Strategic Planning

Preparing in Times of Uncertainty

December 2022



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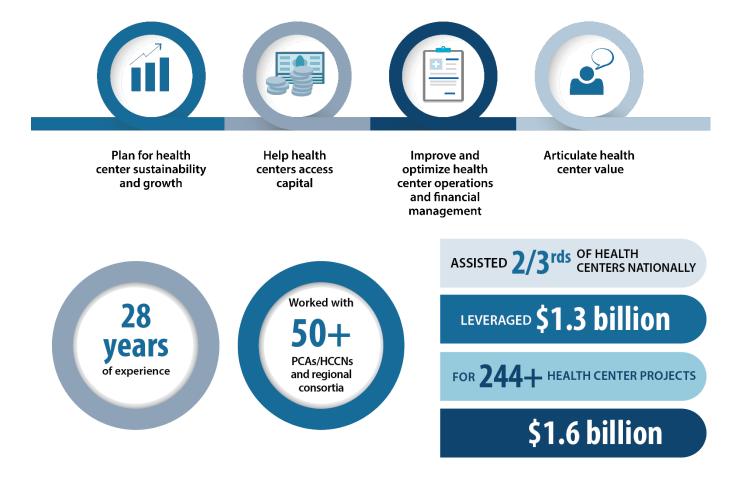
- Participants will be able to:
 - 1. Describe the unique health center business model and operational efforts in exploring and utilizing planning resources.
 - 2. Discuss the use of various scenarios to examine your health center's sustainability in a changing environment.
 - 3. Describe ideas and strategies for strengthening health center operations and the ability to provide ongoing access, using the health center's own data.

About Capital Link



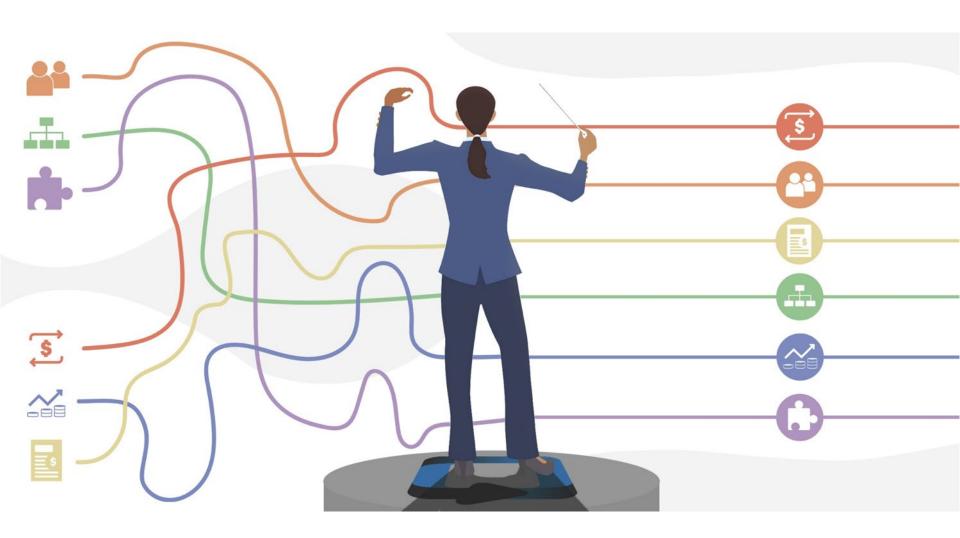
Our Vision: Stronger health centers, actively building healthy communities

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



Strategic Planning is like....





Why Have a Strategic Plan?



