NASBHC National Assembly on School-Based Health Care

Bringing Health Care To Schools For Student Success

SBHC FINANCE CASE STUDIES

August 2002

The four case studies included here are part of a 2002 NASBHC report on school-based health center financing. The individual sites represent four different finance models – each with a significantly different mix of public and private revenue sources.

Lincoln Park Elementary School-Based Health Center
Portland, Oregon

Sponsor: Multnomah County Health Department (local health department and Federally-Qualified Health Center)
Setting: Suburban
Year Opened: 1995
Population: Grades K through 6
School District: David Douglas School District
Hour: Full Time (5 days/week; 8 hours/day) 10 months/year
Services: Comprehensive including mental health

Revenue (7/1/99 through 6/30/00):

Federal (Healthy Schools/Healthy Communities Grant)	$144,185	(56%)
County	85,620	(33%)
Patient Revenue	27,845	(11%)
TOTAL	$257,650	

The Bureau of Primary Health Care, U.S. Department of Health and Human Services, awards the only federal funding source specific to the delivery of primary care and mental health services through school-based health centers. The program, Healthy Schools/Healthy Communities (HS/HC), is part of the federal consolidated health center fund and awards are made through a national competition. Seventy-five grantees from across the country currently receive HS/HC funding.

The Multnomah County Health Department (MCHD) operates six community health centers, four physician specialty clinics, and thirteen school-based health centers partially funded by the Bureau of Primary Health Care under Section 330 of the Public Health Service Act. Because of this, all of the sites are Federally Qualified Health Centers. However, the Lincoln Park Elementary School-Based Health Center is the only MCHD site that has received a HS/HC grant.

A three-year HS/HC grant was first awarded in 1994-95 after a competitive process. The health department must re-apply for funding every year. However, a competitive application is submitted only every three years. Although the amount of funding has diminished slightly over time, the grant still contributes over half of the center's revenue.

Steven Bardi, Finance and Business Services Manager for the Multnomah County School-Based Health Center Program, attributes the county's success in competing for the grant to local collaboration and planning. A partnership between the David Douglas School District (in which Lincoln Park Elementary resides) and the county health department was initiated in 1989 to improve the health status of children in the district. In 1992, the district invited the health department and a number of social service agencies to participate in an effort focused on elementary and middle school health and social services. From there, primary/preventive care was identified as an ongoing need. A more in-depth needs assessment identified critical issues for children attending Lincoln Park Elementary, and HS/HC funds were sought to support the establishment of a health center at the school.

While the federal HS/HC grant does not require matching funds, the county contributes over $85,000 to support a comprehensive set of services, including mental health, at the site. This funding has been relatively stable since the inception of the program. It is allocated though the County Board of Commissioners and, even though the faces have changed over time, the Board has remained extremely supportive. Lincoln Park also receives in-kind support from the David Douglas School District in the form of rent-free space, utilities and janitorial services. The value of this support, however, is not included in the center's budget.

One condition of the HS/HC grant is that the school-based health center must bill for services rendered. The health department generates bills to both Medicaid and private insurance. However, because confidential visits are not submitted, and because the visit charge often applies to the policyholder's deductible, reimbursement from private carriers is minimal compared to Medicaid. Because MCHD's entire system of care is federally qualified, Medicaid claims are paid on a cost basis. An eligibility specialist assigned to the area in which Lincoln Park is located makes home visits to assist families enroll in Medicaid. No cash is collected in the health center and uninsured families are not billed for services.

	% Users	*$ Collected*	*% Collected*
Medicaid	25%	$24,494	88%
CHAMPUS	0%	0	0%
Commercial	39%	$3,351	12%
Uninsured	36%	0	0%
TOTAL	100%	$27,845	100%

Medicaid Managed Care is mandated for certain categories of eligible children. The Multnomah County Health Department (including Lincoln Park Elementary SBHC) is a primary care provider for CareOregon, one of the largest participating health plans. If a child is enrolled in a plan other than CareOregon, the visit is still billed, with mixed results.

The health department currently uses a central system (Health Information Services), which generates bills for all of its community health centers, specialty clinics, and school-based health centers. The school-based sites have personal computers that are networked through their respective School District LANs to the billing system. This configuration has proved cumbersome and could not be re-worked to meet HIPAA requirements. Therefore, the department is gearing up for implementation of a new system. To make the conversion financially feasible, the health department became a founding member of the statewide Oregon Community Health Information Network (OCHIN). An integrated system (Epic) that will be used by the Network's numerous organizations will enable the health department to collect and report encounter data, improve billing and patient accounting functions, and eventually generate electronic medical records for all sites. It is anticipated that the new system will "go live" in January 2003.

