Advancing Health Equity

Thank you for joining us!
We will get started momentarily.

Advancing Health Equity

NACHC Training

May 8, 2024

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Agenda

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About Capital Link

Los Angeles County Health Centers, 2017-2021

- A Data-Driven Approach to Understanding Factors Contributing to Health Inequities
  - Financial Performers in the Region
  - Characteristics and Performance Levels Based on Patient Population
  - Health Care Access by Race, Ethnicity, and Payer
  - Health Care Outcomes and Disparities by Race and Ethnicity

Q&A with Matt Moyer, CCALAC

National Health Centers, 2018-2022

- Health Care Access by Race, Ethnicity, and Payer
- Health Care Outcomes and Disparities by Race and Ethnicity

Recommendations

Questions from the Audience

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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 **244+** HEALTH CENTER PROJECTS

TOTALING OVER **$2 billion**

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Los Angeles County Health Centers

A Data-Driven Approach to Understanding Factors Contributing to Health Inequities

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WHAT IS HEALTH EQUITY?

"Health equity is achieved when every person has the opportunity to "attain his or her full health potential" and no one is "disadvantaged from achieving this potential because of social position or other socially determined circumstances." Health inequities are reflected in differences in length of life; quality of life; rates of disease, disability, and death; severity of disease; and access to treatment." [1]

[1] *https://www.cdc.gov/chronicdisease/healthequity/index.htm*

Cedars-Sinai-Supported Study

QUESTION

Are health centers that serve a higher proportion of minority patients and/or those with higher social deprivation weaker financially or do they exhibit other characteristics that may consistently limit their ability to achieve equitable health access and outcomes for patients of all backgrounds?

IF SO, WHAT CAN WE DO TO CLOSE THE GAP?

A Data-Driven Approach to Understanding Factors Contributing to Health Inequities

Detailed Data Analysis of Over 100 Factors

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WHO?	WHEN?	FACTORS	IMPACT
Fifty-Seven Health Center Members of CCALAC *(Community Clinic Association of L.A. County)*	2017 through 2021	Racial/Ethnic Patient Composition Social Deprivation Index (SDI) Insurance Mix Service Offerings Growth Rates Number of Visits	Financial Sustainability Access to Healthcare Quality Outcomes Ability to Respond to COVID-19 Health Emergency

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FY2017-FY2021 (5 Years) Criteria to Meet this Level:

1. Operating Margin (five-year average) (10%)
2. Days of Cash on Hand (five-year average) (60 days)
3. Total Net Assets % change (FY21 vs. FY17, five-year change) (45%)
4. Total Operating Revenue % change (FY21 vs. FY17, five-year change) (45%)

The CCALAC FQHCs included in the 2017-2021 analysis were the set of 50 FQHCs that submitted UDS information and financial audits in those years. The associations and any variances were also tested for statistical significance.

→FY2017 through FY2021 financial audits were utilized to determine the financial strength and sustainability of the 50 Los Angeles County health centers that had submitted audits for 2021 (i.e., post-COVID-19 pandemic) at the time of the study. Four critical financial ratios that measure financial success and sustainability were calculated, and then health centers were sorted into four levels with approximately 25% of the total in each group.

→The highest performing health centers (Level 4) were defined as those that achieved a five-year average operating margin of 10% or higher (criteria #1 below) and met all three of the other criteria listed. In sum, they met four of the four targets listed. Eleven health centers were at this level.

→The next highest performers (Level 3) were defined as those that achieved a five-year average operating margin of 10% (criteria #1 below) as well as two of the other three criteria listed. In total, they met three of the four targets listed. Thirteen health centers were at this level.

→Level 2 performers were defined as those that achieved a five-year average operating margin of 10% (criteria #1 below) as well as one of the other three criteria listed. They in total, met two of the four targets listed. Fourteen health centers were at this level.

→Level 1 performers, the weakest ones, were those that achieved either zero or one of the four criteria listed. Twelve health centers were at this level.

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Health Equity Measures Studied

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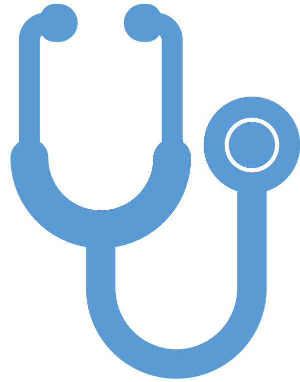
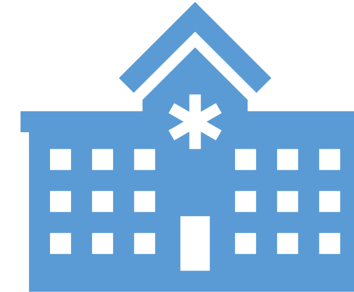


CLINICAL OUTCOMES

Eight Uniform Data System (UDS) Quality Measures Tracked by Health Centers for HRSA



ACCESS TO HEALTH CARE

Number of Annual Visits per Patient, Patient and Visit Growth Rates, and Depth of Services Offered

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Los Angeles County Health Centers

Financial Performers in the Region

Los Angeles County Health Centers

Financial Performance by Quartile: Strongest 25% vs. Weakest 25%

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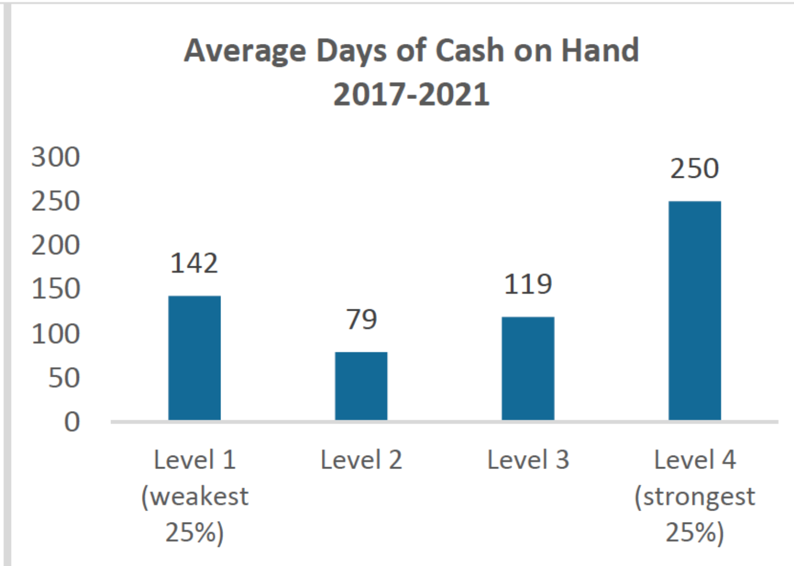

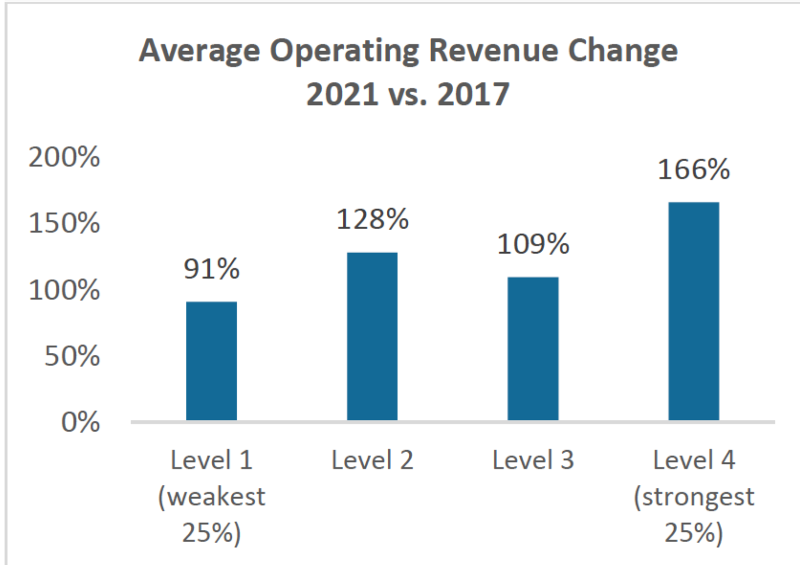

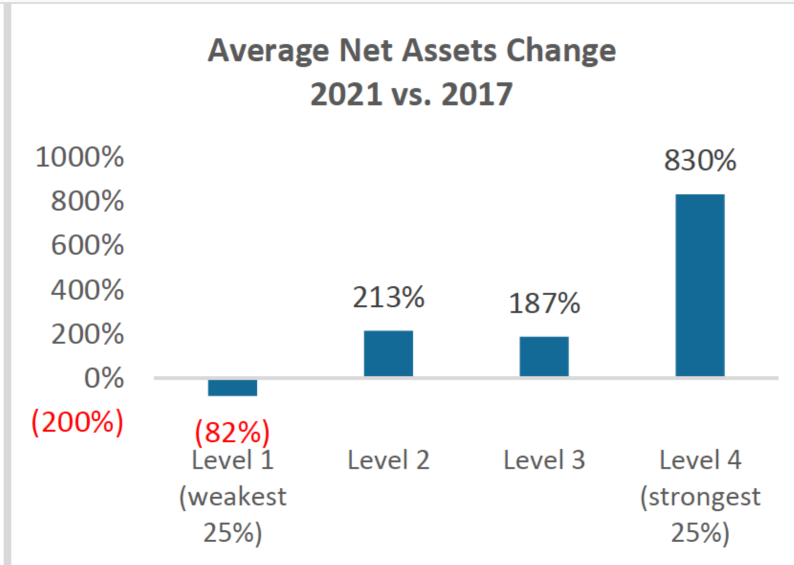

- Financial performance by quartile for 2017-2021 varied significantly, as illustrated in the charts with the four components of the overall financial scores.
- Average operating margins by quartile ranged from -0.3% to 16.4%, and the amount of cash available for the strongest quartile of health centers was almost double that of the weakest (250 days vs. 142 days).
- The top 25% of financial performers experienced an average 166% rise in operating revenues and an 830% jump in net assets from 2017 to 2021.
- The weakest financial quartile grew revenues by 91% but declined 82% in net assets over the same period.