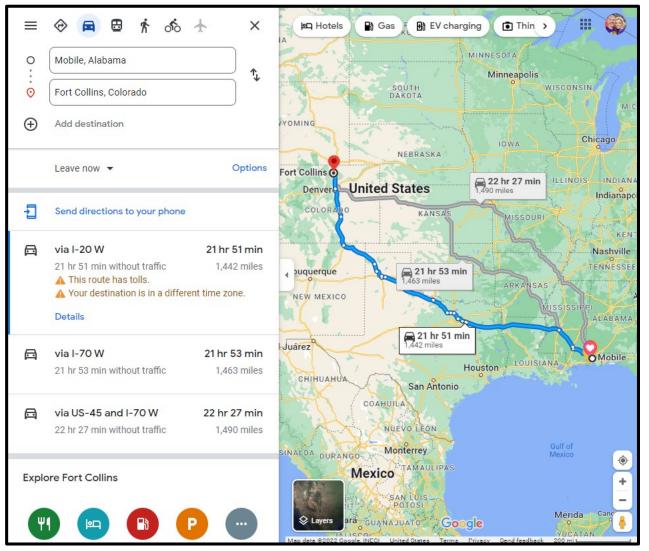
- Provides a guide for everyday decisions and long-term direction
- A tool to help keep pace with changes
- HRSA kindly asks of you ©
 - The health center's board minutes and other relevant documents confirm that the board exercises, without restriction, the following authorities, and functions:

 Conducting long-range/strategic planning at least once every three years, which at a minimum addresses financial management and capital expenditure needs

"If you don't know where you are going, any road will get you there."

Why Should We Plan & Strategically Manage?





- · How?
- Fuel?
- Food?
- Time?
- Weather?
- Road Conditions?

Pre-Planning



Strategic Planning Process







- Majority of the effort is in Pre-Planning
 - ✓ Information gathering
 - √ Coordination of activities & resources





How is the Health Center Model Different?





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1. Know the expectations of leadership

2. Develop a timeline

3. Align with Mission, Vision, & Values



Expectations and Deliverables

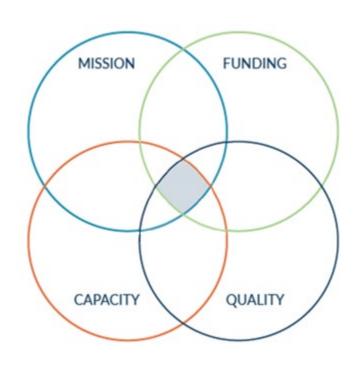


A	В	C	D	E	F	G	Н	1	J	K	L	M	N	0
	AMPLE STRATEGIC PLANNING TIMELINE oject Process Stage					Timeline	in Mon	ths, We	eks, Da	tes, etc				
	16. A	1	2	3	4	.5	6	7	8	9	10	11	12	13
5	elf-Assessment												EVENT	
	Readiness Checklist	Ron												
	Defining Roles	Alice	Alice											
	Vision, Mission, and Values Review		Sue	Sue								Sue		
	History and Accomplishments		Fred	Fred										
	SWOT Analysis			Amy	Amy	Amy						Amy	Amy	
	Leadership Assessment		CEO											
	Financial Capacity Reveiw		CFO	CFO	CFO							CFO	CFO	
	Operational Readiness & Quality Assessment					Mgrs	Mgrs	Mgrs						
	Physical Space Assessment						coo							
	Technology Assessment							CIO						
E	nvironmental Scan													
Г	Issue Inventory													
	Issue Research													
	Web Search													
	Stakeholder Input													
	Market Assessment													
	Possibilities Inventory													

Strategic Pre-Planning



- Initial Strategic Planning Considerations
- Leadership Assessment
- Timeline
- Mission, Vision, and Values
 - Funding, Capacity, and Quality



Internal Assessment



Define Roles



The CEO in collaboration with Board Chair will decide who's who on the team/committee:

- ➤ Should the whole board participate?
- ➤ Develop a new committee for strategic planning?
- ➤ Which staff/leadership should participate?
- ➤ Designate who are Decision Makers vs. Participants
- ➤ Who will lead?
- ➤ Should patients be included?
- ➤ What process will be used?
- >Should we use a consultant to facilitate?