According to Bardi, the federal grant that accounts for more than half the program's revenue is critical. "Healthy Schools/Healthy Communities funds have been a reliable and stable source of revenue. Our state and county funds have fluctuated year-to-year based upon tax revenues and governing body support. Fortunately, the County Board of Commissioners has and continues to be an advocate for the services our program provides to the community. State legislative support is not as consistent, and because the statewide school-based health center network is relatively small in Oregon, funding proposals are overshadowed by more pressing business. This leaves SBHCs that are dependent upon state funds vulnerable to closure each year when the state budget is up for ratification. Our HS/HC funds and the revenue we generate from billing allow us to maintain our program at Lincoln Park and increase its capacity over time."

Intermediate School (IS) 52 School-Based Health Center
Manhattan, New York City, New York

Sponsor: New York Presbyterian Hospital
Setting: Urban
Year Opened: 1986
Population: Grades 5, 6, 7 and 8
School District: New York City Board of Education School District 6
Hour: Full Time (5 days/week; 10 hours/day) 12 months/year
Services: Comprehensive including mental health and dental services

Revenue:	7/1/99 - 6/30/00 (actual)		7/1/01 – 6/30/02 (estimated)	
State (General Funds and Tobacco)	$222,877	(56%)	$91,935	(3%)
Patient Revenue	156,395	(39%)	162,475	(59%)
In-Kind	21, 672	(5%)	21,672	(8%)
TOTAL	$400,944		$276,082	

The school-based health center at Intermediate School 52 in New York City, sponsored by New York Presbyterian Hospital, is one among the largest SBHC program in the nation. The state of New York has made a significant commitment of federal/state health resources: in school year 2001, the state department of health allocated $21 million to support school-based health center operations. Seven million is from the federal Health Care Reform Act. The $14 million in state funding includes an increase of nearly $5 million over the previous year, partially because of the addition of some Tobacco Settlement dollars. Governor George E. Pataki believes that, "These school-based centers will improve access to health care for our children so they can excel in the classroom and grow up healthy and strong. The dramatic increase in funding for these centers combined with our aggressive enrollment efforts for Child Health Plus will help to ensure that every child in New York has access to the highest quality health care."

NYS funding for school-based health care, re-authorized by the general assembly year-to-year with very little controversy, represents core support for the state's SBHCs. Every five years the Department of Health (Bureau of Child and Adolescent Health), in collaboration with the Department of Education, must review and renew the distribution of these funds to specific sites through a competitive process. IS 52 has enjoyed state financial support since it opened its doors in 1986. However, as competition for these dollars has increased, the state's share is being scaled back. Last year, the Departments issued an open, competitive Request for Proposals. Based upon the quality of proposals received as well as a funding formula that took into account the number of students in the school and other available revenue sources, the Departments made five-year grant awards to a total of 185 SBHC sites, 24 of which had not been previously funded.

Unfortunately for New York Presbyterian Hospital's six SBHCs, this meant a cut in funding from the previous five years. New York Presbyterian was forced to close one of its six school-based sites and reduce staff in others. For IS 52, the reduced state grant resulted in potential staff losses, including a second mental health therapist and a health educator, who were not included in the "approved" budget. Both continue to provide services to IS 52 students. The second mental health worker was supported through funds obtained by the hospital and the health educator was included in a family planning outreach and education grant. In addition, the School District provides a health aide, who is considered an in-kind contribution to the school-based health center valued at $21,672. The District also provides space, utilities and janitorial services, but their value is not calculated.
To fulfill the approved budget, the SBHC was charged with increasing patient revenue substantially. The Department of Health requires its funded sites to bill third parties for services rendered. However, services must be provided at no out-of-pocket cost to students or their families. To avoid violating confidentiality, IS 52 bills only Medicaid, which does not send Explanations of Benefits to parents. The SBHC is networked into the hospital's billing system through a remote terminal. The SBHC obtains a student's Medicaid number on the parental consent form and then verifies eligibility on-line at the time of the visit. The receptionist enters the required billing information from the encounter form. The hospital system then automatically generates an electronic UB-92 to Medicaid.

