# Washington County School-Based Health Center (SBHC) Initiative

Cracking the Code: How to Design a Successful Business Model for Funding and Sustainability of School-Based Health and Mental Health Services

Phase I Grantee Webinar

### Presenter

- William Thomas MSW, MSc. Director,
   Office of Children and Youth Services
   Department of Health and Human Services
   Washington County, OR
- 503-380-1665
- william\_thomas@co.washington.or.us

### Workshop Objectives

### Participants will be able to:

- Analyze the importance of six proven service development strategies for funding & sustainability of school-based health and mental health services
- Design a successful business model for funding school-based health and mental health services
- Develop a multi-year sustainable business plan and budget, incorporating key financing strategies and performance metrics for sustainability

### Six Proven Service Development Strategies For Funding & Sustainability

The success of the SBHC Initiative is based on:

- Collaboration Across Systems
- Common Vision and Collaborative Goals
- Community Mobilization
- Comprehensive and Integrated Clinical Model
- Structures for Accountability
- Sustainable Business Plan

### Results - The Good News!

Since 2007, the SBHC Initiative has secured over **\$5,500,000** in private and public grants to develop and operate **five** new high school SBHCs serving **seven** school districts with 85,000 + students

- Tigard in April 2008
- Forest Grove/Gaston/Banks in April 2009
- Century (Hillsboro) in March 2013
- Beaverton anticipated in December 2014
- Tualatin/Sherwood planned for 2014-15



### Collaboration Across Systems

More than 25 funders and organizations committed to a common vision, mission & goals

- Two Community Health/Mental Health Providers
- Two Universities OHSU and Pacific University
- Three County Agencies Children & Families,
   Mental Health and Public Health
- Four Hospital Systems Kaiser Permanente,
   Legacy, Providence and Tuality Healthcare
- Seven School Districts and the Regional ESD

### Commitment To A Common Vision

• Increase access to healthcare prevention, primary care, dental care, behavioral health, mental health & substance abuse services



- **Reduce barriers** to learning and other risk factors for children and youth
- **Promote wellness, educational success** and other protective factors for children, youth and their families, and thereby move upstream to address the social determinants of health

#### **Washington County**

### School-Based Health Center Partnership Model July 20, 2012

#### **Community Hospitals**

Kaiser Permanente Legacy Meridian Park Providence St.Vincent/Newberg Tuality Healthcare

- Cash and In-Kind Contributions
- Financial Underwriting
- Assist in Resource Development
- Equipment/Diagnostics/Pharmacy
- Potential Medical Sponsor/Medical Provider
- Countywide SBHC Initiative Steering Committee

**Community Organizations** 

Minority) and Civic Groups

Clergy and Faith Groups

Advocacy (Child And Family,

#### **County Public Health/Mental Health**

- Manages State SBHC Funds
- Assists in Resource Development
- Facilitates SBHC Certification
- Referrals for Health Services
- Immunizations
- Quality Assurance
- Countywide SBHC Initiative **Steering Committee**

#### **School-Based Health Centers**

- Primary Care Provider (Nurse Practitioner, Physician's Assistant or Medical Doctor)
- Office Assistant/Medical Assistant
- Mental Health Counselor/Alcohol and Drug Counselor
- SBHC Advisory Committee
- SBHC Operations Team

**Commission on Children & Families** 

- Support Local Planning Committees

- Support Countywide SBHC Initiative

- Assist in Resource Development

- Support SBHC Operations Teams

- Fiscal Agent

Steering Committee

#### Businesses and Local Governments

Health Insurers (OHP and Private) Health and Social Service Providers Higher Education (OHSU, Pacific U.)