Factors Identified for the Strongest Financial Performers

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DEMOGRAPHICS/ SOCIAL DRIVERS OF HEALTH

A lower percentage of patients with income at or below 200% of the federal poverty level.

A smaller share of patients are best served in a language other than English.

Lower homeless patient percentage.

PATIENT/ PAYER MIX

The largest share of Asian patients.

A larger percentage of Medi-Cal and privately insured patients.

A smaller portion of revenue is from Medi-Cal.

More revenue from Medicare and privately insured patients.

OTHER FINANCIAL/ OPERATIONAL FACTORS

Higher annual revenues.

Higher days of cash on hand.

Higher grants and contracts revenue per patient,

Higher net patient service revenue growth rates.

Lower personnel expense ratio and administrative support percentages.

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Los Angeles County Health Centers
Characteristics and Performance Levels

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Characteristics Identified for the Strongest Financial Performers

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Centers with the highest proportion of minority patients —*particularly African American/Black and Hispanic/Latino patients*— were, on average, financially weaker than their peers.

Improving long-term financial and operational success for all centers is essential since the analysis also confirmed a connection between stronger financial performance and better clinical outcomes.

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Los Angeles County Health Centers
With the Highest Percentage of African American/Black Patients

- WEAKER FINANCIALLY
- HIGHER LEVEL OF SOCIAL DEPRIVATION
- HIGHER 330 GRANT AMOUNTS PER UNINSURED PATIENT
- HIGHER LEVEL OF HOMELESSNESS
- HIGHER LEVERAGE RATIO (THEY BORROW MORE)
- EARNED LOWER QUALITY SCORES ON 3 OF 8 UDS MEASURES TRACKED

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Los Angeles County Health Centers

With the Highest Percentage of Hispanic/Latino Patients

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WEAKER FINANCIALLY

HIGHER POVERTY RATE AND SOCIAL DEPRIVATION

FEWER 330 GRANT DOLLARS PER UNINSURED PATIENT

MENTAL HEALTH VISITS SMALLER SHARE OF TOTAL VISITS

PATIENT MIX HAD MORE UNINSURED AND FEWER MEDICARE & PRIVATELY INSURED PATIENTS

SCORED LOWER ON 3 OF THE 8 UDS MEASURES TRACKED & HIGHER ON 1

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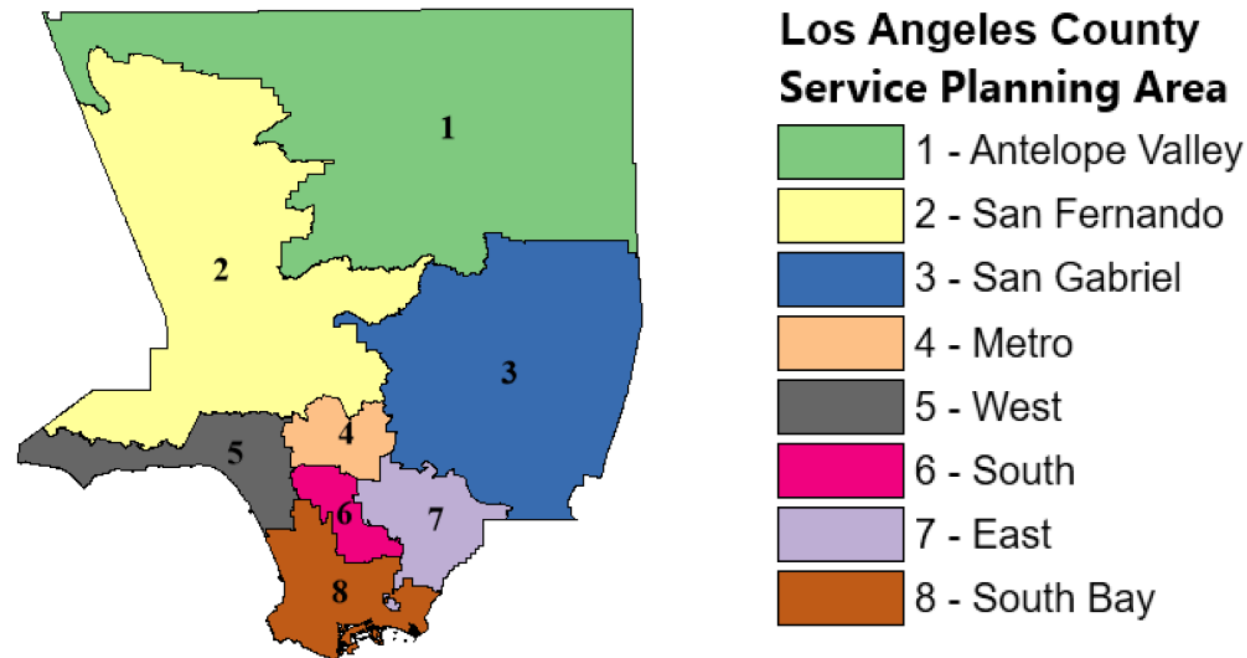
According to a geographical analysis of the Los Angeles County service planning area (SPA), the average health center performance in each of the eight SPAs differed in financial strength, access to care, and clinical outcomes. In order to conduct a statistically relevant comparison on patient/payer mix, financial results, and access to care, a detailed review of the average performance for the four highest-rated SPAs based on SDI level (SPAs 4,7,2,6) to the four lowest ranked SPAs based on SDI level (SPAs 3,5,1,8) was conducted.



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Characteristics and Performance Levels Based on Service Planning Area

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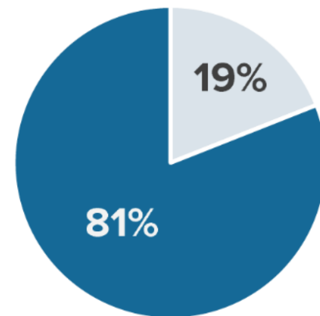
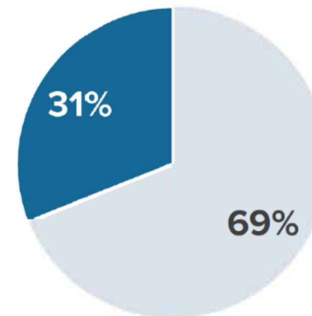
Financial Performance	4 SPAs with Lowest SDI	4 SPAs with Highest SDI (Highest Need)	Variance (High vs. Low)
Operating Margin	4.7%	6.6%	1.9%
Days of Cash on Hand	98	161	63
Section 330 Grant per uninsured patient	$1,848	$864	($984)
Grant/Contract Revenue per patient	$320	$428	$108
Grant/Contract Revenue growth rate	26%	63%	37%
PPS Rate	$214	$218	$4

SCORED HIGHEST OR SECOND HIGHEST ON 8 UDS QUALITY MEASURES



SCORED LOWEST OR SECOND LOWEST ON 8 UDS QUALITY MEASURES



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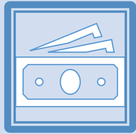
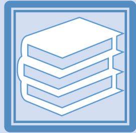


Health centers with specific patient population characteristics consistently scored strongest on financial measures including available cash, operating margin, and revenue growth.



Those health centers also earned statistically higher clinical outcome scores than their peers in several areas.

Access to care did not generally differ based on patient mix, but health centers that were financially stronger to begin with offered better access during the COVID-19 health emergency.

Success often stemmed from operational nimbleness and the ability to pivot to telehealth more quickly than financially weaker peers.

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Los Angeles County Health Centers

Health Care Access by Race, Ethnicity, and Payer

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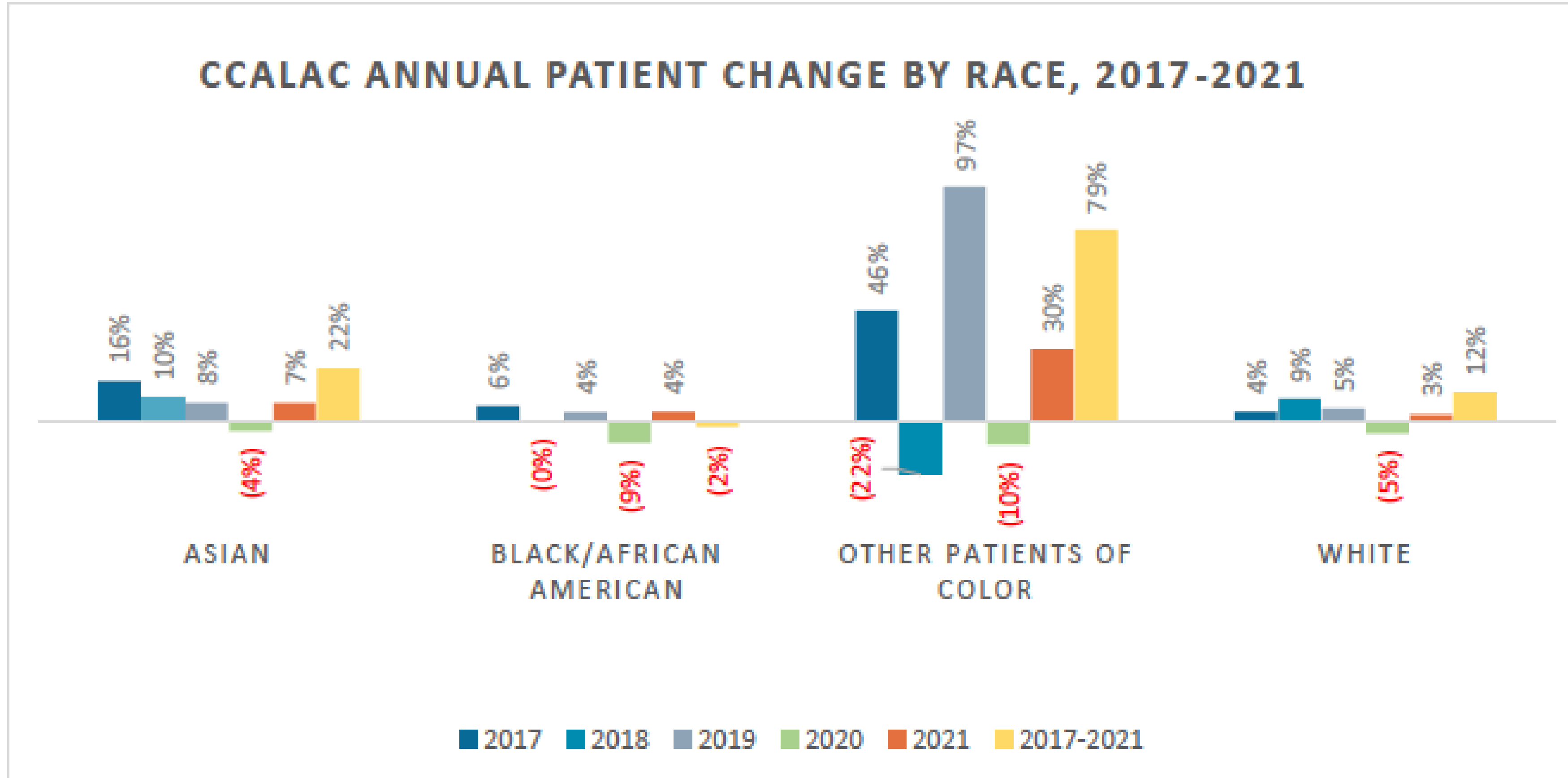