Because state-funded school-based health center services are exempt from the state's mandated Medicaid managed care program[1], the hospital receives direct fee-for-service reimbursement, which is applied to the IS 52 account. The policy is clearly advantageous to New York Presbyterian Hospital's school-based health center at IS 52, as the $156,000 collected in school year 1999 far exceeds the national average for Medicaid compensation. The SBHC is attempting to increase the number of students on Medicaid through referral of families for enrollment assistance. Parents are now asked if they would like someone to contact them regarding potential insurance on the consent form. If marked yes, the SBHC forwards the family's contact information to a community-based organization that was funded by the state to provide enrollment outreach.

[1] New York State SBHC coalitions negotiated a temporary exemption from Medicaid Managed Care, which has been renewed on a year-to-year basis.

Roseland Children's Health Center
Roseland Elementary School
Santa Rosa, California

Sponsor:	Sonoma County People for Economic Opportunity (Private Non-Profit Organization)
Setting:	Rural, transitioning to Suburban
Year Opened:	1996
Population:	Birth through 14 years
School District:	Roseland, Belleview and Wright School Districts
Hours:	Full Time (5 days/week; 8 hours/day) 12 months/year
Services:	Comprehensive excluding mental health

Revenue (1/1/00 through 12/31/00)**:**

State (Immunization Grant Sub-contract)	$16,000	(7%)
County/City	2,646	(1%)
Private (Local Foundations and Fundraising)	109,000	(46%)
Patient Revenue	82,195	(35%)
In-Kind	27,200	(11%)
TOTAL	$237,041	

Twenty Women. That's all it takes to raise $55,000, according to Elisabeth Chicoine, Clinic Director of the Roseland Children's Health Center. Five years ago, the Clinic Director, in collaboration with a local businesswoman, began a fundraising effort by selecting twenty women in the Santa Rosa community and inviting them to a "kick-off" party. Each woman was asked to raise $500 on behalf of the SBHC over a six-week period. At the party, ideas for fundraising were discussed and each participant was challenged to individually raise $500. Some got friends together to sponsor a "walkathon". Others solicited friends to donate used items for a garage sale. Still others wrote letters to friends/relatives asking for contributions on the SBHC's behalf. At the end of six weeks, the women were invited back for a "count the money" party. Some of the women fell shy of the goal; others exceeded it. All simply put what they had raised in a big pile, and the total was announced. Together they made $10,000 that first year.

Each subsequent year, SBHC staff has approached local foundations, businesses and individuals in the community and asked them to match what the twenty women can raise. By now, the concept of "Twenty Women" has become a community institution. Each fall, SBHC staff calls the women who participated the previous year and asks for another commitment. If someone is unable to "re-up", she is asked to replace herself with a friend. The entire effort is promoted by word-of -mouth. There are virtually no expenses (except for the elegant and fun "kick-off" party) so nearly 100% of the money raised supports SBHC services. And there is an added benefit, says Chicoine: "A lot more people know about our SBHC and we feel that they would come to our aid if we were ever in a bind. It's not one hospital, or one private donor, but lots of people contributing small amounts."

In calendar year 2000, the year reported in the NASBHC National School-Based Health Center Finance Survey, the Sonoma County Community Foundation added to the amount raised by "Twenty Women", as did the Kaiser Foundation. In addition, the Sonoma County Medical Association Alliance sponsored a luncheon and garden tour to promote health for under-served women and children. Over $10,000 of the proceeds was donated to the Roseland Children's Health Center. Finally, Rotary International contributed to the cause, bringing the total raised from private sources to $109,000 – almost half of the center's total budget.

In addition to private giving, Roseland relies heavily on patient revenue from the state's Medicaid, SCHIP and EPSDT programs, as well as *California Kids*, insurance for very low-income children who do not qualify for the other programs. A social security number is not required to enroll in California Kids; however, there is an enrollment fee of $200 per child. Once the fee is paid, a child can remain covered up to age 18 as long as the family's income remains within eligibility parameters. The community has done extensive fundraising to subsidize the enrollment fee. Nearly 200 Roseland clients are now covered through this program.

Because the mission of Roseland Children's Health Center is to provide services to low income children who have limited access to care, children who have

commercial insurance are encouraged to see their designated primary care providers. Thus, commercial insurers are not billed. However, stringent efforts to bill the state-supported programs resulted in the following revenue for calendar year 2000:

	% Users	*$ Collected*	*% Collecte d*
Medicaid	22%	$12,374	15%
CHDP[2]	20%	25,286	31%
Healthy Families/ CA Kids	23%	37,535	46%
Uninsured/Unk	35%	7,000	8%
TOTAL	100%	$82,195	100%

Since the NASBHC National Finance Survey was completed, Roseland Children's Health Center applied for and received a grant from a local foundation to purchase new software for the purpose of increasing patient revenue. After evaluating several systems, Millbrook Practice Manager was selected because it offered the greatest functionality for the lowest price. In the months since Millbrook was installed, the SBHC has seen dramatic increases in revenue. It is anticipated that collections will reach $134,000 in 2002, a 63% increase over the $82,195 collected in 2000. "We have learned that if you don't fill out the forms right, you don't benefit as much as you could from billing," Chicoine states.