NWRegional Education Service District

- Community Advocacy and Support
- Program Partnerships
- Cash and In-Kind Contributions
- Assist in Resource Development
- Countywide SBHC Initiative Steering Committee

#### **Neighborhood Health Center Lifeworks Northwest** - Medical Sponsor

Virginia Garcia Memorial Health Center

- - \* Medical Director
- \* Liability Insurance
- \* Medical Oversight
- \* Ownership of Medical Charts
- Medical/Mental Health Providers
- \* Employ SBHC Staff
- \* Develop Policies, Procedures and Systems
- \* Bill for SBHC Services
- Quality Assurance
- Countywide SBHC Initiative Steering Committee

#### **School Districts**

Beaverton

Forest Grove/Banks/Gaston

Hillsboro

Tigard-Tualatin

Sherwood

- Facility Space
- Cash and In-Kind Contributions
- Medicaid Administrative Claiming
- Oregon Healthy Teens Survey
- Medicaid/Healthy Kids Outreach
- Convene Local Planning Committees
- Countywide SBHC Initiative Steering Committee
- SBHC Advisory Committees
- SBHC Operations Teams

#### **Washington County School-Based Health Center Development Timeline**

Eight Years: July 2006 to July 2014



- 1. Identify partners and create countywide steering committee
- 2. Develop partnership model and development timeline
- 3. Identify data needs and resources for planning
- 4. Develop model business plan to be refined by districts
- 5. Identify medical sponsors and providers

#### Phase Two – SBHC District Planning

- 1. Identify population to be served, location and space
- 2. Ensure school board support for planning
- 3. Convene local committee to ensure community support
- 4. Obtain planning funds in collaboration with partners
- 5. Develop implementation plan and obtain start-up funds

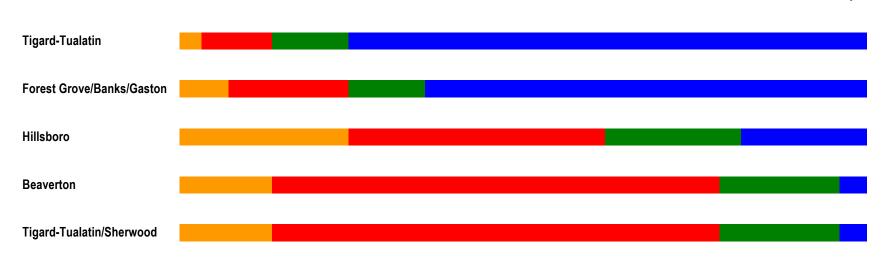
#### Phase Three – SBHC Site Implementation

- 1. Remodel space, equip center and hire staff
- 2. Establish protocols, policies and procedures
- 3. Establish billing and operating systems
- 4. Provide SBHC services
- 5. Obtain certification from State DHS

#### Phase Four - SBHC Operations and Maintenance

- 1. Ensure appropriate management systems
- 2. Ensure sufficient operating funds
- 3. Ensure delivery of high quality services
- 4. Ongoing evaluation of program and services
- 5. Ongoing quality improvement





### Effective community mobilization

- Community readiness and involvement Engage faith, civic, school and other community leaders, as well as parents and students, in SBHC development, advocacy and oversight
- Marketing, outreach and enrollment -On-going marketing and outreach campaigns are essential for maximizing SBHC utilization, as well as for maximizing Medicaid/SCHIP enrollment
- Youth engagement and empowerment Youth Advisory Councils support youth-led advocacy, marketing and health promotion

### Comprehensive, integrated clinical model

- Federally Qualified Health Center (FQHC) as SBHC medical sponsor: FQHC has robust referral systems, is state certified for provision of mental health services and can be certified as Tier III Patient-Centered Primary Care Home (PCPCH)
- Comprehensive services: includes prevention, primary care, dental care, behavioral health, mental health and substance abuse services
- Integrated electronic health records: billing, practice management and service integration

### Structures For Accountability

- **Contract** among County, medical sponsor and school districts, which specifies expectations for certification, collaboration, funding and services
- Memorandum of Understanding between school district and medical sponsor, specifying roles and responsibilities for the SHBC facility
- Operations Teams for on-going problem solving among partners in each SHBC over time the SBHC Operations Teams have been combined with local SBHC Advisory Boards

### Sustainable Business Plan

 Our central financing strategy is maximizing billings to commercial and public insurance - to "right-size" the on-going need for grants and public funding





- Leveraging FQHC wraparound payments is an essential strategy for sustainability
  - FQHC wraparound payments are made for Medicaid/SCHIP eligible primary care, dental, behavioral, mental health, substance abuse and other encounters

 Performance metrics are set for sustainable funding and monitored to inform business practices - encounter, productivity, payor mix and revenue share targets for replacing grant revenues with patient revenues from insurance billings over the first four years



