

# Surviving COVID

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Charting a Post-Pandemic Path for California's  
Community Health Centers



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CEO

CCALAC Virtual Event

August 11, 2021

# Pre-Pandemic Financial Vulnerability



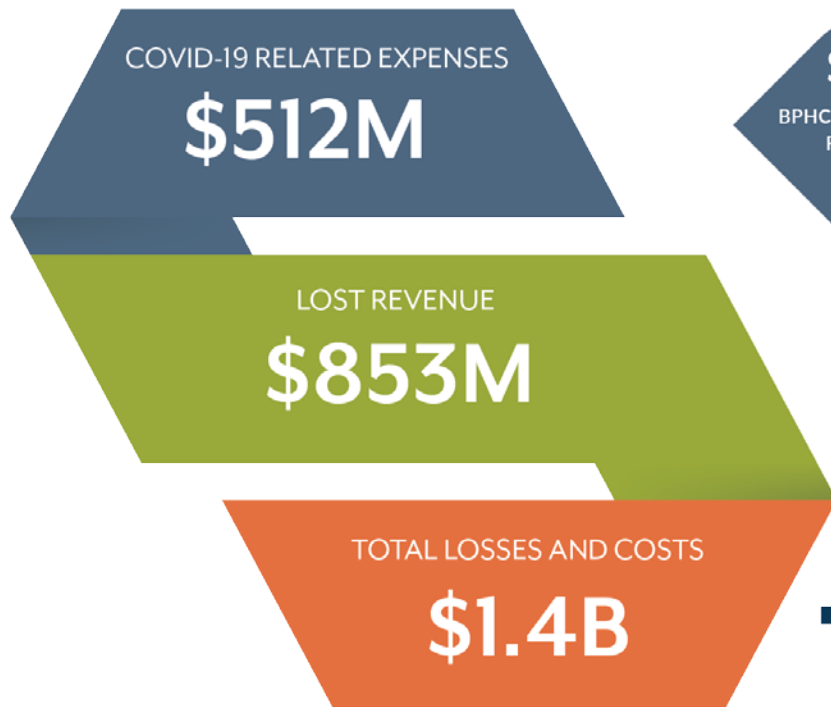
- Shrinking Operating Margins
  - Median Operating Margin declined from 6.5% in 2016 to 2.5% in 2019
- Declining Cash
  - By 2019, 25% of centers had less than 30 days cash; more than half had less than 90 days
- Increasing Personnel-Related Expenses
  - By 2019, for median center, 75 cents of every \$1 spent on people – above the maximum benchmark of 70 cents
- See full discussion: [California Federally Qualified Health Centers: Financial and Operational Performance Analysis, 2016 – 2019](#) (released November 2020)

