



## **Mascoma Community Health Center's Future**

### **CURRENT**

Mascoma Community Health Center (MCHC) currently has more than 3,500 active patients and has had 23,431 patient visits during the 34 months that Mascoma Health Center has been open. We add about 80 new patients every month. Many of our patients are low income and have no insurance or are underinsured. Many receive care at a reduced fee using our sliding fee scale system that is based on income.

We employ two doctors, a nurse practitioner and a physician assistant in the medical clinic and a dentist, dental hygienist and two dental assistants in the dental clinic along with other staff that support these providers. MCHC currently employs 19 full-time/ part-time staff with 85% of them resident to our 5 communities (Canaan, Enfield, Grafton, Orange, Dorchester)

Today, our operating budget is in excess of \$1.5 million dollars a year. Part of this cost is funded by fees paid by patients and insurance companies and part is paid by grants. Fees account for nearly \$1 million dollars. Grants add about \$75,000 in revenue. The remaining \$425,000 has come from donations.

### **HOW WE HAVE WORKED TO GROW REVENUE**

Starting a year ago the MCHC Board of Directors, in conjunction with all our providers, took several steps to close the cash gap that was more than \$800,000 a year at the beginning of January 2019. We needed to succeed in doing this so that we would no longer need to rely on contributions for such a large part of our budget.

The first step was to look at the overall practice and make changes in how we deliver service. We expanded available appointment slots in our dental practice to capture increased demand. To increase utilization of our medical team we developed and promoted a new employee health plan that provided a way for small employers to pre-buy healthcare for their employees at a significant discount. These were all very helpful. To that end, we added staff and new patients. During the past 12 months, our patient panel grew from 2,300 patients to 3,500 patients. Visits doubled. Revenue increased. All these actions resulted in a reduction of the cash deficit by more than 50%.

The second step was to seek to become a Federally Qualified Community Health Center (FQHC). This is a designation for Community Health Centers, by the federal Health Resources and Services Administration (HRSA), that results in a number of financial benefits. As a FQHC, the Center would receive about double the usual reimbursement for Medicare and Medicaid services, would be provided an annual stipend grant that underwrites the cost of donated care, and would establish a low cost prescription program that generates revenue for the Center. Malpractice insurance would be provided by the federal government and employees would receive forgiveness of educational loans. Overall, the designation could add more than \$900,000 in funding to MCHC.

In order to receive this designation, we would normally have to go through a three-year process to become a FQHC, and during that time we would need to continue to raise money from donations.

There was another alternative; we could seek a partnership with an existing FQHC as a “New Access Point” for that FQHC. We initiated discussions with neighboring Community Health Center FQHCs in the fall of 2018. Discussions were held with Mid-State Community Health Center located in Bristol and Plymouth and the eight Community Health Centers operated by Springfield Community Health Systems in Vermont. We also met with HealthFirst Family Care Center, Inc. that operates health centers in Laconia and Franklin, New Hampshire.

As a result of these discussions, we entered into a Memorandum of Understanding with HealthFirst and Springfield Community Health Systems to submit an application to HRSA to become a “New Access Point” FQHC. Shortly thereafter, Springfield Community Health Systems experienced financial challenges and we mutually agreed to end our discussions. We continued to explore affiliation with HealthFirst. Together we applied to HRSA in April 2019 and, while we scored high at 94 points, we were not in the first round of approvals. Our scoring was not an indication of weakness but rather of greater need in other areas of the country. Of more than 500 applicants that applied, only two applicants were selected from the northeastern United States and none from New England. We believe that we would be approved by 2021 but we would still need to raise significant donations for at least two more years.

## **POSSIBLE FUTURE**

In December 2019 there were further discussions with HealthFirst and a thorough review of each respective party’s finances and services. HealthFirst believed that it was still possible to complete an affiliation by receiving a “Change of Scope” approval from HRSA to expand HealthFirst services to MCHC. It appears that we may be able to complete this process by July 2020. HealthFirst has indicated this “Change of Scope” will result in maintaining all services currently provided to MCHC patients as well as adding behavioral health services, Medicare and Medicaid funded medically assisted drug treatment programs, and nutritional health programs Overall, new revenue from this affiliation would total about \$500,000.

In addition, the MCH Board of Directors is planning on increasing dental service from 4 days to 5 days and has decided to adopt the popular ‘urgent care’ model and accept walk-in and same day appointments to build the medical practice. Both will generate additional revenues.

It is believed that the “Change of Scope” affiliation with HealthFirst and increased service revenues would make Mascoma Health Center cash sustainable and reduce the reliance on donations by more than \$270,000.

## **CONSIDERATIONS FOR AFFILIATION:**

- The Mascoma mission is to provide a local, community controlled health center that offers medical care, dental care and behavioral health services. This would not change.
- Is it difficult for MCHC to sustain raising large amounts of donations for another two years. A strong affiliation would reduce the dependence on fund raising for operational expense.
- MCHC does not currently offer behavioral health services and an affiliation would add behavioral health, substance abuse treatment, nutritional services and a low cost pharmacy.
- In an affiliation, MCHC providers and staff would remain the same.
- Our providers are already interacting with HealthFirst employees to learn and grow.
- The Mascoma Community Healthcare, Inc. Board would continue to support the Health Center, reach out to community members to grow the practice, and serve as an advocate for patients.

- Mascoma patients would have proportionate representation on the HealthFirst Board of Directors because FQHC statutes require it. This guarantees local input to all decisions affecting the Health Center.
- The Health Center and equipment would continue to be owed by Mascoma Community Healthcare Inc. and leased to HealthFirst, thus guaranteeing the long-term commitment to the Mascoma Valley.
- We would have strength from sharing of staff and knowledge with two other partner health centers.
- Day-to-day management would be performed by HealthFirst and would be accountable to the expanded HealthFirst Board.
- Mascoma Healthcare volunteers would still provide guidance in growing the combined HealthFirst/Mascoma family.
- We believe that this is the best option for Mascoma to go forward financially and provides even more service to our residents in the future.

We would appreciate your input. Please share your thoughts with us so that we can make the best decision for our communities. Send comments by March 25th to:  
[Director@Mascomahealth.org](mailto:Director@Mascomahealth.org)

Thank you

Mascoma Community Healthcare Board of Directors

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#### **WE STILL NEED DONATIONS OVER THE NEXT 4 MONTHS**

In the meantime, we find ourselves in a difficult situation regarding cash flow until the merger with HealthFirst is completed. Due to the corona virus pandemic, all primary care facilities in the state are seeing decreases in non-essential elective medical and dental appointments. This is happening to us as well. Furthermore, we just received a recommendation from the NH Dental Society to suspend all dental cleaning appointments as a method to mitigate the spread of Covid-19. We must comply, despite this action interrupting a significant portion of our income.

Therefore, we need immediate financial help to keep our doors open. We ask the community to please consider a donation to the health center now. We have a solid path forward to financial stability in the merger with HealthFirst and the resulting FQHC status. Once the pandemic has passed, we will be in a position to serve the Mascoma communities with new services beyond the good work we presently do for many years to come. Your support is crucial.

You can make a donation by going to our website at:

[www.mascomcommunityhealthcare.org](http://www.mascomcommunityhealthcare.org)

or see our Facebook page. You can also mail a check to:

Mascoma Community Healthcare, Inc.

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