Operational Assessment



Productivity

- Visits
- Patients

Patient Characteristics

- Demographics
- Special Populations

Financial Metrics

Billing & Collections

Operation & Utilization

- Revenue & Cost / Patient
- Revenue & Cost / Visit
- Staffing
- Quality of Care
- Service Mix
- Utilization Growth Rates



Financial Capacity Review



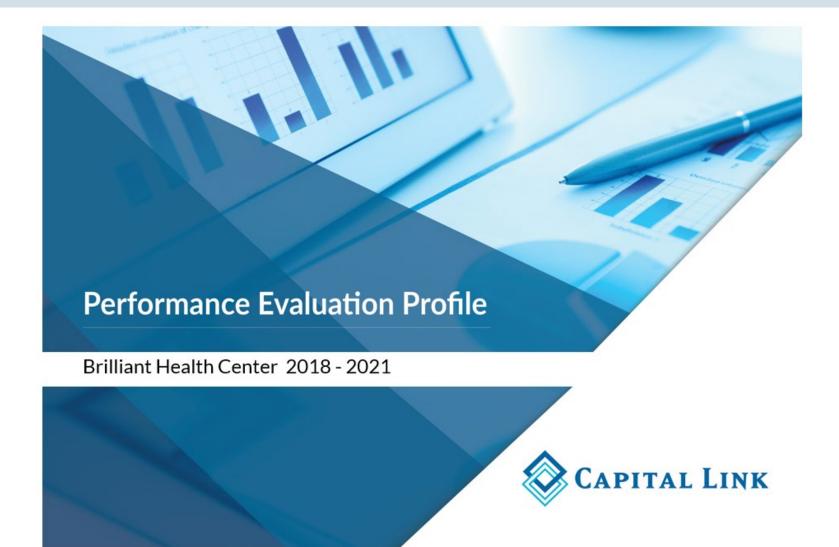
Financial Health

- Performance & Liquidity Measures
- Financial Growth Rates



Performance Evaluation Profile (PEP)







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Methodology

The analysis and results contained in this report are based on two primary data sources covering the 2018 - 2021 period.

- Audited financial statements of health center corporations reported by fiscal year.
- Uniform Data System (UDS) information as self-reported by health centers each calendar year.

The comparative data sets include aggregated data from audited financial statements and UDS reports from Capital Link's proprietary financial and operational database.

The specific number of health centers included in each comparative data set is listed below.

		Brilliant He				
Data	2018	2019	2020	2021	CO FQHCs 2021	National FQHCs 2021
Financial Audits	1	1	1	1	16	1,148
UDS Data	0	0	0	0	18	1,387

Percentiles

Statistical measures used to describe the financial ratios and trends include the 50th percentile (median), 75th percentile, and 25th percentile. Half (by definition) of the values in a set are greater than the median and half are less. Therefore, the median is not skewed by large or small values outside the typical range as can happen with average figures. The 75th percentile is a value that is equal to or greater than 75 percent of others in the data set. The 25th percentile is a value that is equal to or greater than 25 percent of others.



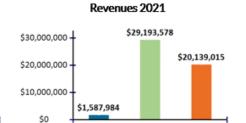
Peer Comparison

2021

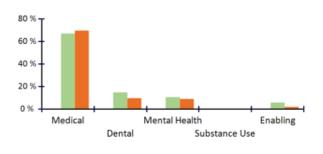
■ Brilliant Health Center ■ CO FQHC median

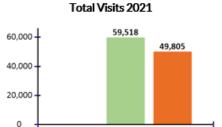
National FQHC median

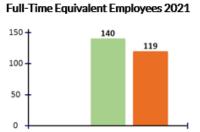
Patients Served 2021 10,000 - 12,753 12,874



Array of Services 2021 (Percentage of Total Visits)







Key Metrics	Brilliant Health Center 2021	CO FQHC Median 2021	National FQHC Median 2021
Medical Visits as a Percentage of Total Visits	-	67%	69%
Dental Visits as a Percentage of Total Visits	-	14%	9%
Mental Health Visits as a Percentage of Total Visits	-	10%	9%
Substance Use Disorder Visits as a Percentage of Total Visits	-	-	0%
Enabling Visits as a Percentage of Total Visits	-	6%	2%