Generally, a parent accompanies the child to Roseland for the first visit and registers at that time. Information about insurance coverage is collected, and a copy of the insurance card is taken. If the child is uninsured, SBHC staff refers the family for application assistance to either the SBHC Outreach Worker or a school-based Family Advocate employed by the SBHC's sponsor, Sonoma County People for Economic Opportunity. When the SBHC opened in 1996, only one quarter of children seen had any type of coverage. Now about 70% are insured.

In Sonoma, the county contracted with the State of California to operate a Medicaid managed care program. Under this arrangement, the county takes financial risk and provides services through a provider network called Sonoma County Partners for Managed Care. Because Roseland meets the county's criteria for primary care providers, the SBHC was granted a Medicaid provider number, contracted with Sonoma County Partners for Managed Care, and collects for services rendered on a fee-for-service basis.

SBHC staff also collects cash, but does not send bills to families. A sliding fee schedule is used, based on a very brief financial screening, and discounts up to 75% are granted. If payment cannot be made at the time of service, the amount due remains on the patient's account and is requested (gently) at the next appointment. All patients are seen even if they are unable to pay.

In addition to private funding and patient revenue, Roseland supplements its budget through a state grant to improve immunization rates for children under two, and through in-kind support that includes space, utilities and janitorial services supplied by the School District, eight hours a month of pediatrician time donated by the local Kaiser Permanente facility, and assistance from family practice residents. However, staff believes that the future of the SBHC rests with the practice management infrastructure it continues to build, and the deep roots cultivated in the community, largely through the efforts of Twenty Women.

[2] Child Health Disability Prevention (CHDP) is California's version of EPSDT. The program is administered separately from MediCal because the eligibility rules are different. CHDP focuses exclusively on well care and a child does not have to be documented to qualify.

Lakeside High School Wellness Center
Wilmington, North Carolina

Sponsor: Wilmington Health Access for Teens (Private Non-Profit Organization)
Setting: Urban
Year Opened: 1999
Population: Alternative High School
School District: New Hanover County School District
Hour: Full Time (5 days/week; 8 hours/day) 10 months/year; Part Time in June and July
Services: Comprehensive including mental health

Revenue (7/1/99 through 6/30/00):

Federal (Healthy Schools/Healthy Communities Grant)	$148,114	(34%)
State (Maternal and Child Health Block Grant)	65,000	(15%)
Private (National and Local Foundations)	39,293	(9%)
Patient Revenue	109,498	(25%)
In-Kind	71,773	(17%)
TOTAL	$433,678	

As executive director of an independent organization trying to promote access to health services for teens, Connie Parker knew there would be no deep pockets. She states, "We set out to maximize patient revenue so that we would not be totally grant dependent and could continue core services if the grants dried up." When the Lakeside High School Wellness Center opened in 1999, the infrastructure necessary to successfully bill third parties for services rendered was already in place. This is because two years previously, Wilmington Health Access for Teens (WHAT) had opened its main site – a centrally-located freestanding health center – to serve adolescents in New Hanover County.

While revenue streams for the Lakeside High School Wellness Center have changed over its three years of operation, funding remains diversified. Start-up money was supplied by the North Carolina Department of Health and Human Services from its Maternal and Child Health Block Grant. However, not long after opening, the site received a Healthy Schools/Healthy Communities grant from the Bureau of Primary Health Care, U.S. Department of Health and Human Services. This grant facilitated a significant expansion of personnel and services. It remains the largest single source of funding – approximately one-third of the total. Nevertheless, Parker believes the center could survive without it, albeit on a smaller scale. This is because of its well-developed practice management infrastructure, as well as the strong partnerships that staff has built within the community, especially with the New Hanover Health Network, a large medical center, and with local foundations. Over the years, local foundations have funded specific equipment purchases such as prescription medications for uninsured teens and programs such as the Teen Health Council.

