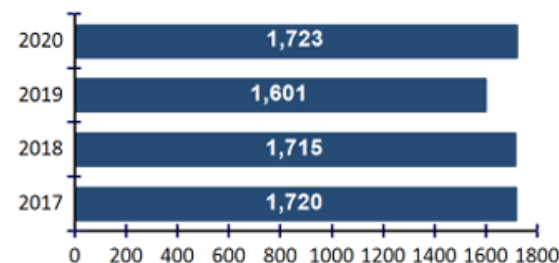
Productivity: Visits Dashboard

XYZ Health Center
2018 - 2021

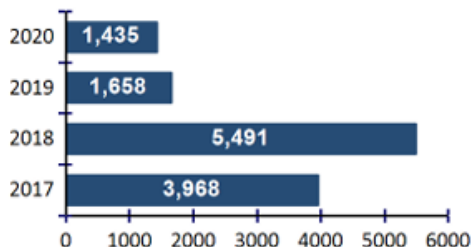
Physician Visits per Physician FTEs



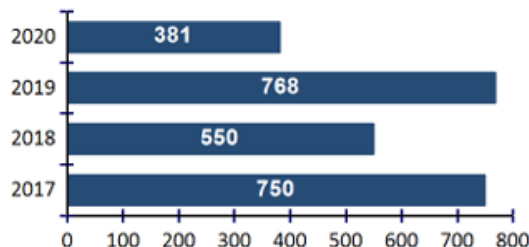
Non-Physician Visits per Non-Physician Provider FTEs



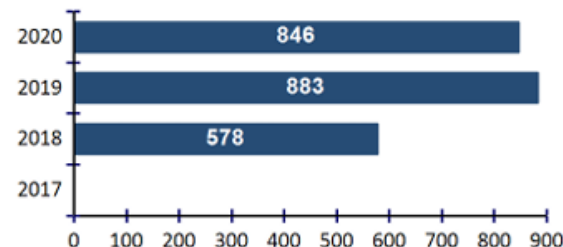
Dental Visits per Dental Provider FTEs



Mental Health Visits per MH FTE



Substance Use Disorder Visits per SUD FTEs

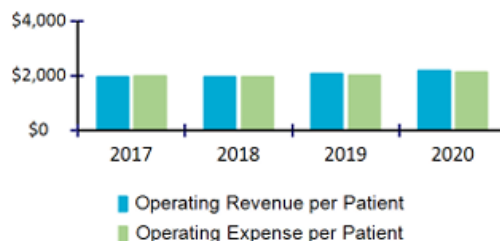


Key Productivity Metrics	2018	2019	2020	2021	State FQHCs Median 2021	National Median 2021
Physician Visits per Physician FTE	2,807	2,739	2,831	2,439	2,322	2,479
Non-Physician Provider Visits per Non-Physician Provider FTE	1,720	1,715	1,601	1,723	1,881	2,204
Dental Visits per Dental Provider FTE	3,968	5,491	1,658	1,435	1,166	1,250
Mental Health Visits per Mental Health Provider FTE	750	550	768	381	277	475
Substance Use Disorder Visits per Substance Use Disorder FTE	-	578	883	846	847	661

