



# CAPITALink



A Quarterly Resource Bulletin from Capital Link

Winter 2018

## Message from the CEO

With the recent passage of legislation to fix the health center funding cliff, we all have much to celebrate in these early months of 2018. We are proud to support the health center movement and couldn't be more pleased that the Health Center Program, the National Health Service Corps, and the Teaching Health Centers Program received the resources they need to continue caring for their communities for the next two years.

Capital Link has another reason to celebrate this year: it is our 20<sup>th</sup> anniversary. A lot has changed over the past two decades but our mission of supporting health centers remains the same. In order to strengthen and support health centers in even more robust ways, we are expanding our training and education programming to include more peer learning opportunities. With programs like *Advancing Financial Strength* and our recently-launched *Learning Collaboratives*, Capital Link is able to better assist health centers in expanding their capacity and improving their business operations and financial health. Read more about these initiatives under New & Noteworthy on page 3.

Also in this issue – a federal news update (page 2), a list of new resources (page 5), and a list of our upcoming trainings and webinars (page 6).

Warm Regards,

Allison Coleman, CEO

# 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](#), or access NACHC's [blogs](#) and HRSA's health center [webpage](#).

## Health Center Funding Cliff Fixed

February 9, 2018 – Congress passed legislation to fix the Health Center funding cliff, which includes two years of extended funding, and \$600 million additional dollars to support health center operations and address unmet need in communities across the US. Access NACHC's summary of the bi-partisan spending package [here](#).

## New Markets Tax Credit Allocation Awards Announced

February 13, 2018 – The U.S. Department of the Treasury's Community Development Financial Institutions Fund [announced](#) the awardees for the 2017 round of New Markets Tax Credit (NMTC) allocations. The \$3.5 billion in awards are aimed at revitalizing low-income communities and increasing economic opportunity nationwide. [Community Health Center Capital Fund](#) (Capital Fund), [Capital Link's](#) lending affiliate, was awarded a \$40 million NMTC allocation.

To date, health centers have raised more than \$1 billion for their capital projects through NMTC and these projects are highly desirable investments for NMTC allocatees and investors. While NMTC financing is a critical source of low-cost capital and equity for health center facility projects—often securing approximately 20-22% of total project costs—obtaining allocation credits is a competitive and complex process. Interested health centers must demonstrate a high level of project readiness and be able to communicate the merits of their projects to CDEs with allocation. Furthermore, the process of structuring and closing an NMTC transaction is complicated and the terms, benefits, and fees offered to borrowers vary widely.

Health centers wanting to explore this option should **act now**. While the program is authorized through 2020, it is unclear whether tax reform efforts could change or eliminate access to this important resource in the future.

Health centers interested in considering this financing option should access our series of three *Spotlight on Capital Resources* issues describing the NMTC program [here](#) or a recording of our recent webinar, *Aligning Your Capital Project Financing Needs with Available Funding Sources: New Markets Tax Credits* [here](#).

## HRSA Awards \$282 Million to Expand Primary Health Care Workforce

October 19, 2017 – HRSA announced nearly \$282 million in awards to primary health care clinicians and students through the [National Health Service Corps \(NHSC\)](#) and [NURSE Corps](#) Scholarship and Loan Repayment Programs.

# New and Noteworthy

## Learning Collaboratives

Capital Link's Learning Collaboratives are designed to help increase the capacity of health centers in a peer-to-peer learning format. Conducted through a series of webinars, virtual discussions, and in-person meetings facilitated by Capital Link, our Collaboratives are focused on topics such as planning and financing capital development projects or forming non-traditional partnerships with organizations to address Social Determinants of Health. Learning Collaboratives are offered free of charge with support from the Health Resources and Services Administration.

Current and upcoming Learning Collaboratives include:

### **Capital Expansion for Health and Housing Partnerships**

[CSH](#) (Corporation for Supportive Housing) and Capital Link have launched a new learning collaborative for health centers interested in expanding their health services in collaboration with housing facilities. These facility collaborations are aimed at addressing gaps in a community's housing and health infrastructure and provide opportunities to advance health centers' engagement in social determinants of health. Learn more [here](#).

### **Capital Projects: Planning, Financing, Completing**

Designed to assist health centers that anticipate the need for a capital project during the next one to five years, Capital Link's learning collaborative will provide practical direction and tools for planning, financing, and completing a capital project. Through a series of monthly interactive learning sessions conducted between March and August 2018, participating health centers will be provided with guidance to successfully navigate the process of building or renovating facilities. To facilitate these learnings, Capital Link will provide a variety of valuable tools and resources, both publicly available and Capital Link-developed, throughout the collaborative. ***Interested health centers still have time to apply!*** Learn more [here](#).

For more information about our Learning Collaboratives, please contact Jonathan Chapman, Director of Community Health Center Advisory Services, at [jchapman@caplink.org](mailto:jchapman@caplink.org).