Other Patients of Color include patients labeled as Native Hawaiian, Other Pacific Islander, American Indian/Alaskan Native, and More than one race in the UDS.

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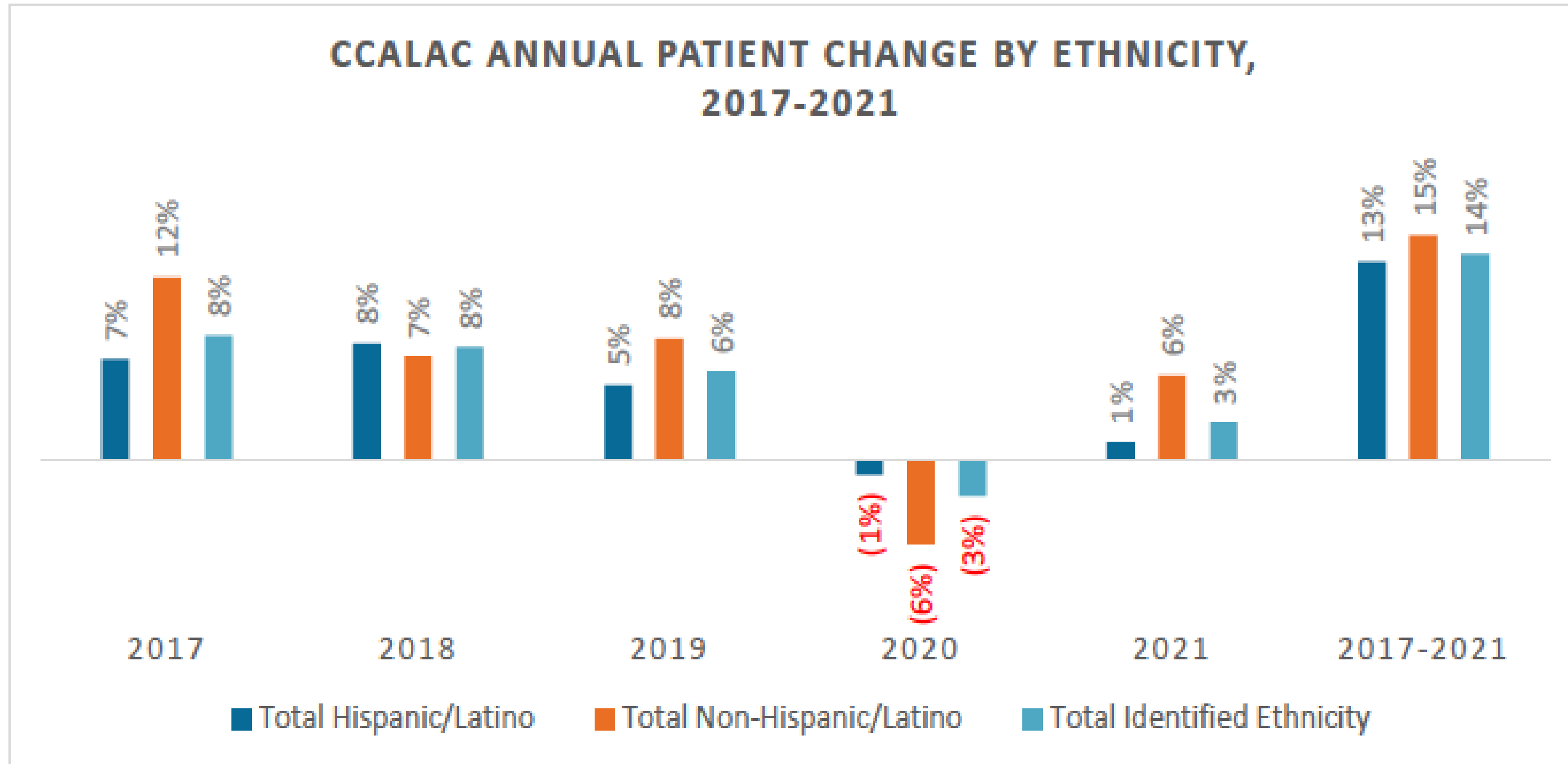
CCALAC ANNUAL PATIENT CHANGE BY ETHNICITY, 2017-2021
7%
12%
8%
8%
7%
8%
5%
8%
6%
(1%)
(6%)
(3%)
1%
6%
3%
13%
15%
14%
2017
2018
2019
2020
2021
2017-2021
Total Hispanic/Latino
Total Non-Hispanic/Latino
Total Identified Ethnicity

Los Angeles County Health Centers
Health Care Access by Payer

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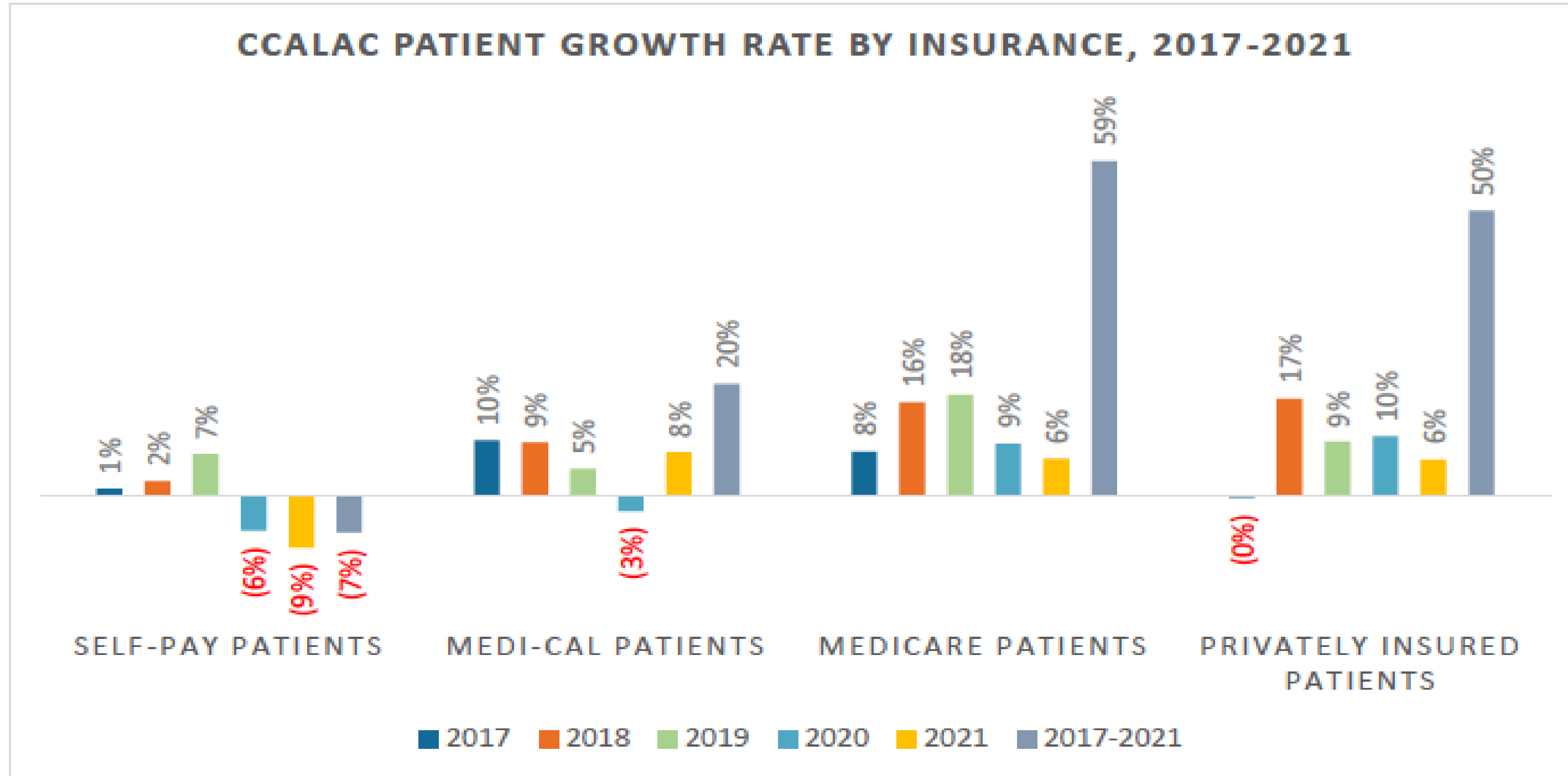