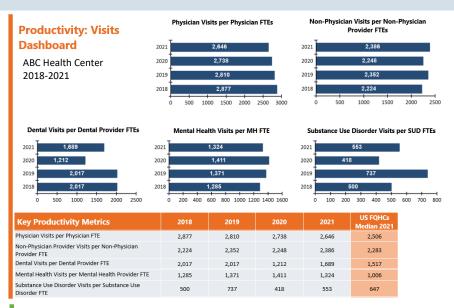
Key Metrics	Brilliant Health Center 2021	CO FQHC Median 2021	National FQHC Median 2021
Total Operating Revenue	\$1,587,984	\$29,193,578	\$20,139,015
Total Patients	-	12,753	12,874
Total Visits	-	59,518	49,805
Total FTEs	-	140	119

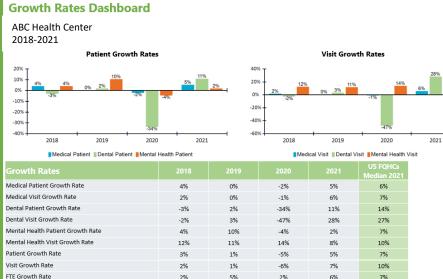
PEP





ABC Health Center \$0 2019 2020 (\$100) 2018-2021 2019 Operating Revenue per Patient Operating Expense per Patient - Op Rev per Visit - Op Exp per Visit 330 Grant Dollars per Uninsured Patient Total Clinic and Virtual Visits **Total Visits** 100,000 2021 100,000 -74,713 2020 50,000 50,000 2019 2020 2021 2019 2018 2020 \$200 \$400 \$600 ■ Total Clinic Visits ■ Total Virtual Visits **Key Operations & Utilization Metrics** 2018 2019 2020 Operating Revenue per Patient \$768 \$810 \$934 \$1.064 \$1,289 Operating Expense per Patient \$719 \$786 \$864 \$970 \$1,132 Operating Revenue per Patient Visit \$208 \$214 \$259 \$213 Operating Expense per Patient Visit \$197 \$212 \$185 \$243 Total Clinic Visits 74.713 72.611 55,273 41,399 Total Virtual Visits* 12,746 5,312 Total Visits 74.713 73,700 66,514 63.970 49,794 330 Grant Dollars per Uninsured Patient \$1,148 * Virtual Visits as defined by HRSA were not captured in the UDS until 2019.





Operating Margin



	"Median Health	Center"
Year	2015	%
Operating Revenue	\$20,044,692	
Personnel-Related Expenses	\$14,853,117	74.1%
Total Operating Expenses	\$19,964,513	
Net Income	\$80,179	
Operating Margin	0.4%	
Total Patients	16,353	
Total Visits	78,494	
Total Visits / Patient	4.8	
Total Provider FTEs	20.7	
Non-Provider Medical Support Staff	41.3	
Non-Provider Med Support Staff / Medical		
Provider	2.0	
Total Medical Visits	44,506	56.7%
Medical Visits / Med Provider FTE	2,469	
Operating Revenue / Visit	\$255	
Operating Expense / Visit	\$254	

Debt Capacity



Debt Capacity Sensitivity Analysis

Key Metrics	2018	2019	2020	2021
Change in Net Assets [Operating]	\$5,321	\$105,249	\$195,100	\$859,494
Add: Depreciation	\$9,301	\$3,313	\$9,565	\$17,819
Add: Interest Exp.	-	-	-	-
Funds Available For Debt Service	\$14,622	\$108,562	\$204,665	\$877,313
Add: Annual Rent Rebate/Savings	-	-	-	-
Total Funds Available for Debt Service	\$14,622	\$108,562	\$204,665	\$877,313
Debt Service Coverage discount (1.25)	\$11,698	\$86,850	\$163,732	\$701,850
Interest Rate	4.0%	4.0%	4.0%	4.0%
Term (years)	20	20	20	20
Debt Capacity	\$158,974	\$1,180,314	\$2,225,171	\$9,538,376
Interest Rate	5.0%	5.0%	5.0%	5.0%
Term (years)	20	20	20	20
Debt Capacity	\$145,778	\$1,082,338	\$2,040,463	\$8,746,607
Interest Rate	6.0%	6.0%	6.0%	6.0%
Term (years)	20	20	20	20
Debt Capacity	\$134,171	\$996,158	\$1,877,993	\$8,050,169

