

NACHC 2012-2013 Annual Report

TRANSFORMING TOGETHER:
The story of a pivotal year in
**Community
Healthcare**



As change draws near, NACHC takes the lead



A message From the President and CEO



For NACHC and its membership, 2012–2013 was a year of decisive action. After nearly a half-century of progress opening the doors to healthcare access for millions of people all across America, we stood at a historic crossroad as the nation moved into the final stages

of Affordable Care Act (ACA) implementation. Our health centers stepped up to ensure their communities and patients were fully informed about the new healthcare access opportunities and protections afforded under the ACA and at the same time, prepared to serve the millions more who would start to gain health coverage come January 1, 2014 and need a quality healthcare home.

Together the NACHC membership, Primary Care Associations (PCAs) and Health Center Controlled Networks worked hard not only to help deliver on health reform's promise of accessible, affordable healthcare for more people, but also to successfully adapt to and navigate a rapidly changing healthcare system.

We began with a comprehensive “physical” — one that assessed both the challenges and opportunities ahead for our health centers. We reviewed short- and long-term needs in the areas of workforce, services and revenue streams. We then refined our strategic priorities based on our ACCESS for All America goals for growth and development and fiscal realities.

Everyone was called upon for ideas in developing a bold action strategy. And together, we set ongoing priorities to shape the future of our community-based model of care in a transforming healthcare world:

- Sustain public investment in the Health Center Program.
- Keep the ACA's Health Center Fund intact so as to strengthen health centers' capacity to meet increased service demands.

- Preserve the integrity of Medicaid and fair and reasonable reimbursement for health centers.
- Encourage rapid adoption of HIT and Meaningful Use standards by health centers.
- Promote recognition of health centers as Patient Centered Medical Homes.
- Ensure equal treatment of health centers as safety net providers in the new insurance marketplaces.
- Enhance services and tools for health centers in order to help them strengthen operations and governance and nurture our next generation of leaders.

On all fronts, we laid the groundwork and made significant progress through our unity and collaboration, our strong and collective advocacy voice, and our shared vision to improve the nation's health — particularly for our most vulnerable communities.

Throughout the year, NACHC pushed forward to protect, strengthen and grow America's health centers for the future. We continue to keep a keen eye on the policies and trends shaping the new healthcare environment to ensure our health centers are prepared for new realities. And we continue to fight to ensure a fair playing field for health center participation in a more competitive world.

I am pleased to report that America's Health Centers emerged from this pivotal year with expanded capabilities and resources — prepared to bring quality healthcare to more people and communities. None of this would have been possible without the unified efforts of everyone. For all of this, I thank our leadership — our committed, hardworking health center family — and our many grassroots advocates and partners who support and believe in our vital healthcare mission.

Sincerely,

A handwritten signature in black ink that reads "Tom Van Coverden". The signature is written in a cursive, slightly slanted style.

Tom Van Coverden
President and CEO

Advocacy

Proving Health Center Value to the Nation

With threats of a congressional sequester and cutbacks in domestic programs looming, NACHC's 70,000 grassroots advocates and other supporters mobilized in the fight to protect health center funding for FY2013.



Voices in unison sent the clear message that:

"The value of community health centers cannot not be contradicted or ignored."

- They serve as the medical home for more than 21 million people — one in every 15 people in the U.S. — at 9,000 delivery sites nationwide.
- They deliver \$24 billion in annual savings through primary and preventive care — more than twice their total sources of revenue, including all Medicaid and direct grant funding combined.
- They serve as major economic engines in their communities, collectively employing 150,000 people (including health center doctors, nurses and other health professionals).

National Campaign for America's Health Centers

From the halls of Congress to state capitol buildings to community town halls, health center patients, board members, staff and clinicians, and other community stakeholders and supporters together waged a stirring campaign to keep in the forefront the need for expanded healthcare access in America as well as the critical role health centers play in making that a reality.