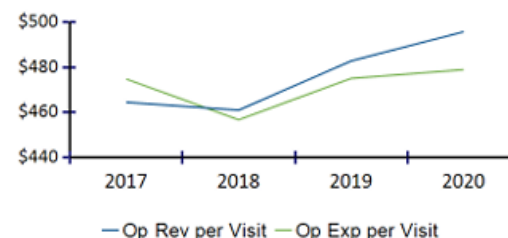
Operations & Utilization Dashboard

XYZ Health Center
2018 - 2021

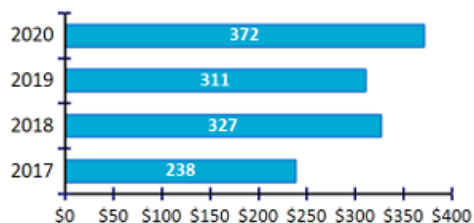
Operating Revenue & Expense per Patient



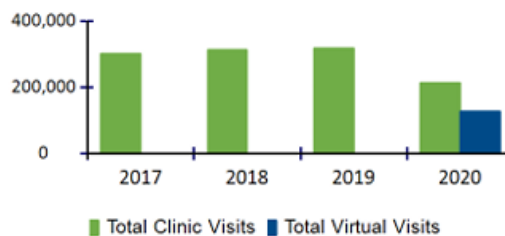
Operating Revenue & Expense per Visit



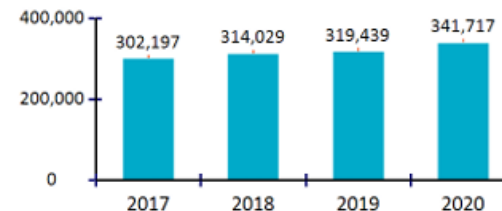
330 Grant Dollars per Uninsured Patient



Total Clinic and Virtual Visits



Total Visits



Key Operations & Utilization Metrics	2018	2019	2020	2021	State FQHCs Median 2021	National Median 2021
Operating Revenue per Patient	\$1,959	\$1,979	\$2,074	\$2,207	\$1,489	\$1,168
Operating Expense per Patient	\$2,002	\$1,961	\$2,041	\$2,132	\$1,410	\$1,119
Operating Revenue per Patient Visit	\$464	\$461	\$483	\$496	\$323	\$271
Operating Expense per Patient Visit	\$475	\$457	\$475	\$479	\$315	\$258
Total Clinic Visits	302,197	314,029	319,439	213,454	53,840	34,916
Total Virtual Visits*	-	-	-	128,263	30,298	6,912
Total Visits	302,197	314,029	319,439	341,717	80,078	45,606
330 Grant Dollars per Uninsured Patient	\$238	\$327	\$311	\$372	\$1,869	\$1,059

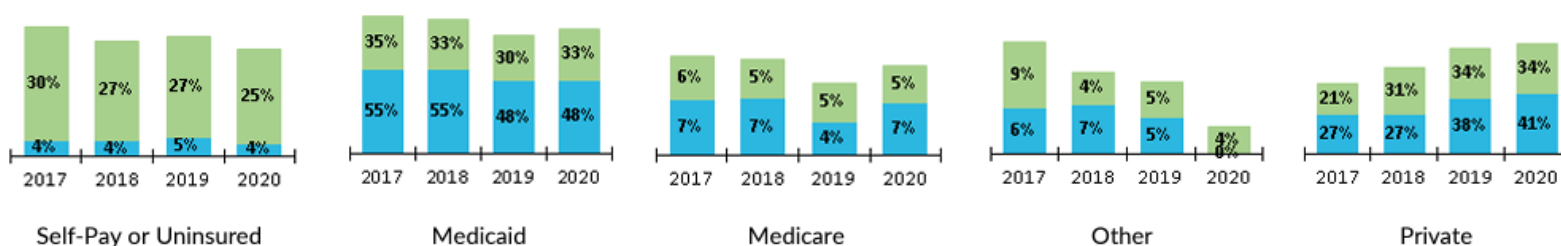
* Virtual Visits as defined by HRSA were not captured in the UDS until 2019

Payer Mix Dashboard

XYZ Health Center
2018 - 2021

■ % Of Patients
■ % Of Collection Revenue

Patient and Collection Revenue by Payer Service



Payer Mix	2018	2019	2020	2021	State FQHCs Median 2021	National Median 2021
Self-Pay Patients as Percentage of Total Patients	30%	27%	27%	25%	11%	18%
Self-Pay Collections as Percentage of Total Collections	4%	4%	5%	4%	4%	6%
Medicaid Patients as Percentage of Total Patients	35%	33%	30%	33%	42%	42%
Medicaid Collections as Percentage of Total Collections	55%	55%	48%	48%	51%	59%
Medicare Patients as Percentage of Total Patients	6%	5%	5%	5%	12%	10%
Medicare Collections as Percentage of Total Collections	7%	7%	4%	7%	15%	11%
Other Publicly Insured Patients as Percentage of Total Patients	9%	4%	5%	4%	0%	-
Other Public Collections as Percentage of Total Collections	6%	7%	5%	0%	1%	0%
Privately Insured Patients as Percentage of Total Patients	21%	32%	34%	34%	23%	21%
Private Insurance Collections as Percentage of Total Collections	27%	27%	38%	41%	22%	15%