### A Successful SBHMHS Business Model

- Will have the flexibility to adapt and change its core assumptions to fit a changing world and an evolving health care financing system
- Will focus less on elements of the budget and more on the functions and hydraulics in the model that drive expenses and revenues
- Will "right-size" the on-going need for grants and public funding by maximizing the potential for earned revenues from patients, through billings to commercial and public insurance

### Designing a Successful Business Model for Funding & Sustainability

Key design elements of a SBHMHS business model:

- Access Decisions and Factors
  - Host School Site and Size, District Need, Operations,
     Parent Involvement, Physical Access, Service Access
- Clinical and Systems Decisions
  - Clinical Services, Integration, Primary Care Home,
     Medical Sponsor, Reproductive Health Svs., Staffing
- Revenue Decisions and Factors
  - Insurance, Reimbursement, Self-Pay/Uninsured

### **Access Decisions and Factors**

Host School Site

**OURS** 

YOURS?

High

High Schools

- Middle
- Elementary
- Host School Size

Host School

1,700-2,000

School District(s)

7,500(3)-39,500

District Need

% FRL Take-up

38-63%

• # 0-18 Medicaid

3,365-21,000

# 0-18 Uninsured

645-4,585

Operations

**OURS** 

YOURS?

Partial/Full Week Both

Non-School Hours Before & after

School Year

10 months

Year Round

Partial summer

Parent Involvement

Encouraged

Encouraged

Minor Consent Law Followed

Required

Not for 14+

Physical Access

 External Entrance Yes

Parking Yes

 Public transport. **Varies** 

#### Service Access

#### **OURS**

#### YOURS?

- Host School Only
- Host and Feeders
- All District Students All 0-21 in
- All o-? in District districts, plus
- Employee Children children of
- District Employees employees and district employees
- Adults in District
- Community Clinic

### Clinical and Systems Decisions

Clinical Services OURS YOURS?

Primary CareYes

Dental Partial

BehavioralYes

Mental Health Yes

Substance Abuse Yes

#### Integration

ClinicalYes

Electronic Records Yes

Front Office/PM Yes

Back Office/Billing Yes

Primary Care Home OURS

YOURS?

Tier I

Tier IIPCPCH

Tier IIITier III

Medical Sponsor

FQHC/Look-Alike FQHC

- Hospital System
- Outpatient Clinic
- School System

• Reproduc. Hlth. Svs.

Examinations Required

Contraception Referral only

Staffing

**OURS** 

YOURS?

Primary Care

• MD/PA PA

• FNP/PNP/NP/RN FNP/PNP

• MA/OA MA

Dental

Dentist

Expanded Practice Expanded Practice

Dental Hygienist Hygienist

Behavioral Health

Psychlgst./Psy.NP

Social Worker LCSW/CADC

Counselor LMFC

### Revenue Decisions and Factors

• Insurance OURS YOURS?

Commercial

MedicaidAll

Medicare

Reimbursement

Commercial \$60-110

Medicaid \$90-100

FQHC with wrap. \$200

Self-Pay/Uninsured

Co-pay/Deductible Yes

Free/Sliding Scale Sliding scale (\$15 up)

### Developing a Multi-Year SBHMHS Business Plan, Budget and Metrics

Key inputs, outputs and metrics for sustainability in a multi-year SBHMHS business plan and budget:

- Projected Expenses For Business Model In Year 3
  - Personnel (salaries & benefits), Services & Supplies (contracted, MIS, other), Indirect, Total
- Projected Revenues For Business Model In Year 3
  - Clinic Days, Encounters, Productivity, Payor Mix,
     Projected Revenue, Program Income, Grants, Total
- Metrics From Start-Up to Sustainability

### Projected Expenses For Model: Yr. 3

Personnel

YOURS? OURS -10 mo.

Salaries

\$114,000 (FNP/MA)

Benefits

\$ 33,000 (29%)

Subtotal

\$147,000

Services & Supplies

Contracted

\$ 59,000 (MH)

- MIS

\$ 18,000

Other

\$ 12,500

Subtotal

\$ 89,500

Indirect

\$ 26,000 (11%)

• Total (w/o in-kind) \$262,500

### Projected Revenues For Model: Yr. 3

PRIMARY CARE OURS YOURS?