## Advancing Financial Strength

Another way health centers are utilizing learning communities to improve their performance and increase access to care is through Capital Link's *Advancing Financial Strength (AFS)* technical assistance program. Typically sponsored at the state or consortium level, AFS is customized to address regional challenges and opportunities. It is designed to provide health center staff from all levels of the organization with financial and operational benchmarking assistance, tools, and training with the goal of strengthening health center business operations and financial health.

### **How Does AFS Work?**

At the start of the program, participants are provided with a [Performance Evaluation Profile](#) (PEP), a customized diagnostic tool to help them to better understand their own financial

and operational performance as well as how they compare to other health centers in the region, state and/or similar health centers (based on size, location in a rural or urban region, and other criteria). Participants then attend a series of trainings, described below, which serve as a platform for sharing best practices and building knowledge. In the final phase of AFS, participants may receive customized technical assistance in implementing changes for performance improvement.

<p><b>100 Series</b> <i>Understand</i></p>	<p>Informed by the PEP report, the first set of trainings introduces financial and operational benchmarking based on Capital Ink’s database of financial audits and UDS information from over 1,000 FQHCs. The sessions include a review of key metrics for tracking organizational performance and of comparative national and statewide trends.</p>
<p><b>200 Series</b> <i>Develop Action Plans</i></p>	<p>The second set of trainings focuses on how to interpret and respond to the findings in the PEP report and develop an action plan. Trainings are based on the topic areas participants are most interested in, which may include:</p> <ul style="list-style-type: none"> <li>• <i>Preparing for Value-Based Reimbursement</i></li> <li>• <i>Drivers of Health Center Performance and Productivity</i></li> <li>• <i>Planning for Growth: Forecasting, Benchmarking, and Accessing Capital</i></li> <li>• <i>Team-Based Care/Integrated Care Delivery</i></li> <li>• <i>Change Management Ideas and Strategies</i></li> <li>• <i>Managing the Revenue Cycle/Billing and Collections</i></li> <li>• <i>Strategic Planning</i></li> </ul>
<p><b>300 Series</b> <i>Implement &amp; Monitor</i></p>	<p>The final set of trainings and technical assistance is designed to help participants implement changes and share best practices for financial and operational performance improvement. Training in small groups and one-on-one coaching on a variety of topics can be provided either on-site or remotely, including:</p> <ul style="list-style-type: none"> <li>• <i>Revenue Cycle Optimization</i></li> <li>• <i>Team-Based Integration/Staff and Patient Engagement/Facility Optimization</i></li> <li>• <i>Capital Expansion Planning/Scenario Planning/Financial Forecasting</i></li> <li>• <i>Operational Efficiencies/Productivity</i></li> <li>• <i>Improvements/Reducing No Shows</i></li> </ul>

**AFS Program Results**

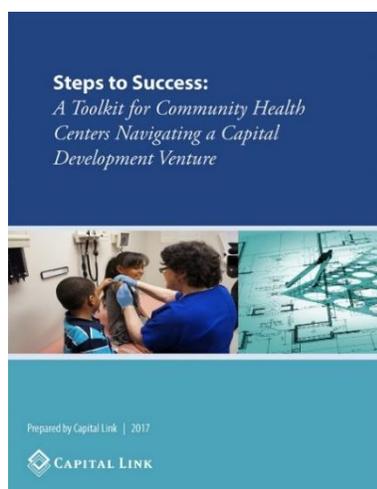
In pilot programs conducted in 2016 and 2017, AFS participants accomplished the following:

- Implemented changes and best practices around financial systems, revenue cycle management and billing, alignment with new reimbursement methods, team-based care, and patient and staff satisfaction

- Incorporated billing and financial performance metrics/measures based on benchmarking
- Made strategic changes to optimize performance processes that will strengthen health center finances
- Outsourced revenue cycle management function to focus on core business
- Implemented work flow improvements to improve team dynamics and care coordination
- Transitioned to shared services options to reduce costs and increase efficiencies
- Increased access to care through implementation of improved scheduling models

To learn more about the AFS program, please contact Mark Lurtz, Senior Director of Partnership Development at [mlurtz@caplink.org](mailto:mlurtz@caplink.org) or 636-244-3082.

## Resources



### **Steps to Success: A Toolkit for Community Health Centers Navigating a Capital Development Venture**

Health centers hoping to undertake a capital development project quickly discover that is a complex endeavor. Projects are much more manageable when health centers follow a methodical process with an emphasis on clear project goals and an organized plan to achieve them. Capital Link’s new toolkit will provide health centers with the fundamental building blocks to create a foundation for successful project completion. Access the Toolkit [here](#).

### **User-Friendly Online HRSA Health Center Compliance Manual Now Available**

The Health Center Program Compliance Manual is now [available online](#) in an easy-to-use format. The updated look-and-feel allows users to navigate directly to specific chapters and sections, and it includes a new “Ask It Now!” button that links to the [BPHC Helpline](#). The entire Compliance Manual is still available as a PDF for downloading as well.