- Case studies on the components of a successful project
- Profiles of health centers that successfully completed capital development and operational transformation projects

www.caplink.org/client-impact/client-stories



Planning & Next Steps

Overview and Introduction

- ✓ February 8, 2023, at 1-2 pm ET

Readiness – Evaluating Your Market and Determining Your Operational Model and Space Requirements

- ✓ February 22, 2023, at 1-2 pm ET

Design & Development – Assembling and Managing a Project Team

- ✓ March 1, 2023, at 1-2 pm ET

Business Planning – Developing a Business Plan and Financial Forecast

- March 29, 2023, at 1-2 pm ET

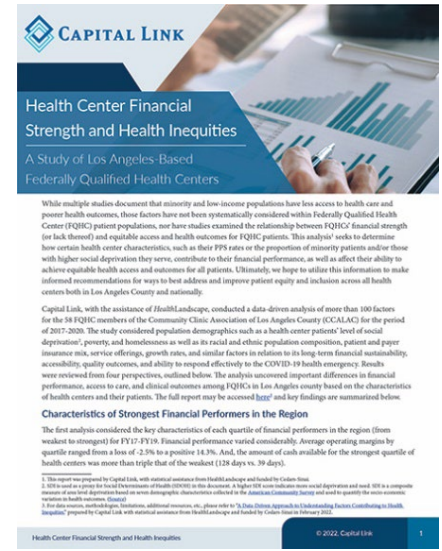
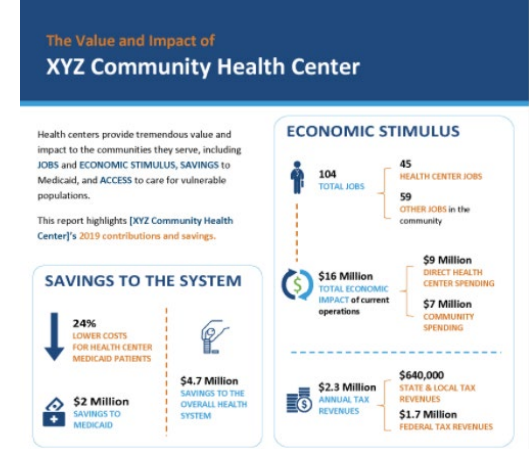
Funding – Evaluating your Financing Options and Fundraising Plans

- April 5, 2023, at 3-4 pm ET

Implementation – Managing a Project and Lessons Learned

- April 19, 2023, at 1-2 pm ET

**All webinars and most referenced tools and resources will be available [online](#)*



- *Creating a Dynamic and Useful Strategic Plan: A Toolkit for Health Centers*
- *Steps to Success: A Toolkit for Health Centers Navigating a Capital Development Venture*
- *Performance Benchmarking Toolkit for Health Centers*
- *Other CL Learning Collaboratives: HRSA Loan Guarantee Program, Sustaining & Increasing Access to Care in Rural Communities*

www.caplink.org/resources

www.caplink.org/trainings-and-programs/learning-collaboratives

Capital Link Publications (informational publications and fact sheets, toolkits and guides, and industry research reports):

<https://caplink.org/publications>

Capital Link Newsletter: <https://caplink.org/resources/newsletter>

Capital Link Blog: <https://caplink.org/blog>

Webinar Recordings: <https://caplink.org/resources/webinar-recordings>

Health Center Resources Clearinghouse:

<https://www.healthcenterinfo.org/>

COVID-19 Resources: <https://caplink.org/covid-19>

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