Through perseverance — and even with Congress largely at a standstill in a prolonged battle to pare down the national deficit and reorder national spending priorities — NACHC's strong grassroots advocacy network made the compelling case for continued health center funding — giving voice to the millions of people in America in need of a quality, primary care home.

The successful effort brought forth total FY2013 funding for the Health Center Program in the amount of \$3.1 billion. It enabled continued but limited health center growth with 25 new access points. Significantly, the funding helped to offset the severity of a \$115 million sequester cut — one that threatened health center services to as many as 900,000 patients.

Total FY2013 Health Center Funding

- Discretionary funding: **\$1.6 million**
- ACA Trust Fund: **\$1.5 billion**
- Total: **\$3.1 billion***

**Represents a \$300 million increase over FY2012 levels, the first issued since 2009, allowing health centers to keep pace with rising operational costs.*

Keeping the Public Informed: The Right Communications Message

“For many Americans, community health centers are the major source of care that ranges from prevention to treatment of chronic diseases.”

*Health and Human Services Secretary
Kathleen Sebelius*



“It would be great if we could cut the \$500 billion per year worth of wasted overhead from our health care system, and divert just a couple of billion per year to community health centers. We would be much better for it.”

*Carolyn McClanahan, MD, CFP
Forbes magazine*

“Community Health Centers – Providing A Base of Care”

“Community Health Centers demonstrated equal or better quality performance than private practices on ambulatory quality measures, despite serving patients with more chronic disease and socioeconomic complexity.”

Stanford University School of Medicine/University of California-San Francisco 2012 study published in the American Journal of Preventive Medicine

Keeping the Public Informed: The Right Communications Message

In a year of sprawling public interest and debates surrounding the Affordable Care Act, NACHC — with a critical health center lens — was indispensable in framing and positioning major issues related to healthcare access for the medically uninsured and undeserved.

Our goal was to build greater public awareness about key aspects of the ACA that benefit consumers and the importance of community health centers in providing a strong primary care foundation in the nation's transforming health delivery system.

The health center story was kept top of mind throughout debates and discussions around Medicaid expansions, health insurance exchanges, primary care workforce shortages and other critical issues. Throughout, we highlighted the role of health centers in outreach and insurance

enrollment in their local communities and promoted new research studies on health center quality and cost-effectiveness.

NACHC's media trainings, informational templates, talking points and online blogs encouraged health center representatives to engage in the debate at all levels and share their perspectives through media interviews, articles and op-eds.

Our social media channels played a central role in spreading the word about health centers — and generated a strong community of online supporters. Our LinkedIn group, *Community Health Center Connect*, brought together 3,000 community health professionals to share information on health policy, research and other issues. Our Storify account also provided a multimedia platform for sharing news, information and resources on outreach and enrollment.

“Our advocacy efforts through NACHC are critical to ensuring we have adequate resources to address the healthcare needs of the populations we serve.”

William Hobson, Jr.
President & CEO
Watts Healthcare Corporation



**“Medical Care You Can Afford
— Even if you are uninsured
or underinsured, you can still
see a doc.”**

Mary A. Fischer
AARP The Magazine
**On how people can lower healthcare
costs by visiting a health center**

Celebrating Health Centers – Community by Community

Under the unifying theme “Transforming Healthcare in Our Local Communities,” National Health Center Week 2013 spotlighted health center contributions toward strengthening communities. Through a record 1,400 events nationwide, the week brought lawmakers face-to-face with health center staff, board members and other volunteers whose work demonstrates every

day the success of locally owned, community-driven healthcare systems.

In addition to a Presidential Proclamation by President Obama, 31 governors issued proclamations, and more than 70 members of Congress attended the week’s events in their hometowns and in Washington, DC.

“Community health centers play a critical role in providing affordable, high-quality preventive and primary healthcare to millions of Americans. From urban centers to rural towns, they



offer vital services regardless of ability to pay – services that help people stay healthy and avoid emergency room visits. ...We recognize health centers’ significant contributions to keeping America healthy, and we offer our continuing support to the dedicated providers who operate them.”