Internal Information



TIME

Finance:

- Working capital and/or debt capacity to improve or expand your existing space/services
- Grant availability

Operations:

- Scope of services (HRSA EHB Form 5A)
 - Referral patterns
- Locations and hours of operations (HRSA EHB Form 5B)
 - Physical space assessment
 - Status of existing buildings
 - Future growth potential
- Staffing
- Technology



Strengths, Weaknesses, Opportunities, Threats (SWOT)





Strategic Planning Process





Self-Assessment Questionnaire



- Summary of various internal assessments
- Send to:
 - **≻**Leadership
 - **>**Staff
 - > Providers
 - ➤ Board members
 - > Patients
 - ➤Other stakeholders



The objective is to determine the capacity and readiness of the health center to initiate and complete the Strategic Plan process.

External Assessment



Typical External Assessment Components





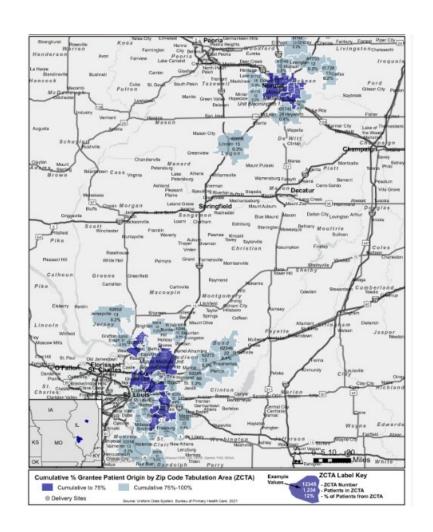
Service Area Identification



- Examine and map patient origin
- Approximately 75% is considered Primary Service Area
- Next 10-15% is Secondary
- Similar to HRSA UDS Service Area Map and UDSMAPPER

data.**HRSA**.gov Chicago, Illinois

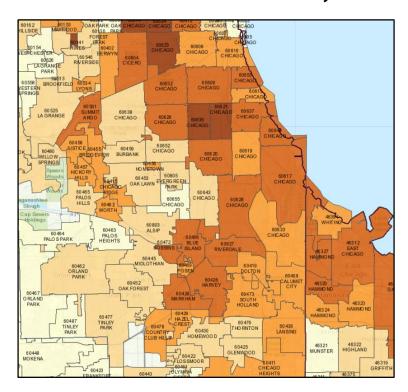
Service Area Map Total Patients Served: 8,753



Service Area Description



- Basic mapping to present geographical place & surroundings
- Establish basic population segments
 - Total
 - Low income
 - Low income not served by health centers



80549	Wellington
Total Low Income Population (2019)	12,380
% Low Income (<200% FPL, 2019)	48.9%

Demographics & Economic Indicators



- Compare state, county, metropolitan areas, cities, zip codes, etc.
 - Populations
 - Race
 - Income Ratios
 - Education
 - Language
 - Business Establishments and Employees by Industry
 - Disabilities



Medical Needs of Service Area



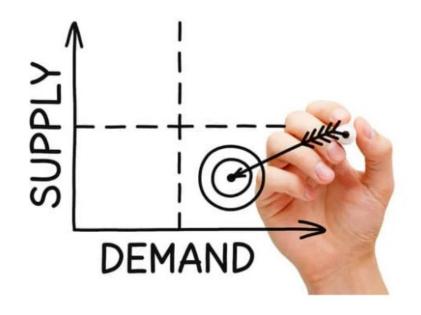
- Compare state, county, metropolitan areas, cities, zip codes, etc.
 - General health indicators
- Other health providers and facilities
- Health Professional Shortage Areas (HPSA) and MUA/Ps
- Health Disparities
- Selected Workforce Considerations



Estimating Service Area Demand



- Evaluate service area market share
 - Total population and low income population
 - Payer mix
- Population Projections
 - Anticipate changing demographics and their effect
- Estimating potential patients, visits, providers, capital needs