Clinic Days

Months Open10

Clinic Days175

Encounters

Patients
 656 (33-39%)

Encounters/Patient 2.0

Total Encounters 1,312

Encounters/Day 7.5

Productivity Target

Encounters/Day9.0

### Payor Mix Targets OURS

YOURS?

Commercial/Other 10%

Public50%

Uninsured 40%

#### Projected Revenues

Commercial/Other \$ 14,500 (@\$110)

Public
 \$123,250 (@\$200)

Uninsured
 \$ 7,250

Subtotal \$145,000

#### Program Income

% Total Expenses 55%

#### MENTAL HEALTH

#### **OURS**

#### YOURS?

Clinic Days

Months Open10

Clinic Days175

Encounters

Clients86 (4-5%)

Encounters/Client 7.5

Total Encounters 648

Encounters/Day 3.7

Productivity Target

Encounters/Day 5.0

### Payor Mix Targets OURS

YOURS?

Commercial/Other 40%

Public 50%

Uninsured10%

#### Projected Revenues

Commercial/Other \$16,000 (@\$67)

Public\$60,000 (@\$200)

Uninsured \$ 4,000

Subtotal \$80,000

#### Program Income

% Total Expenses 30%

#### Program Income

#### OURS

#### YOURS?

Primary Care

\$145,000

Mental Health

\$ 80,000

Subtotal

\$225,000

% Total Expenses

86%

#### Grants

State Allocation

\$53,000

Other Grants

\$ 8,000

Subtotal

\$61,000

% Total Expenses

23%

Total Revenues

\$286,000

% Total Expenses

109%

### Metrics - Start-Up To Sustainability

Targets: Revenues OURS YOURS?

As a % of Expenses

• 3<sup>rd</sup> Year Revenues

From Patients 86%

From Grants23%

Total109%

• 2<sup>nd</sup> Year Revenues

From Patients
 60% (~71% Yr. 3)

From Grants <u>45%</u>

Total 105%

Targets: Revenues

**OURS** 

YOURS?

As a % of Expenses

#### • 1<sup>st</sup> Year Revenues

From Patients

35% (~41% Yr. 3)

From Grants

70%

Total

105%

#### Partial Year Revenues

From Patients

10% (~12% Yr. 3)

From Grants

95%

Total

105%

### WASHINGTON COUNTY SCHOOL-BASED HEALTH CENTER INITIATIVE SBHC SUSTAINABLE BUSINESS PLAN METRICS

### REVENUE MIX TARGETS BY SOURCE AS A PERCENTAGE OF EXPENSES

REVENUES	PARTIAL	1 <sup>ST</sup> YEAR	2 <sup>ND</sup> YEAR	3 <sup>RD</sup> YEAR
Total	105%	105%	105%	109%
From				
<b>Patients</b>	10%	35%	60%	86%
From				
Grants	95%	70%	45%	23%

### PAYOR MIX TARGETS BY SOURCE AS A PERCENTAGE OF ENCOUNTERS

<b>ENCOUNTERS</b>	PRIMARY CARE	MENTAL HEALTH
Medicaid	50% or more	50% or more
Other Insurance	10% or more	40% or more
Uninsured	40% or less	10% or less

