

# **WORKSHOP**

**Workshop on Consideration of Bond**  
**Community Health Center, Inc.**  
**FY 2014 Funding**

**Tuesday, September 10, 2013**  
**1:00 – 3:00 p.m.**

**Leon County Board of County Commissioners' Chambers**  
**Leon County Courthouse, 5<sup>th</sup> Floor**

**Leon County  
Board of County Commissioners**

**Notes for Workshop**

# Leon County Board of County Commissioners

## Cover Sheet for Workshop

September 10, 2013

**To:** Honorable Chairman and Members of the Board

**From:** Vincent S. Long, County Administrator 

**Title:** Consideration of Bond Community Health Center, Inc. FY 2014  
Primary Healthcare Funding

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<b>County Administrator Review and Approval:</b>	Vincent S. Long, County Administrator
<b>Department/ Division Review:</b>	Alan Rosenzweig, Deputy County Administrator Candice M. Wilson, Director, Office of Human Services and Community Partnerships
<b>Lead Staff/ Project Team:</b>	Eryn D. Calabro, Financial Compliance Administrator Shelia Murray-Dickens, Healthcare Services Coordinator

**Fiscal Impact:**

This item has been budgeted and adequate funding is available if allocations are approved at the current funding level of \$805,140.

**Staff Recommendation:**

Board direction.

## **Report and Discussion**

### **Background:**

During the Budget Workshop on July 8, 2013, the Board approved funding for the Primary Healthcare Program at the current level funding of \$1.7 million; however, the funding allocation was suspended for Bond Community Health Center (Bond CHC) in the amount of \$805,140, due to concerns regarding the organizations ability to retain federal funding. Prior to the adoption of the FY2014 Annual Budget, the Board directed staff to conduct a workshop to address issues needing clarification; including, the status of Bond CHC as a Federally Qualified Health Center (FQHC) and Bond CHC's funding from the Health Resources Services Administration (HRSA). In addition, the Board directed staff to provide information regarding the Affordable Care Act (ACA) and potential impacts to FQHCs and community healthcare providers.

Prior to the budget workshop, the County temporarily suspended Bond CHC's current FY2012-2013 funding, based on reported audit findings by Bond CHC. Subsequent information, presented by Bond CHC to the Board, showed that Bond CHC had sufficiently resolved the audit discrepancies and the Board approved the resumption of Bond CHC's current FY2012-2013 funding. Additionally, the Board approved an amendment to Bond CHC's contract, which allocated \$72,455 of the remaining FY 12/13 County funds for an additional Agency for Health Care Administration (AHCA) Low Income Pool (LIP) award. Additional information regarding the current year funding suspension and ultimate reinstatement is provided in Attachment #1.

### **Analysis:**

This workshop contains a detailed review and analysis of several aspects of the primary healthcare continuum for uninsured and underinsured residents of Leon County. To address the Board's questions raised during the budget workshop concerning Bond's status as a FQHC, Section 3 are the answers provided by Bond CHC to a series of questions posed by the County Administrator.

In order to provide a complete picture, prior to reviewing the questions and answers about Bond's FQHC status, it is necessary to provide a considerable amount of technical information related to numerous aspects of the various primary healthcare program elements (i.e. FQHCs, HRSA, CareNet, etc.). To enable the analysis, the Workshop item is divided into a number of sections that address each unique topic. Additional detail and information is shown through attachments. All of the information presented provides a comprehensive review, including detailed analysis related specifically to Bond CHC's current status. The balance of the workshop item is presented as follows:

1. Overview of the CareNet Program
2. Overview of the Health Resources and Services Administration (HRSA) and Federally Qualified Health Centers (FQHCs)
3. Bond CHC's Status
4. Bond CHC & Neighborhood Medical Center (NMC) Collaboration
5. Overview of the Affordable Care Act
6. County's On-Going Role
7. Conclusion

## 1. Overview of the CareNet Program

This section provides a broad overview of the major elements and funding related to the primary healthcare program. The subsections are as follows:

1. A. Primary Healthcare Program
1. B. Historical Funding
1. C. Today's CareNet
1. D. CareNet Annual Funding Process

### ***1. A. Primary Healthcare Program***

Leon County's Primary Healthcare Program is administered through the Office of Human Services and Community Partnerships (HSCP). The goal of the Primary Healthcare Program is to improve the health of citizens by providing quality and cost effective health services through collaborative community partnerships. In keeping with the vision of the County, the program provides funding to support the provision of healthcare services to uninsured residents who are, based on Federal Poverty Guidelines, indigent.

The County has the following functional responsibilities:

- Collaborate with federal, state, county, and/or community agencies in order to assess the health status of Leon County and establish a plan to improve access to quality health services and to ensure effective and efficient delivery of County funded services.
- Exercise internal controls and a quality management strategy to promote and ensure excellence in service delivery.
- Monitor, review and evaluate County-funded and contracted health services, activities, and expenditures to ensure fiscal and program compliance.
- Pursue alternative funding and resources to expand access to healthcare for indigent and uninsured populations.
- Serve as liaison to the County's ***Community Health Coordinating Committee***, which provides a forum for citizen participation in healthcare planning and dialogue to address community concerns and problems regarding healthcare.

### ***CareNet Partners***

Partnering with community health providers is essential in helping to ensure that residents have access to care. The following are collaborative partners, collectively referred to as CareNet:

- Bond Community Health Center, Inc.
- Neighborhood Medical Center, Inc.
- Leon County Health Department
- Florida A & M University College of Pharmacy and Pharmaceutical Sciences
- Capital Medical Society Foundation/We Care Network
- Tallahassee Memorial HealthCare

The CareNet collaborative is designed for the purpose of providing cost effective primary and specialty healthcare services in a coordinated continuum of care. Objectives of CareNet are as follows:

- To provide access to primary care and specialty medical services in a cost effective and efficient manner.
- To leverage County, State, Federal and private funds to the highest extent possible.
- To maintain continuity of primary care through services provided by CareNet partners.
- Reduce non-emergency hospital emergency room visits by Leon County residents.

Research indicates that uninsured Leon County residents normally turn to local hospital emergency rooms for their healthcare needs. Many times these costly emergency room visits take place for common illnesses that have gone untreated. More often than not, had the patient received preventive care, the illnesses suffered could have been avoided. The local hospitals report that visits to their emergency rooms for primary care services to the uninsured translate into millions of dollars of bad debt charges each year. Ultimately, all County residents end up paying the price for these bad debt charges through the increased cost of healthcare services.

***1. B. Historical Funding***

For more than a decade, the County has provided funding to CareNet agencies to support their efforts to provide critical healthcare services to uninsured and indigent residents of Leon County. The overall long-term goal of CareNet is to provide access to primary care and specialty care services to all Leon County residents, who are in need of such services. For all funding received from the County, each provider submits monthly and/or quarterly reports detailing patient encounters and services.

Table 1 illustrates Primary Healthcare Funding for the last five years. Due to the addition of mental health care funding, County funding to CareNet agencies increased by more than 26% between FY 2009 and FY 2010. Funding has remained level over the past four years.

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**Table 1. Primary Healthcare Funding FY02008/09- FY2012/13**

Agency	FY 2008/09	FY 2009/10	FY 2010/11	FY 2011/12	FY 2012/13
Bond Primary Care	\$329,380	\$329,380	\$332,052	\$332,052	\$332,052
Bond Women & Children	\$248,260	\$248,260	\$245,588	\$245,588	\$245,588
Bond Mental Health	N/A	\$50,000	\$50,000	\$50,000	\$50,000
Bond Pharmacy*	N/A	\$88,750	\$177,500	\$177,500	\$177,500
<i>Total Bond Funding</i>	\$577,640	\$716,390	\$805,140	\$805,140	\$805,140
Neighborhood Medical Center (NMC) Primary Care	\$355,000	\$416,740	\$416,740	\$416,740	\$416,740
NMC Mental Health	N/A	\$50,000	\$50,000	\$50,000	\$50,000
<i>Total NMC Funding</i>	\$355,000	\$466,740	\$466,740	\$466,740	\$466,740
Capital Medical Society Foundation/We Care Network	\$90,043	\$130,043	\$130,043	\$130,043	\$130,043
FAMU Pharmacy**	\$355,000	\$266,250	\$177,500	\$177,500	\$177,500
Florida Healthy Kids	\$8,854	\$7,514	\$3,777	\$2,488	\$2,488
Apalachee Center, Inc.***	N/A	\$157,671	\$157,671	\$157,671	\$157,671
<b>Total Funding</b>	<b>\$1,386,537</b>	<b>\$1,744,608</b>	<b>\$1,740,871</b>	<b>\$1,739,582</b>	<b>\$1,739,582</b>

\*Bond began administration of its Pharmacy Program in April 2010 which was previously administered by FAMU

\*\*\$147,571 of this allocation funds pharmacy services at Neighborhood Medical Center.

\*\*\*Non-mandated mental health services

### ***1. C. Today's CareNet***

CareNet is a public and private sector collaboration (not a health insurance plan) designed to deliver primary healthcare, as well as specialty care services to uninsured residents. CareNet improves the overall health of our community, reduces health care costs, and maintains a high quality of life. Leon County supplements existing CareNet partner funds in order to expand the services provided to more of the County's uninsured residents.

At the program's inception, the Board recognized the need to provide additional dollars for the care of the uninsured and underinsured in the County. This need was necessitated by the increase in patient visits to local hospital emergency rooms. The County initiated and provided funding for the CareNet model in order to expand access to primary care services for the uninsured and underinsured.

In recent years, as the CareNet program has progressed, the Board has approved County dollars to be utilized as matching funds. Currently, Bond CHC utilizes the majority of County funding as Agency for Health Care Administration (AHCA) Low Income Pool (LIP) matches, with the remaining dollars used to support its pharmaceutical services. This process results in an increase of state funding for medical services for Leon County.

A detailed analysis of Bond CHC's funding is provided later in the analysis section of the workshop item.

Additionally, the County initiated discussions with Tallahassee Memorial Healthcare Foundation that resulted in a partnership allowing Neighborhood Medical Center (NMC) to draw down AHCA LIP funds. NMC is not classified as an FQHC and cannot apply for direct LIP funding. Through this partnership, Tallahassee Memorial Healthcare Foundation remits matching funds to NMC to provide additional dollars that support primary care services. Moving forward, staff will continue to evaluate the County's CareNet program to look for ways to maximize resources, and further partnerships and collaborative efforts to bring additional healthcare funding to the community.

In aggregate, Leon County invested \$1.7 million in the primary healthcare program, which in turn created \$9.4 million in the value of services reported. This equates to a return on investment (ROI) of \$5.67 for every \$1.00 invested.

#### ***1. D. CareNet Annual Funding Process***

As part of the annual budget process, each CareNet agency submits a "Non-Departmental Funding Request" application during the budget development process to the Office of Human Services and Community Partnerships. Once an application has been received by Human Services and Community Partnerships (HSCP), the information is submitted to OMB as a budget discussion item. The item details the funding requests for presentation at the final budget workshop.

Subsequent to budget approval, the County enters into an annual contractual agreement. The funds are either provided as matching dollars for Medicaid Low Income Pool grants or billed at \$125 for each primary healthcare visit and \$80 for each mental health visit.

## **2. Health Resources and Services Administration (HRSA) and Federally Qualified Health Centers (FQHCs)**

Bond CHC is currently a FQHC and receives annually funding from HRSA. Prior to reviewing Bond CHC's current status, it is necessary to have a general understanding of the process related to funding FQHCs and the overall rules that govern the process. Please note that this section is a very high-level summary of the federal program and a more detailed overview of HRSA and FQHC's is included in Attachment #2.

The balance of this section is organized as follows:

- 2. A. Summary of Health Center Requirements
- 2. B. Award Process
- 2. C. Notice of Grant Award (NoA)
- 2. D. Accessing Award Funds
- 2. E. Draw Downs
- 2. F. Programmatic Compliance
- 2. G. Progressive Action Process

## **2. A. Summary of Health Center Program Requirements**

Section 330 of the Public Health Service Act is the authorizing legislation of the Health Center Program. HRSA's Bureau of Primary Health Care administers the program and provides oversight to FQHCs. Legislation defines a health center as

*“an entity that serves a population that is medically underserved, or a special medically underserved population comprised of migratory and season agricultural workers, the homeless, and residents of public housing, by providing, either through the staff and supporting resources of the center or through contracts or cooperative arrangements.”*

FQHCs can be either non-profit private or public entities. A summary of the key (19) health center program requirements that an agency must meet is provided as follows:

1. *Needs Assessment for the area*
2. *Required and Additional Services*
3. *Staffing Requirement*
4. *Accessible Hours of Operation/Locations*
5. *After Hours Coverage*
6. *Hospital Admitting Privileges and Continuum of Care*
7. *Sliding Fee Discounts*
8. *Quality Improvement/Assurance Plan*
9. *Key Management Staff*
10. *Contractual/Affiliation Agreements*
11. *Collaborative Relationships*
12. *Financial Management and Control Policies*
13. *Billing and Collections:*
14. *Budget*
15. *Program Data Reporting Systems*
16. *Scope of Project*
17. *Board Authority*
18. *Board Composition*
19. *Conflict of Interest Policy*

## **2. B. Award Process**

HRSA awards grants or cooperative agreements, and creates a partnership with the recipient to ensure compliance with federal laws, regulations, and policies. Parties in the agreement include the following: Recipient (FQHC), HRSA Project Officer, HRSA Grants Management Specialist, and Payment Management System Account Representative. A Notice of Grant Award is then granted.

## **2. C. Notice of Grant Award (NoA)**

Notice of Grant Award (NoA) is the legal document issued to notify the recipient that an award has been made and funds may be requested from the designated HHS payment system. The NoA is the official document that states the terms, conditions, and amount of an award and is signed by the Grants Management Officer, who is authorized to obligate funds on behalf of the HRSA.

#### ***2. D. Accessing Award Funds***

Once awarded by HRSA, the funds are posted in recipient accounts established in the Division of Payment Management's Payment Management System. Funds may be requested in line with the project application. Funds typically are capped at the annual award amount. The grant may be multi-year but funding is only allocated on an annual basis based on availability of funds as approved in the annual federal budget.

#### ***2. E. Draw downs***

Recipients draw down funds as necessary through the Payment Management System web-based portal. Payments may be made by one of several advance payment methods or by cash request on a reimbursement basis. If the cash request is for an advance payment, the recipient may request funds monthly based on expected disbursements during the succeeding month and the amount of Federal funds already on hand. A request for reimbursement may be submitted more often, if authorized. Federal funds advanced to the recipient should be fully disbursed (checks written, signed, and issued to the payees) by the close of business the next workday after receipt of the funds. Federal funds should be placed in an interest bearing account.

#### ***2. F. Programmatic Compliance***

All section 330 grant awards approved by HRSA are subject to the requirements, terms and conditions specified in the grant program's authorizing statute, regulations, and other applicable regulations. HRSA may impose additional requirements as needed, if an applicant or recipient has a history of poor or unsatisfactory performance, including non-compliance, is not financially stable (i.e., demonstrating inability to safeguard Federal funds), has a management system that does not meet the prescribed standards, has not conformed to the terms and conditions of a previous award, and/or is not otherwise responsible.

HRSA will notify grantees of areas of non-compliance with program requirements. Notification is documented by conditions on the grantee's Notice of Grant Award that of the non-compliant finding and the program requirement it relates to, the nature of the corrective action(s) needed and the time allowed for completing the corrective actions and/or submission of appropriate documentation of such corrective actions.

This will most often occur during the review of annual grant funding requests (e.g., Service Area Competition or Budget Period Renewal), but may also be triggered by other events, such as findings from a site visit.

#### ***2. G. Progressive Action Process***

In circumstances where a grantee is determined to be non-compliant with one or more of the Health Center Program requirements, relevant conditions are placed on its Notice of Grant Award. In general, the Progressive Action process includes four distinct condition phases, structured to provide specified timeframes for grantee action and response to demonstrate compliance. After initial notification of the compliance issue during Phase One, the grantees will be notified at each stage as to the acceptability of the response via a Notice of Grant Award, which will also note whether further action is needed. At each phase, failure to respond by the noted deadline will result in the activation of the next Progressive Action phase.

- **Phase One = 90 days** for initial grantee response to submit appropriate documentation that the program requirement has been met and/or that the grantee has developed an action plan (see Implementation Phase for further detail) for how the grantee will comply with the requirement;
- **Phase Two = 60 days** for subsequent grantee response when the response provided in Phase One or in the Implementation Phase has been determined to be inadequate (e.g., failure to document implementation of the corrective action(s) or to respond by the specified deadline);
- **Phase Three = 30 days** for subsequent grantee response when the response provided in Phase One, Implementation Phase (if applicable) and Phase Two has been determined to be inadequate; and
- **Implementation Phase (where applicable) = 120 days** for the implementation of a HRSA-approved action plan. The 120 day Implementation Phase can be applied following a satisfactory grantee response for a plan in Phase One, Two or Three.

The Progressive Action process is designed to provide grantees with a reasonable amount of time to take appropriate action in response to a condition and for prompt HRSA review and decision-making.

### **3. Bond CHC's Status**

Bond CHC has been a CareNet partner from the beginning. Bond CHC's status as an FQHC is an integral component to the success of the CareNet model and the levels of service and care the local uninsured and underinsured citizens receive. As documented in the proceeding section, being a FQHC and receiving the associated grant funding requires highly regulated process and procedures.

3. A. Overview of Bond Community Health Center
3. B. Bond CHC's FQHC Status
3. C. Bond CHC's Budget Overview
3. D. Bond CHC's Contractual Agreements
3. E. Medicaid Rate Comparison
3. F. Bond CHC's Monitoring Overview
3. G. Bond CHC's Agency for Health Care Administration (AHCA) LIP funding
3. H. Low Income Pool (LIP) Funding Leveraging County Funds

#### **3. A. Overview of Bond Community Health Center**

Bond Community Health Center, Inc. is a tax-exempt charitable organization as defined in section 501(c)(3) of the Internal Revenue Code. Bond CHC functions as a not-for-profit corporation, as outlined by the Florida Statutes, Chapter 617. Bond CHC is also registered as a not-for-profit corporation through the Florida Department of State, Division of Corporations. Bond is one the longest established FQHCs in the state. As an FQHC, Bond CHC must have a board composition in which 51% of the Board of Directors consists of patients/consumers of the facility. Bond CHC's current Board of Directors fulfills this requirement.

Bond CHC has an operating budget of approximately \$9.5 million and as an FQHC, which expends over \$500,000 of federal funds, including HRSA funds, the organization must have an Office of Management and Budget (OMB) Circular A-133 audit performed.

Bond CHC's mission is to "improve the physical, spiritual, psycho-social, and psychological well-being of the residents of Leon and surrounding counties by providing access to the highest quality comprehensive family health services with particular concern for lower socioeconomic groups, regardless of their ability to pay." Bond CHC strives through its service provision to be a provider that is "Increasing Access...Improving Health."

### **3. B. Bond CHC's FQHC Status**

While Bond CHC is eligible for new AHCA LIP funds, they are also eligible to apply for the next round of HRSA funding. Most recently under their current HRSA project period, HRSA conducted a site visit, which resulted in conditions on Bond CHC's award and a corrective action plan. Bond CHC has responded to the HRSA site visit and is in the first 90 days of its corrective action plan. As stated by HRSA the site visit was an opportunity for HRSA to confirm compliance and offer technical assistance in specific areas (Attachment #3). HRSA recently confirmed with staff that Bond CHC's draw down restriction has been lifted.

Bond CHC's status as an FQHC is not at risk, and as stated by HRSA, the funding remains in place for this project period, which is scheduled to conclude in February 2014 (Attachment #4). While FQHC status is contingent upon receipt of HRSA federal funding, Bond CHC is eligible to apply for another health center award through the Service Area Competition. The corrective action plan and the conditions of their award have no impact on the application process and do not affect the agency from receiving a new grant award. Bond CHC has confirmed that they are going to reapply for the funding and are diligently working on completing the application due mid-October. While HRSA funding is integral to the primary care services Bond CHC provides in the community, the service partnership with Leon County is instrumental in Bond CHC's application process.

The following represents a summary of Bond CHC's responses to the questions as posed by the County Administrator and staff (complete response included as Attachment #5). Additional relevant information, including information from HRSA's Chief for Gulf Coast Branch Central Southeast Division Bureau of Primary HealthCare and the CEO of Florida Association of Community Health Centers, is provided for further clarification.

**Question 1.** *Please provide an update on BCHC's designation as an FQHC and BCHC's efforts to ensure continuing to retain this designation.*

#### **Summary of Bond CHC's Response:**

As a FQHC, Bond is able to apply for grants directly from the U.S. Department of Health & Human Services as well as other governmental and non-governmental funding sources. Bond CHC is fully confident of their ability to demonstrate Bond's continuing capacity to provide the highest standard of care in the most cost efficient manner. To supplement the efforts of their experienced in-house team, they are in the process of selecting a grant writer to "fine tune" the completed application and once the in-house team and grant writer have completed their work, Bond CHC will submit the application prior to the deadlines.

**Additional Information:** Bond CHC's Board Chair and Interim CEO both indicated that the restrictive drawdown had no impact on the process to pursue new grant funding. This was further confirmed in communications with HRSA's Central Southeast Division/Gulf Coast Branch Chief, who oversees the states of Florida and Alabama.

According to HRSA's Chief for Gulf Coast Branch Central Southeast Division Bureau of Primary HealthCare and the President and CEO for Florida Association of Community Health Centers, Bond is not in danger of losing its FQHC status and is in the process of preparing to apply for the new Service Area Competition (SAC) grant by October.

The HRSA Chief further clarified that when an FQHC is at the end of its funding period, the health center must apply through the Service Area Competition (SAC). This competition process is an objective review process that all FQHC's or applicants must apply through. The Chief stipulated that an FQHC's status in the current fiscal year does not hinder its application process. Furthermore, HRSA clarified that in order for another agency to win the service area competition, that agency would have to be able to demonstrate that it currently has the capacity to serve all 16,000 of Bond CHC's patients with the same level of care that Bond CHC currently provides.

**Question 2:** *The County understands that the Health Resources and Services Administration (HRSA) placed BChC on a restrictive drawdown and identified findings that needed to be corrected. Please provide an update on BChC's corrective action as requested by HRSA and what issues or action necessitated the restrictive drawdown.*

**Summary of Bond CHC's Response:**

The restrictive draw down, placed on Bond CHC after the site visit, was based on deficiencies relating, in general, to a lack of executive leadership and Board oversight over the years. This restriction does not mean Bond CHC will no longer receive grant funds or even fewer grant funds. It simply means that as a result of the restriction, Bond is limited to a prorated fraction of grant funding each month.

When asked how HRSA's draw down restrictions affected Bond CHC's funding, the Chairman stated that the draw down restriction was just a means of determining how Bond was utilizing funding awarded by HRSA. Normally, Bond CHC could request the funding, and it would be available within hours. After the site visit, and due to restrictions, it would take 3-4 days and approval from several levels of HRSA for access. According to the CFO, this was done mainly due to the deficiencies found during HRSA's visit. HRSA has given Bond a defined time period in which they can implement plans to correct the deficiencies.

Many of the corrective action items have already been addressed, specifically the hiring of a full-time CFO, the implementation of a Sliding Fee Scale, creation of a Recruitment & Retention Plan, and obtainment of Hospital Admitting Privileges for providers. While Bond is in the process of addressing other corrective action items, such as establishing a Scope of Service, incorporating an Electronic Health Records Integration with Patient Management System and Budget Process, HRSA has already notified Bond CHC that the draw down restriction has been lifted.

**Additional Information:** Regarding the Corrective Action from HRSA, the Board Chairman clarified that Bond's Corrective Action from HRSA was not due to financial improprieties. Rather, the issues cited specifically dealt with not having a full-time CFO on staff, and not having a valid financial system in place and a means to adequately track their budget. The Chairman indicated they were in the process of implementing software to rectify the matter. The Chairman also stated that they had to rotate off longstanding board members, as a HRSA requirement, and that process had been completed.

Additionally, the Chairman indicated that the restrictions would be lifted by HRSA if the following occurred:

- Board Governance: Replacement of Board members that had been in office over an extended period of time.
- Provisions for providing clarification of Bond's budget.
- Provide credentialing and privilege for providers to practice medicine at Bond—consistency needed.
- Provisions for providers to have hospital admitting privileges.
- Provisions to increase physician to ARNP ratio, should be to be a 1/3 ratio including a Pediatrician Supervisor (Bond has now hired a Pediatrician).
- Provision to positions of key administrators: CEO and CFO.

The site visit by HRSA was a snapshot of a moment in time (Attachment# 6). The Chief confirmed that every organization receives a formal operational site visit by the end of their grant period. Unique to Bond CHC this year was that a partner agency (HIV Assistance Bureau) also visited along with the Bureau of Primary Care Division. The role of the site visit is to evaluate every health center against the 19 key requirements. The Chief indicated that it is not uncommon for all health centers to not fully meet all key requirements during a site visit.

Additionally, the Chief stated that often times an agency could have more than one condition unmet in each separate requirement. Furthermore, HRSA policy required that when an agency has five or more conditions related to a site visit, that the agency be placed on drawdown restrictions. That policy has since been modified to a higher number of conditions before an agency can be placed on draw down restriction. Once an agency is on draw down restriction, they have upwards of a year to become compliant.

**Question 3:** *There have been concerns raised regarding the extent of immediacy of staffing changes currently underway at BCHC. This has led to speculation regarding BCHC's ability to continue to provide necessary and appropriate patient care and the ability to continue to fulfill the County's contract. Please advise as to what BCHC's current and future plans are to ensure that patient care continues to be provided at a level necessary to fulfill your contractual obligations with the County.*

**Summary of Bond CHC's Response:**

Bond CHC noted that previous administration was responsible for the challenges Bond CHC is now facing. Their board agreed that new ideas, board members, and employees were necessary for ensuring the organization's viability and sustainability into the future. Adjustments in administration were absolutely necessary to ensure Bond CHC's long-term survival. As with any business, Bond CHC will face challenges, seen and unforeseen. Bond CHC indicated they have two primary objectives 1) the highest possible quality of care for their patients within the communities they serve, and 2) the proper management of personnel resources.

Bond CHC has indicated that they will cap or limit administrative expenses and labor costs while trying to secure more resources, specifically technological advances, and systems, to support and expand quality patient care. Bond CHC believes that other long-range systemic improvements will more than ensure Bond CHC's continuing ability to provide patient care at a level necessary to fulfill its contractual obligations to the County.

***Question 4:** Please provide information explaining how BChC's funding is provided from HRSA; for example, is the funding capped? Is it based on a capitated rate? Is it to support specific programs and expenses?*

**Summary of Bond CHC's Response:**

Bond CHC receives funding from HRSA for primary care and Ryan White Part C and D. Part C is related to adults with HIV, while Part D deals with women, children, and youth with HIV related issues. HRSA funding is capped for the full term of the grant award period.

**Additional Information:**

Bond CHC reports to HRSA regarding their costs for personnel, benefits, supplies, etc. Bond CHC utilizes approximately \$1 million of the funding for primary care: approximately \$500,000 for the homeless clients and approximately \$500,000 for public housing recipients. HRSA funding is capped every year based on the amount of the award per year.

Bond indicated that although there is no cap on the Medicaid or Medicare billing, their dollars are derived from the number of Medicaid/Medicare eligible clients. According to HRSA's Uniform Data System (UDS), Bond reports 43% of their patients are uninsured and/or underinsured. Leon County funding is critical to Bond CHC as it allows them to draw down a \$2 million in AHCA LIP funding which serves as gap funding to cover other needed costs for primary care services.

***Question 5:** Please provide information explaining BChC's plan to implement the recently awarded "Outreach and Enrollment Assistance" grant funding of \$138,189, which according to the US Department of Health and Human Services is intended to enroll uninsured citizens in new health coverage options made available by the Affordable Care Act.*

**Summary of Bond CHC's Response:**

Bond's indicated that the \$138,189 awarded was a one-time occurrence, and it is to be used to hire staff to perform outreach and education regarding the Affordable Care Act. Furthermore, the funding is to be used to assist people with enrolling into the program from October 2013 until January 2014. Bond CHC intends to hire an additional two or three staff specifically for this purpose. In addition, Bond CHC will conduct "in-reach" with current uninsured health center patients and "out-reach" to non-health center patients in our entire service area, which includes all of Leon County. Bond CHC fully intends to collaborate with other health centers and providers within its service area.

**3. C. Bond CHC's Budget Overview**

According to their Non-Departmental Funding Application, Bond CHC's proposed FY13/14 annual budget is almost \$9.5 million dollars (Attachment #7). As depicted in Table #2, revenues are derived from Leon County, State funding through AHCA LIP matching funds, federal funds through HRSA federal grant awards (Primary Care, Homeless, Public Housing, Ryan White), Medicaid/Medicare reimbursement dollars, private insurance, and self-pay).

*Table #2 "Bond CHC's Revenue Summary Chart"*

Revenue Sources	2012/13 (Current)	2013/14 (Proposed)
Leon County	805,140	805,140
State	1,915,056	2,014,011
Federal	2,447,911	2,531,116
Contributions/Special Events	15,000	-
Program Service Fees	3,969,237	4,088,314
Other Income (Rental Income)	28,979	43,979
<b>Total</b>	<b>9,181,323</b>	<b>9,482,560</b>

Note: Leon County funding is utilized as match funding to support portions of the State/Federal funding identified in the table, which results in Leon County being responsible for approximately 28% of Bond CHC's funding.

Bond CHC's funding from Leon County is approved annually by the Board and is reimbursed at a rate of \$125 per patient visit. Additionally, Bond CHC utilizes a portion of County funding as matching funds to draw down State dollars through AHCA LIP funds. County funds represent almost 8% of Bond CHC's budget. When accounting for both County and AHCA LIP funds, County support makes up approximately 28% of Bond CHC's operating budget. As previously stated, other funds are derived through Medicaid/Medicare reimbursements, which are capped at the number of eligible patients, private insurance, and self-pay. Bond's expenditure detail summary chart is shown in Table #3.

*Table #3 "Bond CHC's Expenditure Summary Chart"*

Expenditure Detail	2012/13 (Current)	2013/14 (Proposed)
Personnel	6,314,932	6,504,380
Operating	2,776,778	2,957,132
Other Expenses	89,613	31,048
<b>Total</b>	<b>9,181,323</b>	<b>9,492,560</b>

In order to determine how Leon County's funding of FQHC and other healthcare providers compared to other Florida counties, HSCP initiated a study/survey. According to the Florida Association of Community Health Centers (FACHC), there are 49 FQHCs and two FQHC Look-a-Likes in the state of Florida. The survey results are shown as Attachment #8.

#### *Survey Analysis*

Based on the data gathered, there are four different types of models for County funded FQHC's.

1. County Funded Intergovernmental Transfers (IGT)
2. County Funded Intergovernmental Transfers (IGT) and Operating Funds
3. County Run Program Funded Through a Municipal Service Taxing Unit (MSTU)
4. Public Health Entity FQHC Funded Through County

The vast majority of those surveyed provide primary healthcare funding support; 14 of the 18 Counties surveyed provide funding. Several of the counties queried indicated that the County funds IGTs for FQHCs similar to the method adopted by Leon County. The process involves allowing county funding to be used for match dollars to AHCA for distribution to the local FQHC. The amount of direct County support varies, based on several variables with some counties funding as little as \$41,000 and some funding ranging into the millions. A majority of the counties surveyed, similar to Leon County, provided both AHCA Low Income Pool (LIP) matching dollars while also providing additional dollars for operating cost. In most cases, the remaining operating dollars were billed at a 1/12 monthly rate. The survey results support that Leon County is consistent with other local jurisdictions in its method of providing funding for FQHCs.

In addition, some counties provide funding to their local County Health Departments for the provision of primary care. These Health Departments receive FQHC status designated as Public Entities. According to HRSA's Central Southeast Division/Gulf Coast Branch Chief, who oversees Florida and Alabama, there are 10 Health Department FQHC's in the state of Florida. In the case of public centers (also referred to as public entities), they must have a co-applicant governing board to be eligible to apply for the FQHC status. The governing board should consist of Health Department patients at a rate of 51%. In these cases, funding goes directly to the Health Department for primary care services.

#### ***3. D. Bond CHC's Contractual Agreements***

For fiscal year 2013/14, Bond CHC requested a level funding in the amount of \$805,140. The current FY2013 Bond CHC contract provides \$805,140 in funding (Attachment #9). The Leon County Agreement for Primary Care is \$332,052 and Women and Children's Services is \$245,588. Each requires the provision of ambulatory, preventive and primary care, including but not limited to, diagnostic and therapeutic services. Bond is reimbursed \$125 per patient visit, up to the contracted amount. Bond can only bill Leon County for verified Leon County residents.

Based on reporting for the County's most recently completed fiscal year, in FY 2011/12, Bond reported 14,700 patient visits with approximately 10,290 being uninsured Leon County encounters. It should be noted that the funding provided by Leon County does not fully or adequately cover all uninsured or underinsured visits to Bond CHC. Contractually, Leon County funds are provided to cover 4,620 primary care visits and 625 mental health visits.

Due to Bond CHC being a Federally Qualified Health Center, the organization has to treat all individuals regardless of their ability to pay for treatment.

In addition, Bond CHC receives \$177,500 from the County for pharmacy services. Bond CHC began administering its pharmacy services in April 2010. For fiscal year 2011/12, Bond CHC reported that over 47,000 prescriptions were filled, valuing more than \$5.2 million. Bond CHC also operates a Patient Assistance Program (PAP) that provides discounted brand or specialty drugs. In FY 2011/12, more than 1,200 PAP prescriptions were received at an estimated value of close to \$1.2 million.

To further expand the availability of services to individuals suffering from mental illness, Bond CHC receives \$50,000 to provide mental health services. Bond CHC bills \$80 per encounter for mental health services up to the contracted amount.

### ***3. E. Medicaid Rate Comparison***

Historically, Leon County has provided program funding in the form of reimbursement for expenditures. In 2002-2003, program providers were reimbursed for medical personnel and additional dollars were allocated for medications, diagnostic services, and laboratory services. Under recommendation of the former Healthcare Advisory Board (HAB), the reimbursement methodology was changed to a per patient basis. The HAB membership consisted of the following: the CEO's of both hospitals, the Health Department Administrator, representatives from FSU College of Medicine, Bond CHC, NMC, FAMU, Capital Medical Society, the County Administrator, and seven individual Commissioner appointments. The per-patient visit method was established as HAB recognized that this method of reimbursement is a more equitable basis of reimbursement since it enables the healthcare providers to be compensated based on patient volume. HAB recommended rates increased from \$75 to \$80 to the current rate of \$125 per patient encounter for both Bond CHC and NMC. The \$125 rate was established in FY 2008/09 at the recommendation of HAB and subsequently approved by the Board. The structure of the contract and the associated reimbursement rate was intended to ensure that the funding followed the number of patients served with County funding.

In comparison to the \$125 rate, a review of statewide Medicaid rates indicates a range of billed costs of \$111 to \$144 per patient visit. Based on these ranges, the statewide median rate is \$127. In comparison, Leon County's reimbursement rate of \$125 is slightly lower than the statewide median and falls into the lower end of the spectrum when compared statewide (Attachment #10). Both Bond CHC and NMC also contract with the Leon County Health Department for the provision of primary care services at a reimbursement rate of \$125 per encounter.

Based on information obtained from AHCA, Bond CHC's current Medicaid Reimbursement rate is \$111.73. NMC indicated that their rate varies based on services provided. NMC's billing ranges varies, based on whether or not it is a new patient versus an established patient. Additionally, the rate for NMC varies base on the patient encounter being with a physician versus an ARNP. NMC's average Medicaid rate is \$150 (Attachment #11).

The contracts with the providers could be modified to reflect their respective Medicaid rates; however, this would result in a decrease in the rate for Bond CHC and an increase in the rate for NMC. Currently, both providers receive the same reimbursement rate, which is also consistent with the rate being provided by the Health Department. Staff recommends maintaining a consistent reimbursement rate between the providers. Given the range of \$111 to \$150 for Medicaid reimbursement, the current \$125 reimbursement rate being provided by the County appears to be reasonable.

### ***3. F. Bond's Monitoring Overview***

An onsite monitoring is required of each CareNet partner annually. In prior years, onsite monitoring was conducted by the Health Department on behalf of Leon County. In FY2011/2012, HSCP began conducting the eligibility monitoring while the Health Department prepared the clinical reviews. In 2012/13, the Office of Human Services and Community Partnerships began completing both the clinical and eligibility internally.

To ensure success of the program and provide an appropriate level of accountability, monthly reporting is required of CareNet providers and includes the following to ensure that patients are not duplicated by receiving treatment from multiple programs for the same services:

- A comprehensive list of uninsured Leon County residents served via CareNet funding.
- The number of total patients seen for the period and total number of patient encounters.
- Description of patient encounters and services provided to patients served via CareNet funding.

Contractual compliance is ensured by annual monitoring and desk audits. This file monitoring includes on-site visits where County staff conducts clinical reviews, along with eligibility documentation reviews. An overview of the process is as follows:

- Prior to the site visit, agencies are given a 30-day written notification of the County's impending visit. Additionally, a copy of the monitoring tool is provided to show the review criteria.
- Staff requests a list of Leon County patients served within the projected period.
- Based on the list of clients provided, staff performs a random selection of primary care and mental health patients for review
- Once the patients are selected, a copy of the list is sent to the agency for preparation of the visit
- During the visit, staff conducts an intensive Clinical Review of the patient records/charts to determine if clients are fully being served based on the grant requirements. *The Quality Assurance Record Review - Patient* section of the monitoring report provides a summary of the results obtained from the clinical review.

- Staff also conducts a *Patient Eligibility Record Review*. This analysis consists of reviewing staffing requirements, client eligibility requirements, and patient satisfaction surveys to ensure compliance with the contract. It includes a review of job descriptions, protocols, licensure, and training of staff employed at the facility. Staff also conducts patient chart reviews to ensure that Bond is in compliance with eligibility requirements for reimbursement of services provided, including determination of Leon County residency.

