



**Strengthening Oklahoma's Safety Net,
One Community At A Time**

Board Bulletin

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Prudent Pursuit of 330 Grant Dollars

As Fiscal Year (FY) 2005 approaches, the *Presidential Initiative to Expand Health Centers* will be in Year 4 of the five-year plan. The *Initiative* has two goals: 1) Double the number of patients seen in community health centers and 2) Increase the number of CHCs from 3,600 to 4,400 nationwide. Record appropriations have been directed to the Bureau of Primary Health Care for the purpose of grant awards to existing CHCs for service expansions and expanded medical capacity (Goal One); and to worthy proposals for new health center sites including satellites (Goal 2). While additional grant funding is enticing, CHC boards should be prudent before pursuing a grant application for a project that may pose potential risk for their organization.

Key Considerations Related to New Projects

- **Mission/Vision** - Does the proposed project align with your organization's mission and strategic plan? Will it help accomplish what you have already identified as goals and objectives? Think of your organizational vision as the 'destination'; the mission statement as the compass pointed due north; and the strategic plan as the roadmap. Do not get sidetracked by a project that is contrary to your vision, mission and strategic plan.
- **Scope** - How does the proposal effect the organization's existing scope of project? The location and the services proposed will determine which type of grant, if any, should be pursued. For more about project scope, see the May 2004 issue of *Board Bulletin*. Also refer to Program Information Notice (PIN) 2002-07, which can be downloaded at www.bphc.hrsa.gov by selecting 'Documents' on the left menu, then 'PINS'.
- **330 Eligibility** - Is the project eligible for Section 330 funds? The *Presidential Initiative* projects are funded by Section 330. All projects should meet the following before further consideration: 1) propose to serve a federally-designated Medically Underserved Area (MUA) or Population (MUP); and 2) score at least a 70 on the Need for Assistance Worksheet (see current 330 grant guidance - PIN 2004-02, page 77).
- **Needs Assessment** - Because need is the determining factor for 330 funding, an in-depth needs assessment should be done of the proposed target population and service area. Who will be using the health center? What is the current marketplace and how will the proposed site complement current health delivery?
- **Additional Dollar Demands** - For every \$1 grant dollar received, organizations are expected to bring in \$2-3 additional dollars required for a sustainable, viable project. What is the projected payor mix? Does it include a 'healthy' mix of Medicare, Medicaid, and third-party payors to boost program income?
- **Distance Factor** - Is the project at a location within manageable distance from the parent organization? It is unreasonable to have a new health center site many miles from the parent organization that requires extended travel for administration and clinical leadership -- taking from providers' time to see patients.
- **'Cannibalization' Theory** - Do not open a new health center that will endanger patient enrollment at the existing site. A proper needs assessment as previously discussed will help determine who will use the new site. While additional sites can help reduce overhead, you do not want to lose your existing patient base. A new site should offer health care access to a different target population than the current site.
- **Capital Drain** - A thorough capital needs assessment must be done on any new project to protect the organization's resources. Do not open a new health center that will drain the existing budget just to get it operational. Be wary of donated buildings that could not meet code or comply with 330 expectations. Two to three exam rooms are recommended per provider (physicians, nurses, etc.) to ensure proper patient flow for increased access. Do not get trapped into a costly renovation that takes all of your existing resources.

Please visit OPCA's website, www.okpca.org, and select 'CHC Boards' for more information.

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