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Los Angeles County Health Centers
Health Care Outcomes and Disparities by Race and Ethnicity

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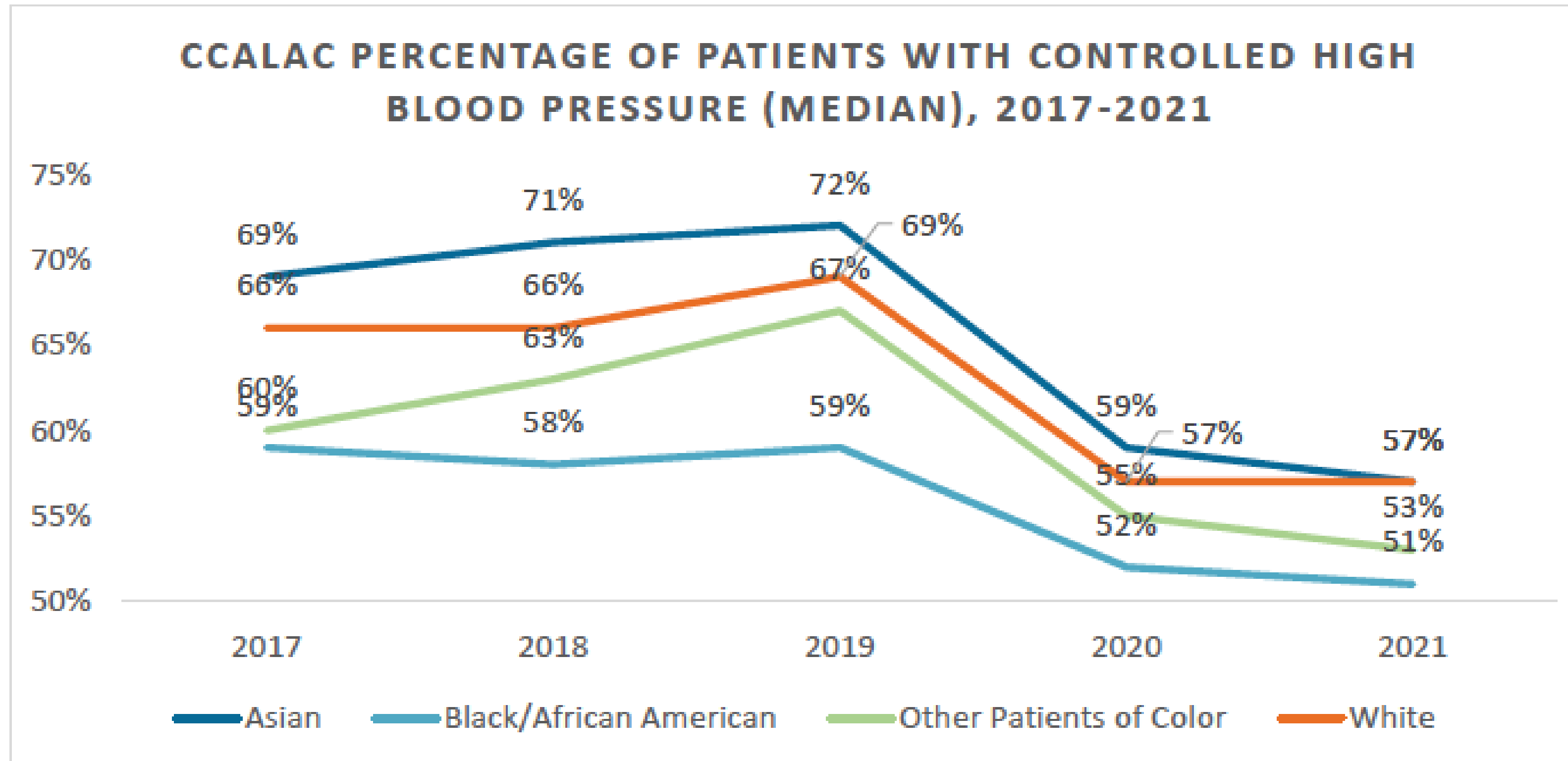
Health Outcome #1
Percentage of Low and Very Low Birth Weight Babies
Patients by Race

Key Health Outcomes Metrics	2017	2018	2019	2020	2021
Percentage of Low and Very Low Birth Weight Babies Delivered During the Year – Black/African American Patients	6%	6%	8%	8%	10%
Percentage of Low and Very Low Birth Weight Babies Delivered During the Year – White Patients	5%	6%	5%	6%	7%

Health Outcome #1
Percentage of Low and Very Low Birth Weight Babies
Patients by Ethnicity

Key Health Outcomes Metrics	2017	2018	2019	2020	2021
Percentage of Low and Very Low Birth Weight Babies Delivered During the Year – Hispanic Patients	5%	6%	5%	6%	7%
Percentage of Low and Very Low Birth Weight Babies Delivered During the Year – Non-Hispanic Patients	7%	9%	7%	7%	7%

Health Outcome #2
Patients with Controlled High Blood Pressure
Patients by Race



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Health Outcome #2
Patients with Controlled High Blood Pressure
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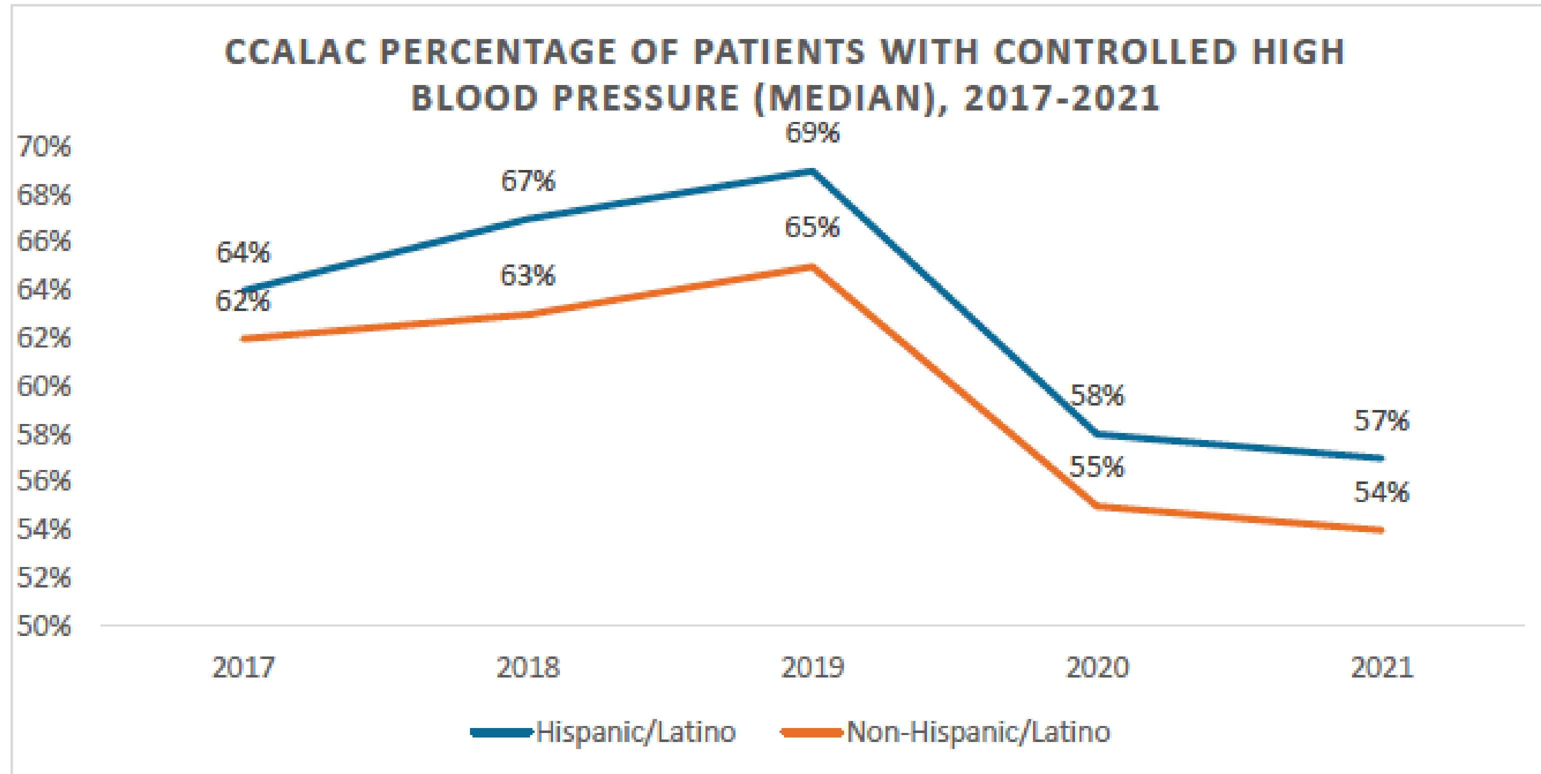