An on-site monitoring was scheduled with Bond CHC on June 26<sup>th</sup> and 27<sup>th</sup> of this year. Based on staff's clinical review, Bond continues to provide quality care to its patients. Overall, the Clinical Review audit was satisfactory. Upon reviewing the 49 patient charts, Bond maintained an approximately 95-100% compliance rate regarding clinical chart documentation (Attachment #12).

However, during the patient eligibility review, there were noted deficiencies in the area of proving client eligibility. The "*Patient Records*" component of the audit was deemed unsatisfactory. Additionally, a review was conducted to determine whether documentation was maintained in accordance with the contractual agreement for all patients billed to the County. The criteria outlined in the agreement are as follows:

1. Income verification forms completed and documented in the patient's file for the most recent 12-month period.
2. Client income at or below 100% of non-farm Federal Poverty Level and documented in the patient's file.
3. Documentation of Leon County residency in the patient's file.
4. Medicaid Eligibility Verification in the patient's file.
5. Signed and dated Client Participation Agreement in the patient's file.

During the site visit, 48 records were reviewed for eligibility. While there were files with some of the required documentation, none of the files were in complete compliance with all of the established eligibility criteria set forth in the contract. During the site visit, after giving Bond staff the opportunity to provide the missing documentation, no additional documentation was forthcoming. Based on these findings, County staff determined that no patient visit was eligible for reimbursement.

Some of the same eligibility issues encountered, during this site visit, also existed during the prior year's visit. A letter, along with the Monitoring Report Results, was sent to Bond CHC's Board Chairman and CFO/Interim CEO and Bond CHC were given 30 days to respond, as specified in the contract:

*The provider will correct all noted deficiencies identified by the County within the specified period of time set forth in the recommendations. The provider's failure to correct noted deficiencies may, at the sole and exclusive discretion of the County, result in any one or any combination of the following: (1) the provider being deemed in breach or default of this contract; (2) the withholding of payments to the provider by the County; and (3) the termination of this contract for cause.*

In recent months, Bond CHC has been cooperative with and accommodating to HSCP staff regarding measures to ensure contractual adherence. Staff is continuing to work with Bond to ensure compliance with the issues listed in the monitoring report. The report was sent to Bond's Interim CEO and Board Chairman on August 13, 2013. Bond CHC has 30 calendar days from August 13, 2013 to provide a written response to the Office of Human Services and Community Partnerships.

Bond responded in writing on August 29, 2013 and stated that they have revised policies and enacted a corrective action plan to ensure compliance with the County's contractual obligation (Attachment #13). Front desk staff is being properly trained to ensure that the correct documentation is being collected, filed, and uploaded to the client's file.

Additionally, over the past year, staff has been proactive in creating ways compliance can be improved. Staff has created an electronic client management system that will significantly reduce the eligibility errors surrounding monthly billings from CareNet Partners. A consulting firm has been contracted to create an electronic database that will be used by all of the providers. The new system will require that all five components of eligibility be entered into the electronic database, prior to requesting reimbursements. In addition, the system will reduce the potential for duplication of services among providers. Although Bond CHC has had some issues with documenting eligibility, implementation of the client management system will provide a mechanism for the organization to prove and ensure that all eligibility requirements have been met.

### ***3. G. Bond CHC's Agency for Health Care Administration (AHCA) Low Income Pool (LIP) funding***

Currently, as part of Bond's FY 2012/13 County funding allocation, \$699,346 of the \$805,140 is leveraged with AHCA LIP funding to draw down an additional \$2.7 million for health care services in the community. AHCA stipulated that in order for entities like Bond CHC to receive LIP funds, they must receive local matching dollars or qualified Intergovernmental Transfers (IGT). Only county, city, and taxing districts can provide the match funding.

With regard to the Affordable Care Act, AHCA anticipates some new metrics in terms of reporting requirements, and potentially, in the future, Health Departments and FQHCs may face more stringent reporting requirements. Currently, reporting to AHCA is provided in a narrative form, which provides information for the analyst to compare to the budget. The process is done to ensure that agencies are using funds according to the application. Currently, AHCA does not perform site visits for the monitoring of funding expenditures; rather they monitor the agencies through the report submissions.

According to AHCA, the ultimate use of Low Income Pool (LIP) funds is to expand medical coverage and access to care to vulnerable populations. Funding can be used for programmatic and/or operational needs, as long as it promotes and results in access to care. Further, it should be noted that during discussions with AHCA representatives, statements were made regarding Bond CHC being one of the most responsive and reliable FQHCs with whom the agency works. Bond was noted as consistently performing well and has never had an issue, until recently regarding late reporting. This matter was resolved quickly and all reports submitted were correct.

**3. H. Low Income Pool (LIP) Funding Leveraging County Funds**

The layout of how the County's funding is leveraged is shown in Tables 5 and 6. Bond CHC further clarified how they currently use the FY2012/2013, and if allocated will use the FY2013/2014 funding.

**Table 5.**

<b>FY 2013 Bond AHCA LIP AGREEMENTS SUMMARY</b>			
<b>Award</b>	<b>County Match Request</b>	<b>State/Federal Funding</b>	<b>Total Funding</b>
ER Diversion	\$271,000	\$729,000	\$1,000,000
Specialty Care	\$211,350	\$788,650	\$1,000,000
Dental	\$84,540	\$315,460	\$400,00
"Mobile Unit/Services"	\$72,455	\$98,955	\$171,410
Uncompensated Care	\$60,001	\$81,946	\$141,947
<b>Totals</b>	<b>\$699,346</b>	<b>\$2,014,011</b>	<b>\$2,713,357</b>

**Table 6.**

<b>FY 2014 Bond AHCA LIP AGREEMENTS SUMMARY</b>			
<b>Award</b>	<b>County Match Request</b>	<b>State/Federal Funding</b>	<b>Total Funding</b>
ER Diversion	\$261,000	\$738,400	\$1,000,000
Specialty Care	\$206,650	\$793,350	\$1,000,000
Uncompensated Care	\$58,667	\$83,280	\$141,947
<b>Totals</b>	<b>\$526,917</b>	<b>\$1,615,030</b>	<b>\$2,141,947</b>

1. ER Diversion - Will add extended hours of 8AM- 8PM (Monday-Thursday), 8AM-5PM (Fridays), and 8AM-12PM (Saturdays).
2. Bond's Mobile Unit - Partially funded by County dollars. As an FQHC receiving federal dollars, they must serve everyone, regardless of their ability to pay for care. Anyone in the state can receive services via the mobile unit, due to receiving state funds.
3. Specialty Care –Used for Optometry, Podiatry, Chiropractor, Nutrition/Dietitian, and Behavioral Health services.
4. Dental Grant - This funding will end FY12/13.
5. State General Revenue Dollars- This funding, \$171,400, is used for operating expenses and staffing. Bond uses this funding to ensure they serve all patients, particularly to fund Spanish-speaking outreach staff.
6. Uncompensated Care - Bond must serve residents within the state, as they receive state funding. Likewise, out-of-state residents have to be seen, due to Bond receiving federal funding. HRSA does stipulate which residents are served, so Bond serves all even while federal funding stays level.

As of the time of the workshop item, AHCA confirmed that Bond CHC was again eligible to receive LIP funding (Attachment #14). Based on the agreements received to date, the amount of funding committed by the County would provide an additional \$1.6 million in funding to Bond CHC.

#### **4. BOND CHC and Neighborhood Medical Center (NMC) Collaboration**

Though collaboration is an important element in the provision of healthcare services, HRSA stated clearly that Bond CHC and NMC are not in competition with each other in terms of seeking grant funding. New Access Point (NAP) grant funding is awarded to approximately 40 applicants annually. Any qualified applicant is eligible to apply for the NAP funding; there is not a restriction or prohibition from having multiple FQHCs awarded for a single region.

According to HRSA, collaborative efforts between CareNet Providers could possibly allow for more federal funding for the community. If the demographics warrant it, two or more entities could obtain the FQHC status, which would allow for a larger service area, thereby drawing more federal funding for Leon County. A new agency has the option of applying for a new access point in a city where an FQHC already exists, without negatively impacting the current FQHC.

Through collaboration, Bond and NMC could be more competitive for any future New Access Point grants nationwide. It is important to note that New Access Point (NAP) grants are national opportunities, and typically, only 40 applications are approved each year nationwide. A collaborative application for Bond and NMC would be in competition against other healthcare centers in the nation, not with each other. This collaboration could, in turn, create an expansion of health care and funding opportunities while effectively demonstrating community partnering fulfilling one of the key health center requirements.

Currently, both Bond CHC and NMC are providing care by being the primary healthcare facilities for the uninsured in the area. Both centers help reduce the number of uninsured visits to the local hospital emergency rooms. Both centers service the Renaissance area in Frenchtown. Both have expanded care to Gadsden County—Bond by Mobile Healthcare Unit and NMC by opening a center in Havana. Both centers offer a Farmer’s Market day in order to provide fresh produce for clients, and both have contracts with Florida Department of Health. As indicated, many opportunities exist for the collaboration of Bond CHC and NMC. Staff will continue to encourage both agencies to look at ways to collaborate moving forward, but cannot mandate independent entities, unless it is a condition of the County’s funding.

#### **5. Overview of the Affordable Care Act**

During the July 8<sup>th</sup> budget workshop, the Board directed staff to provide information on the ACA. More specifically, how the ACA would impact the CareNet program. The following section provides a high-level overview of the ACA legislation. A detailed overview is included in Attachment #15.

##### ***Affordable Care Act in Florida***

Key provisions are intended to extend coverage to millions of uninsured Americans, to implement measures that will lower health care costs and improve system efficiency, and to eliminate industry practices that include denial of coverage due to pre-existing conditions. It should be noted that ACA Provisions also include for the expansion of Medicaid; however Florida, at this time has not expanded Medicaid and the impact of the ACA is unknown.

Open enrollment in the Health Insurance Marketplace/Exchange starts October 1, 2013 with coverage starting January 2014. According to the U.S. Department of Health and Human Services (HHS), 23% of Floridians do not have insurance and would potentially be eligible for coverage under the Affordable Care Act (ACA).

Significantly, the new health care law also increases funding to community health centers nationwide. In Florida, 49 FQHCs provide preventive and primary health care services to over 1 million individuals. FQHCs in Florida received more than \$161 million under the new law to support current operations and to establish new medical sites and expansion of services.

To educate and assist individuals with signing up for the ACA, \$8 million in federal grants (Navigation/Outreach and Enrollment grants) were awarded to Florida's FQHCs (Bond CHC received \$138,189). These grant dollars will provide for outreach and enrollment support staff to assist Floridians with enrolling in the newly created Health Insurance Marketplace (also called an Exchange). The Marketplace was designed to help people find health insurance that fits their budget, with less hassle. Every health insurance plan in the new Marketplace will offer comprehensive coverage, and consumers can compare all their insurance options based on price, benefits, quality, and other features.

#### ***ACA Impact to Federally Qualified Health Centers***

HRSA anticipates that FQHCs will play an essential role in the implementation of the ACA. Bond CHC, as the only FQHC that serves our community, has already received funds for ACA outreach and enrollment.

HRSA reports that through the ACA, an \$11 billion Community Health Center Fund has been established. These funds have been set aside for a five-year period in which the funding is earmarked for the operation, expansion, and construction of health centers throughout the United States. \$9.5 billion is targeted to support ongoing health center operations, create new health center sites in medically underserved areas, and expand preventive and primary health care services, including oral health, behavioral health, pharmacy and other services at existing health center sites. Additionally, \$1.5 billion has been set aside to support major construction and renovation projects at health centers.

The significance of the health center model to the ACA is that it demonstrates a team approach where several types of healthcare providers are often found under one agency. Bond CHC itself offers in addition to clinical care, dietary and nutritional services, social services, HIV/AIDS specialty care, psychological care, behavioral health care, dental services as well as an on-site pharmacy. Health centers specialize in the ability to serve patients with multiple healthcare needs as they work to establish a medical home for the patients they see. FQHCs place an emphasis on coordinated primary and preventive services, while promoting reductions in health disparities for low-income individuals and the medically underserved populations in which the FQHCs reside. As listed previously, Bond CHC is an example of a health center where the coordination and comprehensiveness of care results in the ability to successfully manage patients and their varying healthcare needs.

***Analysis of Impact to Leon County***

The Office of Human Service and Community Partnerships staff consulted with analysts from Mercer, a leading health consultant, to discuss the potential impact of the Affordable Care Act on the uninsured and underinsured in Leon County. Based on the 2011 U.S. Census, Leon County's uninsured population was 14.1% or approximately 43,663.

According to Mercer representatives, at this point in time, they are unaware of any potential impacts directly to Leon County CareNet Programs. This is due in part to the state of Florida not expanding Medicaid coverage, and it's also due to the fact that employer placed responsibilities for covering health insurance were deferred until 2015.

For further analysis, an in depth study is needed to identify any potential impact the Affordable Care Act would have on CareNet specifically. Mercer provided a two-phase approach and an associated Statement of Work (SOW) for Board consideration (Attachment #16).

***Phase One (\$27,000)***

In Phase One, Mercer will conduct research and develop a report that includes both a primer on the provisions of the ACA that may impact insurance options for low-income uninsured individuals, as well as an analysis of whether those provisions may be options for the County to explore further as an alternative to the CareNet program. In Phase One, Mercer will identify options but not attempt to quantify any potential fiscal or enrollment impact.

***Phase Two (\$30,000)***

If the Board determines it would like to pursue a fiscal and enrollment analysis of the options presented in the Phase One report, Mercer will update the Phase One report to include an analysis of the number of individuals potentially impacted by the options and an estimate of the potential fiscal impact to the County in pursuing these options. Within the scope of Phase Two, Mercer assumes analyzing up to three options under the ACA. If the Board wishes to explore options in excess of three, the scope and budget will need to be revisited.

**6. County's On-Going Role**

The County recognizes that community involvement and input is essential for a successful program. On an ongoing basis, HSCP provides a number of services to the community in the area of healthcare including:

- Staff conducts meetings with the Community Health Coordinating Committee (CHCC) that serves as a County advisory committee and functions and operates as a focus group. Membership of the CHCC consists of representatives from FSU College of Medicine, FAMU College of Nursing, Big Bend Health Council, Leon County Schools, State Office of Minority Health, a practicing physician, a practicing dentist, a mental health professional, and a community member at large. The committee meets monthly. and serves as a hub of information regarding existing community partners, their capabilities, admission criteria, and sources of funding. The committee makes recommendations to HSCP staff regarding strategies to promote primary care and local available services for Leon County residents.

Currently, the CHCC's focus revolves around Strategic Planning, the Affordable Care Act, and MAPP (Mobilizing for Action through Planning and Partnerships), a community driven strategic planning process for improving community health. During previous sessions, the group implemented a Scope of Work for the committee: Advocate for the establishment of a locally based primary care system with linkages to a broad spectrum of services, that include women's health, mental health, substance abuse counseling, health screenings (i.e., dental, vision), and children's health services

- Annually, HSCP conducts monitoring for its CareNet Partners to ensure that County dollars are spent on county residents. During FY2012/2013, Primary Healthcare Program staff assumed all monitoring functions. In previous years, the Leon County Health Department conducted monitoring of the CareNet agencies on behalf of the County.
- In accordance with the County's goal to provide access to healthcare in the community, HSCP initiates affordable healthcare options through various programs like the Prescription Discount Program and the Dental Discount Program.
- On an annual basis, HSCP has provided the Board a Primary Healthcare Report that provides an overview of the services provided by the CareNet providers, as well as an update on the number of patients served through County dollars. This detailed report provides a yearly snap shot of the program and the impact County dollars provide to the community.

The County recognizes that, in order to continue having a successful primary healthcare program, additional oversight and coordination is essential. As part of the new fiscal year, HSCP intends to implement the following actions:

- Staff will begin having monthly meetings with providers' Executive Directors, as a means to provide an arena for open dialogue and collaboration. These meetings will provide forums by which CareNet Partners can share ideas and potentially look at ways to partner together and reduce duplication of services.
- HSCP recognizes the importance of monitoring the Affordable Care Act (ACA). This item is seeking the Board's direction in contracting with Mercer, a leading consultant in the healthcare field, to further determine the potential impact the ACA legislation will have on CareNet Partners.
- Staff is creating an electronic database that will be used by all of our CareNet Partners, to help significantly reduce the eligibility errors surrounding monthly billings. The new system will require that all five components of eligibility be uploaded into the electronic database, prior to requesting reimbursements. The system will also be utilized to reduce the potential for duplication of services among providers.
- Consistent with a number of other status reports being provided to the Board, a Semi-Annual Report will be provided which addresses the CareNet program and other related healthcare issues. The report will include funding, CareNet agency updates, return on investment information, etc.

## **7. Conclusion**

Through information provided by Bond CHC and HRSA representatives, it has been determined that Bond CHC is in the process of seeking continued federal funding as an FQHC. HRSA has provided strong indications that Bond CHC is actively engaged in resolving any issues identified as part of the recent progressive action plan. Any drawdown restrictions imposed by HRSA have been lifted.

Through the implementation of new contracts, the County will be requiring all CareNet funding partners to utilize the County's electronic reporting system. This will ensure contract compliance issues are addressed prior to funding being disbursed. Bond CHC has instituted new internal controls and processes to ensure that appropriate documentation is provided to support reimbursement requests.

The County is actively engaged in working with community partners to ensure accountability throughout the CareNet program. In addition to current efforts, beginning in the new fiscal year, County staff will initiate monthly meetings with Executive Directors to ensure a consistent forum for addressing issues and ensuring collaboration is maximized; institute a semi-annual status report for the Board, highlighting primary healthcare issues; and, will continue to monitor and provide information to the Board, related to the implementation of the ACA.

### **Options:**

***If the Board seeks to continue to provide level funding to Bond CHC next fiscal year, then staff recommends:***

- Option #1: Approve funding for Bond Community Health Center, \$805,140 (Primary Care \$332,052; Women and Children's \$245,588; Pharmacy \$177,500; Mental Health \$50,000).
- Option #2: Approve the Letter of Agreement between Leon County and Bond Community Health Center; Approve the Agency for Healthcare Administration Letters of Agreement for matching funds for Bond Community Health Center Low Income Pool awards; and, authorize the County Administrator to execute agreements with modifications in a form approved by the County Attorney.

***If the Board seeks additional information and analysis regarding the Affordable Care Act (ACA) and the impact on CareNet, then staff recommends:***

- Option #3: Authorize the County Administrator to enter into a contractual agreement with Mercer to provide a report on the impacts of the Affordable Care Act (ACA) on the County's CareNet Programs for \$27,000, and authorize the appropriate budget amendment realigning funding from the general fund contingency account.

***If the Board does not seek to continue funding of Bond CHC next fiscal year, then:***

- Option #4: Do not approve funding for Bond Community Health Center, \$805,140 (Primary Care \$332,052; Women and Children's \$245,588; Pharmacy \$177,500; Mental Health \$50,000).

### **Recommendation:**

Board direction.

Attachments:

1. May 28 2013 Agenda Item
2. HRSA/FQHC Overview
3. Bond's draw down restriction
4. HRSA Response
5. Board-Request for Information from BCHC
6. HRSA Site Visit Report for Bond CHC
7. Bond CHC FY13-14 funding request
8. Florida FQHC survey chart
9. Bond CHC FY 12-13 Contract with Amendment
10. Summary of Florida FQHC Medicaid Rates
11. NMC Reimbursement Rates
12. Bond's Monitoring Report by HSCP
13. BCHC Response to County Monitoring
14. BCHC LIP Agreements
15. HRSA Policy Analysis Regarding ACA
16. Mercer's Statement of Work

# Leon County

## Board of County Commissioners

### Cover Sheet for Agenda #14

May 28, 2013

**To:** Honorable Chairman and Members of the Board

**From:** Vincent S. Long, County Administrator 

**Title:** Authorization to Resume Bond Community Health Center's FY 2012-2013 Primary Healthcare Contract Payments; Approval of a First Amendment to the FY 2012-2013 Primary Healthcare Contract; and, Approval of the Letter of Agreement with the Agency for Healthcare Administration

<b>County Administrator Review and Approval:</b>	Vincent S. Long, County Administrator
<b>Department/ Division Review:</b>	Alan Rosenzweig, Deputy County Administrator Candice M. Wilson, Director, Office of Human Services and Community Partnerships
<b>Lead Staff/ Project Team:</b>	Eryn D. Calabro, Financial Compliance Administrator

**Fiscal Impact:**

This item has no fiscal impact to the County. The County has allocated \$805,140 for primary healthcare; women and children's health services; and, mental health services, of which a total of \$626,891 is currently remitted as grant matching funds. The resumption of payments to Bond Community Health Center is in line with the County's agreements with Bond Community Health Center (CHC) and the Agency for Health Care Administration (AHCA). In addition, an Amendment to the contract would increase the matching funds to \$699,346; thereby, reducing the remaining reimbursable funding for Bond Community Health Center from \$178,249 to \$105,794.

**Staff Recommendation:**

- Option #1: Authorize the resumption of Bond Community Health Center's FY 2012-2013 Primary Healthcare Contract payments, less \$5,679.
- Option #2: Approve the First Amendment to the Bond Community Health Center's FY 2012-2013 Primary Healthcare Contract (Attachment #1), and authorize the County Administrator to execute.
- Option #3: Approve the Letter of Agreement with the Agency for Healthcare Administration (Attachment #2), and authorize the County Administrator to execute.

Title: Authorization to Resume Bond Community Health Center's FY 2012-2013 Primary Healthcare Contract Payments; Approval of a First Amendment to the FY 2012-2013 Primary Healthcare Contract; and, Approval of the Letter of Agreement with the Agency for Healthcare Administration

May 28, 2013

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## Report and Discussion

### **Background:**

On April 2, 2013, Bond Community Health Center's Interim Chief Executive Officer, Debra Weeks, notified its funding partners via email regarding the outcome of their FY11-12 audit. In that correspondence, Ms. Weeks noted, "...extremely serious questions have arisen about financial expenditures that have prompted us to notify our federal project manager and appropriate law enforcement agencies, and we are currently in the process of hiring a forensic auditing firm to review our financial books" (Attachment #3).

On April 3, 2013, the County Administrator sent an e-mail with an attached memorandum to the Board of County Commissioners that included an action plan to respond to Bond CHC's situation immediately (Attachment #4). In that e-mail, the County Administrator advised that he would be bringing this issue to the Board to receive ratification and authorization on the recommendations included in the action plan, as well as any other guidance and direction from the Board on this matter.

As included in the County Administrator's email to the Board, on April 3, 2013, the Administrator had a letter delivered to Ms. Weeks, requesting additional information related to the action plan (Attachment #5). The County Administrator requested the information be submitted by Friday, April 5, 2013 to allow the Board the opportunity to discuss the issue at the April 9<sup>th</sup> meeting.

After 5:00 p.m. on April 8, 2013, the County Administrator received a response letter from Ms. Weeks (Attachment #6). This letter generally addressed the request for information by the County Administrator. Ms. Weeks included audit documentation that cited lack of internal controls, which allowed for the opportunity for unauthorized payments to be made. As the documentation did not adequately address whether County funds were included in any of the undocumented expenses noted by the auditor, the County Administrator provided a list of recommendations to be presented and considered by the Board at the April 9<sup>th</sup> meeting.

On April 9, 2013, at the regularly scheduled commission meeting, County Commissioners approved the following actions be taken:

1. Request Bond CHC to provide any and all documentation to demonstrate that County funding was not used to support undocumented expenditures as noted by the aforementioned audit findings.
2. Request Bond CHC to provide any and all documentation to demonstrate that County funding is not part of the forensic audit or law enforcement investigation noted by Bond.
3. Request Bond CHC to provide any and all documentation to demonstrate that Bond CHC has implemented measures to strengthen internal controls and safeguarding of assets including County funding.
4. Defer payments to Bond CHC and AHCA in support of Bond CHC contract and any other contract modification (including the request to support an additional contract modification for the new grant match) until such time that items 1 through 3 have been responded to and determined sufficient by the Board of County Commissioners.

Title: Authorization to Resume Bond Community Health Center's FY 2012-2013 Primary Healthcare Contract Payments; Approval of a First Amendment to the FY 2012-2013 Primary Healthcare Contract; and, Approval of the Letter of Agreement with the Agency for Healthcare Administration

May 28, 2013

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**Analysis:**

Subsequent to the April 9, 2013 Board meeting, staff and Bond CHC representatives met and communicated in order to address the action plan items as approved by the Board. Bond CHC communicated that the County's funding is approximately 28% of their budget and that the loss of funding would result in an impact in less than 30 days. The County Administrator acknowledged that the County needs the minimum assurances that County funds were not involved in the audit findings, as well as assurances that appropriate policies and procedures have been implemented to safeguard future dollars.

On April 10, 2013, the County Administrator sent a letter to Ms. Weeks (Attachment #7) outlining the Board's actions, while requesting any outstanding requests from his first letter, regarding any reports prepared by Dot Inman Johnson, with a response deadline of April 17<sup>th</sup>. Ms. Weeks contacted the County Administrator and scheduled a meeting for April 15, 2013.

On April 15, 2013, the County Administrator and staff met with Bond CHC representatives. Bond's representatives confirmed that they intended to resolve this matter quickly and thoroughly. They assured staff that County dollars were not involved and would provide documentation to attest to that fact, as well as provide Dot Inman Johnson's report.

In a letter received May 20, 2013, the Interim CEO and Chairman of Bond CHC's Board of Directors provided the County Administrator the following documentation (Attachment #8):

- Attachment A – April 29, 2013 Auditor's Letter from CohnReznick stating the FY 12 audit is free from material misstatement
- Attachment B – Credit Card Policies and Procedures and Agreement and Authorizations Forms
- Attachment C – May 7, 2013 Letter from Grayson Accounting & Consulting calculating the maximum exposure of undocumented expenses allocable to Leon County for FY 12
- Attachment D – February 1, 2013 Letter of Engagement to Dot Inman Johnson for Independent Contractor and a status report on her scope of work

This documentation includes the Independent Accountants report which calculates the maximum exposure of allocable County funds on the total amount of expenditures charged to the American Express card for fiscal year 2012, included documented and undocumented charges. Bond CHC staff chose to perform this calculation to capture the maximum possible amount of exposed funds. That total amount for fiscal year 2012-2013 amounts to \$5,679. In addition to providing the requested documentation, staff asked Bond CHC to address the inquiries regarding the payment of outside attorney's fees. Bond CHC attests that no County dollars were used at any point as payment for attorney's fees.

In reiteration of Bond CHC's commitment to the County and community as a whole, Bond CHC's Board of Directors has stipulated that, while they can assure the County that no funds were compromised, in order to ensure a continuity of services, Bond CHC requests that a proportionate share of the County's funding that potentially could have been exposed, or \$5,679, be deducted from the remaining pharmacy staffing funding. Bond CHC still seeks to have a portion of the pharmacy staffing utilized as matching funds for the AHCA Low Income Pool grant.

Title: Authorization to Resume Bond Community Health Center's FY 2012-2013 Primary Healthcare Contract Payments; Approval of a First Amendment to the FY 2012-2013 Primary Healthcare Contract; and, Approval of the Letter of Agreement with the Agency for Healthcare Administration

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Staff has determined that Bond CHC's response to the County Administrator's action plan is sufficient and provides the necessary assurances. Based on the policies and procedures included in Bond CHC's response, it appears that safeguards are in place to provide proper oversight of County dollars.

*Bond CHC's Request for Use of Pharmacy Funding as an AHCA LIP Match*

A prior request (Attachments #9 and #10) was received from the Interim CEO of Bond CHC to utilize a portion of the contracted Pharmacy dollars as a match in support of a new Agency for Health Care Administration's (AHCA) Low Income Pool (LIP) grant (Attachments #1 and #2). Currently, Leon County provides funding to Bond CHC for healthcare services to uninsured and indigent residents of Leon County. Bond CHC receives \$332,052 for primary healthcare services, \$245,588 for women and children's health services, \$177,500 for pharmacy services, and \$50,000 for mental health services for a total of \$805,140. At this time, a portion of the funding is allocated to the AHCA's Low Income Pool (LIP), as matching funds, for the expansion of healthcare services to low-income residents. Of the \$805,140 allocated for primary healthcare, women and children's health services, and mental health services, \$626,891 is provided as a match. This match allows Bond to receive more than \$2.5 million in state and local funding. The remaining County funding of \$178,249 is to be reimbursed to Bond CHC for services, including pharmacy staffing.

Bond CHC has been receiving the \$177,500 in funding for pharmacy staffing reimbursements since 2009. Bond CHC has indicated, in its letter of request, that a portion of the staffing costs, previously supported by the County, will now be supported by patient revenue derived from self-pay/co-pay, Medicaid reimbursement, and third-party insurance. The remaining County dollars will be used to support the Pharmacy as follows:

<b>Proposed Partially Funded Pharmacy Program Expense (Bond CHC FY12/13)</b>	
1.0 FTE Pharmacy Manager (Salary + Fringe)	\$71,016
1.0 FTE Pharmacy Technician (Salary + Fringe)	\$24,856
.50 FTE PAP Coordinator (Salary + Fringe)	\$9,173
<b>Total:</b>	<b>\$105,045</b>

*AHCA Low Income Pool*

The Medicaid LIP grant is made available to Bond CHC as a Federally Qualified Health Center (FQHC). Per House Bill 5001, the General Appropriations Act of State Fiscal Year 2012-2013, passed by the 2012 Florida Legislature, funding, in the amount of \$98,955 is available to Bond CHC with a match contribution from the County of \$72,455. This match will net Bond CHC a total of \$171,410.

Title: Authorization to Resume Bond Community Health Center's FY 2012-2013 Primary Healthcare Contract Payments; Approval of a First Amendment to the FY 2012-2013 Primary Healthcare Contract; and, Approval of the Letter of Agreement with the Agency for Healthcare Administration

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Bond CHC intends to utilize the full \$171,410 to maintain and support operations of the Mobile Unit in order to provide services to patients throughout Leon County. Additionally, the funding will provide for the clinical and outreach staff consisting of an Advanced Registered Nurse Practitioner (ARNP), Licensed Practical Nurse (LPN), Medical Assistant (MA), Spanish-Speaking Outreach Worker, Intake Specialist, and Driver for the Mobile Unit. The Mobile Unit provides an additional resource to mitigate the barrier for patients in Leon County who do not have access to the Health Center. By funding the Mobile Unit, additional Leon County residents can now be afforded quality health care access. Meanwhile, Bond CHC maintains that the Pharmacy will remain operational and fully staffed through the combined funding of County and non-County dollars.

Approval of the First Amendment to the Contract with Bond CHC, and Board approval of the Letter of Agreement between Leon County and the Agency for Healthcare Administration in the amount of \$72,455 to match the Medicaid Low Income Pool funds for the Bond Community Health Center, would mean reducing the FY 12/13 provider's reimbursable allocation, which includes funds for pharmacy staffing, from \$178,249 to \$105,794. By allowing Bond CHC to utilize a portion of the pharmacy staffing dollars, they would receive \$98,955 from the State for a total of \$171,410 in Medicaid Low Income Pool funds. Approval of this Amendment is consistent with previous Board actions regarding amendments to Bond CHC's Contract for Medicaid LIP funding.

**Options:**

1. Authorize the resumption of Bond Community Health Center's FY 2012-2013 Primary Healthcare Contract payments, less \$5,679.
2. Approve the First Amendment to the Bond Community Health Center FY 2012-2013 Primary Healthcare Contract, and authorize the County Administrator to execute.
3. Approve the Letter of Agreement with the Agency for Healthcare Administration, and authorize the County Administrator to execute.
4. Do not authorize the resumption of Bond Community Health Center's FY 2012-2013 Primary Healthcare Contract payments.
5. Do not approve the First Amendment to the Bond Community Health Center's FY 2012-2013 Primary Healthcare Contract, and do not approve Letter of Agreement with the Agency for Healthcare Administration.
6. Board direction.

**Recommendation:**

Options #1, #2, and #3.

Title: Authorization to Resume Bond Community Health Center's FY 2012-2013 Primary Healthcare Contract Payments; Approval of a First Amendment to the FY 2012-2013 Primary Healthcare Contract; and, Approval of the Letter of Agreement with the Agency for Healthcare Administration

May 28, 2013

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Attachments:

1. First Amendment to the Bond Community Health Center Standard Contract
2. Letter of Agreement with the Agency for Healthcare Administration
3. April 2, 2013 Email from Debra Weeks, Interim CEO of Bond CHC to Funders
4. April 3, 2013 County Administrator's Memo to the Board and Action Plan
5. April 3, 2013 County Administrator's Letter to Debra Weeks, Interim CEO of Bond CHC
6. April 8, 2013 Letter and Information from Debra Weeks, Interim CEO of Bond CHC to the County Administrator
7. April 10, 2013 County Administrator's Letter to Debra Weeks, Interim CEO of Bond CHC
8. May 20, 2013 Email from Debra Weeks, Interim CEO of Bond CHC with Additional Documentation
9. March 25, 2013 Bond CHC Letter of Request
10. March 27, 2013 Addendum to Bond CHC Letter of Request

## FIRST AMENDMENT TO CONTRACT

**THIS FIRST AMENDMENT TO THE CONTRACT** dated January 14, 2013, by and between Leon County, Florida and Bond Community Health Center, Inc., is made and entered into this \_\_\_\_\_ day of May, 2013.

**NOW THEREFOR**, in consideration of the following mutual covenants and promises, the sufficiency of which being acknowledged, the Parties do hereby agree:

Section 1.

Section II. The County Agrees:

Section II. A., Contract Amount, of the Contract dated January 14, 2013, shall be and hereby is deleted in its entirety and replaced with the following:

To pay for contracted services according to the conditions of Attachment I in an amount of up to \$125.00 per patient visit for Primary Care and Women and Children's Services, not to exceed a total of \$332,052 for Primary Care, \$245,588 for Women & Children's Services, \$177,500 for Pharmacy Services and \$80.00 per patient visit for Mental Health Services not to exceed \$50,000 for a total contract amount of \$805,140, of which, \$699,346 will be remitted as grant matching funds to the Agency for Healthcare Administration, and \$105,794 will be reimbursed to the Provider, subject to the availability of funds. Leon County's performance and obligation to pay under this contract is contingent upon an annual appropriation by the Board of County Commissioners. The costs of services paid under any other contract or from any other source are not eligible for reimbursement under this contract.

Section III. The Provider and the County Mutually Agree:

Section III. E., All Terms and Conditions Included, Attachment I, Section C, Method of Payment, number 5, of the Contract dated January 14, 2013, shall be and hereby is deleted in its Entirety and replaced with the following:

Payment for pharmacy services shall be made by the County upon receipt of valid invoice by Provider at a monthly rate equal to no more than one twelfth (1/12) of the following total contractual amount: \$105,045. The contractual amount is based upon the following line items (for twelve months):

Pharmaceutical Care Services:  
1720 South Gadsden Street  
1.0 FTE RX Manager  
\$71,016.34 (salary + fringe)

1.0 FTE Pharmacy Technician

\$24,855.72 (salary + fringe)

.50 FTE PAP Technician  
\$9172.94 (salary + fringe)

No line item (as identified above) payment shall be made until such time as the staff members identified in Section 6 of this contract are hired by the Contractor or County authorized Subcontractor. Similarly, no payment shall be made if the required monthly reports are not attached to the monthly invoice appropriately.

Section 2.

All other provisions of the Contract dated January 14, 2013, not otherwise inconsistent with the provisions herein shall remain in full force and effect.

Section 3.

This First Amendment to the Contract dated January 14, 2013, shall become effective upon full execution hereof.

(Remainder of page intentionally left blank)

**DONE AND EXECUTED** this \_\_\_\_ day of May, 2013.

WITNESS BY:

\_\_\_\_\_  
(Print Name and Title)

\_\_\_\_\_  
(Signature)

BOND COMMUNITY HEALTH CENTER,  
INC.

By: \_\_\_\_\_  
Debra Weeks, Chief Administrative  
Officer/Interim CEO

Date: \_\_\_\_\_

LEON COUNTY, FLORIDA

BY: \_\_\_\_\_  
Nicholas Maddox, Chairman  
Board of County Commissioners

ATTESTED BY:  
Bob Inzer, Clerk of Circuit Court

BY: \_\_\_\_\_

Approved as to Form:

COUNTY ATTORNEY'S OFFICE  
LEON COUNTY, FLORIDA

By: \_\_\_\_\_  
Herbert W.A. Thiele, Esq.  
County Attorney

## Letter of Agreement

THIS LETTER OF AGREEMENT is made and entered into in duplicate on the \_\_\_\_\_ day of May, 2013, by and between Leon County, Florida, a political subdivision of the State of Florida, (hereinafter referred to as the "County"), and the State of Florida, through its Agency for Health Care Administration (hereinafter referred to as the "Agency"),

1. Per House Bill 5001, the General Appropriations Act of State Fiscal Year 2012-2013, passed by the 2012 Florida Legislature, County and the Agency, agree that County will remit to the Agency an amount not to exceed a grand total of \$72,455.
  - a. The County and the Agency have agreed that these funds will only be used to increase the provision of health services for the Medicaid, uninsured, and underinsured people of the County and the State of Florida at large.
  - b. The increased provision of Medicaid, uninsured, and underinsured funded health services will be accomplished through the following Medicaid programs:
    - i. The Disproportionate Share Hospital (DSH) program.
    - ii. The removal of inpatient and outpatient reimbursement ceilings for teaching, specialty and community hospital education program hospitals.
    - iii. The removal of inpatient and outpatient reimbursement ceilings for hospitals whose charity care and Medicaid days as a percentage of total adjusted hospital days equals or exceeds 11 percent.
    - iv. The removal of inpatient and outpatient reimbursement ceilings for hospitals whose Medicaid days, as a percentage of total hospital days, exceed 7.3 percent, and are trauma centers.
    - v. Increase the annual cap on outpatient services for adults from \$500 to \$1,500.
    - vi. Medicaid Low Income Pool (LIP) payments to rural hospitals, trauma centers, specialty pediatric hospitals, primary care services and other Medicaid participating safety-net hospitals.
    - vii. Medicaid LIP payments to hospitals in the approved appropriations categories.
    - viii. Medicaid LIP payments to Federally Qualified Health Centers.
    - ix. Medicaid LIP payments to Provider Access Systems (PAS) for Medicaid and the uninsured in rural areas.
    - x. Medicaid LIP payments for the expansion of primary care services to low income, uninsured individuals.