Resources & Visualization





US Census: Health Care Establishments



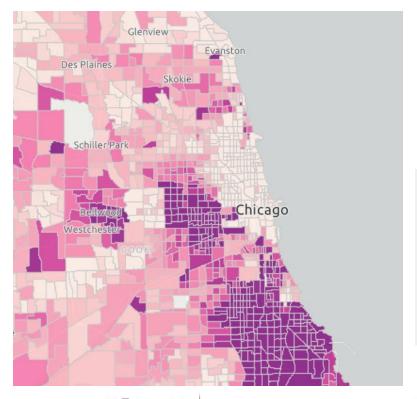
2019 Health Care Establishments Ratio per 100,000 population	Service Area	State	us
Offices of Physicians	47.7	79.1	67.8
Offices of Dentists	22.8	34.1	41.5
Offices of Mental Health Practitioners	0.4	7.0	7.7
Offices of Optometrists	4.9	5.0	6.8
Outpatient Care Centers	2.6	17.5	13.8
Medical and Diagnostic Laboratories	0.8	5.0	5.1
Home Health Care Services	3.9	10.8	10.2
Other Ambulatory Health Care Srvc.	0.3	4.3	3.5
Nursing Care Facilities (Skilled Nursing Facilities)	0.9	6.4	5.1
Continuing Care Retirement Communities/ Assisted Living	1.1	3.1	7.7
Individual and Family Services	1.7	23.0	22.1

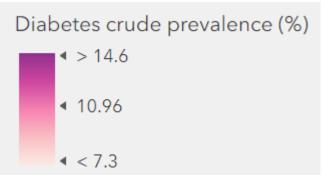
CDC Places



37

Arthritis Asthma High Blood Pressure Cancer High Cholesterol Kidney Disease COPD Heart Disease Diabetes Depression Obesity









HDPulse An Ecosystem of Health Disparities and Minority Health Resources

Death Rates Table for Illinois by County Cancer, 2015-2019 Black (Non-Hispanic/Latino), Both Sexes, All Ages **Sorted by Rate**

County	Met Healthy People Objective of 161.4?	Age-Adjusted Death Rate [‡] deaths per 100,000 (<u>95% Confidence</u> Interval)	Rate Ratio Compared to White (NH)	Average Annual Count	Recent Trend	Recent 5-Year Trend [‡] in Death Rates (<u>95% Confidence</u> <u>Interval</u>)
Illinois	No	202.4 (199.5, 205.4)	1.25 ^ (1.23, 1.27)	3,774	<u>falling</u> ↓	-1.7 (-1.8, -1.6)
<u>United States</u>	No	178.6 (178.0, 179.2)	1.14 ^ (1.13, 1.14)	69,795	<u>falling</u> ↓	-2.0 (-2.1, -2.0)
Randolph County	No	286.0 (157.2, 467.8)	1.66 (0.98, 2.82)	4	*	*
Kendall County	No	271.9 (187.6, 375.8)	1.77 ^ (1.25, 2.50)	10	*	*
Alexander County	No	260.7 (179.0, 369.7)	1.27 (0.84, 1.91)	7	*	*
Vermilion County	No	252.0 (201.6, 310.3)	1.27 ^ (1.01, 1.58)	19	stable	-0.9 (-2.7, 1.0)
Kankakee County	No	246.9 (211.2, 286.7)	1.34 ^ (1.14, 1.58)	37	stable —	-1.4 (-2.8, 0.0)
Marion County	No	229.2 (132.1, 367.0)	1.06 (0.65, 1.73)	<u>3</u>	*	*
Madison County	No	214.5 (183.6, 248.9)	1.22 ^ (1.05, 1.42)	38	stable	-0.9 (-2.6, 0.8)
Peoria County	No	214.3 (188.7, 242.2)	1.26 ^ (1.10, 1.44)	57	falling 🕌	-1.2 (-2.3, -0.1)
DeKalb County	No	213.3 (123.3, 335.6)	1.24 (0.77, 2.02)	5	*	*
St. Clair County	No	212.2 (197.4, 227.8)	1.29 ^ (1.19, 1.41)	162	falling 🖶	-1.6 (-2.2, -1.0)
Pulaski County	No	210.8 (136.9, 316.0)	0.73 (0.46, 1.14)	6	*	*
Cook County	No	207.3 (203.9, 210.8)	1.34 ^ (1.31, 1.37)	2,891	falling 🕌	-1.7 (-1.8, -1.5)