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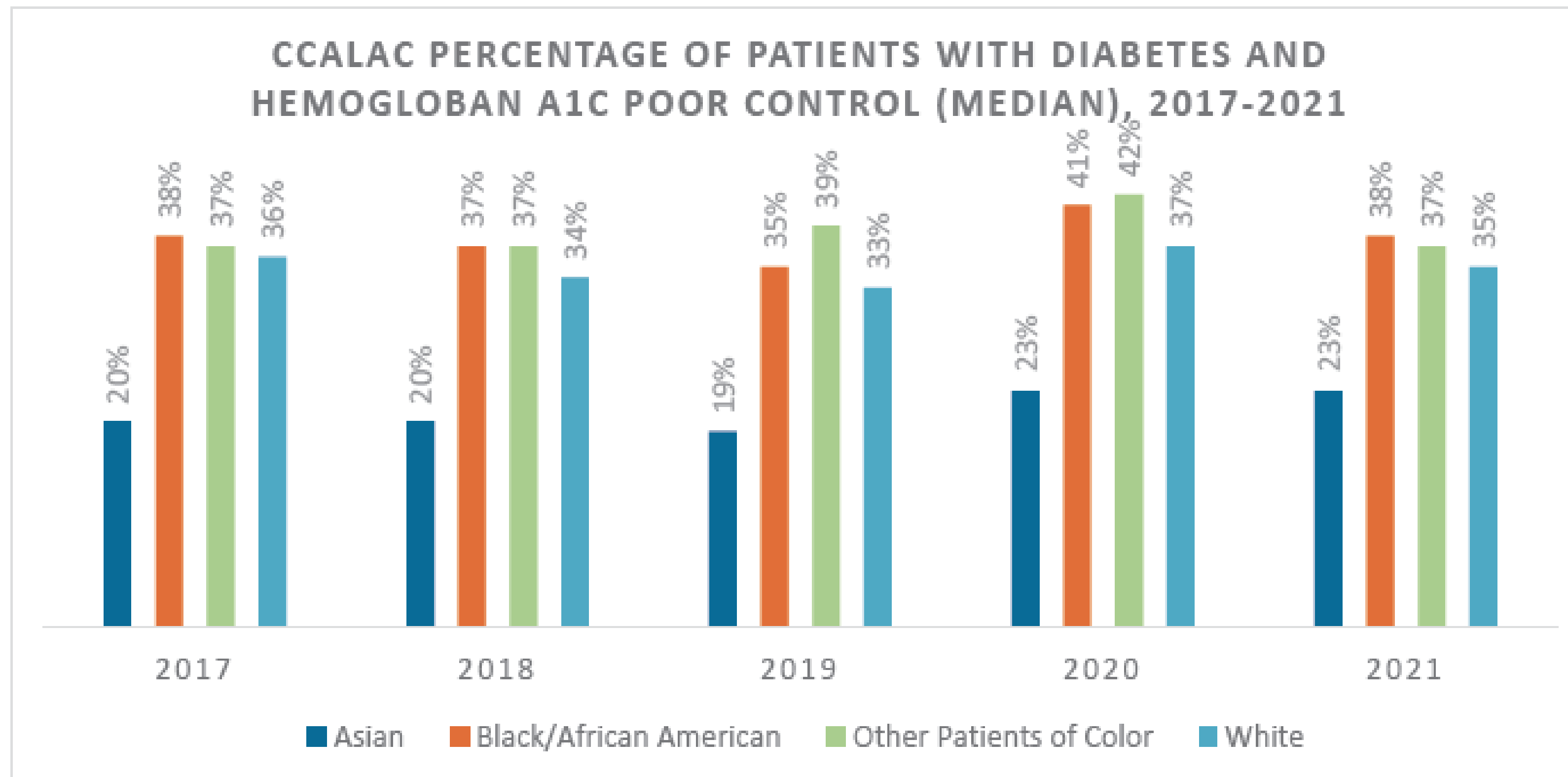
Health Outcome #3
Patients with Diabetes and Hemoglobin A1c Poor Control
Patients by Race



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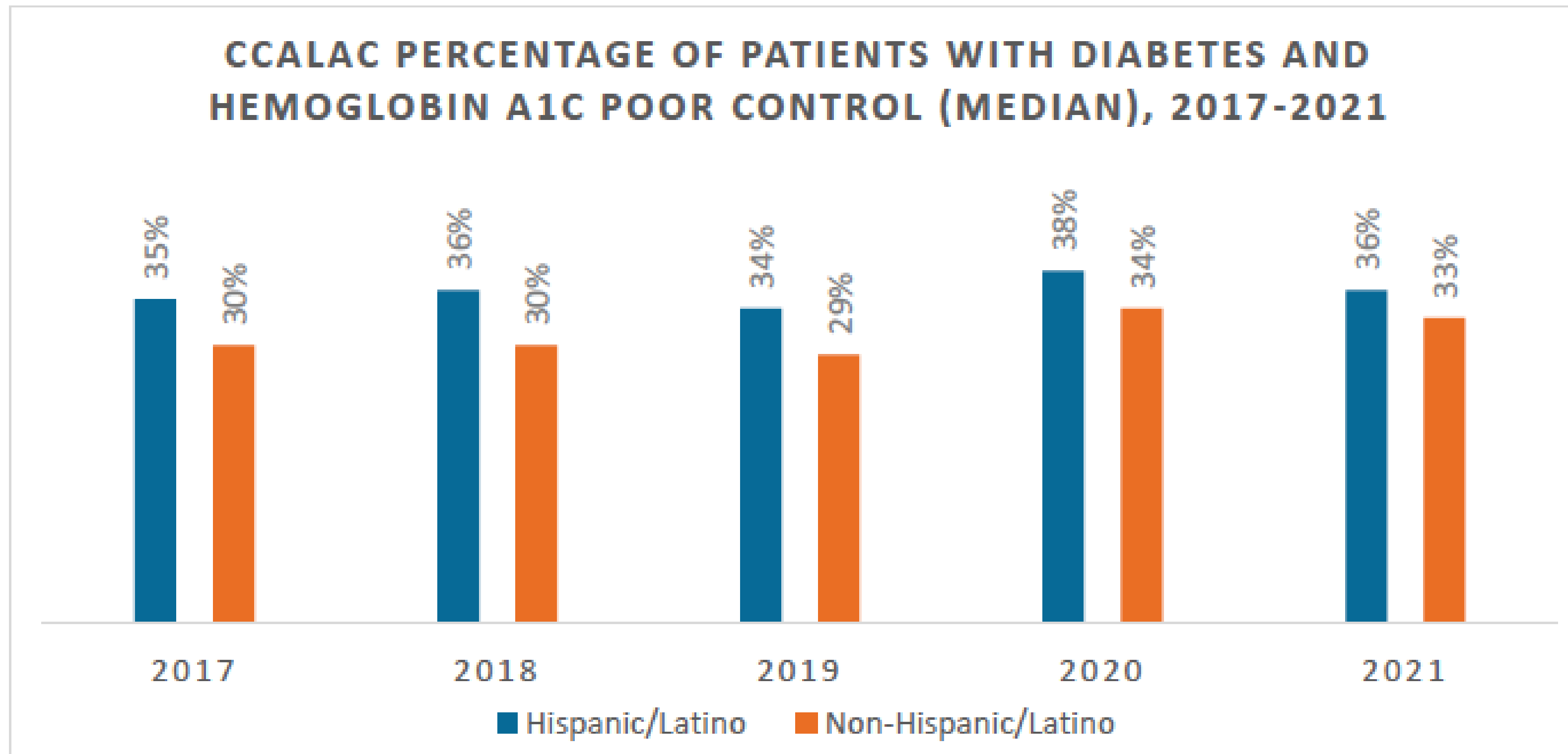

Q&A

Matt Moyer, MPH
Senior Director of Clinical Services
Community Clinic Association of Los Angeles County

National Health Centers
Health Care Access by Race, Ethnicity, and Payer

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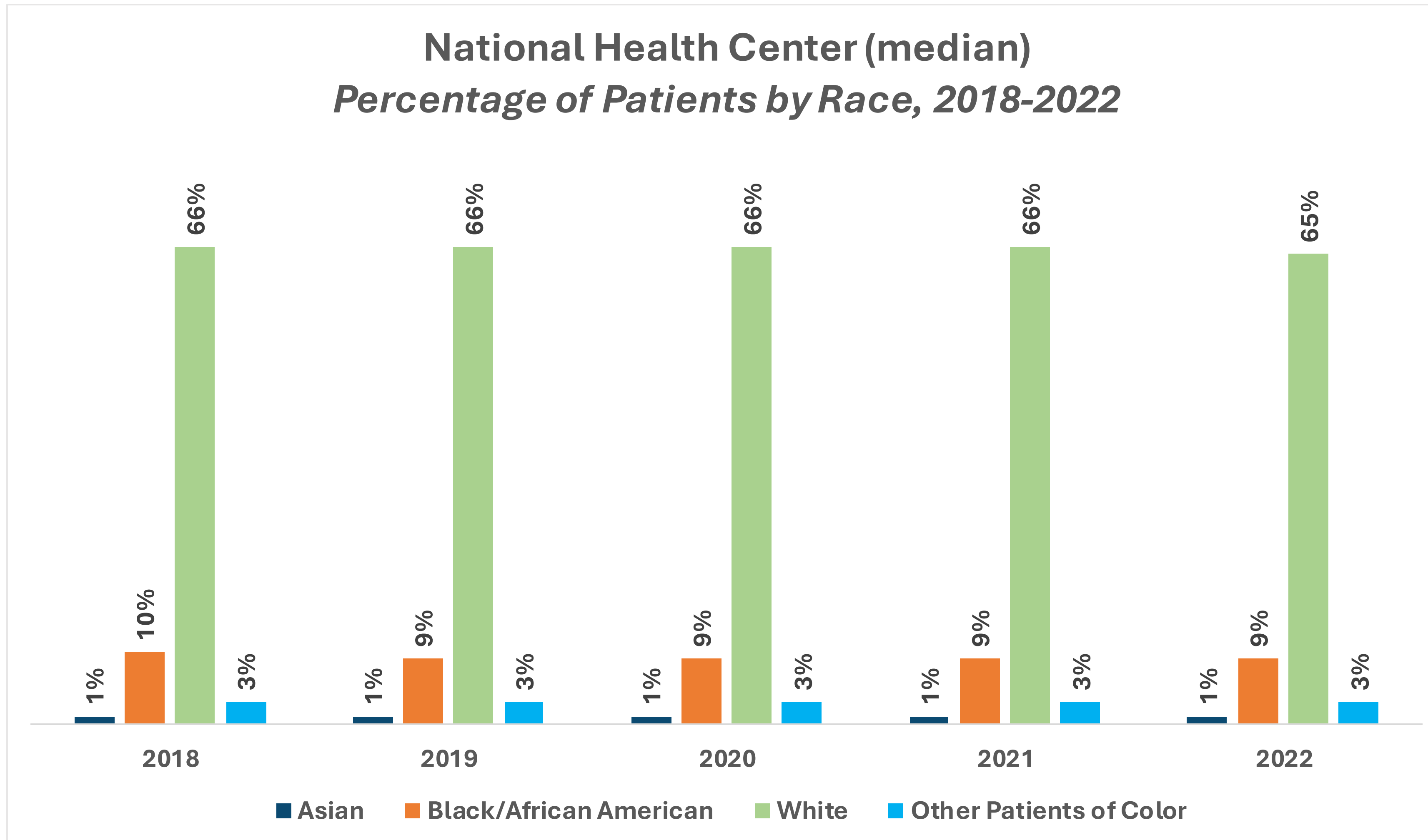