# Pandemic Financial Impact

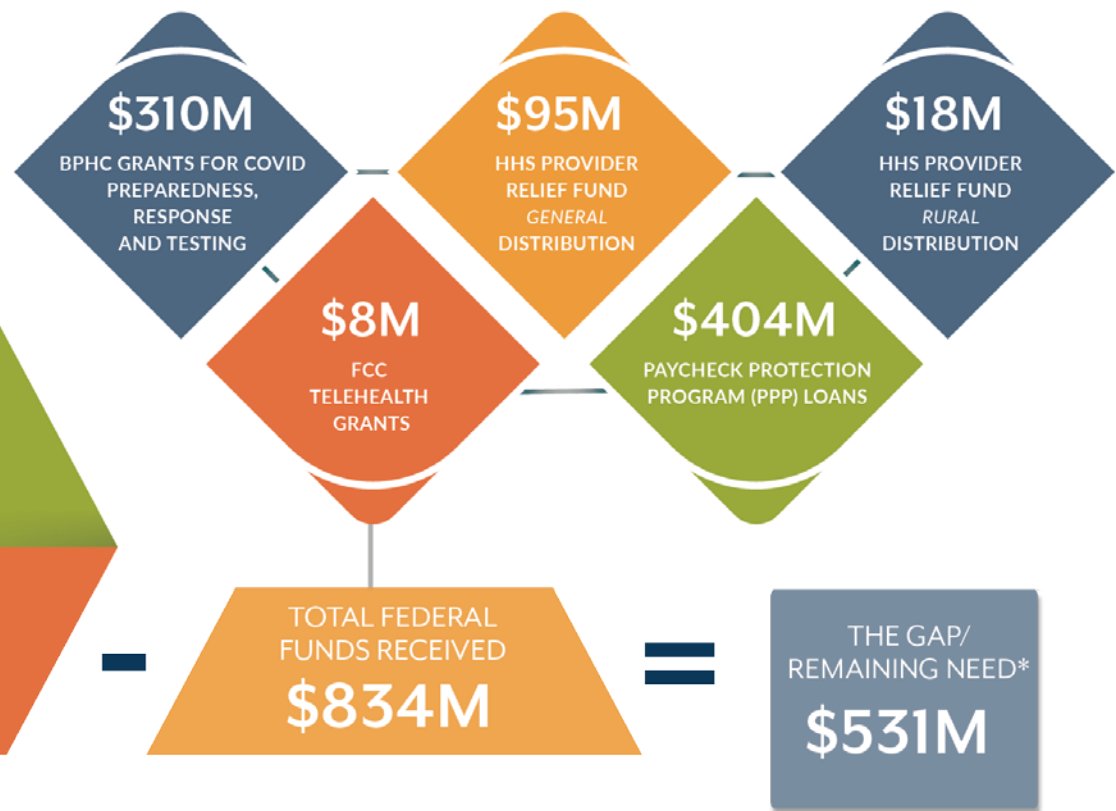
April 2020 – December 2020



## FQHCs' Projected Losses and Costs

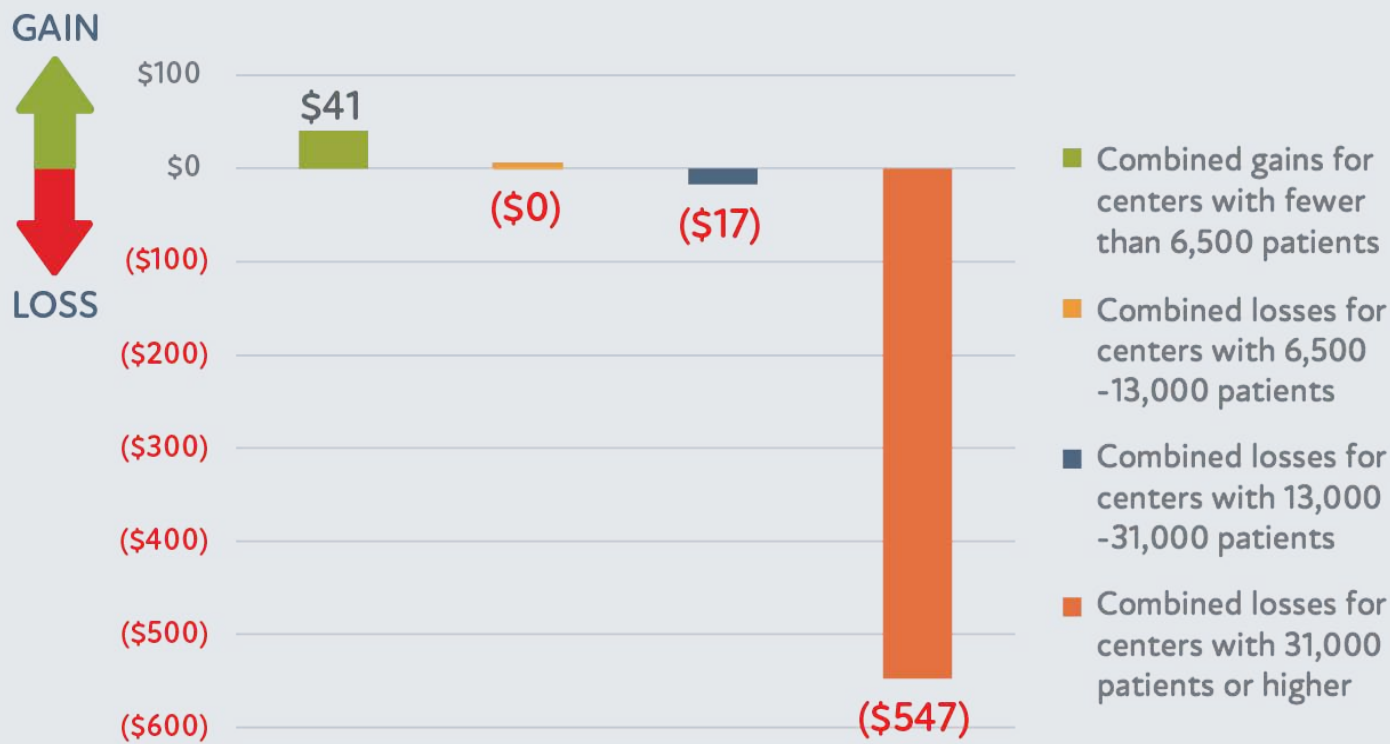