From official proclamation issued by President Barack Obama, National Health Center Week, 2013

ACA Funding at Work in 2013

- **Expanding healthcare access:** **\$19 million**
The Health Center Trust Fund provided **\$19 million** in 2013 **to support 32 new health service delivery sites**, opening access to primary and preventive care to more than **130,000 new patients**.
- **Promoting quality improvement:** A total of **\$3 million**
in Health Center Network grants helped **to advance adoption of e-health records and quality improvement strategies at more than 100 health centers** — this in addition to the \$18 million awarded to 37 health center networks in late 2012.
- **Training future providers:** Grants totaling **\$12 million**
supported primary care residency programs at 32 Teaching Health Centers, enabling training for more than 300 medical residents.
- **Strengthening school-based health centers:**
A total of **\$80 million** **helped 197 school-based health centers to establish new sites, upgrade facilities and expand capacity by 384,000 students.**
- **Enrolling the uninsured:** Support totaling **\$150 million**
was provided **to hire and train 2,900 outreach and eligibility assistance workers nationwide** — helping to make patients aware of the new health coverage options available. .

Research Matters

NACHC continued to advance and encourage community health center research on a national scale to promote greater understanding of health centers, patient needs, workforce needs and the health center role as safety-net providers.

2012-13 Activity Highlights

Powering Healthier Communities — Issue Brief Series

- *A Unique Approach to Primary Care*
- *A Turnkey Solution for Access to Care*
- *Community Health Centers Address the Social Determinants of Health*

Updated and New Fact Sheets and Other Data Resources

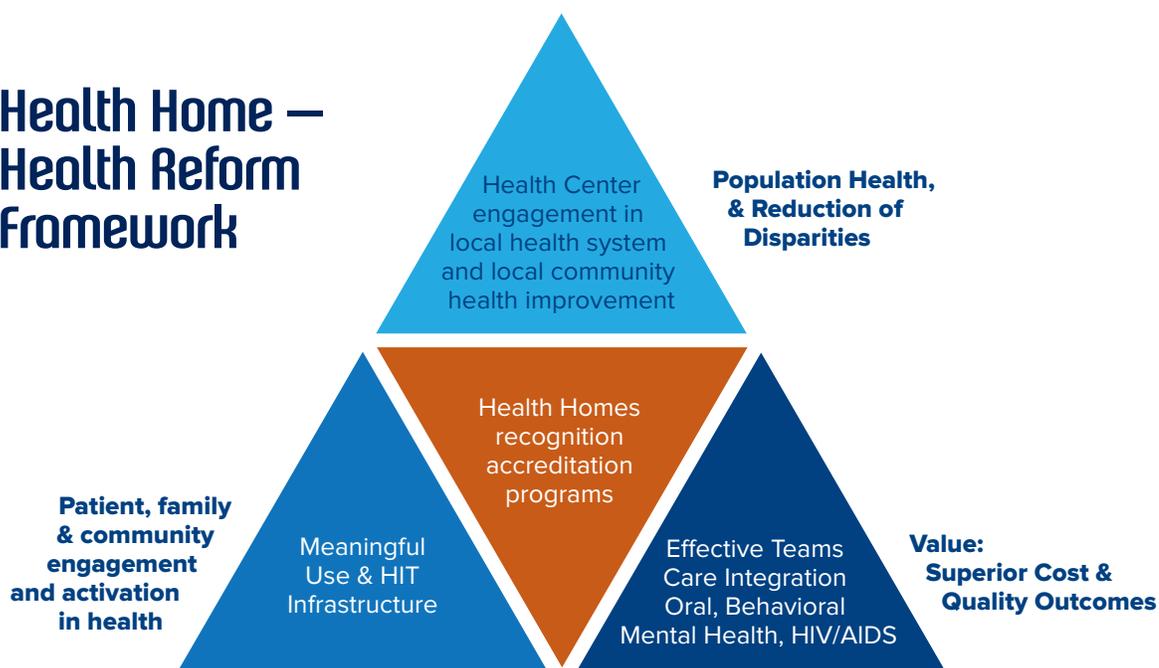
- Updated — America's Health Center Fact Sheet
- Farmworker Fact Sheet
- Snapshot on Utilizing Non-Physician Clinicians
- Medicaid Fact Sheet
- Snapshot on Providing Better or Equal Care
- Snapshot on Facing Declining Medicaid Reimbursement
- Updated — Sketch of Community Health Centers: Chartbook