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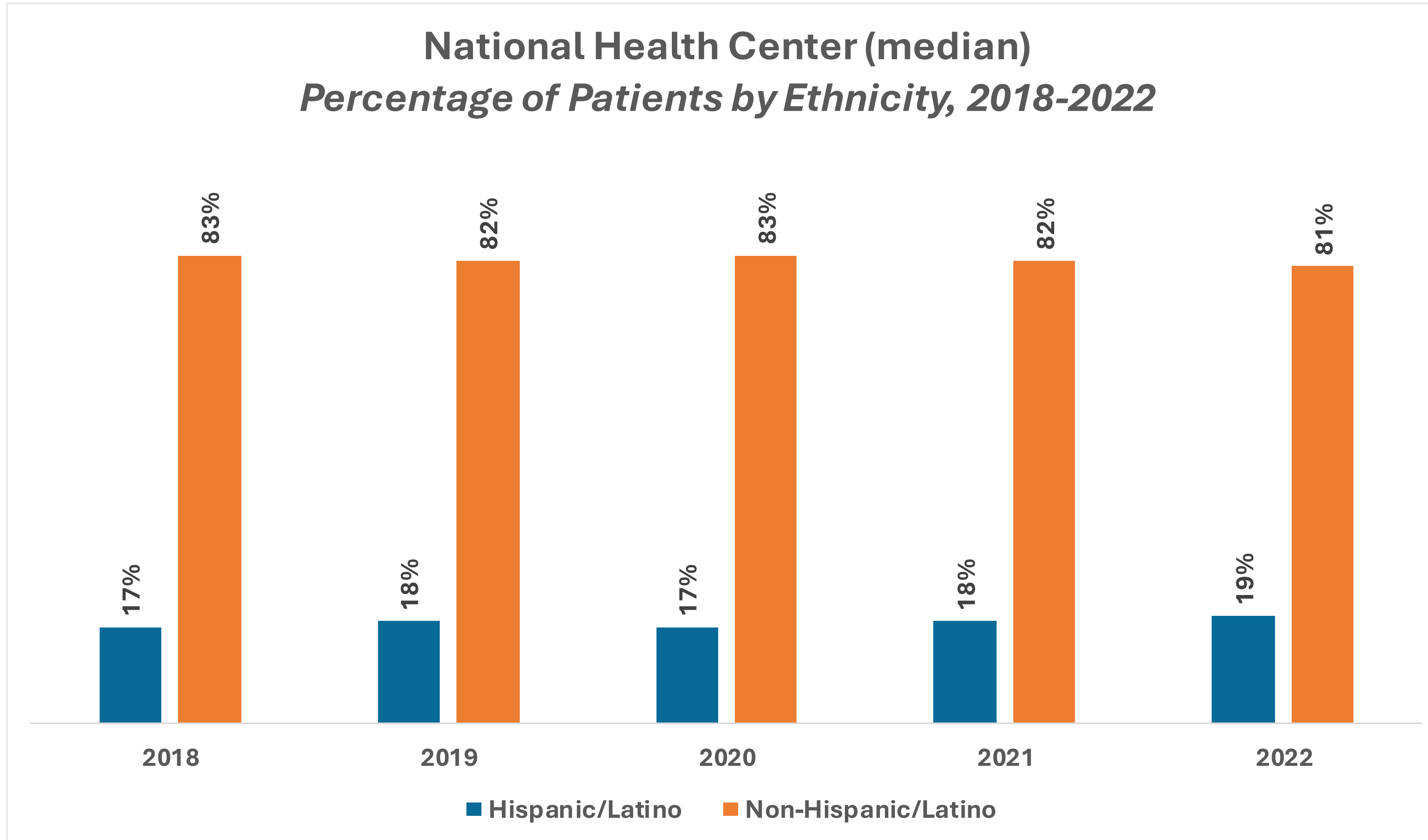

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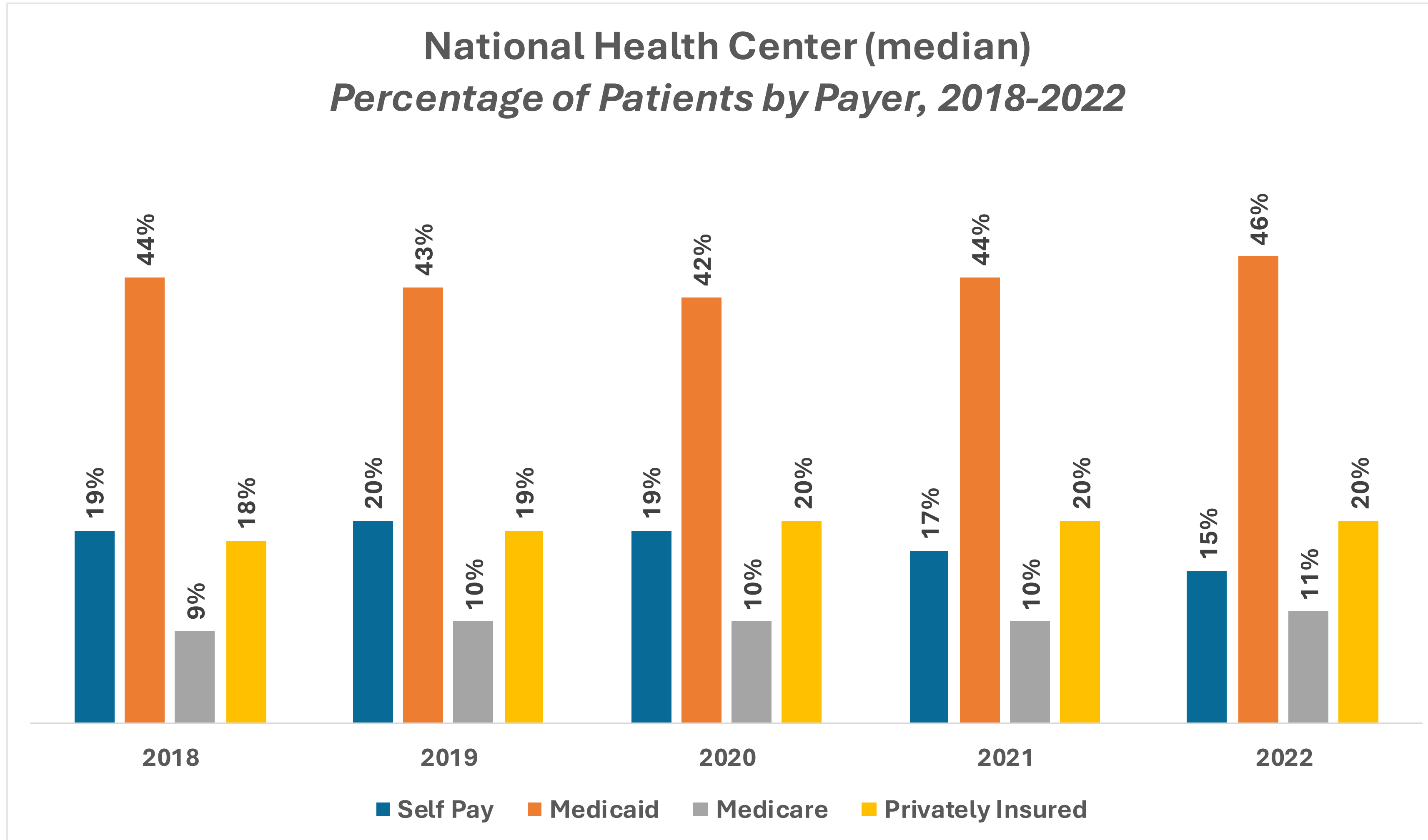
National Health Centers
Health Care Access by Payer