#### PRODUCTIVITY ENCOUNTER TARGETS BY SERVICE ELEMENT

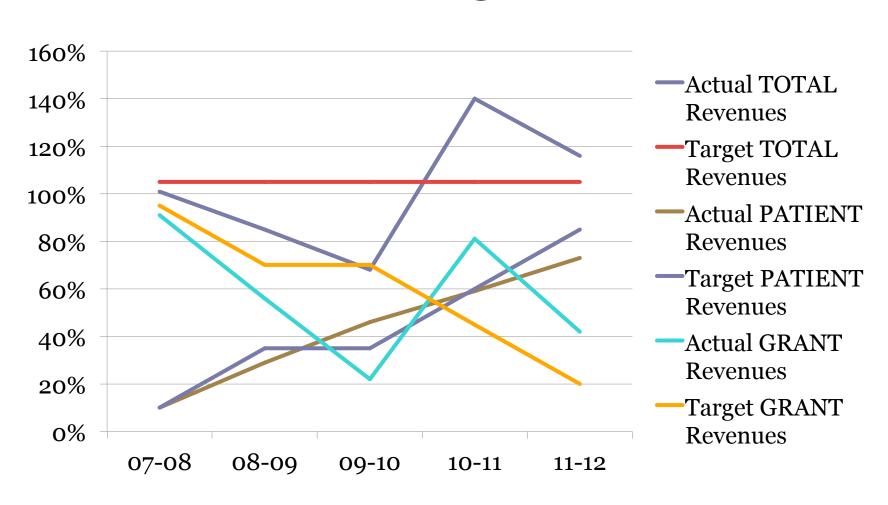
ENCOUNTERS	PRIMARY CARE	MENTAL HEALTH	
<b>Encounters Per Day</b>	9	5	

#### SUSTAINABLE FUNDING ENCOUNTER TARGETS BY YEAR

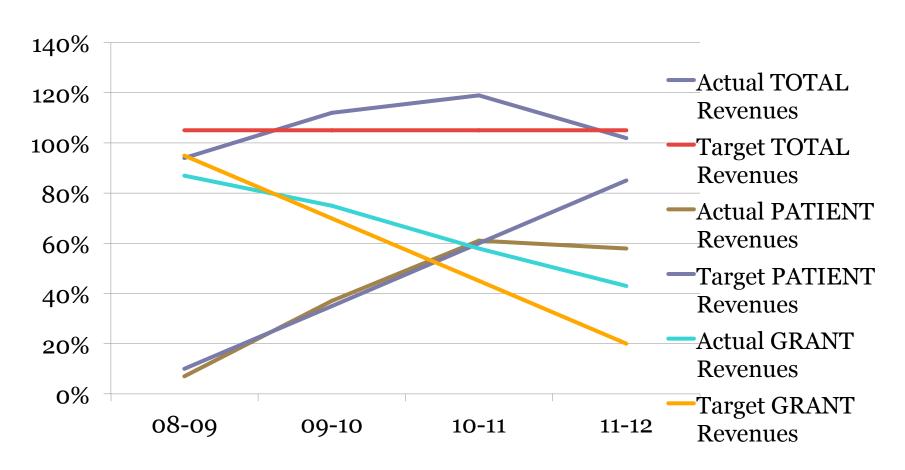
AVERAGE	PRIMARY CARE		MENTAL HEALTH	
<b>Encounters Per Day</b>	7.5		3.7	
<b>Encounters Per Patient</b>	2	.0	7.5	
	YEAR 2	YEAR 3	YEAR 2	YEAR 3
<b>Based on 165 Clinic Days</b>				
<b>Encounters/FTE Per Year</b>	830	1,238	408	610
Patients/FTE Per Year	415	619	54	81
<b>Based on 175 Clinic Days</b>				
<b>Encounters/FTE Per Year</b>	879	1,312	434	648
Patients/FTE Per Year	440	656	58	86