Trainings

- The X Factor: Exploring the Case Behind Health Center Value
- Bridging Quality Improvement and Research Strategies: The Journey from QI to Research and Back Again

Strengthening the Nation's Primary Care System for the Future

Health Home — Health Reform Framework



Transforming Primary Care Practice

While community health centers have long stood out as a successful community-based, consumer driven healthcare delivery model, greater value (i.e., lower costs and improved healthcare outcomes) is now demanded from all players in the healthcare system. As quality providers of primary and preventive healthcare services to millions of people, health centers play a key role in this increasingly value-driven system.

The Patient Centered Medical Home (PCMH) — with its core component of patient-focused, team-based, coordinated care — is the building block of practice transformation. NACHC's PCMH Institute continues to assist health centers gain PCMH certification/recognition by building capacity and infrastructure at the national, regional and state levels to support

transformation. The goal is to document and improve health outcomes in quality, cost, patient and community engagement and population health.

By the end of 2013, 40% of all health center grantees had at least one recognized or accredited PCMH site — exceeding the Health Resources and Services Administration's goal for the year of 25%.

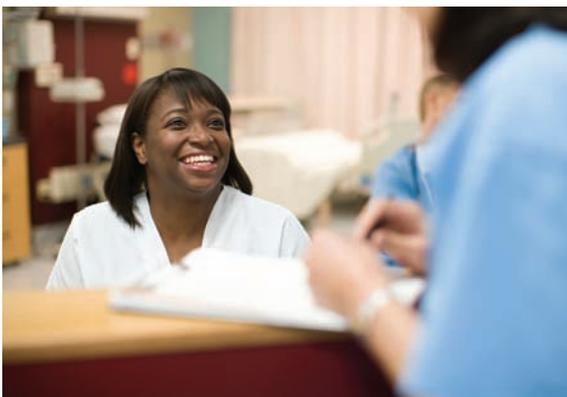
Healthcare Integration

Movement toward the integration of primary and behavioral healthcare is on track to improve population health and ensure access to needed care in health delivery models. There is growing recognition today that PCMH practice transformation involves integrating prevention and treatment strategies for behavioral health, oral health, HIV, STDs and other issues. NACHC worked with the Centers for Disease Control and Prevention, HRSA, the Substance Abuse and Mental Health Services



Administration (SAMHSA), the Association of State & Territorial Health Officials, the National Association of County and City Health Officials and others to develop a roadmap toward successful integration — and the tools and resources that will help health centers to get there.

To address the needs of health centers with little or no behavioral health capacity, NACHC partnered with the SAMHSA Center for Integrated Health Solutions to implement the *Behavioral Health Integration Learning Community*. The 13 participating health center teams accelerated integration of behavioral health into their primary care settings. We also worked toward the goal of aligning SBIRT (Screening, Brief Intervention, and Referral and Treatment) into centers' daily behavioral health practice.



Growing a Robust and Dedicated Workforce

Building the primary care workforce to meet current and future healthcare needs remains one of the overriding challenges for community health centers. To meet ACA and NACHC's own ACCESS expansion goals to adequately serve increasing numbers of patients, health centers will need more primary care doctors — but they will also need dentists, nurses, nurse practitioners, pharmacists, behavior health specialists and diverse clinicians.