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National Health Centers

Health Care Outcomes and Disparities by Race and Ethnicity

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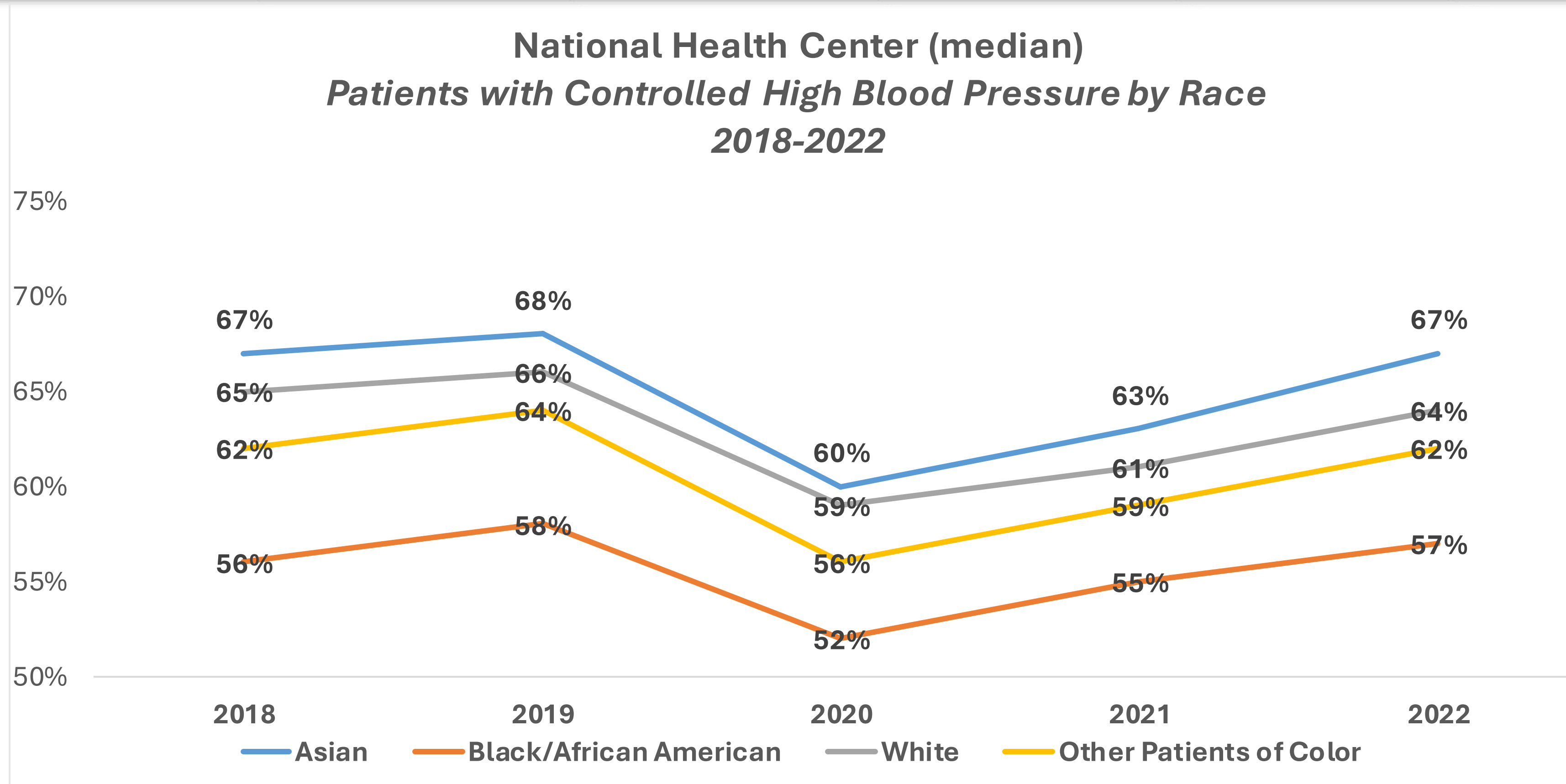

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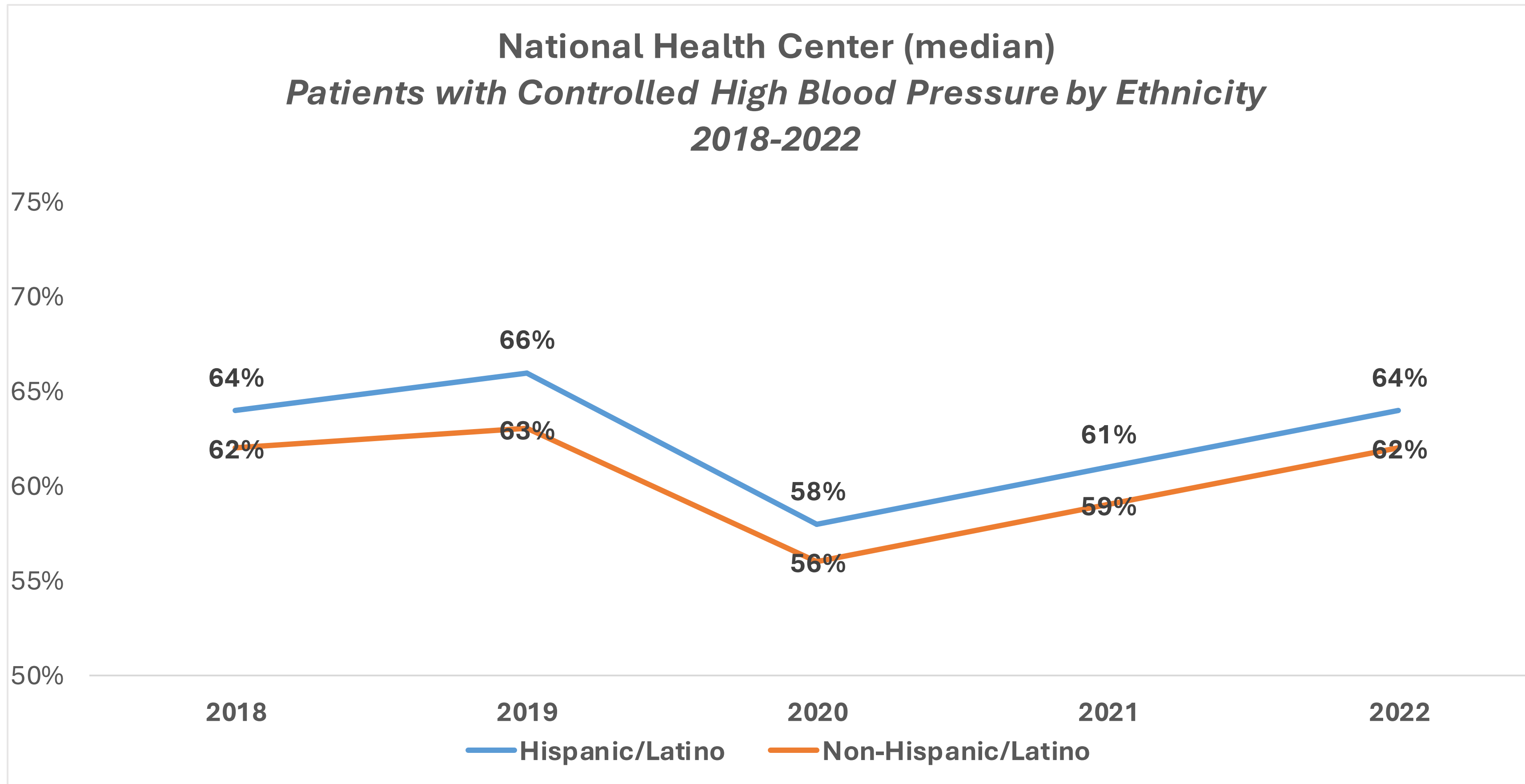

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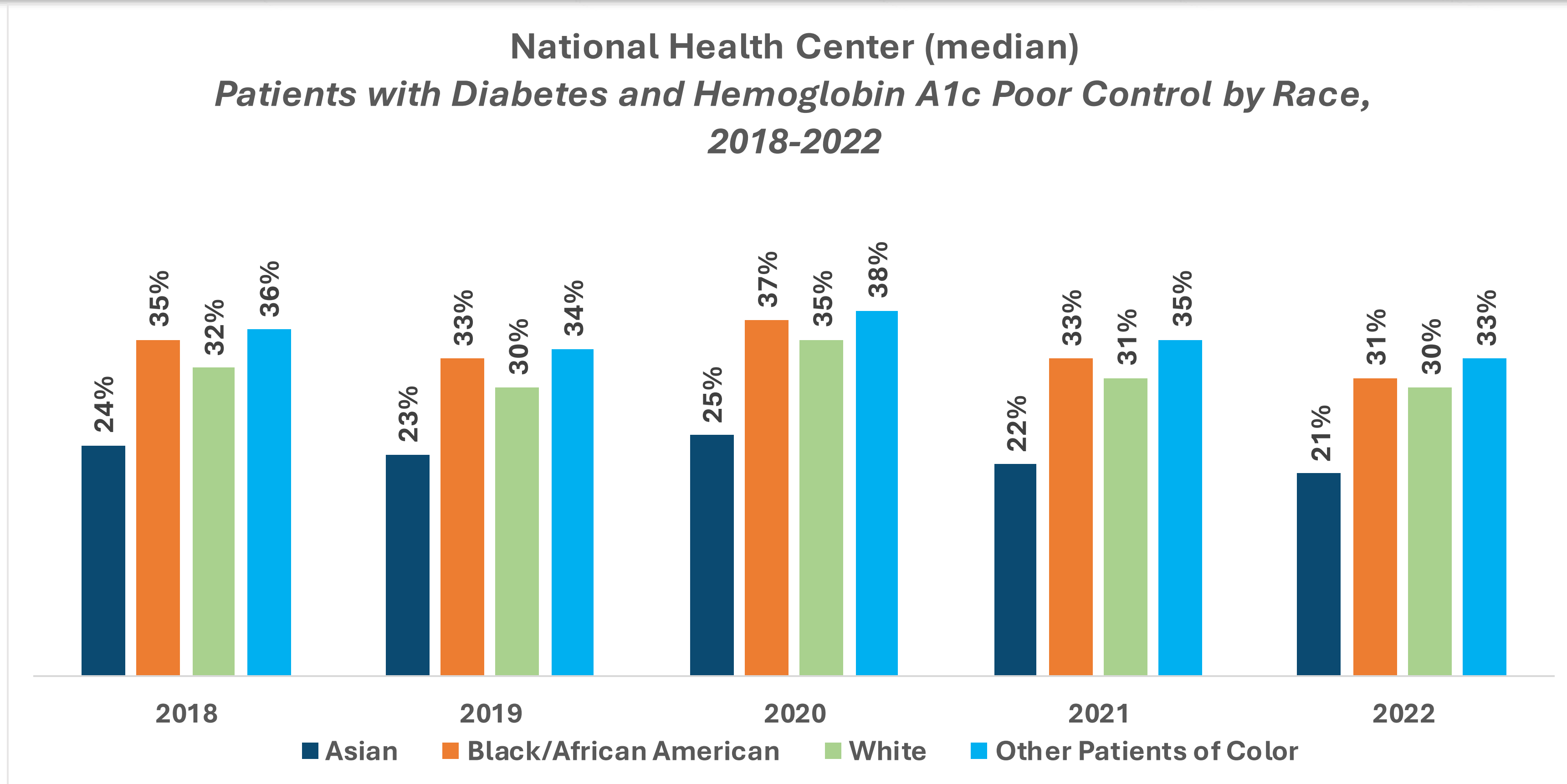