The relationship between Wilmington Health Access for Teens and the New Hanover Health Network is especially noteworthy. The medical center's Human Resources department provides considerable operational support to WHAT including payroll, employee benefits, and malpractice coverage. The medical center has established a separate line item in its budget that is used for these expenses. After each pay period, the medical center sends an invoice to WHAT for salary disbursements, as well as for a portion of the cost of benefits and insurance. WHAT then sends a check, which partially replenishes the account The difference between the actual cost and the amount WHAT pays for benefits and insurance is booked by the medical center as an in-kind contribution to WHAT. For the year covered by the survey this amount plus the cost of the preparing the payroll was $38,209.

From the medical center's viewpoint, this is money well spent. WHAT provides the medical center with outcome data showing its effectiveness in reducing teen pregnancy as well as other high risk behaviors within its patient population. For example, during its first year of operation, twenty-five students attending Lakeside High School tested positive for pregnancy. This number gradually fell to seven this year. Out of 100 counties in North Carolina, New Hanover ranked 49th highest in teen pregnancies five years ago. Largely due to the work of WHAT, this ranking has been lowered to 86th. Because of these and other successes, the New Hanover Health Network nominated WHAT for the very prestigious American

Hospital Association Nova Award for Community Health Improvement. And it won!

In addition to the medical center, the New Hanover County School District provided the Lakeside High School Wellness Center with space, utilities and janitorial valued at $6,000 for the fiscal year. A medical group donated equipment valued at $1,500, and central administrative employees of WHAT provided staff support valued at $26,064, bringing the total in-kind revenue to $71,773.

Currently, one quarter of the Wellness Center's total revenue comes from patient billing. Most of the patients seen are enrolled in Medicaid, thanks to the efforts of a half-time community outreach worker and two licensed clinical social workers. Collection from commercial payers has also been successful, as shown below:

	% Users	*$ Collected*	*% Collected*
Medicaid	49%	$76,410	70%
SCHIP	5%	7,790	7%
Commercial	26%	24,421	22%
Uninsured	20%	877	1%
TOTAL	100%	$109,498	100%

According to Parker, "Having an in-house practice management package is crucial to collecting revenue." After a lengthy evaluation process, WHAT purchased the Millbrook system by MD/WIN Corporation, headquartered in Dallas, Texas. Although the North Carolina Department of Health and Human Services has recently mandated the use of Clinical Fusion, WHAT's system was "grandfathered" since it was already in use. It is a complete medical practice management package with the capability of downloading data to Microsoft Office for reporting purposes. WHAT is fortunate to have a volunteer information systems consultant who has assisted in modifying the system to meet special needs.

The Lakeside High School Wellness Center enrolls students by distributing packets to parents at school registration. Complete insurance information is requested on the parental consent form. Those that indicate no insurance are contacted by the Community Outreach Worker who assists with a Medicaid or SCHIP application. The Medicaid program in North Carolina has implemented a Primary Care Physician (PCP) approach to managed care, rather than contracting for the delivery of care through privately-owned health maintenance organizations. However, Medicaid managed care is mandated in New Hanover County and WHAT does function as a PCP. If the student is enrolled with another PCP, staff calls to get permission to treat, which is usually granted, but the process is time-consuming. Recently, an interagency memorandum of understanding was negotiated between the Division of Public Health and the Division of Medical Assistance within the North Carolina Department of Health and Human Services. The MOU authorizes the credentialing of school-based health centers and provides that, once credentialed, the requirement to obtain PCP approval prior to rendering service to a Medicaid beneficiary is waived. The credentialing standards were developed by the State of North Carolina and currently nine school-based health centers have completed the process.

The Wellness Center has the capability to handle cash but little is collected. For those who have it, the insurance is billed. If the Explanation of Benefits indicates patient liability, this amount is then billed to the family. Uninsured patients are eligible for a sliding fee scale. If the patient does not have the money at the time of service, he is seen and the family is billed. If the bill is not paid, one follow-up contact is made – either a second bill or phone call. If the bill remains unpaid after another 30 days, the balance is written off. Families without coverage are referred to one of two Licensed Clinical Social Workers who makes an attempt to enroll the patient in Medicaid or SCHIP for future visits.

For confidential visits, Medicaid is billed because Medicaid does not send Explanations of Benefits to the home. However, private insurance carriers are not billed unless the patient gives permission. Instead, SBHC staff asks the patient for a minimal payment.

Although Parker feels that grant funding will always be necessary to offer a full range of comprehensive services, including health promotion and education, she looks forward to the day when fully half of her operational budget is supported with patient revenue. "We are always conscious of maximizing billing so that we get paid for what we do. It takes investment to do that."