During 2012–2013, we spotlighted this need, partnering for more support. For example, the NACHC Educational Health Center Task Force worked with health centers, academic institutions and other groups to continue developing strategies to recruit, retain and train a culturally competent primary care workforce.

NACHC also continued its work with the Partnership for Primary Care Workforce — a national coalition of health providers and organizations of which NACHC is a founding member — to bring awareness and support to workforce issues.

Testimony was provided before the Senate Subcommittee on Primary Health and Aging on the traditional role health centers have played in training medical residents and on the challenges they've had in developing and sustaining programs. Testimony centered on the ACA Teaching Health Centers Graduate Medical Education Program as well as the National Health Service Corps, whose 10,000 health providers make up nearly one-fifth of the health center clinician workforce nationally.

Also highlighted was our successful partnership with A.T. Still University (ATSU) that has made great strides in identifying and training students who after completing their medical or dental school training at ATSU are dedicated to serving medically underserved communities and populations.

ATSU Training Partnership —by the Numbers*

- Approximately **200** **health centers** play a role in preparing ATSU physicians, dentists and physicians assistants
- **315** **medical students** have their education embedded in a health center community campus
- **665** **physicians and dentists** have graduated from the program
- **800** **ATSU Hometown Scholar applicants** have been endorsed by health center leaders
- **1,250** **aspiring community healers** have been counseled or mentored by health center leaders
- Approximately **1,600** **health centers** are involved in student shadowing or clinical rotations each year

* as of the summer of 2013

Education, Training and Leadership Development

Program Highlights

CEO Institute — Launched in the summer of 2012, this program includes self-paced, web-based learning modules with related periodic conference calls, webinars and an on-site peer workshop.

Knowledge Management System (KMS)

With the goal of providing the right information to the right people at the right time, NACHC began development of a new online system to capture, organize and share information and knowledge in healthcare delivery practice and governance. Once completed, the KMS will replace NACHC's online "My NACHC Learning System."

Training Areas and Tools (Sampling)

- Health Center Finance and Operations Management
- Board Governance Video Series
- Governance Guidance Briefs:
 - FQHC Board Responsibilities
- Revised Board Member Boot Camp
- New Medical Director Orientation
- Learning Lab — Financial Management for Board Members
- Credentialing and Privileging Resource and Webinar
- Human Resources Clearinghouse
- Evaluating the Status of EHR Implementation
- HIT — Meaningful Use
- Clinical Leadership Training
- New Start and Growth Assistance and Management
- Newly Funded Grantee Webinar Series
- Health Insurance Exchange Toolkit
- Outreach and Enrollment
- Prospective Payment System/Payment Reform
- Health Insurance Exchange Development
- Emergency Management

"The curriculum is incredibly valuable and robust...[and] the peer networking/information exchange is an immediate benefit to all of us!"

— CEO Institute participant

2012-13 Education Conferences

- **Community Health Institute & Expo**
Orlando, FL
- **Annual PCA and HCCN Conference**
Charleston, SC
- **Financial Operations/
Management Information
and Technology Conference**
Las Vegas, NV
- **Policy & Issues Forum**
Washington, DC
- **National Farmworker
Health Conference**
San Diego, CA

Program Highlights CONTINUED



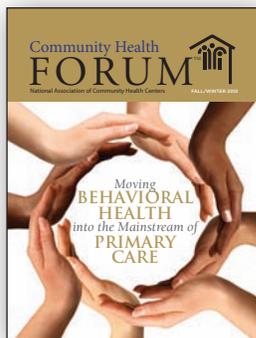
Technical Assistance Topics (Sampling)

- Medicaid Waivers
- Medicaid Expansion and Payment Reforms
- Contracting (Qualified Health Plans, Accountable Care Organizations, etc.)
- Human Resources Policies and Procedures
- Health Insurance Marketplace
- Outreach and Enrollment
- Governance
- Financial/Operations Management and Billing
- HIT/Meaningful Use
- Managed Care
- Corporate Compliance
- Non-Clinical Risk Management