2. The County will pay the Agency an amount not to exceed the grand total amount of \$72,455. The County will transfer payments to the Agency in the following manner:
  - a. The first 50% to be remitted by May 30, 2013 and the remaining 50% to be remitted by June 30, 2013.
  - b. The Agency will bill the County \$36,227.50 for the first payment and \$36,227.50 for the final payment.
3. Timelines: This agreement must be signed and submitted to the Agency no later than April 30, 2013, to be effective for SFY 2012-2013.
4. Attached are the DSH and LIP schedules reflecting the anticipated annual distributions for State Fiscal Year 2012-2013
5. The County and the Agency agree that the Agency will maintain necessary records and supporting documentation applicable to Medicaid, uninsured, and underinsured health services covered by this Letter of Agreement. Further, the County and Agency agree that the County shall have access to these records and the supporting documentation by requesting the same from the Agency.
6. The County and the Agency agree that any modifications to this Letter of Agreement shall be in the same form, namely the exchange of signed copies of a revised Letter of Agreement.
7. The County confirms that there are no pre-arranged agreements (contractual or otherwise) between the respective counties, taxing districts, and/or the providers to re-direct any portion of these aforementioned Medicaid supplemental payments in order to satisfy non-Medicaid, non-uninsured, and non-underinsured activities.
8. The County agrees the following provision shall be included in any agreements between the County and local providers where funding is provided for the Medicaid program. Funding provided in this agreement shall be prioritized so that designated funding shall first be used to fund the Medicaid program (including LIP) and used secondarily for other purposes.
9. The Agency will reconcile the difference between the amount of the IGTs used by or on behalf of individual hospitals' buybacks of their Medicaid inpatient and outpatient trend adjustments or exemptions from reimbursement limitations for SFY 2011-12 and an estimate of the actual annualized benefit derived based on actual days and units of service provided. Reconciliation amount may be incorporated into current year (SFY 2012-13) LOAs.
10. This Letter of Agreement covers the period of July 1, 2012 through June 30, 2013 and shall be terminated June 30, 2013.

**WITNESSETH:**

**IN WITNESS WHEREOF** the parties have duly executed this Letter of Agreement on the day and year above first written.

Leon County, Florida

State of Florida, Agency for Health Care  
Administration

\_\_\_\_\_  
Nicholas Maddox, Chairman  
Board of County Commissioners

\_\_\_\_\_  
Phil E. Williams  
Assistant Deputy Secretary for Medicaid  
Finance, Agency for Health Care  
Administration

Attest:  
Bob Inzer, Clerk of the Court  
Leon County, Florida

By: \_\_\_\_\_

Approved as to form:  
Leon County Attorney's Office

By: \_\_\_\_\_  
Herbert W. A. Thiele, Esq.  
County Attorney

<b>Local Government Intergovernmental Transfers</b>	
<b>Program / Amount</b>	<b>State Fiscal Year 2012-2013</b>
DSH	
LIP, Exemptions & SWI	72,455
Nursing Home SMP	
<b>Total Funding</b>	<b>\$72,455</b>

**Alan Rosenzweig - As Advised BY the PR Firm**

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**From:** "Debra Weeks" <dweeks@bondchc.com>  
**To:** <WilsonCa@leoncountyfl.gov>  
**Date:** 4/2/2013 4:55 PM  
**Subject:** As Advised BY the PR Firm

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**To Regulatory Agencies / Funders of Bond Community Health Center, Inc.**

Dear Colleagues:

I have some important news to share with you today about the Bond Community Health Center and some important steps we will be taking in the coming days to address some serious and troubling revelations.

As you know, last year, the Board of Directors chose not to renew former CEO J.R. Richards' contract and appointed an interim CEO. Since his departure we have also had new members join our Board of Directors and added new Executive Management to enhance the leadership team.

During the FY' 2011--12 audit, extremely serious questions have arisen about financial expenditures that have prompted us to notify our federal project manager and appropriate law enforcement agencies, and we are currently in the process of hiring a forensic auditing firm to review our financial books. We intend to actively cooperate with any investigation, because we have requested that help, and if there are any gaps in our financial safeguards we will seek expert advice on how to close them so such financial misdeeds can never happen again. As you may know, our activities are subject to periodic audits to ensure that funds we receive are properly utilized — only for the purposes and services for which they are intended and we discovered serious irregularities raising many red flags.

We will not tolerate the actions of anyone who would abuse his or her position and break a sacred trust to the community we serve. We are still assembling the complete set of facts, but know that we are committed to serving the members of our community who need us most.

It is profoundly shocking and disappointing that something like this could occur within Bond. People in this community trust us to have their best interests at heart, and we need to protect that trust.

As a result, we are going to initiate a more extensive forensic audit to find answers to the serious questions that have been raised.

Let me assure you that Bond will stick to its mission of protecting the fiscal health of this service organization.

We remain committed to delivering the same outstanding level of care to the community.

With your help, we will overcome this difficult situation and continue making a positive difference in the lives of the many people who depend on our services.

Thank you for your ongoing commitment to the great work we do.

Sincerely,

*Debra Weeks*, MSW

Chief Administrative Officer / Interim CEO  
Bond Community Health Center, Inc.  
1720 South Gadsden Street  
Tallahassee, Florida 32301  
Office: 850-576-4073, ext. 248  
Fax: 850-521-5101  
Email: dweeks@bondchc.com

"In the Community... For the Community. Helping People Live Stronger and Longer..."

**From:** Alan Rosenzweig  
**To:** Coble, Christine  
**Date:** 4/9/13 8:09 AM  
**Subject:** Fwd: Update on Bond  
**Attachments:** Bond Action Plan.docx; Attachment #1.pdf; Bond Request for Information - Attachment 2.pdf

>>> Vince Long 4/3/2013 5:08 PM >>>  
Commissioners,

As I indicated in my earlier e-mail to you today, I have attached an action plan in response to the situation concerning Bond Community Health Center. As I indicate in the attached, I will be providing a report to the Board which may include additional recommendations at the upcoming April 9th Commission meeting. Also attached are documents which are referenced in the action plan.

I believe the attached represents an urgent and fair response to the issues which have arisen. As I mentioned previously, I may be seeking Board authorization on broader policy issues as we learn more from Bond's response to the attached - and any other direction from the Board pursuant to this issue at the April 9th Commission meeting.

Thanks,

Vince

Vincent Long, MPA, ICMA-CM  
County Administrator  
Leon County, FL  
850-606-5300  
longv@leoncountyfl.gov

## *Board of County Commissioners*

### INTER-OFFICE MEMORANDUM

DATE: April 3, 2013

TO: Honorable Chairman and Members of the Board

FROM: Vincent S. Long, County Administrator

SUBJECT: County Action Plan Subsequent to Notification by Bond Community Health Center Regarding Serious Questions about Financial Expenditures, a Request for Criminal Investigation and Pending Forensic Audit

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On April 2, 2013, Bond Community Health Center's (Bond) Interim Chief Executive Officer, Debra Weeks, notified its funding partners that a recent audit had found "serious questions... about financial expenditures" within the organization, and that their federal project manager and law enforcement agencies have been contacted (Attachment #1). The notice also indicates that Bond was in the process of hiring a forensic auditing firm.

The County's current fiscal year primary health care contract with Bond is \$805,140. A portion of this funding (\$626,891) is currently leveraged with the State Agency for Health Care Administration (AHCA) to bring Bond an additional \$1.87 million in primary health care funding. To date the County has provided AHCA \$283,446 in matching funds. The County also budgets \$177,500 for pharmacy staffing, which has not yet been invoiced. Therefore there is currently \$520,945 in available funds to support Bond's contract. To ensure the responsible stewardship of County taxpayer dollars has occurred, I have requested that Bond respond to the following items by Friday, April 5, 2013.

1. A copy of the most recent Bond Health Resources and Services Administration (HRSA), and financial audits, and any other documents used to determine the allegations of questionable expenditures within the organization.
2. Provide Leon County the status of filing required reports with AHCA. Leon County staff has contacted AHCA regarding the status of payments to Bond. AHCA indicated that due to delinquent reporting requirements regarding the expenditure of primary health care dollars that they have suspended payments to Bond until the reporting requirements are met. Further, AHCA has advised the County to not send additional grant match dollars to AHCA until the reporting issues have been resolved. When the reports are filed, AHCA will make a determination of reporting compliance before reinstating payments to Bond and will do so in coordination with the County.
3. To ensure that the County is kept abreast of all actions concerning the investigation, that Leon County be provided access to all meetings with Bond's forensic auditing firm, and a time line for the audit to be conducted.
4. Continue to work with County staff regarding required performance monitoring reviews as specified in the contract.

5. Given the serious nature of Bond's statement and the potential exposure of public funds, provide a written explanation of Bond's ability or inability to provide services to patients pursuant to the contract.

I will provide a report to the Board for Tuesday's meeting regarding Bond's response. The report may include additional recommendations for Board authorization and will provide the Board the opportunity to request further actions as it deems necessary. In addition, at Tuesday's Board meeting, I will recommend the Board authorize the Chairmen to send a letter to Bond's Board of Directors notifying them of the County's actions.

Attachments:

#1 April 2, 2013 Bond Community Health Center Memo

#2 County Administrator April 3, 2013 Letter to Ms. Weeks, CEO Bond Community Health Center, Inc.



# Leon County

## Board of County Commissioners

301 South Monroe Street, Tallahassee, Florida 32301  
(850) 606-5302 www.leoncountyfl.gov

Commissioners

April 3, 2013

BILL PROCTOR  
District 1

Ms. Debra Weeks  
Chief Executive Officer  
Bond Community Health Center, Inc.  
1720 South Gadsden Street  
Tallahassee, Florida 32301

JANE G. SAULS  
District 2

JOHN DAILEY  
District 3

BRYAN DESLOGE  
District 4

**Subject: Response to Bond Community Health Center's April 2, 2013 Memo**

KRISTIN DOZIER  
District 5

Dear Ms. Weeks:

MARY ANN LINDLEY  
At-Large

It is with great concern for the County as a steward of taxpayer dollars, for the citizens of our community that are served by the Bond Community Health Center (BCHC), and for BCHC as a long-standing partner of the County in providing primary healthcare services, that I write today.

NICK MADDOX  
At-Large

I am in receipt of the above-referenced e-mail, regarding the issues and irregularities surrounding financial expenditures within the organization, and your subsequent notification to your federal agent and law enforcement. While we appreciate your efforts to investigate these allegations, these issues and allegations give the County great concern regarding the proper stewardship of County funds, and Bond's ability to fulfill its contractual obligation as a primary health care provider. Please provide the following information by Friday, April 5, 2013. I intend to bring this issue for the Board of County Commissioners' consideration at the Tuesday, April 9, 2013 meeting.

VINCENT S. LONG  
County Administrator

HERBERT W.A. THIELE  
County Attorney

1. A copy of the most recent Health Resources and Services Administration and financial audits, any reports prepared by Dot Inman Johnson, and any other documents used to determine the questionable financial expenditures within the organization.
2. County staff has contacted the Agency for Health Care Administration, and was told that payments of the Low Income Pool grant have been suspended due to the lack of required reporting. Provide Leon County the status of filing required reports with AHCA.
3. To ensure that the County is kept abreast of all actions concerning the investigation, provide Leon County access to all meetings with Bond's forensic auditing firm, and a time line for the audit to be conducted.
4. Continue to work with County staff regarding required performance monitoring reviews as specified in the contract.
5. Given the serious nature of Bond's statement and the potential exposure of public funds, provide a written explanation of Bond's ability or inability to provide services to patients pursuant to the contract.

If you have any questions or need further guidance, please contact me or Alan Rosenzweig at 606-5300.

Sincerely,

Vincent S. Long  
County Administrator



# Leon County

## Board of County Commissioners

301 South Monroe Street, Tallahassee, Florida 32301  
(850) 606-5302 www.leoncountyfl.gov

Commissioners

April 3, 2013

BILL PROCTOR  
District 1

Ms. Debra Weeks  
Chief Executive Officer  
Bond Community Health Center, Inc.  
1720 South Gadsden Street  
Tallahassee, Florida 32301

JANE G. SAULS  
District 2

JOHN DAILEY  
District 3

BRYAN DESLOGE  
District 4

**Subject: Response to Bond Community Health Center's April 2, 2013 Memo**

KRISTIN DOZIER  
District 5

Dear Ms. Weeks:

MARY ANN LINDLEY  
At-Large

It is with great concern for the County as a steward of taxpayer dollars, for the citizens of our community that are served by the Bond Community Health Center (BCHC), and for BCHC as a long-standing partner of the County in providing primary healthcare services, that I write today.

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At-Large

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VINCENT S. LONG  
County Administrator

HERBERT W.A. THIELE  
County Attorney

1. A copy of the most recent Health Resources and Services Administration and financial audits, any reports prepared by Dot Inman Johnson, and any other documents used to determine the questionable financial expenditures within the organization.
2. County staff has contacted the Agency for Health Care Administration, and was told that payments of the Low Income Pool grant have been suspended due to the lack of required reporting. Provide Leon County the status of filing required reports with AHCA.
3. To ensure that the County is kept abreast of all actions concerning the investigation, provide Leon County access to all meetings with Bond's forensic auditing firm, and a time line for the audit to be conducted.
4. Continue to work with County staff regarding required performance monitoring reviews as specified in the contract.
5. Given the serious nature of Bond's statement and the potential exposure of public funds, provide a written explanation of Bond's ability or inability to provide services to patients pursuant to the contract.

If you have any questions or need further guidance, please contact me or Alan Rosenzweig at 606-5300.

Sincerely,

A handwritten signature in black ink that reads "Vincent S. Long".

Vincent S. Long  
County Administrator



## **Bond Community Health Center, Inc.**

---

Leon County Board of County Commissioners  
301 South Monroe Street  
Tallahassee, Florida 32301

Dear County Administrator Long,

We value the longstanding relationship we have had with the Leon County Commission. You are an important partner that allows Bond to continue providing quality health care services to the Leon County residents. Last week we shared some important news about the BCHC and the important steps we are committed to taking in the coming days to address serious and troubling revelations. A recent financial audit flagged what appeared to be significant financial deficiencies. This has prompted us to notify our federal project manager and appropriate law enforcement agencies, and we are currently in the process of hiring a forensic auditing firm to review our financial books. We intend to actively cooperate with any investigation, because we have requested that help, and if there are any gaps in our financial safeguards we will seek expert advice on how to close them so such financial deficiencies can never happen again.

As stated in the Audit 2012 (see attached SAS) under section entitled: *Difficulties Encountered While Performing the Audit* "While performing our test controls for cash disbursements and testing the corporate card expenses, it was noted that certain disbursements were made either using the corporate card or checks whereby the necessary documentation supporting those payments could not be located. It was also noted during our test work that there were no policy and procedures in place for the review and approval of the corporate card expenditures and the safeguarding of supportive documents. These conditions resulted in additional testwork in order for us to gain comfort on the review and approval process of the invoices for disbursement."

During HRSA's scheduled site visit, a financial review was conducted by HRSA. To date, Bond is not in receipt of any documentation from HRSA's review. However, at the Exit conference, no financial issues were identified. Please find the 2012 Annual Financial Statement and Final SAS attached. This is presently the only document in Bond's possession that speaks to any financial questions. As stated on Friday, April 5<sup>th</sup>, Mrs. Inman Johnson was hired as a Consultant to the previous Board of Directors (1-1/2 months) and her assignment pertained to Governance, which had no financial relevance.

We have been in contact with AHCA and our Project Manager who requested additional information be included in our report that we did not know was due. We immediately gathered the information which now included FY'10 to FY' 13, as

opposed to FY'12-13 only, we electronically sent to our Project Manager today, Monday April 8<sup>th</sup>, 2013. We understand the County's concerns and look forward to updating you and the County Commissioners of the steps we are taking to address some of the other concerns and challenges we are facing.

As previously stated, the Board of Directors will make a determination of a forensic examination firm by the end of the month. Following procurement and purchasing protocols, the Finance Committee will submit their Executive Summary with recommendations to the full Board for ratification. Bond will most certainly keep the County apprised every step of the way.

Again, Bond has enjoyed a very good working relationship with the County staff and will assist with the monitoring procedure as contracted. Please also be assured that Bond has and will continue to recruit the Providers and staff necessary to assure the delivery of quality, comprehensive health care and support services that Leon and surrounding Counties have come to know and expect! We are proud and pleased to serve and continue to be "In the Community, For the Community, Helping People Live Stronger and Longer."

Respectfully submitted,

*Debra Weeks*

Debra Weeks, MSW,  
Interim CEO / CAO

Cc: BCHC Board of Directors

March 21, 2013

To the Board of Directors  
c/o Ms. Debra Weeks, CEO  
Bond Community Health Center, Inc.

We have audited the financial statements of Bond Community Health Center, Inc. (the "Center") for the year ended June 30, 2012, and have issued our report thereon dated March 21, 2013. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 29, 2012. Professional standards also require that we communicate to you the following information related to our audit.

#### Significant Audit Findings

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Center are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during fiscal year 2012. We noted no transactions entered into by the Center during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Patient revenue and receivables
- Depreciation of fixed assets
- Classification of expense by functional category

##### *Difficulties Encountered in Performing the Audit*

While performing our test of controls for cash disbursements and testing the company corporate card expenses, it was noted that certain disbursements were made using either the corporate card or checks whereby the supporting documentation supporting those payments could not be located. It was also noted during our test work, there was no policy and procedure in place for the review and approval of the corporate card expenditures and the safeguarding of the supporting documents. These conditions resulted in additional testwork in order for us to gain comfort on the review and approval process of the invoices for disbursement.

##### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Except for the following three misstatements, management has corrected all such misstatements. In addition, none of the uncorrected misstatements noted below were material, either individually or in the aggregate, to the financial statements taken as a whole.

Description (Nature) of Audit Difference (AD)	Financial Statements Effect—Amount of Over (Under) Statement of:						
	Total Assets	Total Liabilities	Net Assets	Revenues	Expenses	Change in Net Assets	Working Capital
Understatement of loan liability based on confirmation.		(\$3,633)			\$3,633	(\$3,633)	
Overstatement of liability for vacation accrued as of June 30, 2012		23,384			(23,384)	23,384	
To account for Accrued FICA		(8,240)			8,240	(8,240)	
Total		\$11,511			(\$11,511)	\$11,511	

Attachment I indicated the corrected misstatements.

*Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated March 21, 2013.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Center's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Center's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention. We have also noted certain significant deficiencies which are reported in the Summary of Findings and Questioned Costs dated March 21, 2013.

Other Information in Documents Containing Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Directors and management of the Center and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



New York, New York

# ATTACHMENT I

**Bond Community Health Center, Inc.**

Year End: June 30, 2012

Adjusting Journal Entries

Date: 7/1/2011 To 6/30/2012

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence
ADJ #1	6/30/2012	Current Portion of LTD	2499	AA. 3		7,867.00		
ADJ #1	6/30/2012	Superior Bank - 1720	2510	AA. 3			7,867.00	
ADJ #1	6/30/2012	Note Payable-Chevy	2611	AA. 3		10,796.00		
ADJ #1	6/30/2012	Chevy Loan - Long Term	2510A	AA. 3			10,796.00	
To reclass short term loan to long term.								
ADJ #2	6/30/2012	Medipass/LIP Income	3127			233,750.00		
ADJ #2	6/30/2012	Meaningful Use	3400				233,750.00	
To reclass meaningful use revenue out of the Medipass/Lip income account.								
ADJ #3	6/30/2012	A/R Self Pay Allowance	1396	10. 1		39,602.00		
ADJ #3	6/30/2012	A/R Medicaid Allowance	1300A	10. 1			135,890.00	
ADJ #3	6/30/2012	A/R Commercial Allowance	1310A	10. 1			4,100.00	
ADJ #3	6/30/2012	A/R Medicare Allowance	1350A	10. 1			13,224.00	
ADJ #3	6/30/2012	Sliding Fee Collections:Bad Debts	3011B	10. 1		113,612.00		
To adjust allowance for doubtful accounts.								
ADJ #4	6/30/2012	Superior Bank - 1720	2510	AA. 3		8,119.00		
ADJ #4	6/30/2012	Chevy Loan - Long Term	2510A	AA. 3			8,119.00	
To undo the reclass entry made to mortgage payable from the chevy note payable								
ADJ #5	6/30/2012	Pharmacy Inventory	1550			14,287.00		
ADJ #5	6/30/2012	Pharmaceuticals	5105				14,287.00	
To correct the pharmacy inventory balance.								
						<b>428,033.00</b>	<b>428,033.00</b>	
<b>Net Income (Loss)</b>			<b>860,983.00</b>					

**Bond Community Health Center, Inc.**

**Financial Statements,  
Schedule of Expenditures of Federal Awards,  
Internal Control and Compliance  
(With Supplementary Information)  
and Independent Auditor's Report**

**June 30, 2012**

**Bond Community Health Center, Inc.**

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Independent Auditor's Report

To the Board of Directors  
Bond Community Health Center, Inc.

We have audited the accompanying statement of financial position of Bond Community Health Center, Inc. (the "Center") as of June 30, 2012, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Center's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Center as of June 30, 2012, and the changes in its net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2013 on our consideration of the Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of Federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of Federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



New York, New York  
March 21, 2013

**Bond Community Health Center, Inc.**

**Statement of Financial Position  
June 30, 2012**

Assets

Current assets:

Cash	\$ 1,461,273
Patient services receivable, net	231,541
Contracts and other grants receivable	134,332
Prepaid expenses and other assets	128,190
Total current assets	<u>1,955,336</u>

Property and equipment, net	<u>4,063,838</u>
-----------------------------	------------------

Total	<u><u>\$ 6,019,174</u></u>
-------	----------------------------

Liabilities and Unrestricted Net Assets

Current liabilities:

Accounts payable and accrued expenses	\$ 79,265
Accrued compensation	284,282
Current maturities of long-term debt	60,422
Total current liabilities	<u>423,969</u>

Long-term debt, less current maturities	<u>2,204,117</u>
---	------------------

Total liabilities	<u>2,628,086</u>
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Commitments and contingencies

Unrestricted net assets	<u>3,391,088</u>
-------------------------	------------------

Total	<u><u>\$ 6,019,174</u></u>
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See Notes to Financial Statements.

## Bond Community Health Center, Inc.

Statement of Activities and Changes in Net Assets  
Year Ended June 30, 2012

	Unrestricted	Temporarily Restricted	Total
Revenue:			
DHHS grants	\$ 2,627,288		\$ 2,627,288
Patient services revenue, net	4,585,861		4,585,861
Contract services and other grants	2,652,369		2,652,369
Other	305,309		305,309
Net assets released from restrictions	127,600	(127,600)	-
	<u>10,298,427</u>	<u>(127,600)</u>	<u>10,170,827</u>
Total revenue			
Operating expenses:			
Salaries and benefits	5,611,379		5,611,379
Other than personnel services	2,691,553		2,691,553
Provision for bad debts	956,287		956,287
Interest expense	126,572		126,572
	<u>9,385,791</u>		<u>9,385,791</u>
Total operating expenses			
Operating income (loss) prior to depreciation and amortization and nonoperating revenue	912,636	(127,600)	785,036
Depreciation and amortization	206,586		206,586
	<u>706,050</u>	<u>(127,600)</u>	<u>578,450</u>
Operating income (loss) prior to nonoperating revenue			
Nonoperating activities:			
Contract services for capital additions	282,533		282,533
Net assets released from restrictions	83,900	(83,900)	-
Total nonoperating activities	<u>366,433</u>	<u>(83,900)</u>	<u>282,533</u>
Increase (decrease) in net assets	1,072,483	(211,500)	860,983
Net assets:			
Beginning of year	2,318,605	211,500	2,530,105
End of year	<u>\$ 3,391,088</u>	<u>\$ -</u>	<u>\$ 3,391,088</u>

See Notes to Financial Statements.

**Bond Community Health Center, Inc.****Statement of Functional Expenses  
Year Ended June 30, 2012**

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Total</u>
Salaries and wages	\$ 4,175,713	\$ 623,957	\$ 4,799,670
Fringe benefits	706,187	105,522	811,709
Consultants and contractual services	137,664		137,664
Professional fees		91,363	91,363
Consumable supplies	1,049,712	144,195	1,193,907
Space costs	77,855	9,622	87,477
Laboratory	261,082		261,082
Insurance	16,195	2,002	18,197
Repairs and maintenance	227,660	28,138	255,798
Telephone	81,862	12,232	94,094
Travel, conferences and meetings	128,484	19,199	147,683
Dues and subscriptions	23,696	3,541	27,237
Postage	11,222	1,677	12,899
Data processing	172,732	25,810	198,542
Health promotion	52,850		52,850
Interest	112,649	13,923	126,572
Provision for bad debts	956,287		956,287
Other	98,101	14,659	112,760
Totals	<u>8,289,951</u>	<u>1,095,840</u>	<u>9,385,791</u>
Depreciation and amortization	<u>183,862</u>	<u>22,724</u>	<u>206,586</u>
Total functional expenses	<u>\$ 8,473,813</u>	<u>\$ 1,118,564</u>	<u>\$ 9,592,377</u>

See Notes to Financial Statements.

**Bond Community Health Center, Inc.****Statement of Cash Flows  
Year Ended June 30, 2012**

Cash flows from operating activities:	
Cash received from DHHS grants	\$ 2,627,288
Cash received from patient services	3,531,894
Cash received from contract services and other grants	2,651,831
Cash received from other	305,309
Cash paid for personnel costs	(5,512,788)
Cash paid for other than personnel costs	(2,773,137)
Interest paid	(126,572)
Net cash provided by operating activities	<u>703,825</u>
Cash flow from investing activity - purchase of property and equipment	<u>(614,123)</u>
Cash flows from financing activities:	
Proceeds from long-term debt	18,894
Repayment of long-term debt	(42,846)
Receipt of nonoperating contract services revenue	282,533
Net cash provided by financing activities	<u>258,581</u>
Net increase in cash	348,283
Cash, beginning of year	<u>1,112,990</u>
Cash, end of year	<u><u>\$ 1,461,273</u></u>
Reconciliation of increase in net assets to net cash provided by operating activities:	
Increase in net assets	\$ 860,983
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Provision for bad debts	956,287
Depreciation and amortization	206,586
Nonoperating contract services for capital additions	(282,533)
Changes in operating assets and liabilities:	
Patient services receivable	(1,053,967)
Contracts and other grants receivable	(538)
Prepaid expenses and other assets	(55,178)
Accounts payable and accrued expenses	(26,406)
Accrued compensation	98,591
Net cash provided by operating activities	<u><u>\$ 703,825</u></u>

See Notes to Financial Statements.

## Bond Community Health Center, Inc.

### Notes to Financial Statements

#### **Note 1 - Organization:**

Bond Community Health Center, Inc. (the "Center") operates a community health center located in Tallahassee, Florida. The Center provides a broad range of health services to a largely medically underserved population.

The U.S. Department of Health and Human Services (the "DHHS") provides substantial support to the Center. The Center is obligated under the terms of the DHHS grants to comply with specified conditions and program requirements set forth by the grantor.

#### **Note 2 - Summary of significant accounting policies:**

##### **Basis of presentation:**

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

##### **Use of estimates:**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

##### **Classification of net assets:**

The Center reports information regarding its financial position and activities according to the following three categories:

Unrestricted net assets are reflective of revenues and expenses associated with the principal operating activities of the Center and are not subject to donor-imposed stipulations.

Temporarily restricted net assets are subject to donor-imposed stipulations that may or will be met either by actions of the Center and/or the passage of time. When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities and changes in net assets as net assets released from restriction. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the financial statements. There are no temporarily restricted net assets at June 30, 2012.

Permanently restricted net assets are subject to donor-imposed stipulations that must be maintained permanently by the Center. Generally, the donors of these assets permit the Center to use all or part of the income earned on related investments for general or specific purposes. There are no permanently restricted net assets at June 30, 2012.

## Bond Community Health Center, Inc.

### Notes to Financial Statements

#### **Cash:**

The Center maintains its cash in bank deposit accounts which, at times, may exceed Federally insured limits. The Center has not experienced any losses in such accounts. At June 30, 2012, the Center's cash balance exceeds Federally-insured limits by approximately \$415,000. All highly liquid investments with maturities of three months or less when purchased are considered to be cash equivalents. There are no cash equivalents at June 30, 2012.

#### **Patient services receivable and concentration of credit risk:**

The collection of receivables from third-party payors and patients is the Center's significant source of cash for operations and is critical to its operating performance. The primary collection risks relate to uninsured patient accounts and patient accounts for which the primary insurance payor has paid, but patient responsibility amounts (deductibles and copayments) remain outstanding. Patient receivables from third-party payors are carried at a net amount determined by the original charge for the service provided, less an estimate made for contractual adjustments or discounts provided to third-party payors. Receivables due directly from patients are carried at the original charge for the service provided less discounts provided under the Center's charity care policy, less amounts covered by third-party payors and less an estimated allowance for doubtful receivables. Management determines the allowance for doubtful accounts by identifying troubled accounts and by historical experience applied to an aging of accounts. The Center considers accounts past due when they are outstanding beyond 60 days with no payment. The Center generally does not charge interest on past due accounts. Patient receivables are written off against the allowance for doubtful accounts when deemed uncollectable. Recoveries of receivables previously written off are recorded as a reduction of bad debt expense when received.

#### **Property and equipment:**

Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets ranging from 5 to 40 years. Leasehold improvements are amortized over the shorter of the useful life of the asset or the lease term. Expenditures, which substantially increase estimated useful lives, are capitalized. Maintenance, repairs and minor renewals are expensed as incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation and amortization are removed from the accounts and any resulting gains or losses are included in change in net assets. The Center capitalizes all purchases of property and equipment in excess of \$1,500.

According to Federal regulations, any property and equipment items obtained through Federal funds are subject to a lien by the Federal government. Provided that the Center maintains its tax-exempt status and the property and equipment are used for their intended purpose, the Center is not required to reimburse the Federal government. If the stated requirements are not met, the Center would be obligated to the Federal government in an amount equal to the fair value of the property and equipment.

## Bond Community Health Center, Inc.

### Notes to Financial Statements

#### **Impairment of long-lived assets:**

The Center reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In performing a review for impairment, the Center compares the carrying value of the assets with their estimated future undiscounted cash flows. If it is determined that impairment has occurred, the loss would be recognized during that period. The impairment loss is calculated as the difference between the assets' carrying values and the present value of estimated net cash flows or comparable market values giving consideration to recent operating performance and pricing trends. The Company does not believe that any material impairment currently exists related to its long-lived assets.

#### **Patient services revenue:**

The Center has agreements with third-party payors that provide for payments to the Center at amounts different from its established rates. Payment arrangements include predetermined fee schedules and discounted charges. Service fees are reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered, including retroactive adjustments, if applicable, under reimbursement agreements with third-party payors, which are subject to audit by administering agencies. These adjustments are accrued on an estimated basis and are adjusted in future periods as final settlements are determined. The Center provides care to certain patients under Medicaid and Medicare payment arrangements. Laws and regulations governing the Medicaid and Medicare programs are complex and subject to interpretation. Compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action. Self-pay revenue is recorded at published charges with charitable care deducted to arrive at gross self-pay patient revenue. Contractual allowances are then deducted to arrive at net self-pay patient revenue.

#### **Grants and contracts:**

Revenue from government grants and contracts designated for use in specific activities is recognized in the period when the expenditures have been incurred in compliance with the grantor's restrictions. Grants and contracts awarded for the acquisition of long-lived assets are reported as unrestricted nonoperating revenue, in the absence of donor stipulations to the contrary, during the fiscal year in which the assets are acquired. Cash received in excess of revenue recognized is recorded as refundable advances. At June 30, 2012, the Center has received conditional grants and contracts from governmental entities in the aggregate amount of \$1,971,197 that have not been recorded in the accompanying financial statements as they have not been earned. These grants and contracts require the Center to provide certain services or pay for specific expenditures during specified periods. If such services are not provided or expenditures incurred, the governmental entities are not obligated to expend the funds allotted under the grants and contracts.

## Bond Community Health Center, Inc.

### Notes to Financial Statements

#### **Contributions:**

Contributions are recorded at fair value when received or pledged. Amounts are recorded as temporarily or permanently restricted revenue if they have donor stipulations that limit the use of the donated asset. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and are reported in the statement of activities and changes in net assets as net assets released from restrictions. Donor-restricted contributions whose restrictions expire during the same fiscal year are recognized as unrestricted revenue. Conditional contributions are recognized in the period when expenditures have been incurred in compliance with the grantor's restrictions.

#### **Meaningful use incentives:**

The American Recovery and Reinvestment Act of 2009 ("ARRA") amended the Social Security Act to establish one-time incentive payments under the Medicare and Medicaid programs for certain professionals that: (1) meaningfully use certified Electronic Health Record ("EHR") technology, (2) use the certified EHR technology for electronic exchange of health information to improve quality of healthcare, and (3) use the certified EHR technology to submit clinical and quality measures. These provisions of ARRA, together with certain of its other provisions, are referred to as the Health Information Technology for Clinical and Economic Health ("HITECH") Act. The criteria for meaningful use incentives will be staged in three steps over the course of the next four years and be paid out based on a transitional schedule. The Center's providers have met the criteria for Stage 1 and have earned \$233,750 from the Medicaid incentive program as of June 30, 2012. This amount is included in other revenue on the statement of activities and changes in net assets.

#### **Interest earned on Federal funds:**

Interest earned on Federal funds is recorded as a payable to the United States Public Health Service ("PHS") in compliance with the regulations of the United States Office of Management and Budget.

#### **Functional expenses:**

Expenses are charged to program services or general and administrative based on a combination of specific identification and allocation by management.

**Bond Community Health Center, Inc.**

**Notes to Financial Statements**

**Tax status:**

The Center was incorporated as a not-for-profit corporation under the laws of the State of Florida and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, there is no provision for income taxes.

The Center has no unrecognized tax benefits at June 30, 2012. The Center's Federal and state income tax returns prior to fiscal year 2009 are closed and management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

**Subsequent events:**

The Center has evaluated subsequent events through March 21, 2013, which is the date the financial statements were available to be issued.

**Note 3 - Patient services receivable, net:**

Patient services receivable, net, consists of the following:

Medicaid	\$ 258,282
Medicare	52,463
Other third-party	58,489
Self-pay	<u>1,348,280</u>
Total	1,717,514
Less contractual allowance and allowance for doubtful accounts	<u>1,485,973</u>
Total	<u>\$ 231,541</u>

**Note 4 - Contracts and other grants receivable:**

Contracts and other grants receivable consists of the following:

State of Florida Department of Health:	
Department of Health Expansion Grant	\$ 10,750
Leon County Primary Care Grant	61,455
Apalachee Grant	<u>62,127</u>
Total	<u>\$134,332</u>

**Bond Community Health Center, Inc.**

**Notes to Financial Statements**

**Note 5 - Property and equipment, net:**

Property and equipment, net, consists of the following:

Land	\$ 295,000
Building and improvements	3,489,170
Furniture and equipment	697,058
Mobile van and other vehicles	<u>342,473</u>
Total	4,823,701
Less accumulated depreciation and amortization	<u>759,863</u>
Total	<u>\$4,063,838</u>

In the event the DHHS grants are terminated, DHHS reserves the right to have the Federal interest in all assets purchased with grant funds transferred to PHS or third parties.

**Note 6 - Long-term debt:**

Mortgage payable - \$2,341,598 face amount maturing on March 5, 2015. The mortgage is payable in monthly installments of \$14,888, including interest of 5.50%, with balloon payment at maturity date. The note is collateralized by real property located at 1720 South Gadsen Street, Tallahassee, Florida.

\$ 2,237,526

Vehicle financing loan - \$32,390 face amount maturing on September 22, 2015, payable in monthly installments of \$675 without interest. The loan is collateralized by the vehicle.

27,013

Total	2,264,539
Less current portion	<u>60,422</u>
Total	<u>\$ 2,204,117</u>

Principal payment requirements on the above obligations in each of the years subsequent to June 30, 2012 are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2013	\$ 60,422
2014	63,373
2015	2,138,025
2016	<u>2,719</u>
Total	<u>\$2,264,539</u>

The Center is required to meet certain covenants.

**Bond Community Health Center, Inc.**

**Notes to Financial Statements**

**Note 7 - DHHS grants:**

For the year ended June 30, 2012, the Center recognized grant revenue from DHHS as follows:

<u>Grant Number</u>	<u>Grant Period</u>	<u>Total Grant</u>	<u>Revenue Recognized</u>
6H80CS00683-10-06	03/01/2011 - 02/29/2012	\$1,875,736	\$1,392,683
6H80CS00683-11-04	03/01/2012 - 02/29/2013	2,044,454	602,797
6H76HA00710-10-02	04/01/2011 - 03/31/2012	590,000	436,487
6H76HA00710-11-00	04/01/2012 - 03/31/2013	590,000	<u>195,321</u>
Total			<u>\$2,627,288</u>

**Note 8 - Patient services revenue, net:**

For the year ended June 30, 2012, patient services revenue, net, consists of the following:

Medicaid	\$ 1,676,340
Medicare	325,919
Other third-party payors	112,464
Pharmacy 340B	1,356,327
Self-pay	<u>1,114,811</u>
Total	<u>\$ 4,585,861</u>

Based on the cost of patient services, charity care approximated \$1,200,000 and community benefit approximated \$738,000 for the year ended June 30, 2012.

Medicaid and Medicare revenue is reimbursed to the Center at the net reimbursement rates as determined by each program. Reimbursement rates are subject to revisions under the provisions of reimbursement regulations. Adjustments for such revisions are recognized in the fiscal year incurred.