External Assessment Additional Resources



- UDSMAPPER and HealthLandscape: <u>www.udsmapper.org</u>
- US Census Data: <u>www.census.data.gov</u>
- US Census QuickFacts: www.census.gov/quickfacts
- County Health Rankings: <u>www.countyhealthrankings.org</u>
- HRSA's Data Warehouse and Area Health Resource Files: www.data.hrsa.gov
- CDC/Nat'l Center for Health Statistics (FastStats): www.cdc.gov/nchs/fastats/default.htm
- CDC WONDER: <u>www.wonder.cdc.gov</u>
- Policy Map: <u>www.policymap.com</u>
- The United States Prosperity Index: <u>www.usprosperity.net</u>
- Aunt Bertha <u>www.auntbertha.com</u>
- Capital Link Publications and Toolkits: https://www.caplink.org/index.php/resources
- US SBA's Market Analysis: <u>https://www.sba.gov/tools/sba-learning-center/training/market-research</u>
- United Health Foundation, America's Health Rankings: https://www.americashealthrankings.org/

Putting It All Together

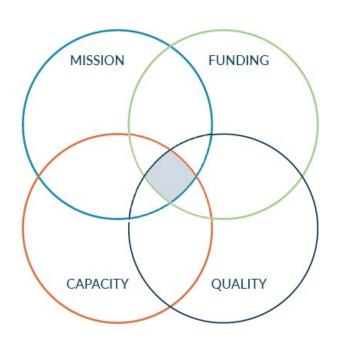


Strategic Planning



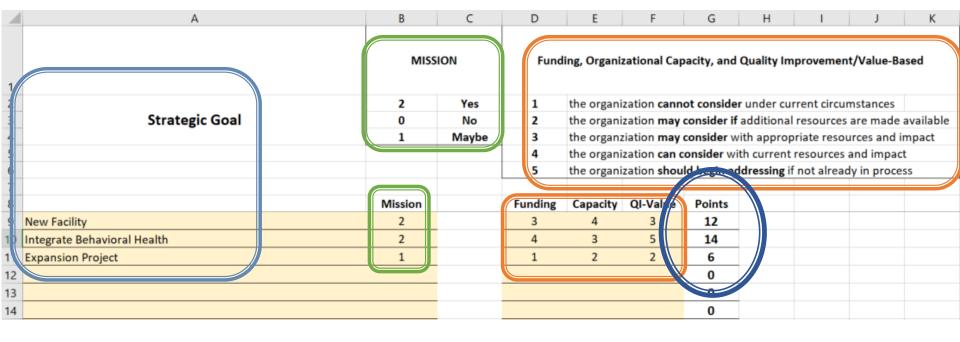
- Strategic Goals and Initiatives
 - ➤ Identify how will we measure success?
 - ➤ Refine narrow focus
 - **≻**Prioritize





Prioritizing Goals and Resources





Post-Discussions and Suggestions



- Finalizing (SMART) Goals, Initiatives, and Objectives
- Strategic Work Plan
- Monitoring Activities
- Messaging



Post Planning – SMART Goals





Specific

Who, What, Where, When, Why, Which → Define a goal as much as possible



Measurable

From and To → Can you track progress and measure the outcome?



Attainable

How \rightarrow Is the goal reasonable enough to be accomplished?



Relevant (Realistic)

Worthwhile → Will it meet your needs?