Publications

- *2012-13 Health Center Salary and Compensation Report*
- *Washington Update Hotline Report*
- *PCA Update E-newsletter*
- *Community Health Forum Magazine*



Partnerships

Supporting the Health Center Mission: 2012-2013 Partnership Highlights

Community Health Ventures

As the business development affiliate of NACHC, Community Health Ventures (CHV) continues to operate programs and negotiate agreements that produce significant savings for health centers in the purchase of products and services — savings that can then be reinvested in their healthcare mission. In 2013, over 700 health centers were enrolled in CHV's Value in Purchasing program (ViP) that collectively utilized ViP contracts to purchase more than \$66 million in products and goods. In 2013, health center ViP participants realized over \$13 million in purchase savings.

Direct Relief International

Health centers around the nation benefited from more than \$18 million in medication, supplies and equipment from Direct Relief. In addition, 26 health centers in areas impacted by Hurricane Sandy received \$1.5 million in emergency cash grants when NACHC partnered with Direct Relief to create the Hurricane Sandy Safety Net Fund.

CVS/Charitable Trust

Heart disease, diabetes, hypertension and asthma — tackling these persistent problems was the goal of the CVS/Charitable Trust, which awarded more than \$1 million in community health grants to 21 community health centers. The awards are part of a \$3 million, three-year initiative to improve chronic disease treatment and management.

Henry Schein, Inc. and The Henry Schein Cares Foundation, Inc.

Ten community health centers were selected to receive donations of dental and medical supplies valued between \$5,000 and \$25,000 over the next two years, under the Foundation's Global Product Donation Program. And as part of its Healthy Lifestyles, Healthy Communities program, ten additional health centers received cash awards and healthcare products so they could sponsor free health screenings for children and caregivers.

Becton Dickinson (BD)

Becton Dickinson launched a four-year initiative to provide \$5 million in supplies to low income patients served by health centers, and made two \$100,000 awards to health centers that have implemented innovative programs for the treatment of diabetes and cervical cancer.

Americorps/Community Healthcorps®

NACHC's Community HealthCorps®, serving 250 health center sites in 18 states and the District of Columbia, is the largest health-focused AmeriCorps program in the nation. In 2013, the program reached 277,000 health center patients and inspired recruitment of 7,642 volunteers in underserved communities.

2012-2013 NACHC Board of Directors Executive Committee



Chair of the Board
Kaula Clark
Waianae Coast
Comprehensive Health Center
Kapolei, HI



Speaker of the House
James Luisi
North End Waterfront Health
Boston, MA



Treasurer
John Mengenhause
Horizon Health Care, Inc.
Howard, SD



Chair Elect of the Board
Gary M. Wiltz, MD
Teche Action Clinic
Franklin, LA



Vice Speaker of the House
Lathran J. Woodard
South Carolina Primary
Care Association
Columbia, SC



Consumer/Board Member
Representative
Michael A. Wurtsmith
Thunder Bay Community
Health Services
Atlanta, MI



Immediate Past
Chair of the Board
Anita Monoian
Yakima Neighborhood
Health Services
Yakima, WA



Secretary
J. Ricardo Guzman
Community Health & Social
Services Center (CHASS)
Detroit, MI



Parliamentarian
Rachel A. Gonzales-Hanson
Community Health
Development, Inc.
Uvalde, TX