**Bond Community Health Center, Inc.**

**Notes to Financial Statements**

**Note 9 - Contract services and other grants:**

Contract services and other grants consist of the following:

State of Florida Department of Health:	
Agency for Healthcare Administration	\$ 600,000*
Dental Grant	400,000
Leon County Department of Health:	
Department of Health Expansion Grant	169,885
ER Diversion Grant	1,000,000
Apalachee Grant	505,605
Leon County Primary Care Grant	249,746
Other	9,666
	<u>\$ 2,934,902</u>

\*Represents a portion of non-operating contract services revenue for capital expenditures in the amount of \$282,533.

**Note 10- Pension plan:**

The Center maintains a defined contribution pension plan covering substantially all employees who meet certain eligibility requirements. Employees are eligible to participate after one year of employment. Pension expense amounted to \$33,540 for the year ended June 30, 2012.

**Note 11- Commitments and contingencies:**

The Center has contracted with various funding agencies to perform certain healthcare services, and receives Medicaid and Medicare revenue from Federal and state governments. Reimbursements received under these contracts and payments from Medicaid and Medicare are subject to audit by Federal and state governments and other agencies. Upon audit, if discrepancies are discovered, the Center could be held responsible for refunding the amounts in question.

The Center maintains its medical malpractice coverage under the Federal Tort Claims Act ("FTCA"). FTCA provides malpractice coverage to eligible PHS-supported programs and applies to the Center and its employees while providing services within the scope of employment included under grant-related activities. The Attorney General, through the U.S. Department of Justice, has the responsibility for the defense of the individual and/or grantee for malpractice cases approved for FTCA coverage.

## **Bond Community Health Center, Inc.**

### **Notes to Financial Statements**

The healthcare industry is subject to voluminous and complex laws and regulations of Federal, state and local governments. Compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government healthcare program participation requirements, reimbursement laws and regulations, anti-kickback and anti-referral laws, and false claims prohibitions. In recent years, government activity has increased with respect to investigations and allegations concerning possible violations of reimbursement, false claims, anti-kickback and anti-referral statutes and regulation by healthcare providers. The Center believes that it is in material compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. Upon audit, if discrepancies are discovered, the Center could be held responsible for refunding the amounts in question.

**Bond Community Health Center, Inc.****Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2012**

Federal Grantor/ Pass-through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Number	Total Expenditures
U.S. Department of Health and Human Services:			
Direct programs:			
Consolidated Health Centers Cluster:			
Consolidated Health Centers Program	93.224	N/A	\$ 713,975
Affordable Care Act (ACA) Grants for New and Expanded Services Under the Health Center Program	93.527	N/A	<u>1,281,505</u>
Total Cluster			<u>1,995,480</u>
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	N/A	<u>631,808</u>
Total direct programs			<u>2,627,288</u>
Passed through Florida Department of Health:			
Medical Assistance Program (Medicaid)	93.778	COTDS / COTCZ	<u>581,800</u>
Total U.S. Department of Health and Human Services			<u>3,209,088</u>
Total Federal Awards			<u>\$ 3,209,088</u>

See Notes to Schedule of Expenditures of Federal Awards.

## Bond Community Health Center, Inc.

### Notes to Schedule of Expenditures of Federal Awards

#### **Note 1 - General Information:**

The accompanying schedule of expenditures of Federal awards presents the activities in all Federal awards of Bond Community Health Center, Inc. (the "Center"). All financial assistance received directly from Federal agencies as well as financial assistance passed through other governmental agencies or nonprofit organizations is included in the schedule.

#### **Note 2 - Basis of accounting:**

The accompanying schedule of expenditures of Federal awards is presented using the accrual basis of accounting. The information in the schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. The amounts reported in the schedule as expenditures may differ from certain financial reports submitted to Federal funding agencies due to those reports being submitted on either a cash or modified accrual basis of accounting.

#### **Note 3 - Relationship to the financial statements:**

Federal expenditures are reported on the statement of functional expenses as program services. In certain programs, the expenditures reported in the basic financial statements may differ from the expenditures reported in the schedule of expenditures of Federal awards due to program expenditures exceeding grant or contract budget limitations or agency-matching or in-kind contributions which are not included in the statement of activities and changes in net assets.

#### **Note 4 - Subrecipients:**

Of the Federal expenditures presented in this schedule, the Center provided no Federal awards to subrecipients for the year ended June 30, 2012.

Independent Auditor's Report on on Internal Control Over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial  
Statements Performed in Accordance with Government Auditing Standards

To the Board of Directors  
Bond Community Health Center, Inc.

We have audited the financial statements of Bond Community Health Center, Inc. (the "Center") as of and for the year ended June 30, 2012, and have issued our report thereon dated March 21, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

Management of the Center is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Center's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as Item 2012-01 to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as Item 2012-02 to be a significant deficiency.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Center's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2012-02 through 2012-04.

We noted certain matters that we reported to management of the Center in a separate letter dated March 21, 2013.

This report is intended solely for the information and use of management, the Board of Directors, and Federal awarding agencies and pass-through entities, and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "CohnReznick LLP".

New York, New York  
March 21, 2013

Independent Auditor's Report on Compliance with Requirements that  
Could Have a Direct and Material Effect on Each Major Program and on  
Internal Control Over Compliance in Accordance with OMB Circular A-133

To the Board of Directors  
Bond Community Health Center, Inc.

Compliance

We have audited the compliance of Bond Community Health Center, Inc. (the "Center") with the types of compliance requirements described in the U.S. Office of Management and Budget ("OMB") Circular A-133 Compliance Supplement that could have a direct and material effect on each of the Center's major Federal programs for the year ended June 30, 2012. The Center's major Federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major Federal programs is the responsibility of the Center's management. Our responsibility is to express an opinion on the Center's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a Federal program occurred. An audit includes examining, on a test basis, evidence about the Center's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Center's compliance with those requirements.

As described in items 2012-02 through 2012-04 in the accompanying schedule of findings and questioned costs, the Center did not comply with the requirements of patient services receivable and revenue reporting, Board Members' compliance, and sliding fee discounts that are applicable to its major Federal programs noted in the schedule of findings and questioned costs. Compliance with such requirements is necessary, in our opinion, for the Center to comply with requirements applicable to those programs.

In our opinion, except for the noncompliance described in the preceding paragraph, the Center complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2012.

## Internal Control Over Compliance

Management of the Center is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to Federal programs. In planning and performing our audit, we considered the Center's internal control over compliance with the requirements that could have a direct and material effect on each of its major Federal programs to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items 2012-02 through 2012-04. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The Center's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Center's response and, accordingly, we express no opinion on it.

The purpose of this report is solely to describe the scope of our testing of compliance with the types of compliance requirements applicable to each of the Center's major programs and our testing of internal control over compliance and the results of our testing, and to provide an opinion on the Center's compliance but not to provide an opinion on the effectiveness of the Center's internal control over compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's compliance with requirements applicable to each major program and its internal control over compliance. Accordingly, this report is not suitable for any other purpose.



New York, New York  
March 21, 2013

**Bond Community Health Center, Inc.**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2012**

**Section I - Summary of Auditor's Results**

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified?  yes  no
- Significant deficiency(ies) identified?  yes  none
- Noncompliance material to financial statements noted?  yes  no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified?  yes  no
- Significant deficiency(ies) identified?  yes  none

Type of auditor's report issued on compliance for major programs:

Qualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?

yes  no

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

93.224  
93.527

U.S. Department of Health and Human Services:  
Consolidated Health Center Cluster:  
Consolidated Health Centers Program  
Affordable Care Act (ACA) Grants  
for New and Expanded Services  
Under the Health Center Program

Dollar threshold used to distinguish between type A and type B programs:

\$300,000

Auditee qualified as low-risk auditee?

yes  no

## Bond Community Health Center, Inc.

### Schedule of Findings and Questioned Costs Year Ended June 30, 2012

#### Section II - Financial Statement Findings

##### Item 2012-01 – Proper Documentation Relating to Disbursements

###### Criteria:

Cash disbursement procedures are established to ensure no unauthorized payments are made, that accurate records are maintained for all payments and that unclaimed checks are adequately identified, controlled and ultimately voided.

###### Statement of Condition:

While performing our test of controls for cash disbursements and testing the company corporate card expenses, it was noted that certain disbursements were made using either the corporate card or checks whereby the supporting documentation supporting those payments could not be located. It was also noted during our test work, there was no policy and procedure in place for the review and approval of the corporate card expenditures and the safeguarding of the supporting documents. The purpose of the corporate card was to allow the Center's personnel access to efficient and alternative means of payment for approved expenses, especially expenses related to business travel and office supplies. It was noted during our test work, that all checks made to the corporate credit card were signed by the Chief Executive Officer.

###### Effect:

Without proper supporting documentation, there is no evidence that the expenditures are being reviewed properly and are allowable business expenses, and as a result, accurate records are not being maintained properly. It allows the opportunity for unauthorized payments to be made.

###### Cause:

There was turnover in management during the fiscal year. The vendor file that supported certain corporate card expenditures and other disbursements were not able to be located. In addition, there was a lack of internal controls to ensure that there is a proper approval process and adequate documentation to support the related expenditures.

###### Recommendation:

We recommend that the following procedures be implemented to strengthen internal control over disbursements.

- 1) All invoices when presented for approval for payment, should contain the proper supporting documentation along with the appropriate signatures indicating they were reviewed
- 2) All invoices, before payment is made, should contain the proper account allocation to be charged and respective subaccounts denoting what department/program the expenditures relate to.
- 3) A copy of the invoice package including the check request form should be retained for every disbursement and filed accordingly.
- 4) Revise the policies and procedures manual for disbursements and develop specific policies and procedures relating to the corporate card which addresses all of the above.

These procedures will ensure that the Center will strengthen internal controls and safeguarding of assets with respect to all disbursements of the Center. It will also allow the Center to maintain accurate books and records relating to all disbursements.

###### Management's Response:

Management concurs with this finding and has implemented measures to ensure that all disbursements are accompanied by adequate documentation.

**Bond Community Health Center, Inc.**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2012**

**Section II - Financial Statement Findings and Section III - Federal Award Findings and Questioned Costs - U.S. Department of Health and Human Services, Consolidated Health Centers Program (CFDA 93.224), Affordable Care Act (ACA) Grants for New and Expanded Services under the Health Center Program (CFDA 93.527):**

**Item 2012-02 – Patient Services Receivable and Revenue**

**Criteria:**

The accounts receivable subsidiary ledger should be reconciled to the general ledger control accounts on a regular basis, and should ensure that cash flow from patient services is maximized.

**Statement of Condition:**

Currently, the Center utilizes a computerized billing system to process billing and collection for patient services. The accounts receivable subsidiary ledger is not being reconciled to the general ledger control accounts on a regular basis. In addition, the Center has no formalized control procedures for (1) reviewing and evaluating specific past due accounts, (2) billing denied claims in a timely manner and (3) determining bad debts by periodic review of the accounts receivable aging reports per the billing system.

**Questioned Costs:**

None

**Effect:**

Patient services receivable may not be reported at its net realizable value.

**Cause:**

The Center did not have the appropriate resources to apply the procedures necessary to review and follow up on past-due receivables and ensure that patient services revenue was being maximized.

**Recommendation:**

We recommend that the accounts receivable subsidiary ledger, per the billing and collection system, be reconciled to the general ledger control accounts on a regular basis. All discrepancies should be investigated and resolved on a timely basis. Further, we recommend that the Center review all old outstanding receivables for collectability and, for those no longer collectible, remove from the billing system. The Center should ensure that all receivables recorded in the billing system are valid and that appropriate reserves are made for uncollectible accounts.

**Management's Response:**

Management concurs with this finding and has implemented measures to review patient service billing past due receivables and follow-up, as well as bad debt identification and write-offs on a regular basis. Management is implementing procedures that will allow the accounts receivable subsidiary ledgers to be reconciled to the general ledger control accounts on a regular basis.

**Bond Community Health Center, Inc.**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2012**

**Section II - Financial Statement Findings and Section III - Federal Award Findings and Questioned Costs - U.S. Department of Health and Human Services, Consolidated Health Centers Program (CFDA 93.224), Affordable Care Act (ACA) Grants for New and Expanded Services under the Health Center Program (CFDA 93.527):**

**Item 2012-03 – Board Members Compliance**

**Criteria:**

As per the 330 grant requirements, the governing board must be composed of individuals, a majority (at least 51%) of whom are being served by the Center and who, as a group, represent the individuals being served by the Center.

**Statement of Condition:**

It was noted that recently less than 51% of the current Board Members are patients of the Center.

**Questioned Costs:**

None

**Effect:**

The Center was not in compliance with requirements stipulated under the grant award.

**Cause:**

The Center did not monitor this compliance requirement regularly.

**Recommendation:**

The Center should monitor and ensure that the requirement of Board Member composition is being met.

**Management's Response:**

Management will monitor the compliance of Board Member composition and report the status to the board regularly.

**Bond Community Health Center, Inc.**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2012**

**Section II - Financial Statement Findings and Section III - Federal Award Findings and Questioned Costs - U.S. Department of Health and Human Services, Consolidated Health Centers Program (CFDA 93.224), Affordable Care Act (ACA) Grants for New and Expanded Services under the Health Center Program (CFDA 93.527):**

**Item 2012-04 – Sliding Fee Discounts**

**Criteria:**

Health centers are required to have a corresponding schedule of discounts applied and adjusted on the basis of the patients' ability to pay and their eligibility. A patient's eligibility to pay is determined on the basis of the official poverty guidelines, as revised by HHS (42 CFR Sections 51c.107(b)(5), 56.108(b)(5) and 56.303(f)). The Center should be implementing and monitoring procedures to properly determine, calculate and review sliding fee discounts given to patients in accordance with the Center's sliding fee scale.

**Statement of Condition:**

The Center did not properly determine the sliding fee discount category given to one of the twenty-eight self-pay patients selected for testing based on the sliding fee scale in effect for the fiscal year ended June 30, 2012. In addition, four out of the twenty-eight self-pay patients selected for testing were missing the sliding fee documentation including sliding fee application, proof of identity, proof of income and family size. Therefore, there is no evidence supporting the sliding fee discount the patients were given. Furthermore, the Center did not have a copy of the insurance card on file for three out of the total forty patients selected for testing.

**Questioned Costs:**

None

**Effect:**

The Center did not comply with the determination of sliding fee discounts based on the Federal poverty guidelines in effect for the fiscal year 2012. In addition, patient accounts were not properly adjusted to reflect the appropriate sliding fee discounts.

**Cause:**

The condition can be attributed to human error and the lack of internal controls to review and ensure that the proper sliding fee discounts are being applied.

**Recommendation:**

We recommend that proper training be given to employees at registration and that sliding fee discounts be monitored and reviewed by a supervisor on a periodic basis to ensure compliance with the sliding fee scale. In addition, we recommend that the Center update its billing system to properly reflect the discounts to be given to patients based on their sliding fee category.

**Management's Response:**

Subsequent to year-end, additional training is being conducted for employees at the Center. In addition, the sliding fee discounts will be monitored and reviewed by the supervisor on a more routine basis to ensure that the sliding fee is properly administered to eligible patients.

**Bond Community Health Center, Inc.**

**Status of Prior Year's Findings  
Year Ended June 30, 2012**

None



# Leon County

## Board of County Commissioners

301 South Monroe Street, Tallahassee, Florida 32301  
(850) 606-5302 www.leoncountyfl.gov

Commissioners

BILL PROCTOR

District 1

JANE G. SAULS

District 2

JOHN DAILEY

District 3

BRYAN DESLOGE

District 4

KRISTIN DOZIER

District 5

MARY ANN LINDLEY

At-Large

NICK MADDOX

At-Large

VINCENT S. LONG

County Administrator

HERBERT W.A. THIELE

County Attorney

April 10, 2013

Ms. Debra Weeks  
Chief Executive Officer  
Bond Community Health Center, Inc.  
1720 South Gadsden Street  
Tallahassee, Florida 32301

Subject: Request for Information

Dear Ms. Weeks:

I appreciate your response to my letter of April 3, 2013, and have provided this information to the Board of County Commissioners as noted in the enclosed copy of the County's April 9, 2013 agenda item.

As reflected in the agenda item, the County fully appreciates that Bond CHC has begun to address the internal control deficiencies as noted by your external auditor. You have also notified the County that Bond CHC is in the process of engaging a forensic auditor and has notified law enforcement. However, the documentation included in your April 8, 2013 letter does not adequately address whether County funds were included in any of the undocumented expenses noted by the auditor. Given the present inability to determine the nature or extent to which County funds may have been involved, the Board of County Commissioners approved the following actions at their April 9, 2013 meeting:

1. Request Bond CHC to provide any and all documentation to demonstrate that County funding was not used to support undocumented expenditures as noted by the aforementioned audit findings.
2. Request Bond CHC to provide any and all documentation to demonstrate that County funding is not part of the forensic audit or law enforcement investigation noted by Bond.
3. Request Bond CHC to provide any and all documentation to demonstrate that Bond CHC has implemented measures to strengthen internal controls and safeguarding of assets including County funding.
4. Defer payments to Bond CHC and AHCA in support of the Bond CHC contract and any other contract modification (including the request to support an additional contract modification for the new grant match) until such time that items 1 through 3 have been responded to and determined sufficient by the Board of County Commissioners.

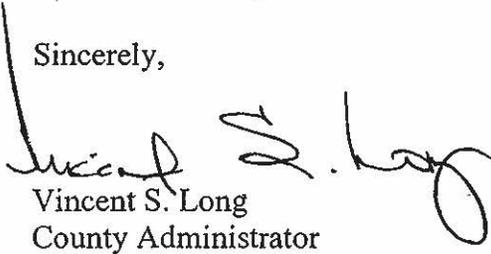
Ms. Debra Weeks  
April 10, 2013  
Page Two

The County has enjoyed a long-standing relationship with Bond CHC. As a provider of quality healthcare for our indigent and uninsured population, Bond CHC is a critical component in the continuum of healthcare services in our community.

I would appreciate a response to this request for information no later than April 17, 2013; as well as, the outstanding request from my first letter regarding any reports prepared by Dot Inman Johnson. By receiving this information in a timely fashion, I will be able to provide the information and recommendations to the Board of County Commissioners at their April 23, 2013 meeting.. The County stands ready to assist you in any way possible.

If you have any questions or need further guidance, please do not hesitate to contact me or Alan Rosenzweig at 606-5300.

Sincerely,



Vincent S. Long  
County Administrator

Enc: Board of County Commissioner Agenda Item of April 9, 2013

## Eryn Calabro - Fwd: Response Requested

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**From:** Alan Rosenzweig  
**To:** Calabro, Eryn  
**Date:** 5/20/2013 2:48 PM  
**Subject:** Fwd: Response Requested  
**Attachments:** Letter to Commissioners05202013\_0000.pdf

RECEIVED

MAY 20 2013

>>> "Debra Weeks" <dweeks@bondchc.com> 5/20/2013 2:05 PM >>>  
Good Afternoon Mr. Long,

As per your request please find the attached response as required. Again, we thank you and the County Commissioners for your continued support of the Bond Community Health Center, Inc.

Sincerely,

Debra Weeks  
Interim CEO / CAO

Sincerely,

 MSW  
Chief Administrative Officer / Interim CEO  
Bond Community Health Center, Inc.  
1720 South Gadsden Street  
Tallahassee, Florida 32301  
Office: 850-576-4073, ext. 248  
Fax: 850-521-5101  
Email: dweeks@bondchc.com

"In the Community... For the Community. Helping People Live Stronger and Longer..."



## Bond Community Health Center, Inc.

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Vincent S. Long, County Administrator  
Leon County Courthouse  
301 S Monroe St.  
Tallahassee, FL 32301

RECEIVED

MAY 20 2013

May 8, 2013

Dear Mr. Long,

Thank you for your patience and understanding as we work through this process. I appreciate the cooperation of your team as well. You and Deputy County Administrator Rosenzweig have been most helpful.

The following narrative is in response to your letter dated, April 3, 2013. Bond Community Health Center, Inc.'s (BCHC) mission is to provide the highest quality comprehensive family health services with particular concern for the lower socioeconomic groups, regardless of their ability to pay. The support from Leon County greatly impacts our capability to accomplish our mission as it assists us in leveraging federal and state funds through matching dollars and provides staffing support for our Pharmacy which offers 340b reduced costs to patients.

Although our June 30, 2012 financial statement audit performed by CohnReznick, LLP resulted in an unqualified opinion, an internal control weakness was noted surrounding the use of the corporate credit card and a lack of supporting documentation for a selection of transactions. During the past 12 months BCHC has experienced employee turnover in the critical executive level positions responsible for initiating and authorizing such transactions. We have obtained a letter from our external auditors to ascertain whether their audit revealed any material misstatement related to the reporting of Leon County grant revenue and expenses (see *Attachment A*).

As a result of the audit findings, in January 2013, BCHC implemented a credit card policy to provide clear guidelines on the appropriate use of credit cards and the required supporting documentation (See *Attachment B*). To further strengthen internal controls, we are in the process of implementing a new fund accounting system to segregate funds and ensure discrete tracking to properly code expenses to general ledger accounts allocating expenses to the related funds, grants, programs, etc. In addition, we

reviewed the methodology for allocating expenses to programs supported by Leon County LIP matching grants and Pharmacy support and believe our treatment is appropriate.

In the abundance of caution, we have retained an additional external CPA firm, Grayson Accounting & Consulting, P.A. to perform an agreed upon procedures engagement to verify our calculation of the maximum potential exposure of undocumented credit card transaction allocable to the funds received from the Leon County Board of County Commissioners in fiscal year 2012 (see Grayson report in Attachment C). As a result of this engagement, we believe the maximum potential exposure to be \$5,679 and request this amount to be deducted from our current funding request as a reduction in Pharmacy staffing support to satisfy this FY' 12 audit report.

In addition, you have requested a copy of the letter from Mrs. Dorothy Inman-Johnson (see Attachment D).

In closing, I want to thank you, Mr. Rosenzweig and Board of County Commissioners for your continued commitment to Bond Community Health Center, Inc. and the Leon County and surrounding County residents we serve.

Sincerely,

A handwritten signature in black ink, appearing to read 'Debra Weeks', written over a horizontal line.

Debra Weeks, MSW  
Interim Chief Executive Officer

A handwritten signature in blue ink, appearing to read 'Antonio Jefferson', written over a horizontal line.

Antonio Jefferson  
Chairman, Board of Directors



# **Bond Community Health Center, Inc.**

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## ATTACHMENT A

April 29, 2013

Ms. Debra Weeks, Acting Chief Executive Officer  
Bond Community Health Center, Inc.  
1720 South Gadsden Street  
Tallahassee, Florida 32301

Dear Ms. Weeks:

We conducted our audit of the financial statements of Bond Community Health Center, Inc. (the "Center") as of and for the fiscal year ended June 30, 2012 in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

We have issued our report dated March 21, 2013 which was an unqualified opinion. We have also issued our report in accordance with Government Auditing Standards on our consideration of the Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Bond Community Health Center, Inc. financial statements include various grants from Leon County for the fiscal year ended June 30, 2012. In connection with our audit, based on documentation and other audit evidence we obtained, nothing came to our attention that the revenue and expenditures recognized relating to those grants is materially misstated.

If you have any further questions, please free to call my office.

Very truly yours,



Steven D. Schwartz, CPA, Partner  
For CohnReznick, LLP



# **Bond Community Health Center, Inc.**

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## ATTACHMENT B



# Bond Community Health Center, Inc.

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## CREDIT CARD POLICY

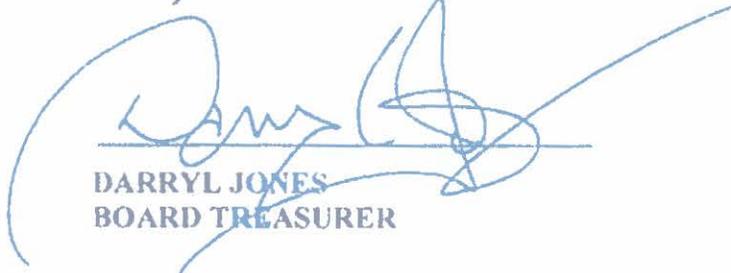
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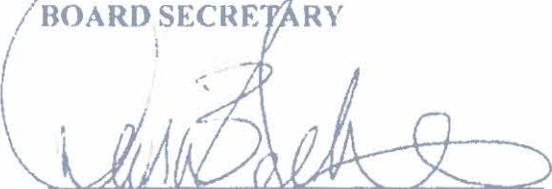
APPROVED DATE:

*January 24, 2013*

  
DR. JOSEPH WEBSTER  
BOARD CHAIR

  
WILLIAM LAMAR  
BOARD SECRETARY

  
DARRYL JONES  
BOARD TREASURER

  
DEBRA WEEKS  
CHIEF EXECUTIVE OFFICER



## **BOND COMMUNITY HEALTH CENTER, INC.**

### **CREDIT CARD POLICY AND PROCEDURES**

#### **Objectives**

1. To allow Bond personnel access to efficient and alternative means of payment for approved expenses, especially expenses related to business travel and office supplies.
2. To improve managerial reporting related to credit card purchases.
3. To improve efficiency and reduce costs of payables processing.

#### **Policies**

1. Bond credit cards will be issued to the CEO and staff, only with approval of the Finance Committee.
2. Credit cards will only be used for business purposes. Personal purchases of any type are not allowed.
3. The following purchases are not allowed:
  - Capital equipment and upgrades
  - Construction, renovation/installation
  - Controlled substances
  - Items or services on term contracts
  - Maintenance agreements
  - Personal items or loans
  - Purchases involving trade-in of Bond property
  - Rentals (other than short-term autos)
  - Telephones, related equipment, or services
  - Any other items deemed inconsistent with the values of Bond
4. Cash advances on credit cards are *not* allowed.
5. Cardholders will be required to sign an agreement indicating they accept these terms. Individuals who do not adhere to these policies and procedures risk revocation of their credit card privileges and/or disciplinary action.
6. Any exceptions to this policy must be approved by the Board.

## Procedures

1. Credit cards may be requested for prospective cardholders by written request (Credit Card Request Form) to the CEO who will approve / deny and submit to CFO.
2. Detailed receipts must be retained and attached to the credit card statements. In the case of meals and entertainment, each receipt must include the names of all persons involved in the purchase, and a brief description of the business purpose of the purchase, in accordance with Internal Revenue Service regulations.
3. Monthly statements, with attached detailed receipts, must be submitted to the accounting department within ten days of receipt of the statement to enable timely payment of amounts due.
4. All monthly statements submitted for payment must include the initials of the cardholder, the signature of the approving staff member and the date of approval. Each statement must have the approval of the approving staff member in addition to the approval of the cardholder, unless the cardholder is him/herself the staff member.
5. All monthly statements submitted for payment must have the appropriate account number(s) and the associated amounts clearly written on the statement. Multiple purchases charged to the same account number must be subtotaled. Cards may be designated to have all expenses charged to a specific account number, with exceptions noted on the monthly statement, if desired.
6. Cardholders should make every effort to ensure that purchases do not include sales tax. Tax-exempt certificates are available through the accounting department. Tangible personal property is property that can be touched and retained in one's possession (excludes food, entertainment, and other consumables.) Services are works or activities performed by another for a fee (includes normal services such as personal services performed by professionals and/or non-professionals, but excludes lodging.) Sales tax may be paid for minimal expenditures from one-time vendors who refuse the exemption, but sales taxes should not be paid (select another vendor) where the purchases are for more substantial expenditures or are repetitively incurred.



## CREDIT CARD CARDHOLDER AGREEMENT

Bond Community Health Center, Inc. (BCHC) credit card(s) provides users with an alternate payment method when making purchases for goods and services. The program reduces the volume of accounts-payable transactions, and the associated administrative costs, by eliminating vendor invoices and consolidating multiple vendor payments into one monthly statement with each credit card.

Credit cards are issued or approved for usage of said card(s) is at the discretion of the Chief Executive Officer to current employees who are granted a formal delegation of BCHC purchasing authority. The cardholder agrees to comply with all applicable BCHC policies and procedures, and this Cardholder agreement. When signed and accepted, this form acts to assign the formal delegation of purchase authority to a current BCHC employee.

Employee violations to this agreement, or to any policy regarding the purchase of goods or services, will be investigated, and may result in either one or more of the following actions: written warning, revocation of credit card privileges, cancellation of delegation of purchasing authority, disciplinary action, and termination and/or criminal prosecution. Human error and extraordinary circumstances may be taken into consideration when investigating any violation to this agreement. BCHC will consider the facts and circumstances of each incident, and will take action as deemed appropriate and as permitted by applicable law and/or BCHC policy.

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**Employee Signature**

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**Date**

---

**Chief Executive Officer**

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**Date**



**BOND COMMUNITY  
HEALTH CENTER, INC.**

*"Your New Medical Home"*

## Credit Card Payment Authorization Form

Please check credit card type:    Lowes \_\_\_    Office Depot \_\_\_    American Express \_\_\_

Requested By: \_\_\_\_\_ Title: \_\_\_\_\_

Amount to be charged: \$ \_\_\_\_\_ Dept. /Grant \_\_\_\_\_

Description: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Requester's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Approved by: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_  
Approver's Name/Signature/Date

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Please forward this credit card payment form and supporting documents to:

Rhonda Showers, ATTN: Finance Department, 1720 South Gadsden Street, Tallahassee, Florida 32301



# **Bond Community Health Center, Inc.**

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## ATTACHMENT C

Grayson Accounting & Consulting, P.A.  
118 Salem Court, Suite B  
P.O. Box 12774 / Tallahassee, FL 32317  
Telephone (850) 216-4045 / Facsimile (850) 216-4075  
e-mail: [john@graysonaccounting.com](mailto:john@graysonaccounting.com)

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## **INDEPENDENT ACCOUNTANTS REPORT ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors,  
Bond Community Health Center, Inc.

We have performed the procedures enumerated below, which were agreed to by the Bond Community Health Center, Inc., solely to recalculate the maximum exposure of undocumented American Express charge card expenditures allocable to Leon County during the 2012 fiscal year.

- The Bond Community Health Center, Inc. is responsible for the calculation of the maximum exposure of undocumented American Express charge card expenditures allocable to Leon County during the 2012 fiscal year.
- CohnReznick, LLP, is responsible for the Independent Auditor's Report for the year ended June 30, 2012.
- American Express is responsible for the total expenditures charged to the American Express charge card during the 2012 fiscal year.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representations regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

### **Verify the total revenue for the 2012 fiscal year.**

- The total revenue of \$10,170,827, for the year ended June 30, 2012, was verified by the Independent Auditor's Report.

### **Verify the total Leon County grant revenue for the 2012 fiscal year.**

- The total Leon County grant revenue of \$419,631, for the year ended June 30, 2012, was verified by the Independent Auditor's Report.

**Verify the total amount of expenditures charged to the American Express charge card during the 2012 fiscal year.**

- The total charges to the American Express charge card of \$137,647, were verified through the examination of American Express statements for the year ended June 30, 2012.

**Recalculate the maximum amount of undocumented expenditures charged to the American Express charge card which could be allocable to Leon County during the 2012 fiscal year, based on Leon County's percentage of total revenue.**

- The total amount of expenditures charged to the American Express card during the 2012 fiscal year of \$137,647, was verified with American Express statements. Although some of the charges were documented during the audit, Bond Community Health Center staff, in an abundance of caution, opted to perform its calculation of undocumented expenditures charged to the American Express charge card based on the total charges instead of the undocumented charges. The portion of grant revenue from Leon County was divided by total revenues for the period ended June 30, 2012. That percentage (4.13%) was applied to the total expenditures charged to the American Express charge card (\$137,647) to attain the amount of undocumented expenses which were allocable to Leon County (\$5,679). The calculation was verified for its accuracy.

We were not engaged to, and did not; perform an audit, the objective of which would be the expression of an opinion. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Bond Community Health Center, Inc. and is not intended to be and should not be used by anyone other than the specified party.

***Grayson Accounting & Consulting, P.A.***

May 7, 2012



# **Bond Community Health Center, Inc.**

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## ATTACHMENT D

## **Status Report on Contracted Scope of Work for Board's Executive Consultant**

### **1. Manage day to day activities w/ top priority given to bringing Board into compliance w/ HRSA requirements, and take measures to facilitate improved Board governance.**

**Status:** Very little progress because neither the Board or the CAO have provided me with the findings from the HRSA Report or the Drew report so I can assess the Organization's progress in taking corrective action and develop recommendations for Board consideration to ensure the organization remains in compliance going forward. I have even been unable to get staff to provide me a copy of the Personnel Policies. Based on discussions at the Board meeting, it is clear that employees or former employees have sent copies of complaints against the organization to the federal government. It also seems clear that little has been done to address weaknesses in the Personnel Policies to demonstrate Board concern and oversight before the site visit this month. My hands have been tied in carrying out this responsibility since neither the Board nor Ms. Weeks has provided me the documents I need to do the job. In a previous e-mail I shared these concerns as well.

**Recommendation:** There should be a designated Board member to whom I regularly report, and who oversees and monitors my assignments, and makes sure I receive information and cooperation to get my job for the Board done.

Please provide copies of all relevant reports and information, including policies to allow me to do a thorough review to suggest corrective actions for Board consideration.

### **2. Provide technical assistance on operational matters for needed Board efficiencies.**

**Status:** Assisted the Personnel Committee with the development of a CEO Salary Matrix and a list of issues to take into consideration when determining the salary for the new CEO; and organized the New Board Member Orientation, at the request of Dr. Webster. No other issues have been identified and assigned by the Board.

**Recommendation:** More clarity is needed from the Board on Consultant's assignments and specific information on areas in which the Board needs technical assistance in carrying out its governance responsibilities.

### **3. Provide evaluation/ assessment of Board Committee Structure, task forces, ad-hoc committees, and refine organizational chart.**

**Status:** Except for reviewing the Board bylaws, the written committee structure, and the Board Roster with committee chairs and members listed, there has not been an opportunity to discuss with committees issues they would like addressed. I have begun to work on simplifying the Organizational chart.

**Recommendation:** All committees should have a designated meeting schedule, so that reports can be completed and included in Board packets prior to Board meeting date. Any reports with issues requiring

a Board vote should be sent to Board members in advance to give members the time to digest the information. Most non-profits send Board packets at least the week before the meeting.

**4. Develop a Board Work Plan that is in harmony w/ the Bond CHC Strategic Plan in developing the 2013-14 Work Plan.**

**Status:** There has been no activity because the organization does not have a strategic plan. The last strategic plan was done in 2010, according to information provided to me by staff. There must be a strategic plan before a year's work plan can be developed to implement the goals and objectives.

**Recommendation:** The Board needs a planning session to identify its goals for the next 5 years, its five year plan toward achieving its goals, and an annual work plan for implementation. Priority should be placed on these goals in the budget. The work plan should designate timelines and persons in the organization accountable for leadership in the achievement of the goal.

The proposed budget for 2013-14 should be made available to make sure resources needed to achieve strategic plan goals are reflected in the budget. The budget should be finalized and voted on by the Board before the start of the new fiscal year.

**5. Work with Staff in coordinating the Strategic plan with the operational plan.**

**Status:** There has been no progress. Ms. Weeks has not provided budget information or information on staff's work so far on developing a strategic plan, or work/ operational plan. She indicated that the organization's budget can only be provided to certain staff and Board members. This is an unusual practice for an organization funded mainly by tax dollars. For federal or state funded non-profits, more transparency is generally required.

**Recommendation:** Please provide approval and direction to staff to release to me documents necessary for me to do my job.

I also suggest that a short training at an upcoming Board meeting be held on compliance requirements of the Sunshine and Public Records Law to insure that the Board and organization are operating in compliance. Ms. Weeks states because of Bond CHC's classification type, it is exempt from the Sunshine Law and Public Records Law. However, those laws generally apply to any organization funded mainly from the public's tax dollars. It would not hurt to get a second opinion from a state expert on both of those laws and their applications. I can arrange such a training at no cost to the organization.

**6. Conduct ongoing Board Training sessions (w/ certified Board trainers) collectively and for individual members as needed or requested.**

**Status:** I have not been able to discuss with the Board its training needs. Further, I was not included in any of the information about the March 2 training. It is very difficult to plan Board training if information on the Board's needs is not readily available.

**Recommendation:** As indicated in #5, it is urgent that the Board receive training soon on the Sunshine and Public Records Law, as well as training on the Labor Law as it relates to liability for violations; particularly protected class violations. Reoccurring employment complaints without being able to document timely investigations and compliance with the law could create major legal risk for the Board and organization. It is not enough to take action in accordance with personnel policies and the law if good records are not kept to document it. The Board also should take advantage of the availability of experts here in the Capital for free training.

**7. Assist Nominating Committee in processing and communicating with potential Board members.**

**Status:** I know of no Nominating Committee Meeting. No one has discussed with me the plan for filling vacancies on the Board so that I can assist. This is an area in which clarity is needed on my role and Ms. Week's role in this process. To date, I have not been invited to be involved in the process, and therefore, have not been able to provide assistance.

**Recommendation:** A Nominating Committee Meeting is needed soon. Please provide me with information on your process for filling Board vacancies. I would appreciate an opportunity to meet w/ committees and/or chairs to get directions on how I can assist. Immediate concerns for the Nominating Committee in filling these vacancies should be greater diversity on the Board, and filling gaps on the Board for specific expertise.

**8. Create a plan/ System to digitize all Board records for easy storage and retrieval of Board information.**

**Status:** This will require an open, cooperative working relationship between staff, the consultant and the Board to develop such a plan, with clearly defined roles for each party, and designated resources in the budget. No progress has been made thus far for which I am aware. Once role clarity and clear directions are given, I am ready to start. I look forward to working cooperatively to achieve this goal.

**Recommendation:** The Board needs to designate a budget, clarify roles, and give clear directions on the job.

**9. Develop a Board office that houses documents and an appropriate space for consultant to work.**

**Status:** The consultant has no authority to direct how space is used in the organization. This seems to be a role for the Interim CEO/ CAO, rather than a role for a consultant. As a result, nothing has been done in this regard, except to allow the consultant temporary work space in the conference area of the past CEO.