October 1, 2013

### Tigard-Tualatin SBHC Sustainable Business Plan - Targets and Actuals



### Forest Grove SBHC Sustainable Business Plan - Targets and Actuals



BSD consolidated BHS SBHC Budget 9-9-13 FINAL.xls

Budget Worksheet - SBHC at Beaverton High School Italics=not confirmed	Construction FY 13-14 & FY 14-15	TA/Start-Up FY 13-14 FY-14-15	Operations FY 14-15 Year 1	Operations FY 15-16 Year 2	Operations FY 16-17 Year 3	7
Grants: Capital Construction: HRSA 12/12/12 to 12/11/14 Capital Construction: Beaverton CDBG 7/13 to 6/14	500,000 108,000		7 months	10 months		Budget Assumptions: \$500,000 Awarded \$108,000 Awarded
Planning/Development: OHA Phase 1 Grant 10/13-6/14 Equipment/ Start-up: OHA Phase II Grant 7/14-6/15	40,000	30,000 5,000	15,000	00.000		\$30,000 Anticipated for Phase I Planning Grant \$60,000 Anticipated for Phase II Planning Grant
Operating: Kaiser Permanente Community Fund at NWHF Operating: MACC Electronic Health Records Connectivity Operating: Foundations (e,g, Pacific Source) Operating: OHA SBHC Allocation	3,000	10,300	73,000 8,000 30,000	30,000 8,000 20,500 53,000		\$113,300 total Secured \$3,000 equilipment/\$8,000 annual Anticipated, based on awards for other Wash. Co. SBHCs \$50,500 Anticipated based on grant awards for other Washington County SBHCs \$53,000 Secured if SBHC is certified in FY 14-15, in SBHC allocation formula FY 15-16 on
Total Grants	651,000	45,300	126,000	111,500	61,000	<b>-</b>
Targets for grants as a % of expenses (w/o in-kind)	100%	100%	68%	45%	23%	'o
Program Income:						
Primary Care Private insurance & other Payors (5-10%)			\$6.25 K/moX7	\$9.75 K/moX10 9,750		Primary Care program income assumptions/ FQHC wraparound rate =\$200/encounter
Public insurance & other Payors (5-10%)  Public insurance & FQHC wraparound payments (90%-85%)	1		2,189 39,375	9,750 82,875		Payor mix targets for primary care are 50% public, 10% private/other payor, 40% uninsured Productivity target for primary care is 9 visits per day
Self-pay (5%)	'		2,189	4,875		Yr 3 = aver 7.5 encounters/day for 165 clinic days over 10 months = 1,238 encounters
Subtotal		•	43,753	97,500	145,000	Yr 1 is 46% of Yr 3 (@ 3 mo.) = 170 encounters; Yr 2 is 67% of Yr 3 = 830 encounters
Mental Health			\$3.5 K/moX3	\$5.25 K/m X10	\$8 K/mo x 10	Mental Health program income assumptions/ FQHC wraparound rate = \$200/encounter
Private insurance & other Payors (15-20%)			3,675	10,500		Payor mix targets for mental health are 50% public, 40% private/other payor, 10% uninsured
Public insurance & FQHC wraparound payments (80%-75%)	1		19,600	39,375	60,000	Productivity target for mental health is 5 visits per day
Self-pay (5%) Subtotal			1,225 24,500	2,625 52,500		_Yr 3 = aver 3.7 encounters/day for 165 clinic days over 10 months = 610 encounters Yr 1 is 46% of Yr 3 (@3 mo.) = 84 encounters; Yr 2 is 67% of Yr 3 = 408 encounters
Subtotal			24,500	52,500	80,000	11 1 is 40% of 11 3 (@3 iiio.) – 64 effcounters, 11 2 is 67% of 11 3 – 406 effcounters
Total Program Income Targets for program income as a % of expenses (w/o in-l	kind)	•	68,253 37%	150,000 60%	225,000 86%	
Total Revenue without in-kind contributions	651,000	45,300	194,253	261,500	286,000	<del>-</del>
In-kind Contributions:						
Land/Parking and Building: School District	\$490,000					
Medical/Office Equipment: Hospitals/Businesses/District	TBD					
Janitorial/Utilities/Internet/Maintenance/Repairs/Etc.: District			23,000	23,000	23,000	
TOTAL REVENUE:	490,000	45 200	23,000	23,000	23,000	
Total Revenue without in-kind:	<b>1,141,000</b> 651,000	<b>45,300</b> 45,300	<b>217,253</b> 194,253	<b>284,500</b> 261,500	<b>309,000</b> 286,000	
Total Expense without in-kind:	651,000	45,300	185,000	250,000	262,500	
Surplus or (Shortfall):	0	0	9,253	11,500	23,500	
Targets for total revenue as a % of expenses (w/o in-kind)	100%	100%	105%	105%	109%	6
Expense:						
Construction						
Prof. Svs.: Architect/Enginee/Consultants	102,000					
Building Construction	394,800					
Fees/Permits/Testing/Asbestos Mgmt/Project Mgmt/Admin	82,200 <b>579,000</b>					
Equipment and Start-Up	,					
	\$ 18,000					
	\$ 27,027 \$ 11,000					
	\$ 22,217					
Office equipment/furnishings with Unit Costs Under \$5,000	8,756					
(Anticipated value of in-kind equipment/furnishings)	(15,000)					
Operating Expenditures	72,000		(@ 7 months)			
Personnel Cost			(w / monuls)			Personnel budget assumptions
Salaries (Nurse Practitioner and Office/Medical Assistant)			77,500	108,500		Yr 1.0 FTE Family Nurse Practitioner \$84,000 annual @ 3.5 months
Payroll Taxes @ 9%	-		6,975	9,765		Yr 1 1.0 FTE Office/Medical Assistant \$40,000 annual @ 3.5 months
Fringe Benefits @ 20%	-		15,500 <b>99,975</b>	21,700 <b>139,965</b>		_ Yr 2 each position +5% @ 10 months; Yr 3 each position +5% @ 10 months
Subtotal	-		99,975	139,965	146,960	Budget does not reflect personnel costs for two summer months