NACHC Chartered State/Regional Primary Care Associations

- Alabama Primary Health Care Association
- Alaska Primary Care Association, Inc.
- Arizona Alliance for Community Health Centers
- Asociacion de Salud Primaria de Puerto Rico
- Association for Utah Community Health
- Bi-State Primary Care Association (New Hampshire & Vermont)
- California Primary Care Association
- Colorado Community Health Network
- Community Health Centers of Arkansas
- Community Health Center Association of Connecticut
- Community HealthCare Association of the Dakotas
- Community Health Association of Mountain/Plain States
- Community Health Care Association of New York State
- District of Columbia Primary Care Association
- Florida Association of Community Health Centers
- Georgia Association for Primary Health Care
- Great Basin Primary Care Association
- Hawai'i Primary Care Association
- Health Center Association of Nebraska
- Idaho Primary Care Association
- Illinois Primary Health Care Association
- Indiana Primary Health Care Association
- Iowa Primary Care Association
- Kansas Association for the Medically Underserved
- Kentucky Primary Care Association
- Louisiana Primary Care Association
- Maine Primary Care Association
- Massachusetts League of Community Health Centers
- Michigan Primary Care Association
- Mid-Atlantic Association of Community Health Centers
- Minnesota Association of Community Health Centers
- Mississippi Primary Health Care Association
- Missouri Primary Care Association
- Montana Primary Care Association
- New Jersey Primary Care Association
- New Mexico Primary Care Association
- North Carolina Community Health Center Association
- Northwest Regional Primary Care Association (Region X)
- Ohio Association of Community Health Centers
- Oklahoma Primary Care Association
- Oregon Primary Care Association
- Pacific Islands Primary Care Association
- Pennsylvania Association of Community Health Centers
- Rhode Island Health Center Association
- South Carolina Primary Health Care Association
- Tennessee Primary Care Association
- Texas Association of Community Health Centers
- Virginia Community Healthcare Association
- Washington Association of Community & Migrant Health Centers
- West Virginia Primary Care Association
- Wisconsin Primary Health Care Association
- Wyoming Primary Care Association

Financial Summary

National Association of Community Health Centers, Inc. Financial Summary for the Fiscal Year Ended June 30, 2013

Support and Revenue:		
Membership Dues	\$ 11,376,095	36%
Public/Private Grants	14,674,010	45%
Conferences, Conventions and Forums	5,074,668	16%
Other	811,926	3%
Total Revenue:	31,936,699	100%

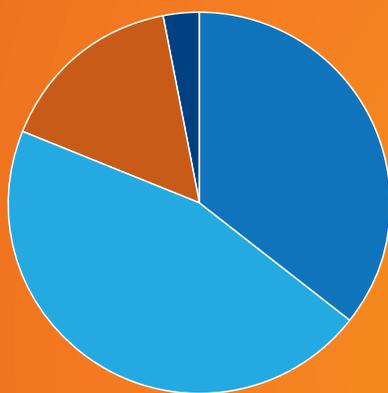
Expenditures:		
Education, Training & Technical Assistance	\$ 17,800,055	57%
Direct Grant Support to Health Centers	4,723,497	15%
Lobbying	910,000	3%
Research & Data Analysis	5,051,367	16%
Public Relations & Communications	2,968,528	9%
Total Expenditures:	31,453,447	100%

Change in Net Assets	483,252	
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Net assets at beginning of the year	5,171,314	
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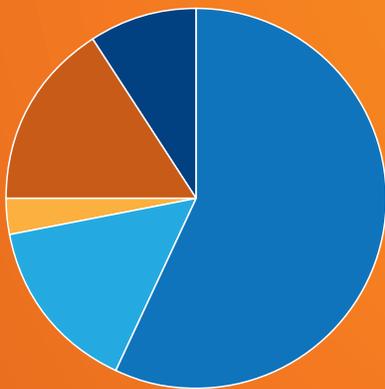
Net assets at end of year	\$ 5,654,566	
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**National Association of Community Health Centers, Inc.
Financial Summary for the Fiscal Year Ended June 30, 2013**



Revenue

- **36%** Membership Dues
 - **45%** Public/Private Grants
 - **16%** Conferences, Conventions and Forums
 - **3%** Other
-



Expenditures

- **57%** Education, Training & Technical Assistance
 - **15%** Direct Grant Support to Health Centers
 - **3%** Lobbying
 - **16%** Research & Data Analysis
 - **9%** Public Relations & Communications
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2012-2013 NACHC Annual Report

National Association of Community Health Centers

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