**Recommendation:** Board records are in chaos with no clear chain of custody and no specific position in the organization accountable for the security of these records. In order to do the bios I had to run all over the agency trying to find each Board member's file; and still had to call or e-mail several members to get the data required for their bio. Item #9 should be the responsibility of the CEO/ CAO or her designee. However, if the Board still feels this should be the responsibility of the Consultant, the Board

Chairman should meet with the Consultant and Interim CEO on the specific roles of each. There is no way to do this without it being a cooperative effort between those two parties.

**10. Work with staff to ensure consistent, timely, seamless communication with all Board members and assist chairs with logistics for committee meetings.**

**Status:** In preparing for the last Executive Committee and Board meetings, there was little cooperation or communication from the CEO/ CAO office on the preparation of the agenda, and materials for the meetings. After Ms. Harris and I completed the agenda and sent it to Ms. Weeks to review, she explained that she and Atty. Knowles are responsible for developing the agenda and had already completed the one for the packet. That was fine with me, but I did not understand why she did not just tell me that up front so time was not spent duplicating effort.

**Recommendation:** Please clarify roles for preparation of the Board packets. It seems unnecessary to involve the Board's attorney, at his hourly rate, in general administrative duties like preparing a Board agenda. Provide a timeline by which packets should be mailed in advance of the meeting. It would seem wise for the CEO/CAO and Board Consultant to coordinate and communicate on the preparation of Board/ committee meeting materials.

**11. Attend all Board meetings (whether regular or called) and all committee meetings.**

**Status:** I have attended all meetings for which I was aware. However, as a consultant, not an employee, I have other contracts and will not always be able to attend meetings with no prior notice if I have already committed to another client at that time. I was specifically asked not to attend the March 2, 2013 Board meeting until the Board was ready to meet with me.

**Recommendation:** To ensure my availability for all meetings, it would be helpful to have regularly scheduled dates for meetings so I can schedule other clients around those dates. Further, there is a strict limit on the number of hours I'm allowed to be paid per week. Having a meeting schedule will also assist the Board in tracking the number of hours I spend in meetings.

**12. Such other similar duties as may be assigned from time to time.**

**Status:** I see no problem, but must remind the Board that I am contracted a maximum of 20 hours per week, or no more than 40 hours biweekly. As the contract is currently written, I cannot be paid for more than 40 hours in any two week cycle. Therefore, for my first pay cycle, I donated 4 hours that I worked beyond the 40 hours for the two weeks in that pay period.

**Other Issues:**

1. Consultants on contracts should be held accountable to timely performance of scope of work regardless of where the work is performed; as long as the consultant is available to staff and the Board

as needed for meetings and coordination of tasks. I found it unusual that I'm the only consultant required to spend a certain number of hours at the office, as for an employee.

2. With Ms. Weeks' reassignment of Ms. Harris, the Board has no designated **executive assistant** for clerical, secretarial support.

A handwritten signature in black ink, reading "Det. James Johnson". The signature is written in a cursive, flowing style with a large loop at the end.



*Joseph Webster, MD*  
*Chair*

*Gail Milon*  
*Ex-Officio*

*Dr. Leila Walker*  
*Vice Chair*

*Darryl Jones*  
*Treasurer*

*William Lamar*  
*Secretary*

*Helen Johnson*

*Dr. Delores Lawson*

*Dr. Doris Ballard-Ferguson*

*Dr. Donald Palm*

*Brenda Williams*

February 1, 2013

Re: Independent Contractor's Agreement

Dear Ms. Inman-Johnson:

This correspondence comes to advise you of the decision of the Bond Community Health Center (BCHC) Board of Directors in its January 24, 2013 meeting to retain your services as an executive consultant to its Board of Directors, commencing on the date this Letter of Engagement has been executed by all parties, continuing for a period of six (6) months with a review at the end of the 6-month period to determine whether further services will be needed.

The scope of work and services to be provided by you as an independent contractor to the Board at its direction, are as follows:

- 1) Provide on-site management of Board "day to day" activities with top priority given to bringing Board "into compliance" with HRSA requirements. To that end, work collaboratively with the CEO, the Board's General Counsel and staff in taking measures to facilitate improved board governance;
- 2) Provide technical assistance in connection with operational matters needed for board efficiency;
- 3) Provide evaluation and assessment of existing committee structure, task forces, ad hoc committees and Board's Organizational Chart;
- 4) Develop a Board Work Plan tailored for each committee and/or task force that is in harmony with the Board and the BCHC Strategic Plans – giving to developing a Work Plan for 2013 – 2014;
- 5) Work with staff in coordinating the Strategic Plan with an Operational Plan, including Board benchmarks;
- 6) Conduct ongoing board training sessions (certified board trainer) collectively and for individual board members as needed/requested;
- 7) Assist Nominating Committee in "processing and communicating" with potential Board nominees;
- 8) Develop an information archival/retrieval strategy and system for board review and adoption ( plan to "go digital" with all important board documents )
- 9) Develop a board office that houses documents, etc. and appropriate space for consultant to work ( and directors when they are on site working )
- 10) Work with staff to ensure consistent, timely and seamless communication with all board members and assist chair with logistics of coordinating meetings of numerous committees and task forces, including scheduled and "emergency" called meetings as needed;

1720 S. Gadsden Street • Tallahassee, Florida 32301

Telephone: 850.576.4073 • Fax: 850.576.2824

- 11) Attend all board meeting (whether regular or called) and all committee meetings; and
- 12) Such other similar duties as may be assigned from time to time.

It is anticipated that reasonably carrying out the requirements of this engagement will require that you be on premises at least three days per week, but you are permitted to work remotely on occasion, when it is more efficient to do so. Your rate of pay shall be \$25.00 per hour. Your hourly work schedule must not to exceed 20 hours per week, nor be less than 15 hours per week, and must be turned in to the CEO no later than the first day of the month following the month for which services are being billed. This independent contractor's agreement may be terminated with or without cause by either party at any time upon thirty (30) days' notice from the terminating party to the non-terminating party. All sums agreed to by the parties under this engagement shall be subject to appropriation by the Board.

It is our policy to provide the most effective support systems available, while at the same time allocating the cost of such systems in accordance with usage by the particular consultant. Therefore, BCHC will be responsible for certain usual and customary office support, including but not limited to clerical assistance, photocopies, long distance telephone, facsimile, messenger, courier including overnight express charges, and similar standard office expenses. Arrangements must be made through the CEO to provide you the essential support services you require for this engagement.

No amounts payable under this engagement, including, without limitation, amounts payable in the event of the termination hereof, may be subject to withholding for federal, state and local taxes pursuant to applicable laws, rules or regulatory requirements. Your relationship to BCHC is that of an independent contractor and nothing herein shall be construed as creating any other relationship. As such, you agree to comply with all laws and assume all risks incident to your status as an independent contractor. This includes, but is not limited to, responsibility for all applicable federal and state income taxes, associated payroll and business taxes, licenses and fees, and such insurance as is necessary for your protection in connection with work performed under this agreement.

The provisions of this engagement are severable and if any provision of this Agreement shall be held to be invalid or otherwise unenforceable, in whole or in part, the remainder of the provisions, or enforceable parts thereof, shall not be otherwise affected.

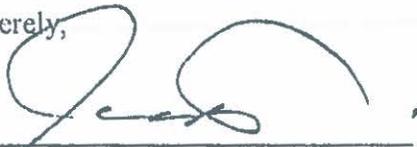
Since this is personal services contract you agree that you have no right to assign, delegate or otherwise transfer to any other person or entity any duty or obligation to be performed by you.

~~2/2/13~~  
2/2/13

This Letter of Engagement supersedes all prior agreements and understandings between you and BCHC, oral or written, and may not be modified or terminated orally. No modification, termination, or attempted waiver shall be valid unless in writing, signed by the party against whom such modification, termination or waiver is sought to be enforced. This Letter of Engagement was the subject of negotiation by the parties hereto and their counsel. ~~The parties agree that no prior drafts of this Agreement/ Letter of Engagement shall be admissible as evidence in any proceeding which involves the interpretation of its contents and, further, that it shall be governed by and construed in accordance with the internal laws of the State of Florida without reference to the conflict of law thereof.~~

In the event either party is required to engage the services of legal counsel to enforce the terms and conditions of this Agreement against the other party, regardless of whether such action results in litigation, the prevailing party shall be entitled to reasonable attorneys' fees and reasonable costs from the other party, which shall include any fees or costs incurred at trial or any appellate proceeding, and expenses and other costs, including any accounting expenses incurred.

Sincerely,



Joseph Webster, Sr., Chair

This consulting engagement is accepted and agreed to as outlined above this 2 day of FEBRUARY, 2013.



Dorothy Inman-Johnson

1720 S. Gadsden Street • Tallahassee, Florida 32301

Telephone: 850.576.4073 • Fax: 850.576.2824



## Bond Community Health Center, Inc.

---

Eryn Calabro  
Financial Compliance Administrator  
Office of Human Services and  
Community Partnerships  
918 Railroad Avenue  
Tallahassee, Florida 32310

March 25, 2013

Ms. Calabro,

As you may be aware, I have just returned from Washington, DC for the NACHC Policy and Issues Conference and would like to thank you for extending the date of my response. As a follow up to your email dated 3/22/2013 the Bond Community Health Center, Inc. (BCHC) is formally requesting to amend the current contract to use \$72,455 of pharmacy staffing funding from \$177,500 for the AHCA LIP funding grant.

Accordingly BCHC will attempt to answer each bullet:

- Specify what is this particular AHCA LIP grant for and how much it is:

Per House Bill 5001, the General Appropriations Act of State Fiscal Year 2012-2013, passed by the 2012 Florida Legislature, County and the Agency, the County will remit to the State an amount not to exceed a grand total of \$72,455. With this match, the State of Florida will make available \$98,955 for a total of \$171,410.

- a. The County and the Agency have agreed that these funds will only be used to increase the provision of health services for the Medicaid, uninsured, and underinsured people of the County and the State of Florida at large.*
- b. The increased provision of Medicaid, uninsured, and underinsured funded health services will be accomplished through the following Medicaid programs:*
  - i. The Disproportionate Share Hospital (DSH) program.*
  - ii. The removal of inpatient and outpatient reimbursement ceilings for teaching, specialty and community hospital education program hospitals.*

- iii. *The removal of inpatient and outpatient reimbursement ceilings for hospitals whose charity care and Medicaid days as a percentage of total adjusted hospital days equals or exceeds 11 percent.*
  - iv. *The removal of inpatient and outpatient reimbursement ceilings for hospitals whose Medicaid days, as a percentage of total hospital days, exceed 7.3 percent, and are trauma centers.*
  - v. *Increase the annual cap on outpatient services for adults from \$500 to \$1,500.*
  - vi. *Medicaid Low Income Pool (LIP) payments to rural hospitals, trauma centers, specialty pediatric hospitals, primary care services and other Medicaid participating safety-net hospitals.*
  - vii. *Medicaid LIP payments to hospitals in the approved appropriations categories.*
  - viii. *Medicaid LIP payments to Federally Qualified Health Centers.*
  - ix. *Medicaid LIP payments to Provider Access Systems (PAS) for Medicaid and the uninsured in rural areas.*
  - x. *Medicaid LIP payments for the expansion of primary care services to low income, uninsured individuals.*
- Detail how you will use the total funding:

The total funds from this grant \$171,410 related to fiscal year 2012-2013 will assist us with maintaining and supporting the operations of the Mobile Unit to provide services to patients throughout Leon County at various sites. In addition, clinical and outreach staff consisting of an ARNP, LPN, MA, Outreach worker, Intake Specialist and Driver will provide services to the Mobile Unit. Other operating costs include medical supplies and fuel. The mobile unit provides an additional resource to mitigate the barrier for patients in Leon County who do not have access to the Health Center located at 1720 Gadsden Street.

- How will it benefit the County to fund these positions rather than the pharmacy staff?

For the 2012/2013 fiscal year, additional Leon County residents can now be afforded quality health care with access to the Mobile Unit.

The Pharmacy will remain operational and fully staffed.

- How will the pharmacy staffing be funded now? (Detail how the remaining, if any, of the funding will be used for staffing. Titles, FTEs, salaries, fringe)

The Pharmacy staffing previously supported by the County will now be supported by patient revenue derived from self-pay/co-pay, Medicaid reimbursement and third-party insurance to maintain the following:

1 FTE Pharmacy Manager	\$120,000 (salary + fringe)
1 FTE Pharmacy Technician	\$ 42,000 (salary + fringe)
.5 FTE PAP Technician	<u>\$ 15,500 (salary + fringe)</u>
Total	\$177,500

If there are any additional questions or information needed please contact me at (850) 321-5333 or Mrs. Poole at (850) 576-4073, ext. 273. Once again, the Bond Community Health Center, Inc. appreciates your continued support of the services we provide to Leon County.

Sincerely,

*Debra Weeks*, MSW

Chief Administrative Officer / Interim CEO  
Bond Community Health Center, Inc.  
1720 South Gadsden Street  
Tallahassee, Florida 32301

Cc: Angela Poole, CFO, BCHC  
Candice Wilson, Director, Office of Human Services and Community Partnerships  
Kimberly Dressel, Director of Management Services

## Candice Wilson - follow up

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**From:** "Angela Poole" <apoole@bondchc.com>  
**To:** "Candice Wilson" <WilsonCa@leoncountyfl.gov>, <rosensweiga@leoncountyfl...>  
**Date:** 3/27/2013 12:18 PM  
**Subject:** follow up  
**CC:** "Debra Weeks" <dweeks@bondchc.com>

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Alan and Candice,

Thank you for meeting with me this morning.

As discussed, \$72,455 will be shifted from Pharmacy staffing to apply as match towards the LIP grant for \$171,410 (\$98,955 from State funds.) The remaining \$105,045 will be available for further match dollars if an additional matching grant becomes available before the end of the County's fiscal year. Until such an opportunity is identified, these funds will remain for Pharmacy staffing.

To clarify the last bullet on the agenda item request letter, Pharmacy staffing of \$177,500 will be funded as follows: \$105,045 from the County and \$72,455 from patient revenue derived from Medicaid, third-part insurance and sliding fee self-pay/co-payments.

If you have any additional questions, please do not hesitate to contact me at (850)57+-4073 ext. 273 or on my cell at (6778)910-2487.

Truly,

Angela

- A. HRSA Overview
- B. Summary of Health Center Program Requirements
- C. 19 Key Health Center Program Requirements
- D. Application and Awards Overview
- E. Awards Process
- F. Notice of Awards
- G. Program/Grant Conditions
- H. Accessing Award Funds
- I. Draw Downs
- J. Period of Availability
- K. Part B: Post-Award Changes – Revision of Budget and/or Program Items
- L. Reporting and Record Keeping
- M. Progressive Action Process
- N. Federally Qualified Health Center Look-a-Like
- O. BOND CHC and Neighborhood Medical Center (NMC) Collaboration

### **A. HRSA Overview**

Section 330 of the Public Health Service Act is the authorizing legislation of the Health Center Program. The U.S. Department of Health and Human Services, Health Resources and Services Administration (HRSA) Bureau of Primary Health Care administers the program and provides oversight to Federally Qualified Health Centers (FQHC). The following information was retrieved from the HRSA website, [www.hrsa.gov](http://www.hrsa.gov).

Legislation defines a health center as “*an entity that serves a population that is medically underserved, or a special medically underserved population comprised of migratory and season agricultural workers, the homeless, and residents of public housing, by providing, either through the staff and supporting resources of the center or through contracts or cooperative arrangements.*” In general, a Medically Underserved Population (MUP) means the population of an urban or rural area designated as an area with a shortage of personal health services or a population group designated as having a shortage of such services. Factors which determine a MUP designation include the following:

- Health Status of a population group or residents of an area;
- The ability of the residents of an area or of a population group to pay for health services;
- The accessibility of such services for residents of an area or of a population group;
- The availability of health professionals to residents of an area or to a population group.

HRSA’s Guidelines for Health Professional Shortage Areas & Medically Underserved (MUA) Areas/Populations (MUP) are based on the following four variables:

- The ratio of primary medical care physicians per 1,000 population;
- The percentage of population with incomes below the poverty level;
- The infant mortality rate;
- The percentage of the population over 65 years old.

According to the HRSA Office of Shortage Designation, Leon County has a MUP designation for the Low Income Population as of March 18, 2008. The MUA/MUP designations are updated only on an as-needed basis, when a request for an update is received. Each state has a Primary

Care Office (PCO) that works on the MUA/MUP reviews, updates, and applications for that state. An MUA applies to everyone in a service area. An MUP applies to a specified underserved population group within an area. These designations are also used to determine funding to health centers, including Bond CHC, which is designated as an FQHC.

### ***B. Summary of Health Center Program Requirements***

Health centers are non-profit private or public entities that serve designated medically underserved populations/areas or special medically underserved populations comprised of migrant and seasonal farmworkers, the homeless or residents of public housing. A summary of the key (19) health center program requirements is provided below.

### ***C. 19 Key Health Center Program Requirements***

- 1. Needs Assessment:** Health center demonstrates and documents the needs of its target population, updating its service area, when appropriate.
- 2. Required and Additional Services:** Health center provides all required primary, preventive, enabling health services and additional health services as appropriate and necessary, either directly or through established written arrangements and referrals.
- 3. Staffing Requirement:** Health center maintains a core staff as necessary to carry out all required primary, preventive, enabling health services and additional health services as appropriate and necessary, either directly or through established arrangements and referrals. Staff must be appropriately licensed, credentialed, and privileged.
- 4. Accessible Hours of Operation/Locations:** Health center provides services at times and locations that assure accessibility and meet the needs of the population to be served.
- 5. After Hours Coverage:** Health center provides professional coverage during hours when the center is closed.
- 6. Hospital Admitting Privileges and Continuum of Care:** Health center physicians have admitting privileges at one or more referral hospitals, or other such arrangement to ensure continuity of care. In cases where hospital arrangements (including admitting privileges and membership) are not possible, health center must firmly establish arrangements for hospitalization, discharge planning, and patient tracking.
- 7. Sliding Fee Discounts:** Health center has a system in place to determine eligibility for patient discounts adjusted on the basis of the patient's ability to pay.
  - This system must provide a full discount to individuals and families with annual incomes at or below 100% of the Federal poverty guidelines (only nominal fees may be charged) and for those with incomes between 100% and 200% of poverty, fees must be charged in accordance with a sliding discount policy based on family size and income.\*
  - No discounts may be provided to patients with incomes over 200 % of the Federal poverty guidelines.

- 8. Quality Improvement/Assurance Plan:** Health center has an ongoing Quality Improvement/Quality Assurance (QI/QA) program that includes clinical services and management, and that maintains the confidentiality of patient records. The QI/QA program must include:
- A clinical director whose focus of responsibility is to support the quality improvement/assurance program and the provision of high quality patient care;
  - Periodic assessment of the appropriateness of the utilization of services and the quality of services provided or proposed to be provided to individuals served by the health center; and such assessments shall:
    - be conducted by physicians or by other licensed health professionals under the supervision of physicians;
    - be based on the systematic collection and evaluation of patient records; and
    - identify and document the necessity for change in the provision of services by the health center and result in the institution of such change, where indicated.
- 9. Key Management Staff:** Health center maintains a fully staffed health center management team as appropriate for the size and needs of the center. Prior review by HRSA of final candidates for Project Director/Executive Director/CEO position is required.
- 10. Contractual/Affiliation Agreements:** Health center exercises appropriate oversight and authority over all contracted services, including assuring that any subrecipient(s) meets Health Center program requirements.
- 11. Collaborative Relationships:** Health center makes effort to establish and maintain collaborative relationships with other health care providers, including other health centers, in the service area of the center. The health center secures letter(s) of support from existing Federally Qualified Health Center(s) in the service area or provides an explanation for why such letter(s) of support cannot be obtained.
- 12. Financial Management and Control Policies:** Health center maintains accounting and internal control systems appropriate to the size and complexity of the organization reflecting Generally Accepted Accounting Principles (GAAP) and separates functions appropriate to organizational size to safeguard assets and maintain financial stability. Health center assures an annual independent financial audit is performed in accordance with Federal audit requirements, including submission of a corrective action plan addressing all findings, questioned costs, reportable conditions, and material weaknesses cited in the Audit Report.
- 13. Billing and Collections:** Health center has systems in place to maximize collections and reimbursement for its costs in providing health services, including written billing, credit and collection policies and procedures.
- 14. Budget:** Health center has developed a budget that reflects the costs of operations, expenses, and revenues (including the Federal grant) necessary to accomplish the service delivery plan, including the number of patients to be served.

**15. Program Data Reporting Systems:** Health center has systems which accurately collect and organize data for program reporting and which support management decision making.

**16. Scope of Project:** Health center maintains its funded scope of project (sites, services, service area, target population, and providers), including any increases based on recent grant awards.

**17. Board Authority:** Health center governing board maintains appropriate authority to oversee the operations of the center, including:

- Holding monthly meetings;
- Approval of the health center grant application and budget;
- Selection/dismissal and performance evaluation of the health center CEO;
- Selection of services to be provided and the health center hours of operations;
- Measuring and evaluating the organization's progress in meeting its annual and long term programmatic and financial goals and developing plans for the long-range viability of the organization by engaging in strategic planning, ongoing review of the organization's mission and bylaws, evaluating patient satisfaction, and monitoring organizational assets and performance;
- Establishment of general policies for the health center.

**Note:** In the case of public centers (also referred to as public entities) with co-applicant governing boards, the public center is permitted to retain authority for establishing general policies (fiscal and personnel policies) for the health center.

**18. Board Composition:** The health center governing board is composed of individuals, a majority of whom are being served by the center and, who as a group, represents the individuals being served by the center in terms of demographic factors such as race, ethnicity, and sex. Specifically:

- Governing board has at least 9 but no more than 25 members, as appropriate for the complexity of the organization.
- The remaining non-consumer members of the board shall be representative of the community in which the center's service area is located and shall be selected for their expertise in community affairs, local government, finance and banking, legal affairs, trade unions, and other commercial and industrial concerns, or social service agencies within the community.
- No more than one half (50%) of the non-consumer board members may derive more than 10% of their annual income from the health care industry.

**19. Conflict of Interest Policy:** Health center bylaws or written corporate board approved policy include provisions that prohibit conflict of interest by board members, employees, consultants and those who furnish goods or services to the health center.

- No board member shall be an employee of the health center or an immediate family member of an employee. The Chief Executive may serve only as a non-voting ex-officio member of the board.

#### *D. Application and Awards Overview*

The FY 2014 Service Area Competition (SAC) deadline for project period March 1<sup>st</sup>, 2014 is October 9<sup>th</sup> and October 23<sup>rd</sup>, 2013 respectively. These SACs are open to all eligible health centers that can meet the specific grant requirements as identified in the specific announcement number. The October 9<sup>th</sup> date represents the deadline by which the applicant must submit an “Intent to Apply” which must be completed and entered in Grants.gov. The October 23<sup>rd</sup> date is the deadline for when the entire application and all supporting documentation must be uploaded into the HRSA Electronic Hand Book (EHB). These are the steps required to compete for the funding.

### ***E. Award Process***

HRSA awards grants or cooperative agreements, and creates a partnership with the recipient to ensure compliance with federal laws, regulations and policies. Parties in the agreement include the following:

#### **Recipient (FQHC)**

- Will implement work plans to ensure that the project’s goals and objectives are achieved in an efficient and timely manner.
- Responsible for registering their organization in the PMS.
- Completing regular draws of funds correlating to award expenditures.
- Submitting quarterly disbursement reports.
- Submitting required performance and financial reports into Electronic Handbooks (EHBs) on time as required in the Notice of Award (NoA) “Terms and Conditions”.
- Ensure that key project staff members attend and participate in HRSA sponsored workshops and meetings and work collaboratively with their assigned Grants Management Specialist (GMS) and Project Officer (PO).

#### **HRSA Project Officer (PO)**

- Responsible for the technical aspect of defining and providing programmatic objectives and oversight of project performance.
- Collaborates with grants management staff by providing requested input on the disposition of prior approval and other requests to the GMS.
- Refers questionable situations to the GMS for resolution.

#### **HRSA Grants Management Specialist (GMS)**

- Responsible for all business management matters associated with review, negotiations, award, administration, and clarification on award regulations, policy and financial aspects of the project.
- Reviews and make recommendations on continued Federal support, monitor compliance with award requirements and cost policies, monitor receipt of all required reports, and follow-up as necessary to obtain delinquent.

#### **Payment Management System (PMS) Account Representative**

Once Notice of Award (NoA) is processed, recipient is assigned to a PMS Account Representative:

- Responsible for managing the recipient account in the PMS which includes registration and Personal Identification Number (PIN) assignment in the PMS.
- Managing the cash flow by reviewing, approving and monitoring the draw-down of funds.
- Maintaining recipient relations, review and approval of the Federal Financial Report (FFR) submitted to the PMS, the account reconciliation for closeout, providing awarding agencies with disbursement reports and oversees debt collection.

#### ***F. Notice of Award (NoA)***

Notice of Award (NoA) is the legal document issued to notify the recipient that an award has been made and funds may be requested from the designated HHS payment system.

- NoA is the official document that states the terms, conditions, and amount of an award and is signed by the Grants Management Officer (GMO) who is authorized to obligate funds on behalf of the HRSA.
- For multi-year awards, the NoA also includes information on anticipated subsequent funding periods and their tentative levels of funding.
- NoA, showing the amount of Federal funds authorized for obligation and any future-year commitments, is issued for each budget period in the approved project period.
- Revised NoA may be issued during a budget period to effect an action resulting in a change in the budget and project period of funding, amount of support or other change in the terms and conditions of award.

#### ***G. Program/Grant Conditions***

In addition to the standard terms and conditions, HRSA may use terms and conditions for program-specific or award-specific reasons.

- For example, a grant condition may require the recipient to provide a revised budget, consisting of the federal document SF-424A, the line item budget, and budget narrative within 30 days via EHB from receipt of the NoA.
- Conditions always require a response by a specific date – failure to respond to the HRSA Division of Grants Management Operations (DGMO) in a satisfactory manner may result in an adverse action.

#### ***H. Accessing Award Funds***

- Once awarded by HRSA, the funds are posted in recipient accounts established in the Division of Payment Management's (DPM) PMS.
- Funds may be requested in line with the project application. Funds typically are capped at the annual award amount.
- The grant may be multi-year but funding is only allocated on an annual basis based on availability of funds as approved in the annual federal budget.

#### ***I. Draw downs***

- Recipients draw down funds as necessary through the PMS web-based portal.

- Payments may be made by one of several advance payment methods or by cash request on a reimbursement basis.
- If the cash request is for an advance payment, the recipient may request funds monthly on the basis of expected disbursements during the succeeding month and the amount of Federal funds already on hand.
- A request for reimbursement may be submitted more often, if authorized. Federal funds advanced to the recipient should be fully disbursed (checks written, signed, and issued to the payees) by the close of business the next work day after receipt of the funds. Federal funds should be placed in an interest bearing account. Any interest earned by recipients on advances of Federal funds under all Federal grant awards and sub-awards.

#### ***J. Period of Availability***

When a funding period is specified in an recipient's NoA, the recipient may charge to the award only allowable costs resulting from obligations incurred during the budget/project period and pre-award costs authorized by HRSA.

The recipient should:

1. Have a procedure in place to communicate period of availability requirements and expenditure deadlines to individuals responsible for program expenditures, including automated notifications of pending deadlines
2. Review disbursements by persons knowledgeable of period of availability of funds
3. Have an accounting system in place that prevents obligations or expenditures outside the period of availability.

#### ***K. Part B: Post-Award Changes – Revision of Budget and/or Program Items***

Recipients are required to report deviations from budget and program plans and request prior approval for certain budget and program plan revisions. Prior approval requests must be submitted through the EHB Prior Approval area.

##### *Most common actions requiring HRSA prior approval*

Change in project director/other key personnel if the PI/PD or key personnel specifically named in the NoA will withdraw from the project entirely, be absent from the project during any continuous period of 3 months or more, or reduce time devoted to the project by 25 percent or more from the level that was approved at the time of award.

##### *Budget Revisions*

Unless otherwise restricted by the terms of the NoA, recipients are allowed to make post award programmatic and budget revisions within and between approved budget categories up to 25 percent without prior approval.

##### *Most common actions requiring HRSA prior approval*

- Carryover of unobligated funds into the subsequent funding period.
- An Extension of Time: A request to extend the final project period up to one year beyond the original expiration date shown on the NoA.

##### *Other actions requiring prior approval*

- Change in scope - Change (or changes) to the objectives, aims, or purposes identified in the approved application
- Need for additional Federal funds - A request for additional funding for a current year.

- Need for additional Federal funds - A request for additional funding for a current budget period to meet increased costs that are within the scope of the approved application, but that were unforeseen when the new or competing continuation application (or progress report for non-competing continuation support) was submitted
- Pre-award costs – Costs incurred before the effective date of the initial budget period

### ***L. Reporting and Recordkeeping***

Recipients have responsibility for all aspects of the performance of the award including performing the scope of the work, proper accounting, monitoring and financial record keeping, and reporting.

#### *Reporting Requirements*

HHS requires that recipients periodically submit financial, Federal Financial Report (FFR) SF 425, and progress reports, annual invention utilization reports, property reports, lobbying disclosures, audit reports, reports to the appropriate payment points (in accordance with instructions received from the payment office), and specialized programmatic reports.

#### *Monitoring and Reporting Program Performance*

Monitoring Federal grant recipient's financial and program performance is required under CFR.

- Required to maintain and make the grant files available for review and inspection for 3 years-- all financial and programmatic records and supporting documents.
- Must submit to HRSA financial and programmatic performance reports pertaining to award-supported project, in such form and the frequency as prescribed by HRSA.

#### *Financial Reporting*

A final financial report must be completed to closeout your award. All financial reports must be submitted electronically. You will need invoices with purchases prices, quantities, and serial numbers to complete the report.

#### *Recordkeeping and Record Retention*

HHS recipients generally must retain financial and programmatic records, supporting documents, statistical records, and all other records that are required by the terms of an award, or may reasonably be considered pertinent to an award, for a period of 3 years from the date the final FFR is submitted.

All section 330 grant awards approved by HRSA are subject to the requirements, terms and conditions specified in the grant program's authorizing statute, regulations and other applicable regulations. HRSA may impose additional requirements as needed, if an applicant or recipient:

- Has a history of poor or unsatisfactory performance, including non-compliance;
- Is not financially stable (i.e., demonstrating inability to safeguard Federal funds);
- Has a management system that does not meet the prescribed standards;
- Has not conformed to the terms and conditions of a previous award; or
- Is not otherwise responsible.

HRSA will notify grantees of areas of non-compliance with program requirements.

Notification will be documented by conditions on the grantee's Notice of Grant Award that will describe:

- The nature of the non-compliant finding and the program requirement it relates to;

- The nature of the corrective action(s) needed; and
- The time allowed for completing the corrective actions and/or submission of appropriate documentation of such corrective actions.

This will most often occur during the review of annual grant funding requests (e.g., Service Area Competition or Budget Period Renewal), but may also be triggered by other events, such as findings from a site visit.

#### ***M. Progressive Action Process:***

In circumstances where a grantee is determined to be non-compliant with one or more of the Health Center Program requirements, relevant conditions are placed on its Notice of Grant Award. In general, the Progressive Action process includes four distinct condition phases, structured to provide specified timeframes for grantee action and response to demonstrate compliance. After initial notification of the compliance issue during Phase One, the grantees will be notified at each stage as to the acceptability of the response via a Notice of Grant Award which will also note whether further action is needed. At each phase, failure to respond by the noted deadline will result in the activation of the next Progressive Action phase.

- **Phase One = 90 days** for initial grantee response to submit appropriate documentation that the program requirement has been met and/or that the grantee has developed an action plan (see Implementation Phase below for further detail) for how the grantee will comply with the requirement;
- **Phase Two = 60 days** for subsequent grantee response when the response provided in Phase One or in the Implementation Phase has been determined to be inadequate (e.g., failure to document implementation of the corrective action(s) or to respond by the specified deadline);
- **Phase Three = 30 days** for subsequent grantee response when the response provided in Phase One, Implementation Phase (if applicable) and Phase Two has been determined to be inadequate; and
- **Implementation Phase (where applicable) = 120 days** for the implementation of a HRSA-approved action plan. The 120 day Implementation Phase can be applied following a satisfactory grantee response for a plan in Phase One, Two or Three.

The Progressive Action process is designed to provide grantees with a reasonable amount of time to take appropriate action in response to a condition and for prompt HRSA review and decision-making.

For example, in Phase One, a grantee is given 90 days to either demonstrate compliance with the identified program requirement or develop and submit an action plan detailing how the grantee will comply with the requirement.

Once this plan has been reviewed and approved, a new Notice of Grant Award will be issued with an “Implementation Phase” condition notifying the grantee that HRSA has approved the action plan and that it must submit documentation within 120 days that the approved plan has been implemented.

As designed, grantees that do not adequately address a condition within the Phase One time frame (90 days) and/or subsequent Implementation Phase (120 days) will be issued a new Notice of Grant Award with a Phase Two condition giving the grantee an additional 60 days to either demonstrate compliance with the identified program requirement, or develop and submit an action plan detailing how the organization will comply with the requirement.

A grantee's ability to demonstrate compliance with program requirements is critical to ensuring continued grant support. Therefore, conditions in Phase Two will notify the grantee that failure to respond appropriately to the compliance issue within the applicable 60 day time period may result in the disapproval of future health center grant applications. Failure to adequately address a condition within the Phase Two (60 day) time period will result in a new Notice of Grant Award with a condition specifying a final opportunity to respond within 30 days (Phase Three) and notify the grantee that failure to adequately address the requirement within the ensuing 30 days will result in the disapproval of future health center grant applications.

#### *Technical Assistance*

HRSA is committed to assisting grantees in meeting all Health Center Program requirements through the provision of appropriate guidance and technical assistance. Throughout the time period that the grantee is afforded to respond to a grant condition, frequent and close communication with their Project Officer is highly encouraged to ensure the preparation of an appropriate and timely response.

#### *N. Federally Qualified Health Center Look-a-Like*

A Federally Qualified Health Center Look-a-Like (FQHC LAL) is different from a FQHC, as it **does not receive Federal funding under section 330 of the Public Health Service Act**; however, to receive the FQHC LAL designation and the benefits of that designation, an FQHC LAL must meet the same statutory, regulatory, and policy requirements as grantee health centers. Applicants for FQHC LAL designation must meet the following requirements:

- Be a public or a private nonprofit entity;
- Serve, in whole or in part, a federally designated Medically Underserved Area (MUA) or Medically Underserved Population (MUP);
- Meet the same statutory, regulatory, and policy requirements as grantees supported under section 330 of the PHS Act; and
- Comply with section 1905(l)(2)(B) of the Social Security Act which states that an FQHC Look-Alike entity may not be owned, controlled, or operated by another entity.

Public and private non-profit health care organizations may apply for FQHC LAL designation (designation without section 330 funding) at any time. The review process takes about four months. An FQHC LAL must meet the same program requirements as an FQHC that receives section 330 funding and is eligible for many of the same benefits. The Florida Association of Community Health Centers outlines some of the benefits as follows:

Access to favorable drug pricing under Section 340B of the PHS Act, which allows FQHCs (including "look-alikes") to purchase covered outpatient prescription pharmaceuticals for health center patients at substantially discounted prices for distribution either directly by a health center pharmacy or through contract with a retail pharmacy.

- a. Access to reimbursement under the Prospective Payment System (“PPS”) or other state-approved alternative payment methodology (which is predicated on a cost-based reimbursement methodology) for Medicaid services and cost-based reimbursement for services provided under Medicare. Available under the Medicaid program even if FQHC is a subcontractor to a managed care plan.
- b. Absent an alternative approved by the Centers for Medicare and Medicaid Services (“CMS”), right to have State Medicaid agencies outstation Medicaid eligibility workers on FQHC site. FQHCs can also contract with State Medicaid agencies for FQHC staff to carry out (and be reimbursed for) out-stationing activities at FQHC sites.
- c. Safe harbor under the Federal anti-kickback statute for waiver of co-payments to the extent a patient is below 200% of Federal income poverty guidelines and therefore entitled to a discount based on the health center's application of its schedule of discounts.
- d. Access to providers through the National Health Service Corps if the health center's service area is designated a Health Professional Shortage Area (“HPSA”).
- e. Access to the Federal Vaccine for Children Program, which distributes to FQHCs (and other eligible providers) vaccinations at no charge for either the vaccine or its delivery to FQHCs to be provided by the FQHC to uninsured children. FQHCs are also eligible to participate in the Pfizer Sharing the Care Program.

According to HRSA’s Policy Information Notice 2009-06 Federally Qualified Look Alike Guidelines, organizations making application for FQHC LAL designation are strongly encouraged to collaborate with other primary care providers in the community, including Section 330 funded health centers, FQHC Look-a-Likes, State agencies, social service organizations, and associations. Applicants are asked to include a copy of any letters from the other primary care providers in the area that support the organization’s request for FQHC LAL designation.

#### ***O. BOND CHC and Neighborhood Medical Center (NMC) Collaboration***

According to HRSA, collaborative efforts would allow for more federal funding for the community. If the demographics warrant it, two or more entities could obtain the FQHC status, which would allow for a larger service area, thereby drawing more federal funding for the County. Through collaboration, Bond and NMC could be more competitive for any future New Access Point grants. A new agency has the option of applying for a new access point in a city where a FQHC already exists without negatively impacting the current FQHC. It is important to note that New Access Point (NAP) grants are national opportunities, and typically only 40 applications are approved each year nationwide. A collaborative application of Bond and NMC would compete against other healthcare centers nationwide, and could in turn create an expansion of health care while effectively demonstrating collaboration and community partnership and fulfilling one of the key health center requirements.