Timely

Objective should include a time limit. → Complete by month/day/year

Strategic Visualizations



Pillar/Focus Area	Strategic Goals and					
	Expand BOD Individual Knowledge of FQH					
Board Governance and	Identify and Recruit New E		Strategic Goals & Activities	Metric	Timeframe	Senior Staff
Management	Leadership Will Inform and Implem		StrateBic Goals & Activities	Weth	Tillettaille	Assignment
	Leadership Will Work to Ensure Compliano		Expand BOD Individual Knowledge of FQHC Governance and Compliance	Each Member of BOD of will attend (2) education sessions per year	Annually	CEO
Financial Sustainability	Leadership will share metrics and maintain the	Ħ	Board of Directors along with Operational Leadership will work to identify and recruit new board members.	Two new Board members will be recruited	CYE 2023	
	BOD and Leadership Will Continue to Asses	Management				CEO
	Leadership will identify and address coding metho	anaj				
W-df	Leadership Will Provide Comprehensive Training	and	Leadership will guide and implement	Development of new dashboards and metrics to better convey financial and clinical outcomes to BOD	By Sept 2022	CEO
Workforce	Review of Organization's Compensa Establish Methodology to Survey	Board Governar		Updates from the strategic work plan will be incorporated into future, ongoing BOD meetings	Monthly	CEO
Improving Community Health	Participation in and Utilization of HOSPITAL's Provide Non-Clinical Enabling Services to Enhance F Improved Health O		Leadership continuously works to ensure operations are compliant, cohesive and function optimally.	Leadership will review all HRSA compliance within established and ongoing board meeting agenda items	Monthly	CEO
	Provide Education About HEALTH CENTER to Local Partners			BOD will prepare for next OSV by reviewing all appropriate guidance and compliance prior to OSV	Monthly	CEO
Quality, Patient Care, and Safety	Ensure patients receive high-quality services Work to ensure patients receive continuum of ca healthcare prov Encourage patients to access care using new technol		Leadership will share metrics and maintain the financial stability of HEALTH CENTER	Leadership will develop new dashboards and metrics based upon PEP and other operational reports to comprehensively show HEALTH CENTER financials	By Sept 2022	CFO
	access Work to Expand Current Services to R	ability	TIESEN CENTER	Leadership will engage in financial reviews specific to service lines as well as organizationally	Monthly	CFO
		Financial Sustainability	The Board and Leadership will continue to assess funding opportunities available to address	Assess the viability of various funding options on a regular basis by reviewing one or two as a monthly or bimonthly BOD meeting agenda item	Monthly beginning Sept 2022	CFO
		Fina	clinic/facility concerns	Accessing specific HRSA-funded learning <u>collaboratives</u> and their materials	Monthly beginning May 2022	CFO
			Leadership will identify and address coding methodologies to ensure full documentation and reimbursement is achieved	Implement coding training for all providers and billing staff	Annually	CFO

Strategic Work Plan



- Separate document
- Reflects Strategic Plan
- Detailed with expected results
- Internal document
- Includes:
 - Approved goals and objectives
 - Specific activities with assignments
 - Timelines and metrics for measuring progress
- Monitor activities
 - Monthly, quarterly, annually
- Messaging
 - Share with different audiences

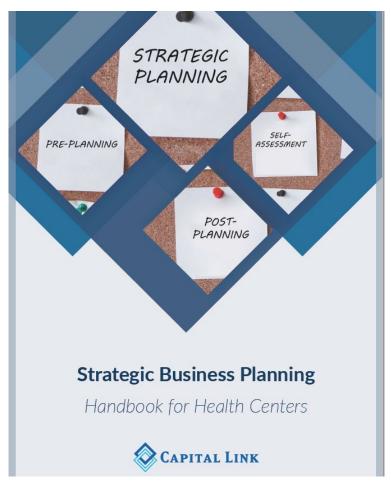


Conclusion



- Strategic Plan provides guidance for decisions and long-term direction.
- At a minimum, must include financial and capital considerations.
- Use scenarios to examine your health center's sustainability in a changing environment.
- Use YOUR data.
- The Board of Directors must approve and adopt the Strategic Plan.
- Decide how often the health center will review and update the work plan.
- Not a document to create and forget.





https://www.caplink.org/strategic-planning-handbook

Questions?





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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