APPENDIX G-2

FQHC STRATEGIC PARTNERSHIP REPORT

January 7, 2021

GOAL

- To sustain viability of the FQHC's through:
  - Shared services
  - Reduced Overhead
  - Enhanced Revenue
  - Improved Quality and Service

PROCESS

- Meeting of Representatives of FQHC
  - Sub-Groups
    - Administrative
      - Focus on shared services
      - Reduction of expenses
    - Clinical
      - Exploring new programs
      - Improving existing programs
      - Focus new and improved revenue

REDUCED EXPENSES

- Billing & Finance
- Credentialing
- Health Insurance

BILLING & FINANCE

- Elimination of 5 positions
- Salaries & Benefits
- $338,300
- Cost of shared billings
  - With Mid-State Medical Center
  - $100,000
- Net Savings
  - $238,300

CREDENTIALING

- Reduction of 1 position
  - $47,000
- Elimination of contracted services
  - $65,000
- Savings
  - $112,000
- ISHC Share
  - $20,000
  - Credentialing function done at CFHCHC
- Net savings
  - $92,000

HEALTH INSURANCE ASSOCIATION

Health care partnerships are a collaborative relationship between two or more parties based on trust, equality and mutual understanding for the achievement of a specified goal or goals. A partnership may offer many benefits for health care organizations including bridging the gap in expertise and knowledge, better cash flow, cost savings, service line opportunities, better work/life balance, collegial/peer support, and new perspectives and ideas for the good of the organizations. The presentation today will provide examples of what can be accomplished through a partnership.

HEALTH INSURANCE

- Current Premium Health Insurance
  - $434,041 per year
- Cost / Employee
  - $7,500/employee per year
- Estimated cost health insurance "Captive" Association
  - $240,000
- Savings
  - $194,041

TOTAL COST SAVINGS

$524,341

CLINICAL NEW/IMPROVED REVENUES

- Medicare Chronic Care Management
- Medicare Annual Wellness Visits (AWV)
- Pharmacy Professional Consultation
- New Patient Revenue

MEDICARE CHRONIC CARE MANAGEMENT

- Estimated Revenue
  - Medical 500 Patients x $66/month - $396,000
  - Behavioral Health 50 Patients x $143/ month - $85,800
    - Total $481,800

OTHER NEW REVENUE

- Annual Wellness Visits
  - 800 patients x $226 - $180,800
- Pharmacy Consulting
  - $20,000

NEW PATIENT REVENUE

- Low Estimate
  - 3 VTS/year x $141/VTS - $
  - 1000 new patients x 3 VTS/year x $141/VTS - $423,000
- High Estimate
  - 3 VTS/year x $141/VTS - $
  - 2000 new patients x 3 VTS/year x $141/VTS - $846,000

TOTAL POTENTIAL REVENUE

- Low Estimate
  - $1,105,600
- High Estimate
  - $1,528,600
- Coos County Nursing Home Clinical Oversight
  - $110,000

TOTAL NEW REVENUE

Low estimate new patients

$1,215,600

High estimate new patients

$1,638,600

OVERALL COMPARISON

Differences Between RHCs and FQHCs

Rural Health Clinics	Federally Qualified Health Centers
For-profit or nonprofit	Nonprofit or public facility
May be limited to a specific type of primary care practice (e.g., OB-GYN, Pediatrics)	Required to provide care for all age groups
Not required to have a board of directors	Required to have a board of directors – at least 51% must be patients of the health center
No minimum service requirements	Minimum service required – maternity & prenatal care, preventive care, behavioral health, dental health, emergency care, and pharmaceutical services
Not required to charge based on a sliding fee scale	Required to treat all residents in their service area with charges based on a sliding fee scale
Not required to provide a minimum of hours or emergency coverage	Required to be open 32.5 hours a week for FTCA coverage of licensed or certified healthcare providers. Must provide emergency service after business hours either on-site or by arrangement with another healthcare provider
Required to conduct an annual program evaluation regarding quality improvement	Required to have ongoing quality assurance program
Must be located in a Health Professional Shortage Area, Medically Underserved Area, or governor-designated and secretary-certified shortage area. May retain RHC status if designation of service area changes.	Must be located in an area that is underserved or experiencing a shortage of healthcare providers

IMPLEMENTATION COMPARISON

FQHC	RHC
Immediate start Implementation of cost reduction & revenue completion 3 to 6 months If change in management HRSA approval 6 months	N.H. AG approval 6 months to 1 year
HRSA approval 6 months	HRSA approval 6 months

NEW PROPOSAL