**NOTICE OF AWARD**  
AUTHORIZATION (Legislation/Regulation)  
Public Health Service Act, Title III, Section 330  
Public Health Service Act, Section 330, 42 U.S.C. 254b

<b>1. DATE ISSUED:</b> 08/23/2013		<b>2. PROGRAM CFDA:</b> 93.224		 <b>NOTICE OF AWARD</b> AUTHORIZATION (Legislation/Regulation) Public Health Service Act, Title III, Section 330 Public Health Service Act, Section 330, 42 U.S.C. 254b					
<b>3. SUPERSEDES AWARD NOTICE dated:</b> 08/14/2013 <small>except that any additions or restrictions previously imposed remain in effect unless specifically rescinded.</small>									
<b>4a. AWARD NO.:</b> 6 H80CS00683-12-06		<b>4b. GRANT NO.:</b> H80CS00683	<b>5. FORMER GRANT NO.:</b> H27CS01886						
<b>6. PROJECT PERIOD:</b> <b>FROM:</b> 07/01/2002 <b>THROUGH:</b> 02/28/2014									
<b>7. BUDGET PERIOD:</b> <b>FROM:</b> 03/01/2013 <b>THROUGH:</b> 02/28/2014									
<b>8. TITLE OF PROJECT (OR PROGRAM):</b> HEALTH CENTER CLUSTER									
<b>9. GRANTEE NAME AND ADDRESS:</b> Bond Community Health Assoc., Inc. 1720 S Gadsden St Tallahassee, FL 32301-5506 <b>DUNS NUMBER:</b> 020774415 BHCNIS # 048050				<b>10. DIRECTOR: (PROGRAM DIRECTOR/PRINCIPAL INVESTIGATOR)</b> William Petit Bond Community Health Assoc., Inc. 1720 S. Gadsden Street Tallahassee, FL 72301-0169					
<b>11. APPROVED BUDGET:</b> (Excludes Direct Assistance) [ ] Grant Funds Only [X] Total project costs including grant funds and all other financial participation				<b>12. AWARD COMPUTATION FOR FINANCIAL ASSISTANCE:</b>					
a. Salaries and Wages : \$3,439,860.00 b. Fringe Benefits : \$871,420.00 c. Total Personnel Costs : \$4,311,280.00 d. Consultant Costs : \$0.00 e. Equipment : \$64,171.00 f. Supplies : \$456,918.00 g. Travel : \$83,904.00 h. Construction/Alteration and Renovation : \$0.00 i. Other : \$784,090.00 j. Consortium/Contractual Costs : \$791,023.00 k. Trainee Related Expenses : \$0.00 l. Trainee Stipends : \$0.00 m. Trainee Tuition and Fees : \$0.00 n. Trainee Travel : \$0.00 o. TOTAL DIRECT COSTS : \$6,491,386.00 p. INDIRECT COSTS (Rate: % of S&W/TADC) : \$0.00 q. TOTAL APPROVED BUDGET : \$6,491,386.00 i. Less Non-Federal Share: \$4,346,743.00 ii. Federal Share: \$2,144,643.00				a. Authorized Financial Assistance This Period <b>\$2,144,643.00</b> b. Less Unobligated Balance from Prior Budget Periods i. Additional Authority \$0.00 ii. Offset \$0.00 c. Unawarded Balance of Current Year's Funds \$0.00 d. Less Cumulative Prior Awards(s) This Budget Period \$2,144,643.00 e. AMOUNT OF FINANCIAL ASSISTANCE THIS ACTION <b>\$0.00</b>					
<b>13. RECOMMENDED FUTURE SUPPORT:</b> (Subject to the availability of funds and satisfactory progress of project)									
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">YEAR</th> <th style="width: 50%;">TOTAL COSTS</th> </tr> </thead> <tbody> <tr> <td colspan="2" style="text-align: center;">Not applicable</td> </tr> </tbody> </table>						YEAR	TOTAL COSTS	Not applicable	
YEAR	TOTAL COSTS								
Not applicable									
<b>14. APPROVED DIRECT ASSISTANCE BUDGET:</b> (In lieu of cash)									
a. Amount of Direct Assistance \$0.00 b. Less Unawarded Balance of Current Year's Funds \$0.00 c. Less Cumulative Prior Awards(s) This Budget Period \$0.00 d. AMOUNT OF DIRECT ASSISTANCE THIS ACTION <b>\$0.00</b>									
<b>15. PROGRAM INCOME SUBJECT TO 45 CFR Part 74.24 OR 45 CFR 92.25 SHALL BE USED IN ACCORD WITH ONE OF THE FOLLOWING ALTERNATIVES:</b> <b>A=Addition B=Deduction C=Cost Sharing or Matching D=Other</b> <span style="float: right;">[ D ]</span> Estimated Program Income: \$2,126,226.00									
<b>16. THIS AWARD IS BASED ON AN APPLICATION SUBMITTED TO, AND AS APPROVED BY HRSA, IS ON THE ABOVE TITLED PROJECT AND IS SUBJECT TO THE TERMS AND CONDITIONS INCORPORATED EITHER DIRECTLY OR BY REFERENCE IN THE FOLLOWING:</b> <small>a. The grant program legislation cited above. b. The grant program regulation cited above. c. This award notice including terms and conditions, if any, noted below under REMARKS. d. 45 CFR Part 74 or 45 CFR Part 92 as applicable. In the event there are conflicting or otherwise inconsistent policies applicable to the grant, the above order of precedence shall prevail. Acceptance of the grant terms and conditions is acknowledged by the grantee when funds are drawn or otherwise obtained from the grant payment system.</small>									
<b>REMARKS:</b> (Other Terms and Conditions Attached [ X ]Yes [ ]No)									
<i>Electronically signed by Sheila Gale , Grants Management Officer on : 08/23/2013</i>									
<b>17. OBJ. CLASS:</b> 41.51		<b>18. CRS-EIN:</b> 1592426414A1		<b>19. FUTURE RECOMMENDED FUNDING:</b> \$2,006,454.00					
<b>FY-CAN</b>	<b>CFDA</b>	<b>DOCUMENT NO.</b>	<b>AMT. FIN. ASST.</b>	<b>AMT. DIR. ASST.</b>	<b>SUB PROGRAM CODE</b>	<b>SUB ACCOUNT CODE</b>			
13 - 3981160	93.224	H80CS00683D0	\$0.00	\$0.00	CH	NA			

## HRSA Electronic Handbooks (EHBs) Registration Requirements

The Project Director of the grant (listed on this NoA) and the Authorizing Official of the grantee organization are required to register (if not already registered) within HRSA's Electronic Handbooks (EHBs). Registration within HRSA EHBs is required only once for each user for each organization they represent. To complete the registration quickly and efficiently we recommend that you note the 10-digit grant number from box 4b of this NoA. After you have completed the initial registration steps (i.e., created an individual account and associated it with the correct grantee organization record), be sure to add this grant to your portfolio. This registration in HRSA EHBs is required for submission of noncompeting continuation applications. In addition, you can also use HRSA EHBs to perform other activities such as updating addresses, updating email addresses and submitting certain deliverables electronically. Visit <https://grants.hrsa.gov/webexternal/login.asp> to use the system. Additional help is available online and/or from the HRSA Call Center at 877-Go4-HRSA/877-464-4772.

## Terms and Conditions

**Failure to comply with the special remarks and condition(s) may result in a draw down restriction being placed on your Payment Management System account or denial of future funding.**

### Grant Specific Term(s)

1. This revised Notice of Award (NoA) is issued to remove the Draw-Down Restriction placed on the NoA dated 06/10/2013. Submission of the SF 270 is no longer required.

All prior terms and conditions remain in effect unless specifically removed.

### Contacts

#### NoA Email Address(es):

Name	Role	Email
William Petit	Program Director	wpetit@bondchc.com

Note: NoA emailed to these address(es)

#### Program Contact:

For assistance on programmatic issues, please contact Nathalia Drew at:  
MailStop Code: 1761  
BPHC\CSD\GCB  
5600 Fishers Ln  
Rockville, MD, 20852-1750

#### Division of Grants Management Operations:

For assistance on grant administration issues, please contact Susan Ryan at:  
MailStop Code: 11-03  
HRSA/OFAM/DGMO/HCB  
5600 Fishers Lane  
RM 12A-07  
Rockville, MD, 20857-0001  
Email: [REDACTED]@hrsa.gov

**From:** [REDACTED] (HRSA)" [REDACTED]@hrsa.gov>  
**To:** Shelia Murray-Dickens <MurrayDickensS@leoncountyfl.gov>  
**Date:** 8/24/2013 3:06 PM  
**Subject:** RE: HRSA Information  
**Attachments:** image003.jpg

Good afternoon Shelia,

Follows is a summary of some of the information we discussed.

HRSA utilizes a variety of methods to monitor Health Center Program grantees throughout the year to identify potential issues, including non-compliance with program requirements and areas where technical assistance might be beneficial to the health center. Site visits are opportunities for HRSA to confirm compliance and provide on-site technical assistance in specific areas for a health center. On March 11-13, 2013 Bond Community Health Center (BCHC) received a HRSA sponsored site visit as part of normal monitoring procedures that require an on-site operational site visit<<http://bphc.hrsa.gov/policiesregulations/centerguide.html>> for a grantee once within a project period. Along with many other health centers across the country, BCHC's project period is scheduled to conclude on 2/28/2014. HRSA is committed to continuing to provide support to the Tallahassee Service Area. BCHC is eligible to apply for another health center award with HRSA/BPHC via a Funding Opportunity Announcement<<http://bphc.hrsa.gov/sac/default.aspx>> . More information is available at our website <http://bphc.hrsa.gov/> HRSA continues to provide support and technical assistance to the BCHC as the organization works to fulfill their mission to serve vulnerable patients in the Tallahassee service area. HRSA funding remains in place. HRSA/BPHC's commitment to support all health centers compliance with program requirements is outlined in Program Assistance Letter (2010-01<<http://www.bphc.hrsa.gov/policiesregulations/policies/pal201001.html>>).

If additional information is needed as it relates to state-wide information, please contact the Florida Association of Community Health Centers. Some additional information is also available at <http://bphc.hrsa.gov/healthcenterdatastatistics/index.html>.

Thank you

[REDACTED]  
Chief, Gulf Coast Branch  
Central Southeast Division  
Bureau of Primary Health Care  
Health Resources and Services Administration  
Parklawn Building  
5600 Fishers Lane, Mail Stop (17-51)  
Rockville, MD 20857  
[REDACTED]

You may also visit us at: <http://bphc.hrsa.gov><<http://bphc.hrsa.gov/>>  
[cid:image003.jpg@01CE475C.DCAE5920]<<http://www.healthcare.gov/marketplace/index.html?fromLoc=MPBadge>>

From: Shelia Murray-Dickens [mailto:MurrayDickensS@leoncountyfl.gov]  
Sent: Friday, August 23, 2013 11:22 AM  
To: [REDACTED] (HRSA)  
Subject: HRSA Information

H [REDACTED]

This is a follow-up to our conversation on August 13, 2013. During the conversation, you mentioned that you had information regarding HRSA and FQHCs in Florida. Is there any way that you can send the information to me via email? Thanks for your help in this matter.

Shelia Murray-Dickens  
Healthcare Services Coordinator  
Office of Human Services and  
Community Partnerships  
918 Railroad Avenue  
Tallahassee, Florida 32310  
Phone: 850-606-1912  
Fax: 850-606-1901  
email:murraydickens@leoncountyfl.gov  
www.leoncountyfl.gov<<http://www.leoncountyfl.gov/>>

"People Focused. Performance Driven"

Please note that under Florida's Public Records laws, most written communications to or from county staff or officials regarding county business are public records available to the public and media upon request. Your e-mail communications may therefore be subject to public disclosure.



# Leon County

## Board of County Commissioners

301 South Monroe Street, Tallahassee, Florida 32301  
(850) 606-5302 www.leoncountytfl.gov

### Commissioners

**BILL PROCTOR**  
District 1

**JANE G. SAULS**  
District 2

**JOHN DAILEY**  
District 3

**BRYAN DESLOGE**  
District 4

**KRISTIN DOZIER**  
District 5

**MARY ANN LINDLEY**  
At-Large

**NICK MADDOX**  
At-Large

**VINCENT S. LONG**  
County Administrator

**HERBERT W.A. THIELE**  
County Attorney

**July 12, 2013**

**Mr. Antonio Jefferson**  
**Chairman**  
**Bond Community Health Center, Inc.**  
**1720 South Gadsden Street**  
**Tallahassee, Florida 32301**

**Subject: Request for Information**

**Dear Mr. Jefferson:**

During Leon County's recent budget workshop, the Board of County Commissioners suspended Bond Community Health Center, Inc.'s (BCHC) FY2014 funding pending a workshop to address issues raised at the budget workshop including Bond's Federally Qualified Health Center (FQHC) status. During the budget workshop, the Board provided direction to staff to seek responses to a series of questions (please see below). Also during the budget workshop, Commissioner Proctor referenced a July 2, 2013 memorandum which is included for your information. This memorandum raises additional issues and questions regarding the current status of BCHC and seeks clarity on the FQHC status, Patient Center Medical Home Accreditation, Human Resources Service Administration corrective action plan, the Ryan White Grant, etc. We anticipate including the response BCHC provides as part of the workshop materials. To ensure we have adequate time to review the materials, please provide your response no later than July 26, 2013.

1. Please provide an update on BCHC's designation as a FQHC and BCHC's efforts to ensure continuing to retain this designation.
2. The County understands that the Health Resources and Services Administration (HRSA) placed BCHC on a restrictive drawdown and identified findings that needed to be corrected. Please provide an update on BCHC's corrective actions as requested by HRSA and what issues or actions necessitated the restricted drawdown.
3. There have been concerns raised regarding the extent and immediacy of staffing changes currently underway at BCHC. This has led to speculation regarding BCHC's ability to continue to provide necessary and appropriate patient care and the ability to continue to fulfill the County's contract. Please advise as to what BCHC's current and future plans are to ensure that patient care continues to be provided at a level necessary to fulfill your contractual obligations with the County.

4. Please provide information explaining how BCHC's funding is provided from HRSA; for example, is the funding capped? Is it based on a capitated rate? Is it to support specific programs and expenses?

5. Please provide information explaining BCHC's plan to implement the recently awarded "Outreach and Enrollment Assistance" grant funding of \$138,189 which according to the US Department of Health and Human Services is intended to enroll uninsured citizens in new health coverage options made available by the Affordable Care Act.

Please feel free to provide any additional information you wish for the Board to consider at their workshop.

I appreciate your assistance in providing the requested information. Please do not hesitate to contact myself or Alan Rosenzweig at 606-5300 if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Vincent S. Long". The signature is written in a cursive style with a large, looping "V" and "L".

Vincent S. Long  
County Administrator

Cc: The Honorable Board of County Commissioners

Encl: July 2, 2013 Commissioner Bill Proctor memorandum

## BOARD OF COUNTY COMMISSIONERS MEMORANDUM

**DATE:** July 2, 2013

**TO:**  Vince Long, County Administrator

**FROM:** Commissioner Bill Proctor

**SUBJECT:** Bond Community Health Center

---

I am gravely concerned about Bond Community Health Center and the timing of multiple pending administrative actions that may affect its institutional stability.

My understanding that an employee reduction has been ordered in an alleged effort to streamline its budget. Selective personnel are schedule to be fired. Apparently, these firings must occur because Bond is attempting to avoid being in the red. The Low Income Pool (LIP) grant has yet to arrive from the State of Florida which would give Bond the cash flow needed. It is my understanding that the LIP Grant is scheduled to arrive within two to three weeks. Upon this grant's arrival, Bond will technically no longer have a shortfall. They will be financially solvent when this more than 1.5 million dollar grant is received.

The LIP Grant will improve Bond's immediate financial situation. Workers can be paid for a brief time. However, layoffs are required because future grant allocations are insufficient to cover Bond's current staff level.

In response to this dilemma, the Bond Board seeks to fire key administrators who hold massive intellectual capital and are critical to core operations. The timing of their release is untenable. Releasing these senior and key administrators is ill timed in the face of critical demands upon Bond in this moment of challenge.

The Bond Board should not, through its funding misunderstanding, throw the lives of experienced staff with historical knowledge, skills and experience away and in the meantime render this healthcare facility dysfunctional and force its early demise.

Alternatively, if this new Board does understand the funding processes affecting Bond, then it is intentionally utilizing this interim insolvent moment of Bond as an excuse to decimate the lives of valued employees and destroy the intellectual infrastructure of Bond as an institution. Whether through their misunderstanding that the LIP money will foster an immediate financial relief to which this temporary situation will be resolved or whether this temporary situation is the ruse used as a scapegoat and justification to fire undesired employees, administrators and staff remains unclear.

What is clear—is that Bond's new Board is very limited in its experience. Their timing is strange for such radical depletion of seasoned, respected and experienced senior staff to occur right before the most critical and most important accrediting and funding moments which now face Bond.

I say to you more specifically, that the following opportunities which help to sustain Bond's success are at stake.

**1: Federal Qualified Health Center (FQHC) Grant.** The FQHC Grant is due in October of this year. The designation of the FQHC status by the federal government is singularly their most critical medical accreditation designation and it is their single most important enabler for federal, state and local dollars that come to Bond. Moreover, the FQHC designation provides for the liability insurance protection for all providers at Bond.

Questions:

1. How does firing its senior managers and eliminating all of the most capable administrators help Bond to ready itself for the preparation and potential defense of its FQHC status?
2. With such a brand new Board, who could articulate the institutional history of Bond if its senior staff has been fired?
3. Does this Board fully grasp the precarious position that it now seeks to posture this Federally Qualified Health Center?
4. The FQHC designated status is a prized one and coveted medical status. Several entities may compete against Bond for the FQHC designated status in the Tallahassee area. Currently, Bond is the only medical entity in Leon County that has received and operated an FQHC health center for 30 years. To eliminate its senior administrative staff and other medical personnel would leave Bond on an equal footing with other entities which do not have any FQHC experience. This self-inflicted gunshot wound would immediately disadvantage Bond from the advantages it currently enjoys by having an exquisite cadre of FQHC experienced senior staff.  
Why would the Board intentionally and willfully conduct massive firings that will essentially and effectively neuter and kill Bond's chances to re-up as a FQHC?

**2: Patient Center Medical Home Accreditation (PCMH).** HRSA requires Bond to become accredited by 2014. Bond is currently in pursuit of complying with the requirement by 2014. The center is now working to secure this accreditation. It is untenable to rationalize the timing to eliminate the professionals who are most capable of obtaining this accreditation. The PCMH accreditation, once received, will establish the Bond Health Center as being credentialed with healthcare excellence.

Question:

1. Does the new Bond Board simply not understand the stakes of this accreditation or is this new Board oblivious to the necessity of having highly qualified and seasoned professionals to secure this designation?

**3: Human Resources Service Administration (HRSA) Corrective Action Plan.** Bond is currently under a mandate to submit a corrective action plan to demonstrate its administrative, fiscal and institutional stability. This action plan may prove pivotal in Bond's ability to receive and maintain a non-probationary status under HRSA. Failure to articulate a clear and strong corrective action plan could inhibit or prohibit Bond's ability to draw down federal funding.

Questions:

1. Why would the new Board choose at this time to fire its most capable personnel who hold any clue of responding to the issues raised by HRSA and who have the knowledge, contact, and professional interaction with HRSA to get the institution past this critical review?
2. Firing its senior executives further undermines what HRSA has already identified as institutional instability. It is illogical to create a corrective action plan that demonstrates stability when firing executive employees dramatically demonstrates

## Attachment:

**Bond Community Health Center  
Board of Directors Roster for 2012-2013**

<b>Name</b>	<b>Date Of Inception</b>	<b>Patient Status</b>	<b>Profession</b>
Peter Okonkwo	1/24/2013	Patient	Civil Engineer
Dr. Maria Pouncey	1/24/2013	Patient	Migrant Coordinator
William Lamar	1/1/2011	Non-Patient	Retired-State Farm Mutual Automobile Ins. Co.
Chuck White	1/24/2013	Non-Patient	Real Estate/Urban Development
Antonio Jefferson	1/24/2013	Non-Patient	City Manager
Gail Milon	1/1/2011	Patient	Met Life
Ruth Bedell	1/24/2013	Patient	Mental Health Counselor
Dr. Donald Palm	1/1/2011	Non-Patient	FAMU
Dr. Doris Ballard-Ferguson	5/16/12	Non-Patient	FAMU School of Nursing
Dr. Delores Lawson	5/16/12	Non-Patient	FAMU School of Nursing
Brenda Williams	5/16/12	Patient	Public Housing Rep.
Tony Dozier	3/2/13	Patient	HIV Advocate
Jerry Lang	3/2/13	Patient	American Indian Rep. Patient

In previous years, we have invested heavily to support the expansion of the healthcare delivery that Bond Health Center provides to citizens of our community. However, I have carefully followed the pathway of this health facility in recent months. Please know that I have no intentions of supporting the sustainment of mediocrity under the current path that is adverse to the patients who have relied upon Bond as their medical home for three decades. To protect our community's investment over the years, the question we must address is: **Does Leon County have the will to assist Bond in keeping its FQHC status?**

In light of the prior discussion, please prepare for our budget workshop an addendum or summary which may refocus our healthcare commitments to other entities that can carry forth the work of providing comprehensive medical care to the poor and uninsured of our community. Secondly, please prepare for our budget workshop a plan by which the County can assist Bond in keeping its FQHC status if additional money is required and/or oversight is required on our part.

Vince, the bottom line is simple. Until we receive overall clarity about Bond's direction, I believe we should carefully deploy taxpayers' money and suspend allocations to Bond for now.

Thank you.

cc: Board of County Commissioners

I submit that FAMU's Board Chairman exercised his judgment to not foster a leadership vacuum by removing its interim president. Bond Community Healthcare Center is actually more vulnerable if it loses its senior executive leaders whose expertise is best suited to meet the multiple challenges facing Bond. The Bond Board will utterly fail its own legacy, disappoint history, cause its staff their jobs and waste the taxpayers' time and money if it pursues the current direction without pause.

This is why I am not willing to vote 800,000 dollars of the taxpayers' money to an institution whose Board leadership is reckless and playing the card of vendetta personality politics. It is clear to me that if the staff at Bond is decimated there will be no time for any new senior medical and administrative personnel to meet the FQHC grant; to secure PCMH accreditation; to develop a HRSA corrective action plan that demonstrates stability and obtain the Ryan White grant. The failure to achieve either one or a combination of these important funding resources would be detrimental to Bond's continued success.

Without the county's 800,000 dollar funding, then Bond will lose its Low Income Pool grant funding of 2 million dollars which supplements the cost of Bond's numerous underinsured and uninsured patients. This is not a desired outcome. However, the direction of the Bond Board has to be explained to and examined by someone other than themselves in this community. If we cannot obtain clarity about what they are doing, then I submit we would not kiss good money upon the face of a very uncertain cause.

#### OBAMACARE

With Obamacare to take effect in January of 2014, it is absolutely ludicrous to fire the people who must help transition Bond Health Center into a new culture of medical service delivery. There exist a potential for patients to leave Bond in favor of other alternative health service options once they receive medical health care credit cards to shop at venues which previously they could not access because they lacked health insurance.

#### Leon County's Role

I believe the County must be on standby to not allow the Bond Community Health Center to lose its FQHC. I believe it is necessary for us to force an oversight of this very important but fledgling entity whose Board of Directors is petty laden in personality politics.

The challenge of keeping its patient base will be critical to retaining its FQHC status. Bond needs competent leadership familiar with the landscape of health care and the patient pool(s) of this area. The loss of its patients through an open competition for uninsured people will be a fierce struggle. It is obvious the Bond Board of Directors lack the depth perception to see and understand the current moment. The County has to expand its capacity to intercept and assist the Bond Community Health Center.

May I articulate to you the hard work that I have rendered in support of Bond beginning prior to my serving as a County Commissioner? I am not ashamed of my record in fighting to strengthen Bond as the leading medical provider in the southside of Leon County. The sacrifices of so many wonderful people who started the Bond Clinic cannot be forgotten or taken lightly. There are many people in this community who wish for clarity and continuity to flourish at the expanded Bond Community Health Center.

I will lose all confidence in Bond's direction if its senior personnel are fired at this time. I would view this as a purposeful act of intentional institutional destabilization and sabotage.

further instability. At no point in Bond's history has there been such a sweeping administrative overhaul. Truly, now is not the time to mass fire administrators with such ominous clouds cast over the immediate horizon.

Sadly, I must ask, is this sweeping overhaul of administrators the result of personality politics by this new Board? The new Board has such little knowledge. Their draconian measures would seem ill-advised at best and ill-fated at worst. Why does this new Board take such drastic steps without fully understanding the nuances and procedures and protocols of a federally qualified healthcare or understanding of the underpinnings of "medical" delivery of care in a "non-profit" environment?

**4: Ryan White Grant.** Bond is scheduled for an HIV site visit in the very near future. At stake is nearly one million federal dollars which support Bond's HIV outreach efforts. Again, Bond needs competent administrators who are aware and can articulate the HIV programs serving our community. It is unconscionable that the Bond Board would place its HIV programs at risk by failing to have the professional continuity of a team of administrators who have successfully led and received the patient support which is such a delicate and culturally sensitive task to achieve.

Question:

1. What part of this does the new Bond Board fail to grasp or do they deem HIV as a continuing future role for Bond Community Health to provide?
2. If the Board does grasp the HIV issues in total, then why would they subject their grant chances to such high risk?

It appears that personality politics and sheer inexperience may be at the core of this Board's dilemma to sustain the Bond Community Health Center. There are two important factors that I am concerned about. First, public confidence will totally be destroyed and shattered if the Bond Board's massacre of its leadership team is carried out. Personality politics will truly trump the needed intellectual prowess and wisdom required of a Board that is in charge of leading a federally qualified health center. Second, given the very important issues now before Bond, its Board as newcomers does not have the luxury of a learning curve and lacks the experience to decimate its institutional infrastructure and then have the time to guide the orderly process and lead the transition of new executive and medical team within the timing windows now before this health center as outlined in points one through four.

#### The New Bond Board

The Bond Board is new and woefully inexperienced. Seven of its thirteen members joined the Board this year, 2013. Three members joined in 2012. Three members joined in 2011. (See attachment)

It appears this very infant Board lacks substantive experience and understanding to lead a federally qualified center. Their inexperience and total absence of background with the FQHC dynamics and nuances of rules and protocols of governance provides Bond with skimpy to no qualified voices to guide, sustain or set forth a course of engagement for the Bond Center to follow. This is dangerous and an unsafe position for this institution to be at this critical time.

Yet, the senior administrative staff who does have FQHC background and who have institutional memory are set to be fired. This will not be good. It is untimely and akin to the vulnerability with which the Florida A&M University Board of Trustees Chairman said he refused to place FAMU in by hiring a new president in the midst of FAMU addressing accreditation and other pivotal issues.



# Bond Community Health Center, Inc.

"In the community... For the community. Helping People Live Stronger and Longer..."

July 26, 2013

Mr. Vincent S. Long  
County Administrator  
Board of County Commissioners  
310 South Monroe Street  
Tallahassee, Florida 32301

Re: Response to Leon County Board of County Commissioners Request for Information

Dear Mr. Long:

This correspondence comes in response to your July 12, 2013 request for information on behalf of the Leon County Board of County Commissioners directed to the Board of Directors of the Bond Community Health Center, Inc. ("BCHC" or "Bond"). In response to the questions raised in your information request, please be advised of the following:

1. **Please provide an update on BCHC's designation as a FQHC and BCHC's efforts to ensure continuing to retain this designation.**

Over the years, Bond has applied for many grants from Health Resources and Services Administration (HRSA). Historically, grants were awarded for a maximum of five (5) years. However this year HRSA reduced to the maximum grant period to three (3) years. Moving forward during the three-year grant period a Community Health Center (CHC) status a Federally Qualified Health Center (FQHC) status is protected for the full length of that term. BCHC is approaching the close of its five-year grant period and fully intends to continue to pursue and receive this grant funding as part of the coming Service Area Competition (SAC). Bond has every five years since 1994 successfully retained its FQHC status in the SAC process.

Bond is designated as a Federally Qualified Health Center (FQHC) and as such is not limited solely to seeking funding from HRSA. As an FQHC, Bond is able to apply for grants directly from the U.S. Department of Health & Human Services as well as other governmental and non-governmental funding sources.



BCHC is required to submit its new grant application to HRSA by the fall of 2013, and will be informed of the results by January of 2014 and receive a new grant award as a grant recipient for a period of 1-3 years. The length of the award will be determined by the score Bond receives on its application. The grant application primarily details future plans of the agency, particularly with respect to delivery of services and fiscal responsibility. The two major sectors of the grants are driven by the Chief Financial Officer (CFO) and the Chief Medical Officer (CMO). We are fully confident of our ability to demonstrate Bond's continuing capacity to provide the highest standard of care in the most cost efficient manner. Our CFO and CMO have been through this process on numerous occasions. However, to supplement the efforts of our experienced in-house team, we are in the process of selecting a grant writer to "fine tune" our completed application, ensuring that we have covered all of the requirements per the application's scoring system. And finally, once our in-house team and grant writer have completed their work, time permitting, Bond may at its option submit the grant application for peer review by independent peer reviewers provided by the Florida Association of Community Health Centers (FACHC).

**2. The County understands that the Health Resources and Services Administration (HRSA) placed BCHC on a restrictive drawdown and identified findings that needed to be corrected. Please provide an update on BCHC's corrective actions as requested by HRSA and what issues or actions necessitated the restricted drawdown.**

HRSA placed BCHC on a restrictive drawdown after its recent site visit based on deficiencies relating, in general, to a lack of executive leadership and Board oversight over the years. This restriction does not mean Bond will no longer receive grant funds or even fewer grant funds. It simply means that as a result of the restriction, Bond is limited to a prorated fraction of grant funding each month. The fractional designation by HRSA is 1/12 of the total grant award per month. Before the restrictions were imposed, grant funds were accessible within a 24 hour period and were not limited to this fractional monthly drawdown. Now, it may take up to five business days to honor a funding request from BCHC.

And while this drawdown restriction is certainly not the most optimal administrative circumstance to be in, our current leadership team reports that this has produced greater fiscal discipline and accountability within the organization. Many of the corrective action items have already been addressed, specifically the hiring of a full-time CFO, Sliding Scale, a Recruitment & Retention Plan, and Hospital Admitting Privileges for providers. We are in the process of addressing other corrective action items such as Scope of Service, Electronic Health Records Integration with Patient Management System, and Budget. These corrective



action items are either in the development stages or currently pending review by staff and/or the Board.

We are diligently working with our HRSA Project Officer to satisfy all identified deficiencies in order to have the drawdown restriction lifted within the next thirty (30) days.

3. *There have been concerns raised regarding the extent and immediacy of staffing changes currently underway at BCHC. This has led to speculation regarding BCHC's ability to continue to provide necessary and appropriate patient care and the ability to continue to fulfill the County's contract. Please advise as to what BCHC's current and future plans are to ensure that patient care continues to be provided at a level necessary to fulfill your contractual obligations with the County.*

Again, HRSA placed Bond under this restriction primarily due to the previous administration's inability to provide the proper oversight required to manage funding in a fiscally responsible fashion and to establish the proper protocols needed to ensure the highest quality of patient care.

Previous administrations are responsible for the challenges that Bond Community Health Center now faces and the BCHC's Board agreed that new ideas and fresh blood are necessary for ensuring the organization's viability and sustainability into the future. Adjustments in administration were absolutely necessary to ensure Bond's long-term survival.

As with *any* business, BCHC will face challenges, seen and unforeseen. BCHC has many objectives, the two primary being: the highest possible quality of care for our patients within the communities we serve, and the proper management of personnel resources.

Our current challenges reflect grant limitations, lower reimbursement from insurances, an increase in competition from Health Maintenance Organizations (HMOs), increases in salaries necessary to retain and recruit competent medical personnel, rising costs of medical insurance, and numerous other routine business expenses which continue to rise exponentially.

As a result, we have to cap or limit our administrative expenses and labor costs while trying to secure more resources to support and expand quality patient care. To that end, it is Bond's intention to significantly increase medical provider productivity, make greater use of technology across the company enterprise (e.g., integrating "Doc-In-A-Box" technology into Bond's mobile unit to provide greater real time diagnostic primary & specialty care to patients; setting up an intranet for staff to facilitate greater in-house communications; improve online interactive internet use by patients and our community partners; establish a pay



and classification system to support the recruitment and long-term retention of experienced personnel; establish a direct support healthcare foundation (DSO) to enhance Bond's long-term fiscal viability and financial independence in through raising private and non-public funds, thereby broadening Bond's geographical "bandwidth" in providing high quality healthcare to an increasing population of patients; broaden Bond's offerings in the areas of preventive care, mental health, physical fitness, rehabilitation ,wellness and nutrition; increase Bond's focus on enterprise opportunities, e.g., optometry, providing primary dental care in the local school system to children as well as mobile dental care for adults, creating alliances with "big box" stores for dispensing pharmaceutical products and joining patient provider networks to increase Bond's access to fully insured patient populations. We believe these and other long-range systemic improvements will more than ensure Bond's continuing ability to provide patient care at a level necessary to fulfill its contractual obligations to the County, as well as to its other funders.

**4. Please provide information explaining how BCHC's funding is provided from HRSA; for example, is the funding capped? Is it based on a capitated rate? Is it to support specific programs and expenses?**

BCHC receives funding from HRSA under many programs, such as Section 330 funding and Ryan White Part C & D. Part C is related to adults with HIV while part D deals with women, children and youth with HIV related issues. Our base 330 funding covers the rest of the uninsured population (migrant and non-migrant). As a requirement of the grant, we provide discounted services to the uninsured as low as \$25.00 per office visit if the family's income is below 100% of the federal poverty line (FPL). If the family's income level is between 100% - 200% of the FPL, a discount is offered up to the full price of services. HRSA funding is capped for the full term of the grant award period. Although the funding is capped, HRSA expects Bond to increase medical provider productivity, services and also maintain a reserve.

**5. Please provide information explaining BCHC's plan to implement the recently awarded "Outreach and Enrollment Assistance" grant funding of \$138,189 which according to the US Department of Health and Human Services is intended to enroll uninsured citizens in new health coverage options made available by the Affordable Care Act.**

HRSA recently awarded BCHC a \$138,189 Outreach and Enrollment (O/E) Assistance Grant to hire personnel necessary to conduct outreach within its service area to enroll uninsured patients under the Affordable Health Care Act. With this supplemental funding Bond will enhance the Center's current outreach and enrollment assistance capacity by adding up to 3.00 full-time equivalents



(FTEs) to the Center's current O/E assistance capacity and ensure all its O/E assistance workers (i.e., current and newly supported) comply with and successfully complete all required and applicable federal and/or state consumer assistance training. In addition, Bond will conduct "in reach" with currently uninsured health center patients and "outreach" to non-health center patients in our entire service area which includes all of Leon County. Bond will also collaborate with other health centers and providers in its service area to ensure that O/E assistance activities are coordinated with other local, regional, and/or statewide O/E assistance efforts and training requirements.

Bond will use the grant funds for personnel costs and related fringe benefits; moveable equipment and supplies to support outreach and enrollment assistance; training in support of the grant; local travel in support of the grant; personal computers/laptops; technology necessary for O/E assistance workers to ensure that no consumer Personally Identifiable Information (PII) is compromised; and educational materials. The plan as currently contemplated prohibits the use of these funds to support the provision of primary health care services or personnel other than O/E assistance workers or to supplant other resources (federal, state, local, or private) intended to support O/E assistance activities.

The National Association of Community Health Centers (NACHC) is currently working with HRSA and other entities to establish the method and date of the delivery of the training to all of the O/E programs throughout the nation. At this point BCHC anticipates a rollout of the O/E program in November of 2013. BCHC will use all of its resources to insure that residents and interested stakeholders throughout Leon County are aware of Bond's O/E efforts.

I trust the foregoing comments fully respond to the County Commission's request for information. Should additional information or detail be required, please feel free to contact me or our CEO.

Sincerely,

A handwritten signature in blue ink that reads "Antonio Jefferson". The signature is written in a cursive, flowing style.

Antonio Jefferson  
Board Chair



# BUREAU OF PRIMARY HEALTH CARE SITE VISIT REPORT

## Consolidated Team Report-Updated October 2012

The purpose of the site visit is to provide direct support to grantees on key health center program requirement(s) and to identify any area(s) for potential performance or operational improvements. Attached are the preliminary findings and recommendations from the site visit team that have been identified by the consultants as a result of the site visit process. This report is not exhaustive, but identifies any key program requirement findings/recommendation(s) as well as any recommended area(s) for performance or operational improvement.

**Task Order #: CSD-13-0001**

### Part One

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**Grantee Information:** **Bond Community Health Association, Inc.**  
1720 South Gadsden Street  
Tallahassee, Florida 32301

**Contact:** **Debra Weeks, MSW, Interim CEO**  
[dweeks@bondchc.com](mailto:dweeks@bondchc.com)

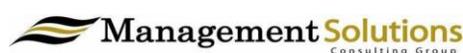
**Type of Visit: Operational Site Visit (review of all 19 program requirements)**

**Purpose of Visit:** The purpose of this site visit is to assess this organization's compliance with the BPHC's 19 Program Requirements. In addition, this is a joint visit with the HIV/AIDS Bureau to review, where appropriate, the organization's compliance with the grant regulations of its HAB grant funds received for Program Requirements Parts C and D. The findings from the HAB will be given to the grantee in a separate report.

**Dates of Visit:** **March 11-13, 2013**

**Consultants:** (b) (5)  
(b) (5)  
  
(b) (5)  
(b) (5)  
  
(b) (5)  
(b) (5)

**Overview of Grantee Organization:** The Bond Community Health Center (BCHC) has been a PHS Section 330 funded health center since 1984 serving the residents of Tallahassee, Florida, which is located in Leon County. Over the past ten years (with particular emphasis on the last four years), BCHC has grown significantly in its patient population and services/programs offered to the indigent population in this area. BCHC draws additional clients from the predominantly rural surrounding counties, including Franklin, Gadsden, Jefferson, Liberty,



## **BUREAU OF PRIMARY HEALTH CARE SITE VISIT REPORT**

### **Consolidated Team Report-Updated October 2012**

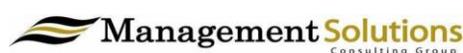
Madison, Perry and Wakulla. Most recently, BCHC has expanded access to care in Gadsden County with its new mobile van unit. The majority population served is African American, and there is a growing Latino population.