BSD consolidated BHS SBHC Budget 9-9-13 FINAL.xls

Budget Worksheet - SBHC at Beaverton High School Italics=not confirmed	Construction FY 13-14	TA/Start-Up FY 13-14	Operations FY 14-15	Operations FY 15-16	Operations FY 16-17	
	& FY 14-15	FY-14-15	Year 1	Year 2	Year 3	_
Services and Supplies						Services and Supplies budget assumptions
SBHC Consultation, Planning, Resource Development and TA		30,000				
Marketing services, materials and printing		5,600				
Professional Services: Contracted 1.0 FTE Mental Health Clinician			40,000	56,000	58,800	Yr 1 costs mental health services and MIS prorated for 3.5 months; Yr 2 +5%
Management Information Systems			12,107	16,950	17,800	Supplies for Start-Up @ \$9,700 is consistent with supplies for opening Forest Grove SBHC
Memberships, Dues and Fees			450	600	630	Other services and supplies costs prorated for 3.5 months in Yr 1; Yr 2 +5%
Supplies		9,700	9,535	5,300	5,565	Yr 3 all services and supplies costs + 5%
Equipment and Vehicles			325	450	470	
Insurance			275	375	395	
Training and Education			2,150	3,000	3,150	
Telephone			1,250	1,750	1,840	
Facility			600	835	877	
Subtotal	-	45,300	66,692	85,260	89,527	
Administrative Indirect @ 11%			18,333	24,775	26,014	
Total Expense without in-kind donations:	651,000	45,300	185,000	250,000	262,500	•
In-kind Contributions:						
Land/Parking: School District (6,000 sq. ft. @ \$7.00/ sq. ft.)	\$42,000					
Building: School District (2,560 sq. ft. x\$175.00/ sq. ft.)	\$448,000					
Medical/Office Equipment: Hospitals/Businesses/District	TBD					
Janitorial/Utilities/Internet/Repairs/Etc.: School District			23,000	23,000	23,000	
	\$490,000	45,300	23,000	23,000	23,000	•
TOTAL EXPENSE:	1,141,000	45,300	208,000	273,000	285,500	

### SBHMHS Sustainability Lessons: Design

To increase the odds for SBHMHS sustainability -

- Develop partnerships & build a collaborative
- Locate SBHCs at comprehensive high schools
- Recruit an FQHC to be the SBHC medical sponsor
- Provide behavioral and mental health services
- Implement integrated EHR and billing systems
- Ensure adequate **grant revenues** and **reserves**
- Develop a **sustainable business plan**: establish and monitor **metrics** to inform business practices

### SBHMHS Sustainability Lessons: Process

To increase the odds for successful collective impact:

- Think and act strategically
- Plan big but start small
- Identify catalytic and transformational
   leadership that can work across systems
- Identify external and internal champions
- Be flexible and resilient, but also tenacious
- Recognize that, while failure may build character, lasting success in built on relationships

## A Parting Thought From a Local Software Entrepreneur

"A business mentor once told me: 'If you have a solid business plan and have validated the model for generating revenue, you should focus your energy on market penetration and growth.'"

Balki Kodarapu, founder of returnGuru.com – The Oregonian 6/18/12

### $\sqrt{got health?}$

### Forest Grove School Based Health Center

At Forest Grove High School Open 7 a.m. - 4 p.m. on school days

503-359-4057

Open to all students and staff in the Forest Grove, Banks and Gaston school districts