## COVID-19 Relief Funding Received



# Which Centers Experienced the Highest Financial Losses (and why)?

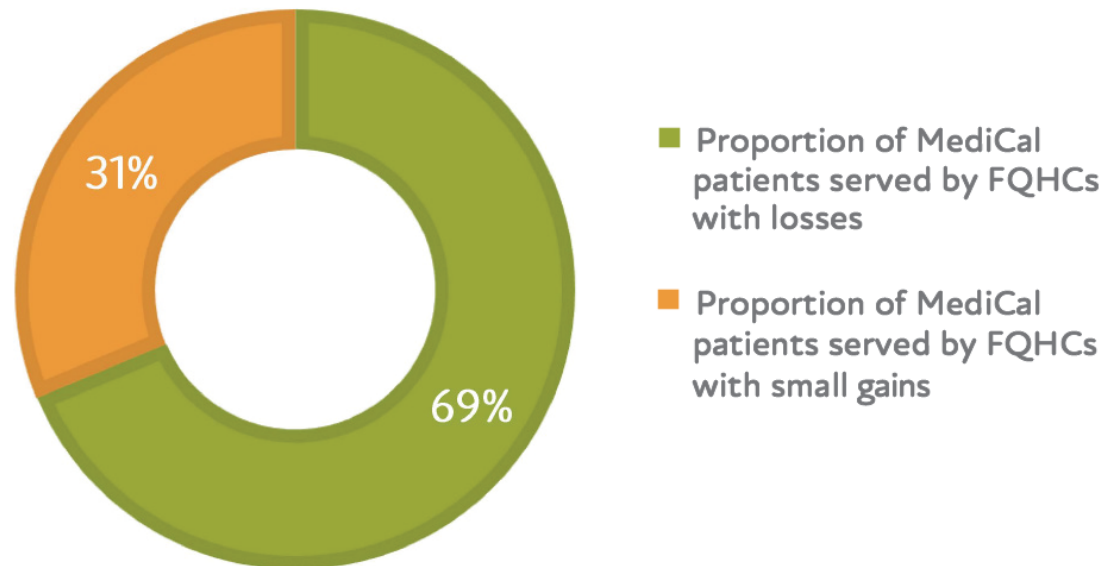
## Combined Losses (in Millions) by Health Center Size