Currently, the organization is in a leadership transition mode. The Board of Directors (BOD) are primarily new with only three (3) of the thirteen members having tenure of two years, and the remaining members less than one year. The official departure of the Chief Executive Officer (CEO) in September of 2012, led to the appointment of the Chief Operating Officer as the Interim CEO. The BOD currently has Executive Search plans in place to recruit a new CEO. The climate of the organization is somewhat tenuous. The Chief Financial Officer and Chief Accountant resigned in November 2012. There have been nearly thirteen staff turnovers, in all staffing positions, over the past six months either through resignations and/or terminations. The root cause of the turnovers and current staff morale is not clear. However, it does appear through staff interviews during this visit that the decline in staff morale did not just begin with the departure of the CEO. There have been some activities put in place to rebuild staff morale; i.e., the All Staff Meeting held in January to help reunite the staff and improve the climate of the organization. NOTE: An outside facilitator was engaged for this activity. A report of this activity is on file.

BCHC has four clinic locations and a mobile van that provide primary care to patients throughout the Tallahassee area. The main clinic (1720 South Gadsden Street) offers adult medicine, pediatrics, women's health, HIV primary care, behavioral health, dental, pharmacy, and laboratory services. The Kay Freeman clinic offers adult medicine, pediatrics and women's health for the homeless. The Joe Louis clinic located in the Joe Louis public housing complex offers pediatric, adult medicine and women's health services. BCHC also has a primary health clinic located at the Apalachee Mental Center (Bond Apalachee Wellness Integration Center – BAWIC), which offers adult medicine and women's health services to patients receiving mental health care on site. Screenings for cancer, cholesterol, communicable diseases, as well as immunizations, family planning and laboratory services are provided at all clinics. The mobile van offers adult medicine, pediatrics and women's health services at various locations in and around the city of Tallahassee and Leon County.

BCHC's pharmacy participates in the 340B Program and prescription assistance programs. Specialty services such as nephrology, gastroenterology, ENT, dermatology, orthopedics and surgery are provided by referral to the local network of physicians who accept uninsured patients.

BCHC has undergone significant turnover in the accounting department. As noted above, in November 2012 the previous CFO and a staff accountant resigned their positions, leaving a staff of one. During that same month, the center hired a consultant to act as the Interim CFO. In addition, a staff accountant was hired in February 2013. The Interim CFO has reviewed and/or revised fiscal policies and procedures and created stability in terms of staff morale. The financial information presented to the Board is significantly different from the predecessor's, and has been designed to present information in the format required by HRSA.



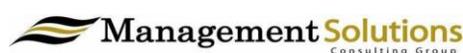
## BUREAU OF PRIMARY HEALTH CARE SITE VISIT REPORT

### Consolidated Team Report-Updated October 2012

At the time of the visit, the 2012 audit was in process and projected to be completed by the March 31, 2013 deadline. However, according to its latest A-133 audit from 2011 and February 2013 unaudited financial statements, BCHC has a positive financial picture. Per the 2011 audit, BCHC had total assets of \$5.1 million, total liabilities of \$2.6 million, net assets of \$2.5 million, revenues of \$7.5 million and total expenses of \$7 million. Revenue was derived from DHHS grants, patient services, and state and local grants.

#### Site Visit Participants:

<u>Name &amp; Title of Participant</u>	<u>Interviewed</u>	<u>Entrance</u>	<u>Exit</u>
Debra Weeks, Interim CEO	Y	Y	Y
Monica Hayes, PhD – DOO	Y	Y	Y
(b) (6)	Y	Y	Y
(b) (6)	Y	N	N
(b) (6)	Y		
Temple Robinson, M.D. Chief Medical Officer	Y	Y	Y
(b) (6)	Y	N	Y
(b) (6)			
(b) (6)	Y	Y	Y
(b) (6)			
Tamara-Kay Tibby, D.M.D. Dental Director	Y	N	N
(b) (6)	Y	N	N
(b) (6)			
(b) (6)	Y	N	N
(b) (6)			
(b) (6)	Y	N	N
(b) (6)			
Angela Poole - Interim CFO	Y	Y	Y
(b) (6)	Y	N	N
(b) (6)	Y	N	N
(b) (6)	Y	N	N
(b) (6)	Y	N	N



# BUREAU OF PRIMARY HEALTH CARE SITE VISIT REPORT

## Consolidated Team Report-Updated October 2012

### Site Visit Participants, continued:

<u>Name &amp; Title of Participant</u>	<u>Interviewed</u>	<u>Entrance</u>	<u>Exit</u>
<b>Board Members:</b>			
Gail Milon, Board Chair	Y	Y	Y
Antonio Jefferson, Vice Chair	Y	Y	Y
William Lamar, Secretary	Y	Y	Y
Brenda Williams, Treasurer	Y	Y	Y
Peter Okonkwo	Y	Y	Y
Chuck White	Y	Y	Y
Ruth Bedell	Y	Y	Y
Dr. Doris B. Ferguson	Y	Y	Y
Dr. Donald Palm	Y	Y	N

### Others Interviewed:

Commissioner William Proctor, Southside District	Y	N	N
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**BPHC/HRSA Representatives:** Nathalia Drew, BPHC Project Officer  
Dr. Polly Ross, HAB/HRSA

**Other Attendees:** Harold Knowles, Board Attorney

### List of Documents Reviewed:

Governing Board Minutes 2011, 2012 and January – February 2013  
Administrative Staff Meeting Minutes (last 6 months)  
Administrative Policies and Procedures  
Bylaws  
NOAs 2012  
Key Staff Personnel Files  
Job Descriptions – Key Personnel  
Contracts and Collaborative Agreements (Current)  
2011 and 2012 UDS  
SAC Application (2009)  
2012 Non-compete Application



# **BUREAU OF PRIMARY HEALTH CARE SITE VISIT REPORT**

## **Consolidated Team Report-Updated October 2012**

Continuous Quality Improvement/Quality Assurance Plan (CQI/QA)

CQI/QA Committee Minutes

Safety/Risk Management Plan and meeting minutes

FTCA Deeming Application

Credentialing and Privileging Policy and Procedure

Credentialing and Privileging provider files

Clinical Policies and Procedures

CLIA Licenses

Chart of Accounts

2011 A-133 Audit

2012 UDS Report

Medicare and Medicaid Rate Agreements

Organizational Chart

November and December 2012 Financial Statements

Fiscal Policies and Procedures Manual

Finance Committee Meeting Minutes

FY 2013 Operating Budget

Provider Productivity Reports

Fee Schedule

December 2012 and January 2013 Bank Reconciliations and Statements

Encounter Form

Draw Schedules

FFR

Time Sheets

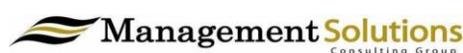
Sliding Fee Scale

Accounts Receivable and Accounts Payable Aging

**List of Documents Left With Grantee:** Credentialing and Privileging Checklist for Licensed Independent Practitioners and Checklist for Other Licensed Providers

**Primary Compliance Issues, Concerns, and/or Performance Improvement Opportunities Addressed During Visit:**

- Clinical Staffing – Ratio of Staff
- Credentialing and Privileging
- Hospital Admitting Privileges – No Contract in place for Hospitalist – In-patient Care
- Recruitment and Retention of Providers



## **BUREAU OF PRIMARY HEALTH CARE SITE VISIT REPORT**

### **Consolidated Team Report-Updated October 2012**

- Scope of Project
- Contracts
- Human Resources – Personnel Files
- Presentation of comparative provider productivity reports to the board
- Sliding Fee Scale
- Board Authority
- Board Composition
- Conflict of Interest Policy and Statements

#### **Specific Actions Taken During Site Visit:**

- Entrance conference with board president, key management staff, site visit team, and project officer
- Meeting with Board of Directors
- Tours of Satellite Sites
- Interviews of Staff
- Review of Documents specific targeted toward Board activities
- Meetings with Medical Director and Dental Director
- Meeting with Provider(s)
- Met with the Interim CFO to get an overview of the current status of the accounting department since the resignation of the previous CFO and accountant in November 2012
- Reviewed fiscal policies and procedures manual to assess operating protocols
- Met with eligibility specialist regarding sliding fee scale procedures
- Met with accountant regarding accounts payable
- Review of documents
- Exit conference with key management staff, site visit team and project officer to report findings

**Innovation/Best Practices:** None.



# BUREAU OF PRIMARY HEALTH CARE SITE VISIT REPORT

## Consolidated Team Report-Updated October 2012

### Part Two

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#### SECTION 1: Need

##### Program Requirements

**Program Requirement # 1 - Needs Assessment:** Health center demonstrates and documents the needs of its target population, updating its service area, when appropriate. (Section 330(k)(2) and Section 330(k)(3)(J) of the PHS Act)

#### **Findings/Factors: Met.**

BCHC had a significant amount of information that defines its service area and other contiguous counties served by the organization. The needs section of the grant indicated much of the data required to complete the application and begin strategic planning. Additional data was presented through planning documents and data from the 2011 Report to Our Community provided by the Tallahassee Memorial Health Care.

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**Recommendations:** None.

##### Areas for Performance Improvement

**Performance Improvement Area:** None Noted.

#### **Findings/Factors:**

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**Recommendations:**



# BUREAU OF PRIMARY HEALTH CARE SITE VISIT REPORT

## Consolidated Team Report-Updated October 2012

### SECTION 2: Services

#### Program Requirements

**Program Requirement #2 - Required and Additional Services:** Health center provides all required primary, preventive, enabling health services and additional health services as appropriate and necessary, either directly or through established written arrangements and referrals. (Section 330(a) of the PHS Act)

**Note:** Health centers requesting funding to serve homeless individuals and their families must provide substance abuse services among their required services (Section 330(h)(2) of the PHS Act)

**Findings/Factors: Met.**

BCHC has a main clinic, three satellite facilities, and a mobile van that serve the Tallahassee metropolitan area. BCHC provides the following services: adult medicine, pediatrics, prenatal care, obstetrics, gynecology, HIV care and mental health services. Screenings for cancer, communicable diseases, cholesterol, and blood lead levels are performed, and immunizations are given. Dental, pharmacy, radiology and laboratory services are available on-site at the main clinic location (1720 South Gadsden Street.). Specialty care is provided on a referral basis via the WeCare Network, which is a network of local specialists who provide care to uninsured patients. The Bond - Joe Louis clinic provides pediatric, women's health, and adult medicine services to the residents of the Joe Louis public housing complex. The Kay Freeman clinic provides adult medicine, women's health, and pediatric services for the homeless. Substance abuse and mental health services are provided at the main clinic by the psychiatric nurse practitioner.

The Bond Apalachee Wellness Integration Center (BAWIC) provides primary health care to include: women's health and adult medicine services to mental health patients who receive services at the Apalachee Mental Health Center. The mobile van also provides primary care services at various locations throughout Leon County.

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**Recommendations:** None.

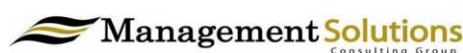
#### Areas for Performance Improvement

**Performance Improvement Area: Referral Tracking**

**Findings/Factors:** (b) (4)

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**Recommendations:** (b) (4)



## BUREAU OF PRIMARY HEALTH CARE SITE VISIT REPORT

### Consolidated Team Report-Updated October 2012

#### Program Requirements

**Program Requirement #3 - Staffing Requirement:** Health center maintains a core staff as necessary to carry out all required primary, preventive, enabling health services and additional health services as appropriate and necessary, either directly or through established arrangements and referrals. Staff must be appropriately licensed, credentialed and privileged. (Section 330(a)(1), (b)(1)- (2), (k)(3)(C), and (k)(3)(I) of the PHS Act)

**Findings/Factors: Not Met.**

#### *Staffing*

BCHC has four full-time physicians (two family practitioners, a psychiatrist, and an OB/GYN), two part-time physicians (an internist and an OB/GYN), nine full-time nurse practitioners (NPs) and two nurse midwives.

The Pediatrician position is vacant. Several of the NPs divide their practice between pediatrics and adult medicine. Consequently, care of pediatric patients at all sites has been a patchwork of cross coverage by the NPs due to absenteeism and resignations of staff. Clinic hours have also been curtailed secondary to staffing shortages.

With a ratio of physicians to nurse practitioners greater than 1:3 by specialty, supervision of NPs has been less than optimal. The lack of appropriate specialty training diminishes the quality of care, which is evidenced by the marginal results of the childhood immunization and lead testing clinical performance measures.

#### *Credentialing and Privileging*

Credentialing and Privileging is not being performed in a consistent manner. Provider files are kept in several different locations with different information in each file. While licenses and queries of the National Practitioner Data Bank are current, other aspects for credentialing are not. Lists of approved privileges, performance appraisals, Continuing Medical Education documentation, and Basic Life Support certificates were absent in many of the provider files reviewed. The new Human Resources Director is responsible for credentialing and maintaining provider files.

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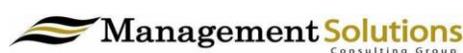
#### **Recommendations:**

#### *Staffing*

- A comprehensive analysis of staffing requirements and productivity must be performed to determine appropriate number of staff and disciplines required.

#### *Credentialing and Privileging*

- Provider credentials must be reviewed and privileges granted biannually consistent with PIN 2002-22. Credentialing and privileging information should be placed in provider files in a centralized location.



## BUREAU OF PRIMARY HEALTH CARE SITE VISIT REPORT

### Consolidated Team Report-Updated October 2012

- Credentialing and Privileging training should be given to the new Human Resources (HR) Director if she is to continue the credentialing and privileging functions. Training should also be afforded to other members of the staff to assist the HR Director with these functions.

#### Areas for Performance Improvement

##### Performance Improvement Area: Staffing

**Findings/Factors:** (b) (4)

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**Recommendations:**

- (b) (4)
- (b) (4)

#### Areas for Performance Improvement

##### Performance Improvement Area: Recruitment and Retention

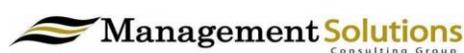
**Findings/Factors:** (b) (4)

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**Recommendations:** (b) (4)

(b) (4)

(b) (4)



## BUREAU OF PRIMARY HEALTH CARE SITE VISIT REPORT

### Consolidated Team Report-Updated October 2012

#### Areas for Performance Improvement

##### Performance Improvement Area: Nurse Practitioner Collaborative Agreement

**Findings/Factors:** (b) (4)

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**Recommendations:** (b) (4)

#### Program Requirements

**Program Requirement #4 - Accessible Hours of Operation/Locations:** Health center provides services at times and locations that assure accessibility and meet the needs of the population to be served. (Section 330(k)(3)(A) of the PHS Act)

**Findings/Factors: Met.**

The hours of operation for the main BCHC clinic, located near downtown Tallahassee, are Monday to Thursday 8:00 A.M. to 8:00 P.M., Friday 8:00 A.M. to 5:00 P.M and Saturday 9:00 A.M. to 2:00 P.M.

At the Kay Freeman clinic, located in the western section of the city at a site that provides shelter for the homeless, hours of operation are Monday to Friday 8:00 A.M. to 12:30 P.M. and 1:30 P.M. to 5:00 P.M..

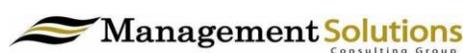
The Joe Louis clinic is located in the northwest section of the city, and the hours of operation are 8:00 A.M. – 5:00 P.M. on Monday and Wednesday, 11:00 A.M. to 8:00 P.M. on Tuesday and Thursday and 8:00 A.M. to 12 noon on Friday, as well as two Saturdays a month from 9:00 A.M. to 2:00 P.M.

Evening and Saturday hours are available at all sites with the exception of the Kay Freeman clinic. Walk-ins are welcomed at all sites.

The Bond Apalachee Wellness Integration Center (BAWIC) is co- located with the Apalachee Mental Health Center in the northeastern section of the city. Hours of operation are Monday, Tuesday, Wednesday and Friday 8:00 A.M. to 5:00 P.M.

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**Recommendations:** BCHC should consider having evening or Saturday clinic hours at the Kay Freeman clinic when staffing ratios have improved. Additionally, clinic hours should be stated according to times that the clinic is actually open to care for patients, and not include a lunch hour.



## BUREAU OF PRIMARY HEALTH CARE SITE VISIT REPORT

### Consolidated Team Report-Updated October 2012

#### Areas for Performance Improvement

**Performance Improvement Area:** None Noted.

**Findings/Factors:**

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**Recommendations:**

#### Program Requirements

**Program Requirement #5 - After-Hours Coverage:** Health center provides professional coverage for medical emergencies during hours when the center is closed. (Section 330(k)(3)(A) of the PHS Act and 42 CFR Part 51c.102(h)(4))

**Findings/Factors:** Met.

After-hours' coverage is provided 24 hours a day, seven days per week by on-call physicians and nurse practitioners. Patients can call the clinic number to reach an operator who in turn contacts the medical provider with information to return the patient's call. A pager number for direct access is also posted on the clinic's website.

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**Recommendations:** None.

#### Areas for Performance Improvement

**Performance Improvement Area:** None Noted.

**Findings/Factors:**

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**Recommendations:**

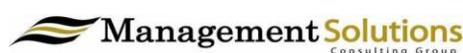
#### Program Requirements

**Program Requirement #6 - Hospital Admitting Privileges and Continuum of Care:**

Health center physicians have admitting privileges at one or more referral hospitals, or other such arrangement to ensure continuity of care. In cases where hospital arrangements (including admitting privileges and membership) are not possible, health center must firmly establish arrangements for hospitalization, discharge planning, and patient tracking. (Section 330(k)(3)(L) of the PHS Act)

**Findings/Factors:** Not Met.

There is an arrangement in place for admitting BCHC patients to the Family Medicine in-patient service at Tallahassee Memorial Hospital (TMH); however, there is no formal written agreement as to what responsibilities each party has in carrying out the agreement. Additionally, there is no



## BUREAU OF PRIMARY HEALTH CARE SITE VISIT REPORT

### Consolidated Team Report-Updated October 2012

formal agreement with the TMH Hospitalist Group or the Internal Medicine Residency Program to provide in-patient care.

The OB/GYN has admitting privileges at TMH and Capital Regional Medical Center. The Internal Medicine physician has affiliate privileges at TMH and the Apalachee Mental Health Center.

During the visit, documentation of discharge planning and patient tracking was found to be inconsistent and not routinely performed.

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#### Recommendations:

- Formal written agreements between BCHC and TMH specifically stating each party's responsibilities in caring for BCHC patients must be executed. These agreements must be executed between BCHC and the TMH Family Medicine Program, the TMH Hospitalist Group, and the Internal Medicine Residency Program to provide in-patient care for BCHC patients.
- A list of BCHC patients admitted to TMH should be generated daily and sent to BCHC's Chief Medical Officer to coordinate discharge planning and patient tracking.
- During the discharge planning process, BCHC staff should make follow-up appointments for patients to return to BCHC. Hospital discharge summaries should be sent to BCHC upon patient discharge.

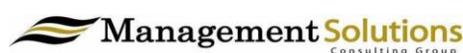
#### Program Requirements

**Program Requirement #7 - Sliding Fee Discounts:** Health center has a system in place to determine eligibility for patient discounts adjusted on the basis of the patient's ability to pay.

- This system must provide a full discount to individuals and families with annual incomes at or below 100% of the Federal poverty guidelines (only nominal fees may be charged) and for those with incomes between 100% and 200% of poverty, fees must be charged in accordance with a sliding discount policy based on family size and income.\*
- No discounts may be provided to patients with incomes over 200 % of the Federal poverty guidelines.\*
- No patient will be denied health care services due to an individual's inability to pay for such services by the health center, assuring that any fees or payments required by the center for such services will be reduced or waived. (Section 330(k)(3)(G) of the PHS Act, 42 CFR Part 51c.303(f), and 42 CFR Part 51c.303(u))

**Note:** Portions of program requirements noted by an asterisk (\*) indicate regulatory requirements that are recommended but not required for grantees that receive funds solely for Health Care for the Homeless (Section 330(h)) and/or the Public Housing Primary Care (Section 330(i)) Programs.

**Findings/Factors: Met.**



## BUREAU OF PRIMARY HEALTH CARE SITE VISIT REPORT

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BCHC has a sliding fee discount system in place to determine patient eligibility. The policy meets the guidelines with regards to providing discounts based on the Federal Poverty Level (FPL), with a full discount for those who are below 100% of the FPL, sliding discounts for those between 100% and 200% of the FPL, and full fees charged to those who are over 200% of the FPL.

---

**Recommendation:** None.

#### Areas for Performance Improvement

#### Performance Improvement Area: Updated Sliding Fee Discount Schedule

**Findings/Factors:** (b) (4)

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**Recommendations:** (b) (4)

#### Areas for Performance Improvement

#### Performance Improvement Area: Signage Indicating No one will be Denied Services Based on Inability to Pay

**Findings/Factors:** (b) (4)

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**Recommendations:** (b) (4)

#### Program Requirements

**Program Requirement #8 - Quality Improvement/Assurance Plan:** Health center has an ongoing Quality Improvement/Quality Assurance (QI/QA) program that includes clinical services and management, and that maintains the confidentiality of patient records. The QI/QA program must include:

- a clinical director whose focus of responsibility is to support the quality improvement/assurance program and the provision of high quality patient care;\*
- periodic assessment of the appropriateness of the utilization of services and the quality of services provided or proposed to be provided to individuals served by the health center; and such assessments shall: \*
  - be conducted by physicians or by other licensed health professionals under the supervision of physicians;\*



## BUREAU OF PRIMARY HEALTH CARE SITE VISIT REPORT

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- be based on the systematic collection and evaluation of patient records;\* and
- identify and document the necessity for change in the provision of services by the health center and result in the institution of such change, where indicated.\*

(Section 330(k)(3)(C) of the PHS Act, 45 CFR Part 74.25 (c)(2), (3) and 42 CFR Part 51c.303(c)(1-2))

**Note:** Portions of program requirements noted by an asterisk indicate regulatory requirements that are recommended *but not required* for grantees that receive funds solely for Health Care for the Homeless (Section 330(h)) and/or the Public Housing Primary Care (Section 330(i)) Programs.

#### **Findings/Factors: Met.**

BCHC has a Board approved Quality Improvement Plan that outlines the structure and activities of a comprehensive QI Program. The Continuous Quality Improvement/Quality Assurance (CQI/QA) Committee meets monthly and is comprised of individuals from all departments within BCHC. The Chair of the Committee is the Chief Medical Officer (CMO), who is responsible for oversight of all committee activities. Performance measures are monitored, analyzed, and discussed, resulting in specific action plans for improvement. Chart audits, patient satisfaction surveys, risk management, and peer review are performed as functions of the CQI/QA Committee. Minutes and monthly reports are generated and presented to the Board of Directors (BOD). The BOD is actively involved in the CQI process through the BOD's CQI Committee.

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**Recommendations:** None.

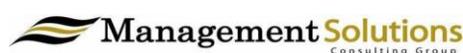
#### Areas for Performance Improvement

#### **Performance Improvement Area: Clinical Measure Performance Trends**

**Findings/Factors:** (b) (4)

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**Recommendations:** (b) (4)



## BUREAU OF PRIMARY HEALTH CARE SITE VISIT REPORT

### Consolidated Team Report-Updated October 2012

#### SECTION 3: Management and Finance

##### Program Requirements

**Program Requirement #9 - Key Management Staff:** Health center maintains a fully staffed health center management team as appropriate for the size and needs of the center. Prior approval by HRSA of a change in the Project Director/Executive Director/CEO position is required. (Section 330(k)(3)(I) of the PHS Act, 42 CFR Part 51c.303(p) and 45 CFR Part 74.25(c)(2),(3))

#### Findings/Factors: Met.

All Key Management positions are currently staffed either permanently or through contract. The recent departures of the CEO and CFO have been filled with either Interim or Contract positions.

---

**Recommendations:** None noted.

##### Areas for Performance Improvement

#### Performance Improvement Area: Recruitment of a Permanent CEO and CFO

**Findings/Factors:** (b) (4)

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**Recommendations:** (b) (4)

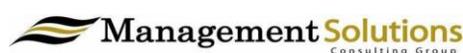
##### Areas for Performance Improvement

#### Performance Improvement Area: Interim CEO's Role and Responsibilities vs. Attorney's Responsibilities

**Findings/Factors:** (b) (4)

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**Recommendations:** (b) (4)



## BUREAU OF PRIMARY HEALTH CARE SITE VISIT REPORT

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#### Program Requirements

**Program Requirement #10 - Contractual/Affiliation Agreements:** Health center exercises appropriate oversight and authority over all contracted services, including assuring that any subrecipient(s) meets Health Center program requirements. (Section 330(k)(3)(I)(ii), 42 CFR Part 51c.303(n), (t)), Section 1861(aa)(4) and Section 1905(l)(2)(B) of the Social Security Act, and 45 CFR Part 74.1(a) (2))

**Findings/Factors: Met.**

All Contracts and/or letters implying intent to contract services were in place and fully executed.

---

**Recommendations:** None noted.

#### Areas for Performance Improvement

##### Performance Improvement Area: Hospitalist Contract for Inpatient Care

**Findings/Factors:** (b) (4)

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**Recommendations:** (b) (4)

#### Program Requirements

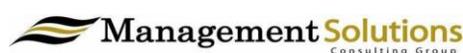
**Program Requirement #11 - Collaborative Relationships:** Health center makes effort to establish and maintain collaborative relationships with other health care providers, including other health centers, in the service area of the center. The health center secures letter(s) of support from existing health centers (section 330 grantees and FQHC Look-Alikes) in the service area or provides an explanation for why such letter(s) of support cannot be obtained. (Section 330(k)(3)(B) of the PHS Act and 42 CFR Part 51c.303(n))

**Findings/Factors: Met.**

All Collaborative relationships identified in BCHC's SAC and Renewal Application were confirmed by a review of Letters of Support, MOAs and Interviews with other individuals, i.e., the Commissioner from the Southside District.

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**Recommendations:** None noted.



## BUREAU OF PRIMARY HEALTH CARE SITE VISIT REPORT

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#### Areas for Performance Improvement

**Performance Improvement Area:** None noted.

**Findings/Factors:**

**Recommendations:**

#### Program Requirements

**Program Requirement #12 - Financial Management and Control Policies:** Health center maintains accounting and internal control systems appropriate to the size and complexity of the organization reflecting Generally Accepted Accounting Principles (GAAP) and separates functions appropriate to organizational size to safeguard assets and maintain financial stability. Health center assures an annual independent financial audit is performed in accordance with Federal audit requirements, including submission of a corrective action plan addressing all findings, questioned costs, reportable conditions, and material weaknesses cited in the Audit Report. (Section 330(k)(3)(D), Section 330(q) of the PHS Act and 45 CFR Parts 74.14, 74.21 and 74.26)

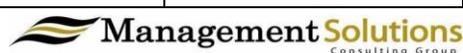
**Findings/Factors: Met.**

BCHC has accounting and internal control systems that are appropriate for the size and complexity of the organization to ensure safeguarding of agency assets. There is a proper segregation of the requesting, approving, and reconciliation functions. The most recent A-133 audit for the period ending June 30, 2011 was performed in a timely manner. The auditor issued an unqualified opinion.

As of February 2013, BCHC's year-to-date actual revenues of \$6.9 million exceeded year-to-date budgeted revenues by \$857,557. Year-to-date actual expenses of \$6.5 million exceeded year-to-date budgeted expenses by \$484,110, resulting in net income of \$381,904. Attributing mainly to the surplus are sliding fee collections, which are in excess of budget by \$423,920 (343.3%) and administrative salaries, which are \$502,843 below budget.

The following table summarizes the financial position of the organization

	6/30/10 (audited)	6/30/11 (audited)	6/30/12 (unaudited)	7/1/12 – 2/28/13 (unaudited)
Total Assets	4,321,091	5,109,958	6,019,174	6,723,161
Total Liabilities	2,677,579	2,579,853	2,628,086	2,758,734
Current Ratio	3.11	1.98	4.61	4.52
Net Assets	1,643,512	2,530,105	3,391,088	3,964,427
Total Revenue	6,320,501	7,560,214	10,170,827	6,967,628
Total Expenses	5,981,753	7,027,793	9,385,791	6,585,724
Net Change in Unrestricted Assets	422,233	886,593	860,983	381,904



# BUREAU OF PRIMARY HEALTH CARE SITE VISIT REPORT

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BCHC tracks three key financial indicators to monitor the financial status of the organization. The current status of each, as of February 28, 2013, is indicated in the table below:

Indicator	Actual	Target
Current Ratio	4.52 to 1	1 to 1
Unrestricted Net Assets Available for Operations	\$814,849	Positive and not decreasing
Days in Accounts Receivable	116.06	<75 days

BCHC has a board-designated \$1 million cash reserve account.

Fiscal policies and procedures have been updated by the Interim CFO and approved by the board.

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**Recommendations:** None.

### Areas for Performance Improvement

#### Performance Improvement Area: Financial Statements and Provider Productivity Reports

(b) (4)

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**Recommendations:** (b) (4)

- (b) (4)
- (b) (4)
- (b) (4)
- (b) (4)
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# BUREAU OF PRIMARY HEALTH CARE SITE VISIT REPORT

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### Areas for Performance Improvement

#### Performance Improvement Area: Line of Credit

**Findings/Factors:** (b) (4)

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**Recommendations:** (b) (4)

- (b) (4)
- (b) (4)

### Areas for Performance Improvement

#### Performance Improvement Area: Plan for Utilizing Cash Reserves

**Findings/Factors:** (b) (4)

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**Recommendations:** (b) (4)

### Areas for Performance Improvement

#### Performance Improvement Area: Plan for Addressing Balloon Loan

**Findings/Factors:** (b) (4)

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**Recommendations:** (b) (4)

### Areas for Performance Improvement

#### Performance Improvement Area: Upgrade Accounting Software

**Findings/Factors:** (b) (4)



## BUREAU OF PRIMARY HEALTH CARE SITE VISIT REPORT

### Consolidated Team Report-Updated October 2012

(b) (4)

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**Recommendations:** (b) (4)

#### Program Requirements

**Program Requirement #13 - Billing and Collections:** Health center has systems in place to maximize collections and reimbursement for its costs in providing health services, including written billing, credit and collection policies and procedures. (Section 330(k)(3)(F) and (G) of the PHS Act)

**Findings/Factors: Met.**

BCHC has systems in place to maximize collections and reimbursements for its costs in providing health care. Policies and procedures exist for billing, credit, and collections. Medicare and Medicaid are billed electronically. Denied claims are investigated, corrected and resubmitted daily. Providers are provided training on efficient coding. Medicaid has a Prospective Payment System rate of \$111.76 and Medicare a cost-basis rate of \$128.03. Self-pay patients are assessed fees on a discounted sliding fee basis, with a nominal fee of \$25.

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**Recommendations:** None.

#### Program Requirements

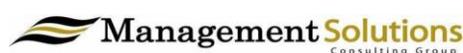
**Program Requirement #14 - Budget:** Health center has developed a budget that reflects the costs of operations, expenses, and revenues (including the Federal grant) necessary to accomplish the service delivery plan, including the number of patients to be served. (Section 330(k)(3)(D), Section 330(k)(3)(I)(i), and 45 CFR Part 74.25)

**Findings/Factors: Not Met.**

BCHC's current operating budget was prepared assuming a fully operational public housing location. At the time of the visit, the location was only operating on a part-time basis and had been operating as such for at least three to four weeks. This will have an effect on the number of patients to be served and patient visits. Additionally the budget on file at HRSA is for \$6.3 million; however, BCHC has a budget of \$9.1 million.

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**Recommendations:** It is a program requirement that BCHC must have a budget that reflects the cost of operations, expenses, and revenues necessary to accomplish the service delivery plan. BCHC should work in conjunction with the project officer to confirm what the actual board approved budget is. The actual vs. year to date revenue and expense variances should be reviewed at each board meeting and revised if needed.



## BUREAU OF PRIMARY HEALTH CARE SITE VISIT REPORT

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#### Program Requirements

**Program Requirement #15 - Program Data Reporting Systems:** Health center has systems which accurately collect and organize data for program reporting and which support management decision making. (Section 330(k)(3)(I)(ii) of the PHS Act)

**Findings/Factors: Met.**

BCHC currently has technology in place for collecting data required for program reporting as it relates to Uniform Data Systems and Federal Financial Reporting. Currently, BCHC has a contract with the Community Health Centers Alliance who manages their electronic health records. They were able to submit 2012 UDS data on time but have challenges with the network to which they belong. This is noted as an area for improvement below.

**Recommendations:**

#### Areas for Performance Improvement

**Performance Improvement Area:** BCHC as noted above is a member of the Community Health Center Alliance which is a Health Center Control Network (HCCN). During the site visit, staff expressed concerns with retrieving data needed to accurately complete various reports due to the inconsistencies of their electronic record and not having the support from the HCCN who manages their data. In addition, the staff has not yet acquired a comfort level in effectively utilizing the systems to retrieve data in a user-friendly format.

**Recommendations:** BCHC should immediately review its relationship with the Community Health Centers Alliance. Additionally, while renegotiating terms with the Network, BCHC should ensure proper training of all staff in utilizing the Practice Management System and EHR. Both systems were put in place in the latter part of 2011.

#### Program Requirements

**Program Requirement #16 - Scope of Project:** Health center maintains its funded scope of project (sites, services, service area, target population and providers), including any increases based on recent grant awards. (45 CFR Part 74.25)

**Findings/Factors: Not Met.**

BCHC is not compliant in their Scope of Project in three areas: site, services, and providers. There are four sites that are in scope: Joe Louis, Kay Freeman, BAWIC, and the mobile van. According to Form 5A, the Joe Louis clinic should be operational 40 hours per week; however, it is only operational 12 hours (three half days) per week. Additionally, the Kay Freeman clinic is listed as providing service 40 hours a week and is currently scheduled for 18 hours per week. The BAWIC clinic is stated to be open 12 hours per week; however, they have expanded service



## BUREAU OF PRIMARY HEALTH CARE SITE VISIT REPORT

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to 32 hours per week. Additionally, the mobile van is listed as being operational 40 hours per week, but is staffed for only three days per week.

As for services, there are three line items of non-compliance noted: Dental Services, Substance Abuse services - Outpatient Treatment, and Following Hospitalized Patients/Hospital Admitting.

On Form 5A, Additional Services Provided, BCHC is providing restorative and emergency dentistry, which is not listed in Column I (Direct by Applicant) under **Dental Services**. Additionally, **Substance Abuse Services – Outpatient Treatment** on Form 5A Required Services is listed in Column III (Written Referral); however, this service is being provided directly by BCHC as well as by referral. This is notable because the grantee receives Homeless Funding, and a requirement of the funding is for the grantee to provide substance abuse services. Thirdly, the line item **Following Hospitalized Patients** on Form 5A, Additional Services Provided is listed as a service that is directly provided by the grantee and the line item on Form 5C, Other Activities/Locations, #8 - **Hospital Admitting** is an activity that is performed by BCHC staff. However, no BCHC primary care physician has full admitting privileges at a local hospital; therefore, in actuality, no BCHC physician is admitting patients to the hospital or following hospitalized patients.

With regard to providers, according to Form 2, Staffing Profile, a part-time ((b) FTE) Pediatrician is listed; however, that position is vacant. Dr. Robinson is listed as both the Medical Director at (b) FTE and as the internist at (b) FTE, which exceeds the appropriate allocation for a single individual. The psychiatrist position is listed as (b) ; however, the psychiatrist is currently full-time ((b) FTE).

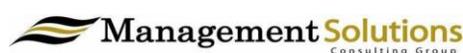
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**Recommendations:** BCHC must submit Changes in Scope to encompass all of the changes/ omissions in its current Scope of Project documentation. In addition, a specialty Change in Scope must be submitted to include Psychiatry as an additional service in accordance with PIN 2009-02.

**Sites:** Clinic schedules must be revised. A detailed explanation of what is causing the changes in the hours of the sites, along with detailed plans of action must be submitted to the BPHC Project Officer. The explanation should describe whether the change in hours is temporary or permanent. A new strategic plan needs to be developed that affirms adjustments and is consistent with staffing commitments. For the mobile van, a detailed plan including exact scheduled locations and times of operation must be submitted.

**Services:** Restorative and emergency dentistry services need to be added to Form 5A, Additional Services, Column I. Substance Abuse Services – Outpatient Treatment must be added to Form 5A Required Services, Column I. On Form 5A, Additional Services under the line item Other Clinical Services - Following Hospitalized Patients - must be removed from Column I, and placed in Column III. (Formal Written Referral Arrangement/Agreement). On Form 5C, Activity #8 – Hospital Admitting must be removed.

**Providers:** As the pediatrician position is still vacant, the pediatrician FTE must be removed from Form 2, Staffing. The total FTE percentage for a single person cannot exceed (b) FTE;



## BUREAU OF PRIMARY HEALTH CARE SITE VISIT REPORT

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therefore, the allocation for Dr. Robinson must be revised to reflect (b) FTE as the Medical Director and (b) FTE as an internist. Additionally, the psychiatrist position must be revised to reflect one FTE on Form 2, Staffing.

All of the Changes in the Scope of project must be satisfactorily addressed to ensure compliance and FTCA coverage. BCHC must advise appropriate funding sources of any and all changes to the Scope of Project.

Technical assistance is recommended to assist BCHC in realigning its operations so that they may become compliant.

#### Areas for Performance Improvement

**Performance Improvement Area:** None Noted.

**Findings/Factors:**

**Recommendations:**

#### SECTION 4: Governance

##### Program Requirements

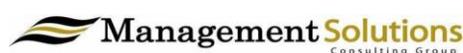
**Program Requirement #17 - Board Authority:** Health center governing board maintains appropriate authority to oversee the operations of the center, including:

- holding monthly meetings;
- approval of the health center grant application and budget;
- selection/dismissal and performance evaluation of the health center CEO;
- selection of services to be provided and the health center hours of operations;
- measuring and evaluating the organization's progress in meeting its annual and long-term programmatic and financial goals and developing plans for the long-range viability of the organization by engaging in strategic planning, ongoing review of the organization's mission and bylaws, evaluating patient satisfaction, and monitoring organizational assets and performance;\* and
- establishment of general policies for the health center.