### **Coming Soon – New Resources to Help Health Centers Measure Cost of Care**

Capital Link is developing two new resources to help health centers better understand their cost of care, plus interactive tools so health centers can measure their unique cost structures and compare them to peers. In partnership with NACHC, Capital Link is updating an issue brief entitled **Cost Per Visit – Measuring Health Center Performance**, reinforcing basic methodologies for calculating cost as the platform for transitioning from a visit-based reimbursement model to one that is patient-based. This issue brief will also incorporate information related to measuring costs for oral and behavioral health care, which were not included in the original document. In addition to the issue brief, Capital Link is further exploring the components of health center costs with a four-year trends analysis across a series of cost-focused ratios. Scheduled for completion in March, we will provide key findings from these new resources at the NACHC Policy & Issues Forum in our workshop *Understanding Your Cost of Care* (see date and time information below under Events).

# Health Center Highlights

Capital Link regularly profiles health centers that have successfully completed their expansion plans. These health center stories are available on our [website](#). Read the latest additions to our series with a health center project success story on **ChapCare, CA** and an impact analysis on **Family Health Centers of San Diego, CA**.

## Upcoming Events

Capital Link regularly attends industry conferences to exhibit, conduct trainings, and present information related to capital development to health centers and primary care associations. Below are a few of our next scheduled events. Learn more [here](#).

### Presentations

#### [NACHC Policy & Issues Forum](#)

March 14-18, 2018  
Washington, DC

*Strategic Planning - Part 2: An Introduction to a Dynamic Toolkit for Health Centers*

March 15th, 10:30 AM - 12:00 PM

Presenters: Jonathan Chapman, Director of Community Health Center Advisory Services, Capital Link and Cindy Barr, Operations and Facilities Planner, Capital Link

*Understanding Your Cost of Care: An Introduction to Two New Resources for CHCs*

March 15th, 10:30 AM - 12:00 PM

Presenters: Allison Coleman, Chief Executive Officer, Capital Link; Dave Kleiber, Project Consultant, Capital Link, and Robert Urquhart, Senior Vice President and Chief Financial Officer, Greater Lawrence Family Health Center

#### [NACHC Regional Training: 2018 Cultivating Health Center Operations](#)

March 27-28, 2018  
Charleston, SC

#### [National Healthcare for the Homeless Annual Symposium](#)

May 15-18, 2018  
Minneapolis, MN

*Demonstrating the Value and Impact of Health Care for the Homeless Through Data Trends*

May 16, 2018 10:00 AM

Presenters: Jonathan Chapman, Director of Community Health Center Advisory Services, Capital Link, and Heidi Nelson, Chief Executive Officer, Duffy Health Center

### [Massachusetts League of Community Health Centers Community Health Institute](#)

May 16-18, 2018  
Falmouth, MA

### [Northwest Regional PCA Spring Primary Care Association Conference](#)

May 19-22, 2018  
Portland, OR

### [NACHC Regional Training: Financial Operations Management, Level II \(FOM II\)](#)

June 13-14, 2018  
Kansas City, MO

## Webinars

Capital Link offers webinars designed to offer useful information for health centers on a wide range of topics. The webinars have no charge, but participation is limited. Access recordings of past webinars [here](#).

### **Best Practices in Capital Planning and Financing**

Wednesday, March 7, 2018 2-3 p.m. ET  
Presented by [Terry Glasscock](#), Senior Project Consultant, Capital Link

Capital projects are complicated for most health centers, but become more manageable when following a methodical process. This session will provide an overview of Capital Link's new resource *Steps to Success: A Toolkit for Navigating a Capital Development Venture*, a guideline of the steps involved in planning a capital project. We will also review resources available for each step of the planning process, and financing options for health centers, including New Markets Tax Credits.

[Register Now!](#)

### **Optimizing Team Resources: Patient/Provider Scheduling and Panel Size**

Wednesday April 4, 2018 2-3 p.m. ET  
Presented by [Cindy Barr](#), Operations and Facilities Planner, Capital Link

Health centers continue to devote significant resources to the transition to a team-based model of primary care delivery. This session goes "back to basics" to take a fresh look at techniques designed to expand capacity, utilizing existing resources within a sustainable structure. From defining target outcomes to simplifying scheduling templates to aligning panel size, participants will learn a replicable process for moving forward with each of their primary care teams through what is often a divisive operational imperative.

[Register Now!](#)

## **About Capital Link**

Capital Link is a non-profit organization that has worked with hundreds of health centers and primary care associations for over 20 years to plan capital projects, finance growth, and identify ways to improve performance. We provide innovative consulting 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](http://www.caplink.org) or connect with us on Facebook, LinkedIn, or Twitter.