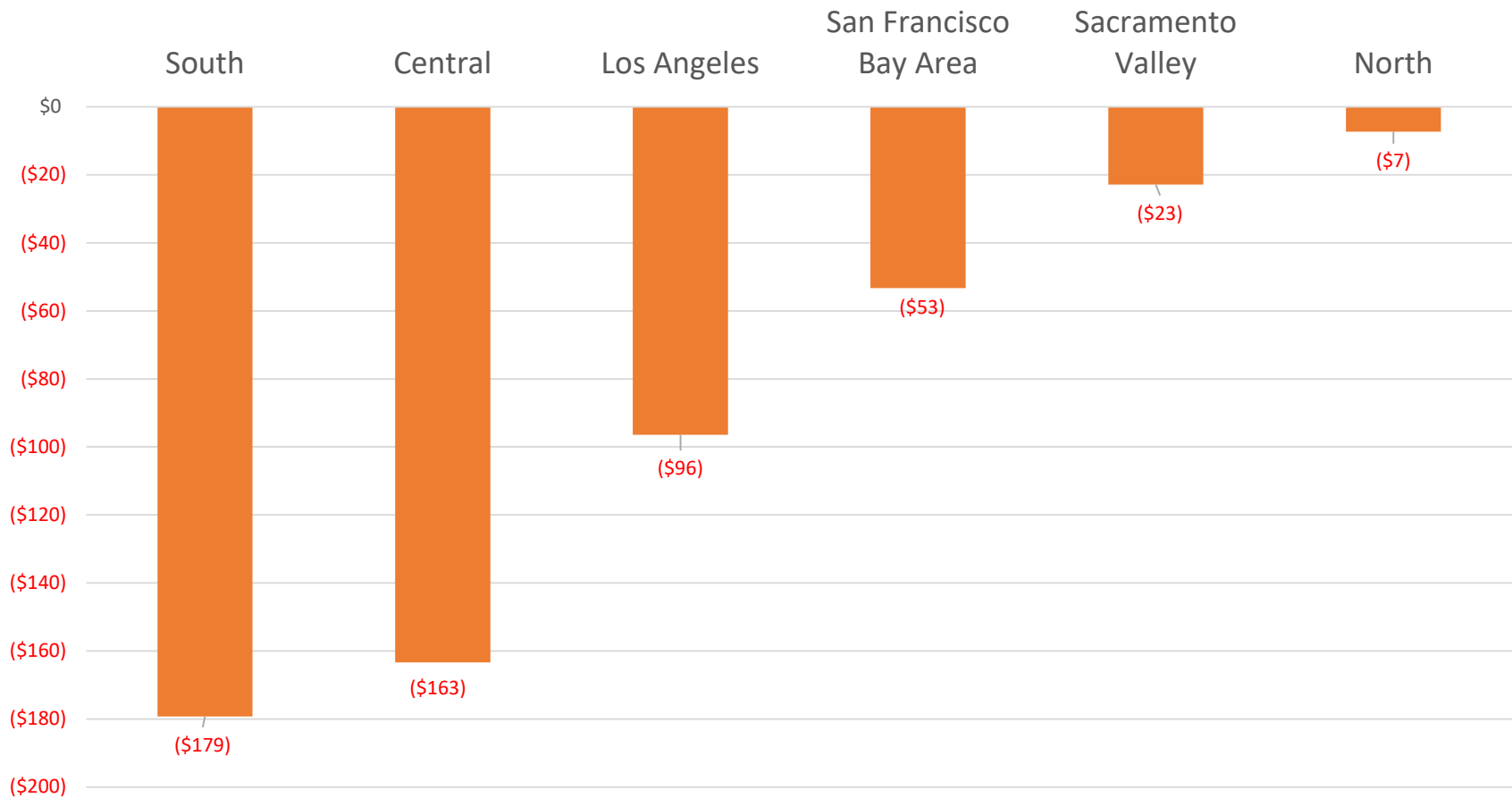
# Which Patients Were Most Affected by Health Center Financial Challenges?

In 2019, California FQHCs served almost **3.7 million** MediCal Patients. The centers that experienced losses collectively served **69%** of the total.

FQHC Medical Patients Affected By Financial Losses



# Net Financial Losses by Region



# How Did Health Centers Adapt?



- Embracing and investing in telehealth
- Reassigning and furloughing staff
- Spending down reserves
- Closing sites temporarily
- Generating quick cash
- Leveraging partnerships
- Tapping into COVID-19-related federal support

See full discussion in February 2021 CHCF Issue Brief:  [\*Holding On: How California's Health Centers Adapted Operations and Care for Patients During the Pandemic\*](#)

# Longer Term Solutions



- Modernize payment to FQHCs through an Alternative Payment Model (APM)
- Recognize value of all telehealth modalities, including telephone calls
- Invest in health care workforce

See full discussion in June 2021 CHCF Issue Brief: [Risky Business: California Health Centers Weakened by the COVID-19 Pandemic Prepare for the Future](#)



# Contact Us



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