



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

Board Bulletin

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Planned CHC Growth for Optimal Results

With unprecedented community health center (CHC) growth opportunities just around the bend, boards must ready organizations, as discussed last month, by heeding the following: 1) Be “clean as a hound’s tooth”; 2) Use solid growth strategies; and 3) Deliver high quality care. Part 2 of this series focuses on CHC growth. Media reports announcing CHC growth projections have resulted in increased calls from entrepreneurs seeking to capitalize on upcoming opportunities. CHC boards will be getting calls from neighboring communities interested in having a 330 health center. While it may be flattering, resist the temptation to immediately jump at every request. CHC boards and key management should reflect on how to best ‘grow’ organizationally to increase access and eliminate health disparities while protecting the ‘flagship’ health center. It usually takes supplementary resources from the existing organization even with additional grant funding to start a satellite.

Rational Growth Strategies and Processes

The following must be considered when determining CHC growth strategies that will yield long-term success.

- ***Assess Marketplace*** – Community need is the cornerstone of CHC development and will be a greater factor in upcoming grant applications. When considering a satellite, CHCs must determine that significant need exists, including a sizeable patient population required to sustain a New Access Point (NAP). What health care delivery system is currently in place in the community? Is there another CHC grantee that serves this area? If so, pay attention to “Service Area Overlap” issues. Which residents are currently being served and what services are being delivered? Is there a need for stronger preventive care and, if so, who would be using the CHC site? What is the projected payor mix and would it sustain a public/private CHC required to bring in at least \$3-4 for every \$1 in grant funding to be viable? Are there existing behavioral and oral health services?
- ***Plan Strategically*** – Before any growth plans are developed, the CHC must assess its current operation to determine if it has the organizational capacity and operational readiness to grow. The CHC must be a sound 330 performer to successfully compete for additional grant funding. Once that is determined, CHCs must study who currently uses existing services at established sites by looking at patient zip codes. If a significant number of residents from the proposed service area are already using CHC services, will that ‘cannibalize’ the existing organization – resulting in a shift of patients that hurts the current revenue stream of the flagship? What resources will be required from the existing CHC to establish a new site (e.g., facility, staffing, equipment, etc.)? Historically, only \$150,000 of the NAP grant in Year 1 can be used for facility renovation or equipment purchases. Is there a capital plan? CHC boards must have at least 9 but no more than 25 members. Does the existing board have member slots open to add one or two from the proposed community to fulfill patient representation requirements? Does the proposed community understand that it will have to comply with established organizational bylaws, board structure, policies and procedures?
- ***Engage the Community*** – The past decade of CHC growth has taught many lessons that should be heeded with future opportunities. Existing CHCs must make every effort to inform the full community of NAP plans to gain consensus for the satellite. Usually there is a core coalition that embraces the satellite proposal along with a few naysayers that object to CHC development. By engaging the entire community on the broadest level possible - such as a town hall meeting widely advertised through local media, the existing CHC can document that plans were taken to the people and residents had an opportunity to voice concerns and express approval/rejection of the effort. Community engagement should begin before expansion plans are completed to gauge support. Board members, as ambassadors of the program, should work with the CEO in this effort.
- ***Prepare to Act*** – HRSA reports indicate that growth opportunities will be available early Federal Fiscal Year (FFY) 2011 – which begins October 1, 2010. The time to engage communities in proposed NAP plans is now. Do not wait until the last minute and expect a community to be receptive. Make sure resources needed for successful grant application are available and ready and that the above processes are being completed.

To review OKPCA’s entire *Board Bulletin* series, visit the ‘CHC Boards’ section of www.okpca.org.

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