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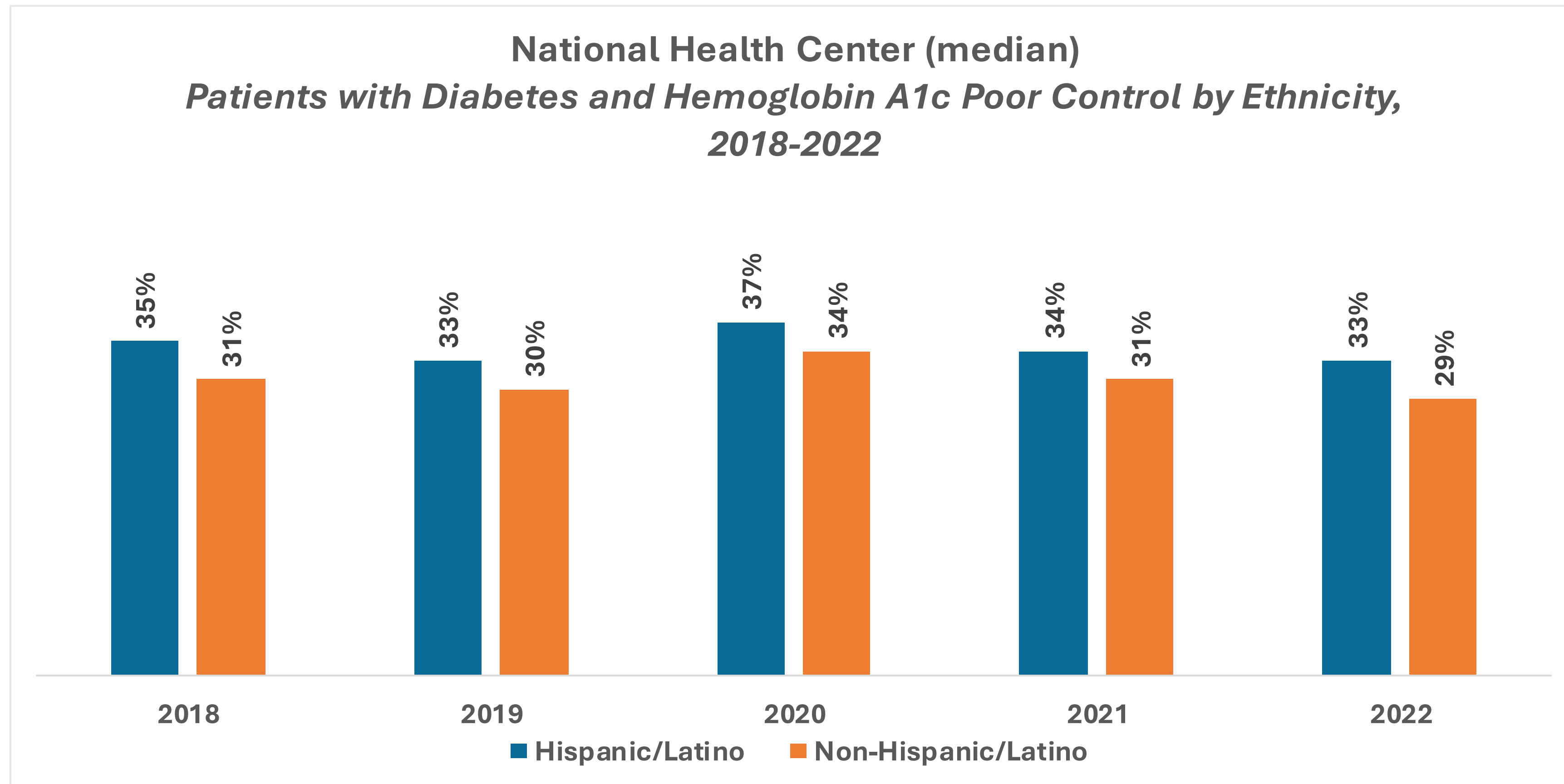

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Recommendations

Efforts to improve health center financial and operational strength offer an important opportunity to reduce health disparities.

Stronger financial and operating performance is associated with higher quality outcomes and ongoing access to care, even during challenging times.

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Regular data information exchange and best practices sharing, including consideration of the cultural and qualitative factors impacting performance, provides context and support for ongoing improvements in health equity.

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In the longer term, access to deeper levels of primary care services (particularly oral and mental health) is needed to achieve health equity among vulnerable populations.

Supporting policy changes and attracting foundation support for these efforts is essential.

Access the Study

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Health Center Financial Strength and Health Inequities: A Study of Los Angeles-Based FQHCs

This publication is a **summary** *of a data-driven analysis, conducted by Capital Link with the assistance of HealthLandscape and funded by Cedars-Sinai, of more than 100 factors for the 58 FQHC members of the Community Clinic Association of Los Angeles County (CCALAC) for the period of 2017-2020. (Released 2022)*

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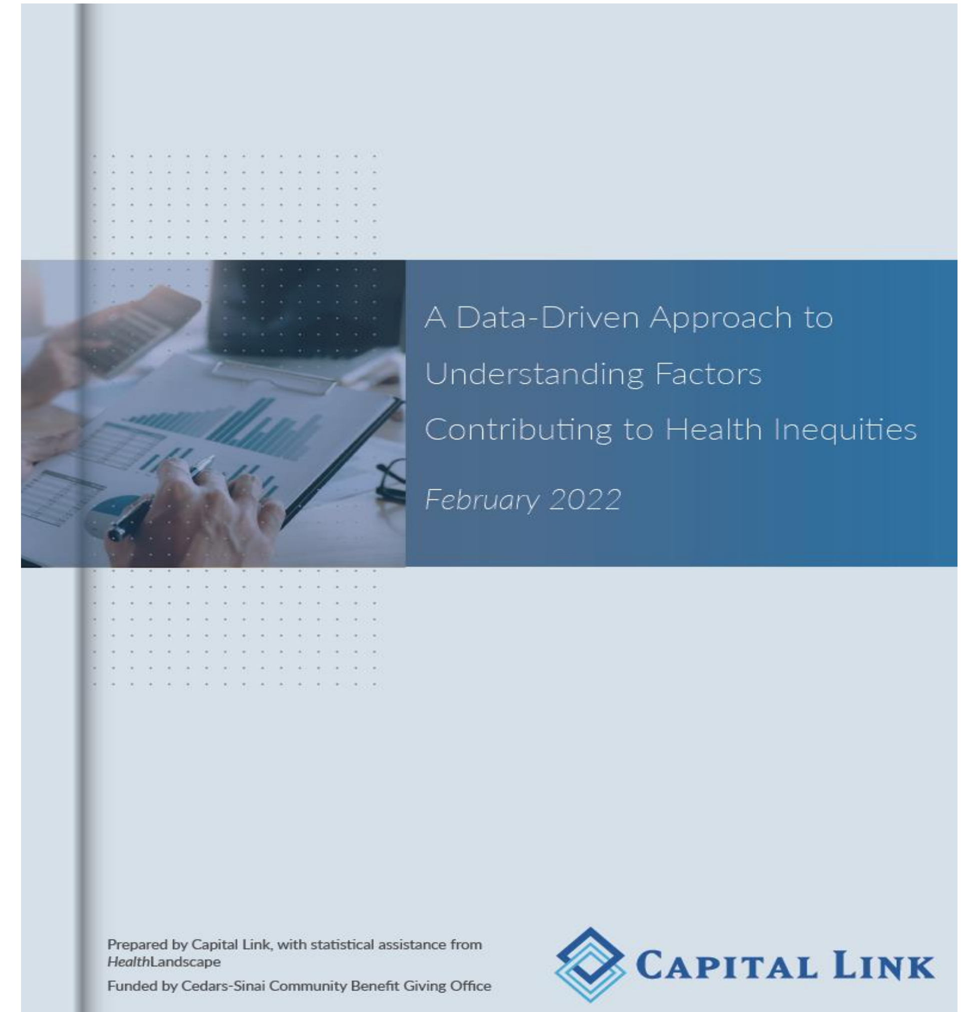
A Data Driven Approach to Understanding Factors Contributing to Health Inequity

To better understand whether, and to what extent, specific patient and health center characteristics influence health equity (including access to care and health outcomes) Capital Link, with the assistance of HealthLandscape and funded by Cedars-Sinai, conducted a data-driven analysis of more than 100 factors for the 58 federally qualified health center (FQHC) members of the Community Clinic Association of Los Angeles County (CCALAC) for the period of 2017-2020. Detailed findings and recommendations from the study are included in this report. (Released 2022)



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This report is an updated to the same name.

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Questions from the Audience…

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