(Section 330(k)(3)(H) of the PHS Act and 42 CFR Part 51c.304)

**Note:** In the case of public centers (also referred to as public entities) with co-applicant governing boards, the public center is permitted to retain authority for establishing general policies (fiscal and personnel policies) for the health center (Section 330(k)(3)(H) of the PHS Act and 42 CFR 51c.304(d)(iii) and (iv)).

**Note:** Upon a showing of good cause the Secretary may waive, for the length of the project period, the monthly meeting requirement in the case of a health center that receives a grant pursuant to subsection (g), (h), (i), or (p). (Section



## BUREAU OF PRIMARY HEALTH CARE SITE VISIT REPORT

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330(k)(3)(H) of the PHS Act)

**Note:** Portions of program requirements noted by an asterisk “\*” indicate regulatory requirements that are recommended *but not required* for grantees that receive funds solely for Health Care for the Homeless (Section 330(h)) and/or the Public Housing Primary Care (Section 330(i)) Programs.

#### **Findings/Factors: Not Met.**

This is a condition that was already on the grantee’s NOA. It remains Not Met, and now has the remaining days of the initial condition to readdress the issues as noted in the NOA. These include:

- Strategic Planning – Current Plan only goes up to 2009
- Evidence of appropriately monitoring organizational assets and performance – Not reflected in Board Minutes
- Bylaws – Updated and meets requirements

---

#### **Recommendations:**

Strategic Planning – BCHC must conduct strategic planning session and develop a current strategic plan for the organization.

Board Minutes – Revise Board Minutes in a format to capture all pertinent information discussed in a meeting to include appropriate monitoring of BCHC’s assets and performance. Suggestions were given to develop a format that is in chart form that will ensure that all activities of meeting agenda items’ discussions are captured completely.

Bylaws – The Bylaws have been updated . Areas to be revisited and revised are as follows:

- Article VII – Size, Composition, Term & Duties of the Board of Directors
- Article X - Meetings of the Board
- There needs to be an Article specifically devoted to the Dissolution of the Corporation (It is not included in Article IXII)

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#### Areas for Performance Improvement

#### **Performance Improvement Area: Conducting a Board Self-Assessment**

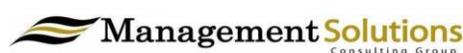
**Findings/Factors:** (b) (4)

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**Recommendations:** (b) (4)

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#### Areas for Performance Improvement



## BUREAU OF PRIMARY HEALTH CARE SITE VISIT REPORT

### Consolidated Team Report-Updated October 2012

#### Performance Improvement Area: Need for Board Training

**Findings/Factors:** (b) (4)

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**Recommendations:** (b) (4)

#### Program Requirements

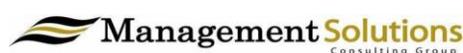
**Program Requirement #18 - Board Composition:** The health center governing board is composed of individuals, a majority of whom are being served by the center and, this majority as a group, represent the individuals being served by the center in terms of demographic factors such as race, ethnicity, and sex. Specifically:

- Governing board has at least 9 but no more than 25 members, as appropriate for the complexity of the organization.\*
- The remaining non-consumer members of the board shall be representative of the community in which the center's service area is located and shall be selected for their expertise in community affairs, local government, finance and banking, legal affairs, trade unions, and other commercial and industrial concerns, or social service agencies within the community. \*
- No more than one half (50%) of the non-consumer board members may derive more than 10% of their annual income from the health care industry. \*

**Note:** Upon a showing of good cause the Secretary may waive, for the length of the project period, the patient majority requirement in the case of a health center that receives a grant pursuant to subsection (g), (h), (i), or (p). (Section 330(k)(3)(H) of the PHS Act and 42 CFR Part 51c.304)

**Note:** Portions of program requirements noted by an asterisk (\*) indicate regulatory requirements that are recommended *but not required* for grantees that receive funds solely for Health Care for the Homeless (Section 330(h)) and/or the Public Housing Primary Care (Section 330(i)) Programs.

**Findings/Factors:** Met.



## BUREAU OF PRIMARY HEALTH CARE SITE VISIT REPORT

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The grantee received a condition for this requirement in October 2012 due to the board not having a user majority of 51% or more. During this visit, compliance was verified through the review of medical records of board members who identified themselves as users of health center services. In addition, since the grantee received the condition, two new members were added to the board who are users, which meets the user majority requirement. The board was compliant with special population public housing and homeless representation. Although this requirement was met during this visit, the grantee will still need to address this per the condition on their NOA.

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**Recommendations:** None

#### Areas for Performance Improvement

#### Performance Improvement Area: Board Training

**Findings/Factors:** (b) (4)

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**Recommendations:** (b) (4)

#### Program Requirements

**Program Requirement #19 - Conflict of Interest Policy:** Health center bylaws or written corporate board approved policy include provisions that prohibit conflict of interest by board members, employees, consultants and those who furnish goods or services to the health center.

- No board member shall be an employee of the health center or an immediate family member of an employee. The Chief Executive may serve only as a non-voting ex-officio member of the board.\*

(45 CFR Part 74.42 and 42 CFR Part 51c.304(b))

**Note:** Portions of program requirements noted by an asterisk (\*) indicate regulatory requirements that are recommended *but not required* for grantees that receive funds solely for Health Care for the Homeless (Section 330(h)) and/or the Public Housing Primary Care (Section 330(i)) Programs.

**Findings/Factors:** Met.

A new Policy on COI has been in place that covers all areas of a COI. All board members have signed the COI statement.

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**Recommendations:** None noted.



# BUREAU OF PRIMARY HEALTH CARE SITE VISIT REPORT

## Consolidated Team Report-Updated October 2012

### SECTION 5: Clinical Performance Measures (see Appendix C of Health Center Site Visit Guide for additional information on required measures)

#### Areas for Performance Improvement

#### Selected Performance Measure #1: Percentage of children with 2nd birthday during the measurement year with appropriate immunizations

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#### Findings/Factors: (b) (4)

##### *Contributing Factors:*

- (b) (4)
- (b) (4)
  
- (b) (4)
- (b) (4)

##### *Restricting Factors:*

- (b) (4)
- (b) (4)
- (b) (4)
  
- (b) (4)
- (b) (4)

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#### Recommendations:

- (b) (4)
- (b) (4)
  
- (b) (4)
  
- (b) (4)



# BUREAU OF PRIMARY HEALTH CARE SITE VISIT REPORT

## Consolidated Team Report-Updated October 2012

### Areas for Performance Improvement

#### **Selected Performance Measure #2: Percentage of adult patients with diagnosed hypertension whose most recent blood pressure was less than 140/90**

**Findings/Factors:** (b) (4)

(b) (4)

#### *Contributing Factors:*

- (b) (4)
- (b) (4)
- (b) (4)
- (b) (4)

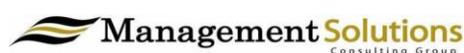
#### *Restricting Factors:*

- (b) (4)
- (b) (4)
- (b) (4)

---

#### **Recommendations:**

- (b) (4)
- (b) (4)
- (b) (4)



## BUREAU OF PRIMARY HEALTH CARE SITE VISIT REPORT

### Consolidated Team Report-Updated October 2012

#### SECTION 6: Financial Performance Measures (see Appendix C of Health Center Site Visit Guide for additional information on required measures)

##### Areas for Performance Improvement

#### Selected Performance Measure #1: Total Cost per patient

This measure was selected to measure BCHC's progress in reaching its targeted goal of maintaining the rate of increase to less than or equal to 30% by the end of the project.

**Findings/Factors:** (b) (4)

---

**Recommendations:** (b) (4)

##### Areas for Performance Improvement

#### Selected Performance Measure #2: Medical cost per Medical Visit

This measure was selected to measure BCHC's progress in reaching its targeted goal of maintaining the rate of increase to less than or equal to 30% by the end of the project.

**Findings/Factors:** (b) (4)

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**Recommendations:** (b) (4)

#### SECTION 7: Capital and Other Grant Progress Review (see Appendix D of Health Center Site Visit Guide for information on reviewing progress on grant awards under the American Recovery and Reinvestment Act (ARRA) and Affordable Care Act (ACA))

##### ARRA IDS and NAP Review

#### Summary of Progress on IDS and NAP ARRA Awards:

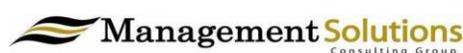
**Findings/Factors:**

---

**TA Recommendations (if applicable):**

#### Capital Grant Progress Review

(ARRA and ACA Awards: C81 Capital Improvement Program (CIP), C80 Facility Investment Program (FIP), C8A Capital Development (CD), and C12 School-based Health Center Capital (SBHCC) grants. Also includes one-time funding for minor construction activities included within New Access Point (NAP) grants)



# **BUREAU OF PRIMARY HEALTH CARE SITE VISIT REPORT**

## **Consolidated Team Report-Updated October 2012**

**Summary of Progress on Capital Grant Awards:**

**Findings/Factors (attach facility photos if taken):**

---

**TA Recommendations (if applicable):**



This report has been prepared for the exclusive use of the Health Resources and Services Administration, Bureau of Primary Health Care (HRSA/BPHC) to assist in providing guidance and oversight of the HRSA/BPHC grantee. Information provided in this report is restricted to HRSA/BPHC use and cannot be distributed, copied, shared, and/or transmitted without written permission from HRSA/BPHC and the Review Team.

# BUREAU OF PRIMARY HEALTH CARE SITE VISIT REPORT

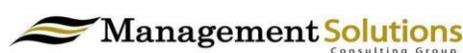
## Consolidated Team Report-Updated October 2012

### Summary of Key Health Center Program Requirements

Health centers are non-profit private or public entities that serve designated medically underserved populations/areas or special medically underserved populations comprised of migrant and seasonal farmworkers, the homeless or residents of public housing. A summary of the key health center program requirements is provided below. For additional information on these [requirements](#), please review:

- Health Center Program Statute: [Section 330 of the Public Health Service Act](#) (42 U.S.C. §254b)
- Program Regulations ([42 CFR Part 51c](#) and [42 CFR Parts 56.201-56.604](#) for Community and Migrant Health Centers)
- Grants Regulations ([45 CFR Part 74](#))

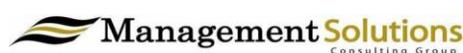
NEED	
1.	<b>Needs Assessment:</b> Health center demonstrates and documents the needs of its target population, updating its service area, when appropriate. (Section 330(k)(2) and Section 330(k)(3)(J) of the PHS Act)
SERVICES	
2.	<b>Required and Additional Services:</b> Health center provides all required primary, preventive, enabling health services and additional health services as appropriate and necessary, either directly or through established written arrangements and referrals. (Section 330(a) of the PHS Act)  <b>Note:</b> Health centers requesting funding to serve homeless individuals and their families must provide substance abuse services among their required services (Section 330(h)(2) of the PHS Act)
3.	<b>Staffing Requirement:</b> Health center maintains a core staff as necessary to carry out all required primary, preventive, enabling health services and additional health services as appropriate and necessary, either directly or through established arrangements and referrals. Staff must be appropriately licensed, credentialed and privileged. (Section 330(a)(1), (b)(1)-(2), (k)(3)(C), and (k)(3)(I) of the PHS Act)
4.	<b>Accessible Hours of Operation/Locations:</b> Health center provides services at times and locations that assure accessibility and meet the needs of the population to be served. (Section 330(k)(3)(A) of the PHS Act)
5.	<b>After Hours Coverage:</b> Health center provides professional coverage for medical emergencies during hours when the center is closed. (Section 330(k)(3)(A) of the PHS Act and 42 CFR Part 51c.102(h)(4))
6.	<b>Hospital Admitting Privileges and Continuum of Care:</b> Health center physicians have admitting privileges at one or more referral hospitals, or other such arrangement to ensure continuity of care. In cases where hospital arrangements (including admitting privileges and membership) are not possible, health center must firmly establish arrangements for hospitalization, discharge planning, and patient tracking. (Section 330(k)(3)(L) of the PHS Act)



# BUREAU OF PRIMARY HEALTH CARE SITE VISIT REPORT

## Consolidated Team Report-Updated October 2012

7.	<p><b>Sliding Fee Discounts:</b> Health center has a system in place to determine eligibility for patient discounts adjusted on the basis of the patient's ability to pay.</p> <ul style="list-style-type: none"> <li>• This system must provide a full discount to individuals and families with annual incomes at or below 100% of the Federal poverty guidelines (only nominal fees may be charged) and for those with incomes between 100% and 200% of poverty, fees must be charged in accordance with a sliding discount policy based on family size and income.*</li> <li>• No discounts may be provided to patients with incomes over 200 % of the Federal poverty guidelines.*</li> <li>• No patient will be denied health care services due to an individual's inability to pay for such services by the health center, assuring that any fees or payments required by the center for such services will be reduced or waived.</li> </ul> <p>(Section 330(k)(3)(G) of the PHS Act, 42 CFR Part 51c.303(f), and 42 CFR Part 51c.303(u))</p>
8.	<p><b>Quality Improvement/Assurance Plan:</b> Health center has an ongoing Quality Improvement/Quality Assurance (QI/QA) program that includes clinical services and management, and that maintains the confidentiality of patient records. The QI/QA program must include:</p> <ul style="list-style-type: none"> <li>• a clinical director whose focus of responsibility is to support the quality improvement/assurance program and the provision of high quality patient care;*</li> <li>• periodic assessment of the appropriateness of the utilization of services and the quality of services provided or proposed to be provided to individuals served by the health center; and such assessments shall: *             <ul style="list-style-type: none"> <li>○ be conducted by physicians or by other licensed health professionals under the supervision of physicians;*</li> <li>○ be based on the systematic collection and evaluation of patient records;* and</li> <li>○ identify and document the necessity for change in the provision of services by the health center and result in the institution of such change, where indicated.*</li> </ul> </li> </ul> <p>(Section 330(k)(3)(C) of the PHS Act, 45 CFR Part 74.25 (c)(2), (3) and 42 CFR Part 51c.303(c)(1-2))</p>
<b>MANAGEMENT AND FINANCE</b>	
9.	<p><b>Key Management Staff:</b> Health center maintains a fully staffed health center management team as appropriate for the size and needs of the center. Prior approval by HRSA of a change in the Project Director/Executive Director/CEO position is required. (Section 330(k)(3)(I) of the PHS Act, 42 CFR Part 51c.303(p) and 45 CFR Part 74.25(c)(2),(3))</p>
10.	<p><b>Contractual/Affiliation Agreements:</b> Health center exercises appropriate oversight and authority over all contracted services, including assuring that any subrecipient(s) meets Health Center program requirements. (Section 330(k)(3)(I)(ii), 42 CFR Part 51c.303(n), (t), Section 1861(aa)(4) and Section 1905(l)(2)(B) of the Social Security Act, and 45 CFR Part 74.1(a) (2))</p>
11.	<p><b>Collaborative Relationships:</b> Health center makes effort to establish and maintain collaborative relationships with other health care providers, including other health centers, in the service area of the center. The health center secures letter(s) of support from existing health centers (section 330 grantees and FQHC Look-Alikes) in the service area or provides an explanation for why such letter(s) of support cannot be obtained. (Section 330(k)(3)(B) of the PHS Act and 42 CFR Part 51c.303(n))</p>



# BUREAU OF PRIMARY HEALTH CARE SITE VISIT REPORT

## Consolidated Team Report-Updated October 2012

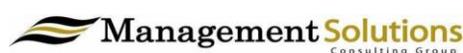
12.	<p><b>Financial Management and Control Policies:</b> Health center maintains accounting and internal control systems appropriate to the size and complexity of the organization reflecting Generally Accepted Accounting Principles (GAAP) and separates functions appropriate to organizational size to safeguard assets and maintain financial stability. Health center assures an annual independent financial audit is performed in accordance with Federal audit requirements, including submission of a corrective action plan addressing all findings, questioned costs, reportable conditions, and material weaknesses cited in the Audit Report. (Section 330(k)(3)(D), Section 330(q) of the PHS Act and 45 CFR Parts 74.14, 74.21 and 74.26)</p>
13.	<p><b>Billing and Collections:</b> Health center has systems in place to maximize collections and reimbursement for its costs in providing health services, including written billing, credit and collection policies and procedures. (Section 330(k)(3)(F) and (G) of the PHS Act)</p>
14.	<p><b>Budget:</b> Health center has developed a budget that reflects the costs of operations, expenses, and revenues (including the Federal grant) necessary to accomplish the service delivery plan, including the number of patients to be served. (Section 330(k)(3)(D), Section 330(k)(3)(I)(i), and 45 CFR Part 74.25)</p>
15.	<p><b>Program Data Reporting Systems:</b> Health center has systems which accurately collect and organize data for program reporting and which support management decision making. (Section 330(k)(3)(I)(ii) of the PHS Act)</p>
16.	<p><b>Scope of Project:</b> Health center maintains its funded scope of project (sites, services, service area, target population and providers), including any increases based on recent grant awards. (45 CFR Part 74.25)</p>
<b>GOVERNANCE</b>	
17.	<p><b>Board Authority:</b> Health center governing board maintains appropriate authority to oversee the operations of the center, including:</p> <ul style="list-style-type: none"> <li>• holding monthly meetings;</li> <li>• approval of the health center grant application and budget;</li> <li>• selection/dismissal and performance evaluation of the health center CEO;</li> <li>• selection of services to be provided and the health center hours of operations;</li> <li>• measuring and evaluating the organization’s progress in meeting its annual and long-term programmatic and financial goals and developing plans for the long-range viability of the organization by engaging in strategic planning, ongoing review of the organization’s mission and bylaws, evaluating patient satisfaction, and monitoring organizational assets and performance;* and</li> <li>• establishment of general policies for the health center.</li> </ul> <p>(Section 330(k)(3)(H) of the PHS Act and 42 CFR Part 51c.304)</p> <p><b>Note:</b> In the case of public centers (also referred to as public entities) with co-applicant governing boards, the public center is permitted to retain authority for establishing general policies (fiscal and personnel policies) for the health center (Section 330(k)(3)(H) of the PHS Act and 42 CFR 51c.304(d)(iii) and (iv)).</p> <p><b>Note:</b> Upon a showing of good cause the Secretary may waive, for the length of the project period, the monthly meeting requirement in the case of a health center that receives a grant pursuant to subsection (g), (h), (i), or (p). (Section 330(k)(3)(H) of the PHS Act)</p>



## BUREAU OF PRIMARY HEALTH CARE SITE VISIT REPORT

### Consolidated Team Report-Updated October 2012

<p>18.</p>	<p><b>Board Composition:</b> The health center governing board is composed of individuals, a majority of whom are being served by the center and, this majority as a group, represent the individuals being served by the center in terms of demographic factors such as race, ethnicity, and sex. Specifically:</p> <ul style="list-style-type: none"> <li>• Governing board has at least 9 but no more than 25 members, as appropriate for the complexity of the organization.*</li> <li>• The remaining non-consumer members of the board shall be representative of the community in which the center's service area is located and shall be selected for their expertise in community affairs, local government, finance and banking, legal affairs, trade unions, and other commercial and industrial concerns, or social service agencies within the community. *</li> <li>• No more than one half (50%) of the non-consumer board members may derive more than 10% of their annual income from the health care industry. *</li> </ul> <p><b>Note:</b> Upon a showing of good cause the Secretary may waive, for the length of the project period, the patient majority requirement in the case of a health center that receives a grant pursuant to subsection (g), (h), (i), or (p). (Section 330(k)(3)(H) of the PHS Act and 42 CFR Part 51c.304)</p>
<p>19.</p>	<p><b>Conflict of Interest Policy:</b> Health center bylaws or written corporate board approved policy include provisions that prohibit conflict of interest by board members, employees, consultants and those who furnish goods or services to the health center.</p> <ul style="list-style-type: none"> <li>• No board member shall be an employee of the health center or an immediate family member of an employee. The Chief Executive may serve only as a non-voting ex-officio member of the board.*</li> </ul> <p>(45 CFR Part 74.42 and 42 CFR Part 51c.304(b))</p>
<p><b>NOTE:</b> Portions of program requirements notated by an asterisk “*” indicate regulatory requirements that are recommended <i>but not required</i> for grantees that receive funds solely for Health Care for the Homeless (section 330(h)) and/or the Public Housing Primary Care (section 330(i)) Programs.</p>	





# 2013/2014 Non-Departmental Funding Request Application

Leon County Office of Human Services and Community Partnerships  
Primary Healthcare Program

**SUBMISSION DEADLINE: Tuesday, April 30, 2013**

RECEIVED  
JUN 06 2013

RECEIVED

## **A. Organizational Information**

Legal Name of Agency: Bond Community Health Center, Inc.

RECEIVED

Agency Representative: Debra Weeks, MSW

Physical Address: 1720 South Gadsden Street

Mailing Address: \_\_\_\_\_

Telephone: ( 850 ) 576 4073

Fax: ( 850 576 2615 ) \_\_\_\_\_

E-mail Address: dweeks@bondchc.com

Agency Employer ID Number (FEIN): 59-2426414

Does the Agency have a **501(c) (3)** status? Yes:  X No:

Date of Agency Incorporation: June 22, 1984

*Attach Articles of Incorporation*

**Please be thorough in your responses to the questions in the attached application. Also, attach the Agency's most recent 990 Tax Return or most recent completed tax return.**

**B. Program Information**

1. Succinctly describe the program for which funding is being requested. Please include types of services provided. (Attach additional pages as necessary):

Bond Community Health Center, Inc. provides comprehensive primary care to residents of Leon County. Services include Pediatric care; Adult, Adolescent and Geriatric care; OB/GYN; Diabetes care; dental service; Diagnostic x-ray; HIV/AIDS primary care, case management and support services, Social Work services; Behavioral Health; Smoking Cessation; Outreach; Nutritional services, Healthcare for the Homeless services; Public Housing Primary Care Services and Mobile Health Services. Bond receives funding from Leon County to increase access to primary care services for women and children, pharmacy operations and fee for service for the uninsured individuals. A percentage of the funding is utilized to pay staff salaries and the remainder provides matching funds to state grants that address the high number of uninsured in Leon County. Leon County also provides funding that supports the Pharmacy Program staffing which offers federal 340B discounted medications. In an effort to reduce and prevent unnecessary emergency room visits and inpatient hospitalizations, the county provided a portion of its primary care funding as matching dollars to a state grant where Bond CHC extended its hours of operation, added basic radiology services, and implemented a continuity and disease/medication management clinic. In addition, BCHC also receives county primary healthcare funding that matches the state's Low Income Pool funding which supports the services of a part time physician providing care to uninsured Leon County residents. The center's dental clinic is supported through matching dollars provided by the county primary care funding for another state grant that provides oral health care services to uninsured Leon County residents. The primary care funding pays for 2,656 uninsured visits annually equating to 1,062 patients. BCHC served in 2012, almost 10,500 uninsured patients that equated to 20,000 uninsured visits.

2. Why is this funding being requested? If this funding request is not approved, what would be the impact on your agency or program for which funding is sought?

Funding is being requested and is critical in order to provide access to primary healthcare services for the vulnerable uninsured residents of Leon County. If this funding is not approved the Center would have to reduce many of the services provided, as well as reduce the workforce and eliminate programs such as the Women and Children's health program. A reduction in the number of uninsured residents seen for services would reduce access to care for the most vulnerable of Leon County's populations. There would be a devastating impact given the increase in numbers seen as a result of the economic decline and the resultant unemployment and loss of insurance coverage for so many.

3. Projected program impact/outcome results: What is the projected impact on the target population?

In 2012 BCHC provided healthcare services to over 15,800 patients of which almost 13,400 were Leon County residents. Of those residents approximately 8,000 were uninsured Leon County residents. The projected/outcome on this vulnerable population of uninsured is increased access to care, improved health outcomes, increased number of patients served, access to discounted medications, decreased number of preventable diseases, longer life expectancy, reduction in the number of patients accessing the emergency room for primary healthcare, reduction in infant mortality, decreased incidences related to the lack of oral health care. The impact is the provision of comprehensive, quality healthcare services to 8,000 uninsured Leon County residents.

4. List the targeted population projected to be served or benefit from this program.  
The targeted population served and benefitting by the programs at Bond CHC are 8,000 uninsured Leon County residents of all life cycles including the pediatric, adolescent, adult, geriatric, mental health, and HIV/AIDS populations.

5. Provide the methods that are being used effectively to attain this program's targeted population.

Culturally and linguistically competent Street Outreach is conducted daily to all communities/neighborhoods throughout Tallahassee and the surrounding counties. Street Outreach means that staff provides culturally and linguistically competent information in the form of fliers and other materials to consumers/community residents with explanations specifically tailored to the communities and their respective needs. Information includes patient care and support services available at Bond CHC. Strategies include print and radio media, health fairs, the use of community liaisons and other means designed to include hard to reach populations.

6. Outline the phases and time frames in which this program or event will be accomplished if funded.

Bond CHC operates Monday through Thursday from 8AM to 8PM, Friday from 8AM to 5PM and Saturdays from 9AM to 2PM. Outcomes measurement is evaluated on a quarterly basis by the Continuous Quality Assurance/Improvement Committee of the Center. Some agency goals are on-going while others are based on monthly or one year goals such as the implementation of new programs.

7. List the program's short-term, intermediate, and long-term goals.

The main goal is to increase access to primary healthcare services. Intermediate and long term goals include improved health outcomes and the health status of vulnerable populations that are served at Bond CHC. In keeping with Bond's mission this will lead to helping residents live longer and stronger.

Specific goals:

- Increase evidence-based preventive care/screening for those with Type 1 or 2 Diabetes, such as hemoglobin A1c (HbA1c) tests, diabetic foot exams, and documented self-management plans.
- Increase the percentage of patients with a BMI>25 at any time in the last 12 months who have a documented weight reduction plan.
- Increase the percentage of patients with diagnosed hypertension who have regular blood pressure checks and documented self-management goals.
- Increase the number of adults provided routine annual cancer screening in accordance with established clinical guidelines, including PAP smears and prostate cancer screens
- Provide annual routine screening for HIV and other Sexually Transmitted Diseases (STDs) for all clients ages 18-64.
- Provide regular access to seasonal influenza vaccines for adults and children, pneumovax for seniors and others as clinically indicated, and childhood/adolescent immunizations in keeping with recommended guidelines.
- Ensure geriatric risk assessments for those with symptoms of Alzheimer's disease that might otherwise be diagnosed as depression.
- Provide basic lab and other diagnostic services including ex-ray with regular access to basic CLIA Waived lab testing, EKG, blood pressure checks, urinalysis, pregnancy screening, and other recommended test

**FY 2013/2014 Non-Departmental Funding Request Application**

s for routine preventive care and ongoing care for those with chronic diseases, such as diabetes and hypertension.

8. What other agencies in Leon County (governmental, non-profit, and private) provide services similar to those which would be provided by this funding?

Bond Community Health Center, Inc. is a Federally Qualified Health Center (FQHC) funded by HRSA which allows Bond to provide the most affordable, comprehensive, and convenient quality medical care and other specialty services. As an FQHC, Bond is dedicated to providing culturally and linguistically competent, comprehensive primary care, HIV/AIDS primary care, OB/GYN and prenatal care, mental health/substance abuse and social services, health education and prevention, outreach, referrals and affordable prescription services and Dental care to any resident that wants the best possible medical care. It is our goal to improve the physical, spiritual, psychosocial and psychological wellness by providing access to the highest quality comprehensive family health services with particular concern for the lower socio-economic groups, regardless of their ability to pay. There are no other FQHCs in Leon County and no other provider of care to the uninsured that can match the quality of services provided here. Hence there is no duplication of services provided.

9. List any Agency partnerships and collaboration related to this program.

Agency	Partnership/Collaboration

Bond’s Board of Directors and staff collaborate with many providers throughout Leon County and the surrounding counties. Partners include: the Tallahassee Memorial Hospital, Capital Regional Medical Center, WeCare Network (Volunteer Specialty Providers), Neighborhood Health Services (Health Clinic) Capital Medical Society (Medical Foundation Board), and the Leon County Health Department. Bond CHC has fostered close relationships and contractual agreements with many other agencies as well-Big Bend Homeless Coalition, Apalachee Center, Inc., Tallahassee Housing Authority, United Partners for Humans Services, Big Bend Cares and Diabetes and You ( a grassroots prevention program in the Frenchtown community of Tallahassee. The Center also has agreements with health professional institutions and programs. The providers of BCHC are adjunct professors at Florida A&M University College of Pharmacy and Pharmaceutical Sciences (FAMU-COPPS) and the Florida State University College of Medicine. They have access to all of the continuing education activities offered at both colleges. Providers attend and participate in the College of Medicine’s Grand Rounds. Providers hold active and affiliate staff privileges at both local hospitals and share evidence-based treatment protocols with their colleagues. Children’s Medical Services (a pediatric multispecialty group)and Whole Child Leon (a County-wide pro-child network of agencies) makes direct referrals to BCHC for pediatric services including dental services and for adult care when they turn eighteen years old. The Florida/Caribbean AIDS Education and Training Center (AETC) collaborates in case conferencing with Bond’s providers. Post-graduate, Pharm.D candidates of FAMU-COPPS administer the ADAP services with faculty oversight. BCHC is an active member of the Florida Association of Community Health Centers (FACHC) .Our full scope of services and our active participation in numerous service networks and associations ensures that BCHC patients and clients are culturally and linguistically competently, holistically, and conveniently served.

**C. Funding Information**

## FY 2013/2014 Non-Departmental Funding Request Application

10. Agency's current total budget: 2012/13 \$9,181,323 (current) 2013/14 \$9,279,334 (proposed)

11. Total cost of program: \$805,140

Use your response to Question 11 to answer Questions 12-13

12. Please list the 2012/13 funding amount and associated expenditures requested from Leon County and Other Revenue Sources:

Actual Expenditure Detail	Leon County Funded	Other Revenue Sources	Total
Compensation and Benefits	553,777	5,761,155	6,314,932
Professional Fees	71,606	688,853	760,459
Occupancy/Utilities/Network	47,373	492,844	540,217
Supplies/Postage (incl. Medical and Office supplies)	110,629	1,150,914	1,261,543
Equipment Rental, Maintenance, Purchase	6,941	72,211	79,152
Meeting Costs/Travel/Transportation	4,570	42,976	47,546
Staff/Board Development/Recruitment	-	55,223	55,223
Awards/Grants/Direct Aid	-	-	-
Bad Debts/Uncollectible	-	-	-
Bonding/Liability/Directors Insurance	2,862	29,775	32,637
Other Expenses (please itemize) - Electronic Health Records, Uniforms	7,381	82,232	89,613
<b>Total</b>	<b>805,140</b>	<b>8,376,183</b>	<b>9,181,323</b>

13. Please list the following Revenue Sources for the current year and the upcoming year below:

Revenue Sources	2012/13 (Current)	2013/14 (Proposed)
Leon County (not CHSP)	805,140	805,140
City of Tallahassee (not CHSP)	-	-
United Way (not CHSP)	-	-
State	1,915,056	2,014,011
Federal	2,447,911	2,531,116

**FY 2013/2014 Non-Departmental Funding Request Application**

<b>Grants</b>	-	
<b>Contributions/Special Events</b>	15,000	
<b>Dues/Memberships</b>	-	
<b>Program Service Fees</b>	3,969,237	4,088,314
<b>Utilized Reserves</b>		
<b>Other Income (please itemize) Rental Income</b>	28,979	43,979
<b>Total</b>	<b>9,181,323</b>	<b>9,482,560</b>

14. Please list the following expenses for the current year and the upcoming year below:

<b>Actual Expenditure Detail</b>	<b>2012-2013</b>	<b>2013-2014 (budgeted)</b>
<b>Compensation and Benefits</b>	6,314,932	6,504,380
<b>Professional Fees</b>	760,459	880,325
<b>Occupancy/Utilities/Network</b>	540,217	556,424
<b>Supplies/Postage (incl. Medical and Office supplies)</b>	1,261,543	1,299,389
<b>Equipment Rental, Maintenance, Purchase</b>	79,152	81,527
<b>Meeting Costs/Travel/Transportation</b>	47,546	48,972
<b>Staff/Board Development/Recruitment</b>	55,223	56,880
<b>Awards/Grants/Direct Aid</b>	-	-
<b>Bad Debts/Uncollectible</b>	-	-
<b>Bonding/Liability/Directors Insurance</b>	32,637	33,616
<b>Other Expenses (please itemize) - Electronic Health Records, Uniforms</b>	89,613	31,048
<b>Total</b>	<b>9,181,322</b>	<b>9,492,560</b>

15. Describe actions to secure additional funding. Please be specific.

Bond's new board is actively involved in fund-raising activities. All administrators are charged with searching for and participating in many and varied grant funding opportunities to increase funding. Every effort is made to comply with required responses to queries and reports for current grantors to ensure funding continues.

**FY 2013/2014 Non-Departmental Funding Request Application**

16. Will this program or event recur every year?

No: \_\_\_\_\_ Yes:  X \_\_\_\_\_

17. Would funding by Leon County be requested in subsequent years for successful completion of the program?

No: \_\_\_\_\_ Yes:  X \_\_\_\_\_

If "yes," estimate, the amount of next year's funding request:  \$ 805,140 minimum \_\_\_\_\_

18. Has Leon County ever contributed funds to this program in the past 5 years?

No: \_\_\_\_\_ Yes:  X \_\_\_\_\_

If "yes," list date(s), recipient or agency, program title and amount of funding:

<u>Date</u>	<u>Recipient or Agency</u>	<u>Program Title</u>
2001 to present	Bond CHC	Leon Primary Care Program, Pharmacy, Women and Children Program, De

19. Attach a copy of the Agency's most recent financial report or audit if available. Please include the management letter with the audit.

**CERTIFICATION**

I, the undersigned representative of the Agency, organization or individual making this request, certify that to the best of my knowledge all statements contained in this request and its attachments are true and correct.

Print Name: \_\_\_\_\_

Signature: \_\_\_\_\_

**FY 2013/2014 Non-Departmental Funding Request Application**

Date Signed: Messages for Debra Uffels 6/6/2013

## FLORIDA FQHC FUNDING SURVEY

COUNTY	TOTAL FUNDING EITHER THROUGH IGT OR DIRECT FUNDING
Alachua	\$279,361
Bradford	\$0
Charlotte	\$0
Desoto	\$0
Escambia	\$372,126
*Hardee	\$530,911
Indian River	\$303,589
Lake	\$0
Leon	\$805,140
Liberty	\$158,513
Manatee	\$1,454,917
Marion	\$380,000
**Miami-Dade	\$20,894,973
Orange	\$7,700,000
Osceola	\$600,613
St. Lucie	\$0
***St. Johns	\$306,302
Walton	\$979,514

\*Hardee has an independent board (Indigent Health Care Board) that assesses a millage rate not to exceed \$550,000 per year.

\*\* Miami-Dade provides \$17 million in facility support through General Obligation Bond.

\*\*\*St. Johns provides \$1,095,827 to local hospital of which \$300,000 goes to the FQHC. Additionally the county will allocate \$6,302 in operating for start-up support for the FQHC and in-kind clinic space. They plan to discontinue hospital support in FY 2015.

## FIRST AMENDMENT TO CONTRACT

**THIS FIRST AMENDMENT TO THE CONTRACT** dated January 14, 2013, by and between Leon County, Florida and Bond Community Health Center, Inc., is made and entered into this \_\_\_\_\_ day of May, 2013.

**NOW THEREFOR**, in consideration of the following mutual covenants and promises, the sufficiency of which being acknowledged, the Parties do hereby agree:

### Section 1.

Section II. The County Agrees:

Section II. A., Contract Amount, of the Contract dated January 14, 2013, shall be and hereby is deleted in its entirety and replaced with the following:

To pay for contracted services according to the conditions of Attachment I in an amount of up to \$125.00 per patient visit for Primary Care and Women and Children's Services, not to exceed a total of \$332,052 for Primary Care, \$245,588 for Women & Children's Services, \$177,500 for Pharmacy Services and \$80.00 per patient visit for Mental Health Services not to exceed \$50,000 for a total contract amount of \$805,140, of which, \$699,346 will be remitted as grant matching funds to the Agency for Healthcare Administration, and \$105,794 will be reimbursed to the Provider, subject to the availability of funds. Leon County's performance and obligation to pay under this contract is contingent upon an annual appropriation by the Board of County Commissioners. The costs of services paid under any other contract or from any other source are not eligible for reimbursement under this contract.

Section III. The Provider and the County Mutually Agree:

Section III. E., All Terms and Conditions Included, Attachment I, Section C, Method of Payment, number 5, of the Contract dated January 14, 2013, shall be and hereby is deleted in its Entirety and replaced with the following:

Payment for pharmacy services shall be made by the County upon receipt of valid invoice by Provider at a monthly rate equal to no more than one twelfth (1/12) of the following total contractual amount: \$105,045. The contractual amount is based upon the following line items (for twelve months):

Pharmaceutical Care Services:  
1720 South Gadsden Street  
1.0 FTE RX Manager  
\$71,016.34 (salary + fringe)

1.0 FTE Pharmacy Technician

\$24,855.72 (salary + fringe)

.50 FTE PAP Technician  
\$9172.94 (salary + fringe)

No line item (as identified above) payment shall be made until such time as the staff members identified in Section 6 of this contract are hired by the Contractor or County authorized Subcontractor. Similarly, no payment shall be made if the required monthly reports are not attached to the monthly invoice appropriately.

Section 2.

All other provisions of the Contract dated January 14, 2013, not otherwise inconsistent with the provisions herein shall remain in full force and effect.

Section 3.

This First Amendment to the Contract dated January 14, 2013, shall become effective upon full execution hereof.

(Remainder of page intentionally left blank)

**DONE AND EXECUTED** this \_\_\_\_ day of May, 2013.

WITNESS BY:

\_\_\_\_\_  
(Print Name and Title)

\_\_\_\_\_  
(Signature)

BOND COMMUNITY HEALTH CENTER,  
INC.

By: *Debra Weeks*  
Debra Weeks, Chief Administrative  
Officer/Interim CEO

Date: 6/4/2013



LEON COUNTY, FLORIDA

By: *Nicholas Maddox*  
Nicholas Maddox, Chairman  
Board of County Commissioners

ATTESTED BY:  
Bob Inzer, Clerk of Circuit Court

BY: *Bob Inzer*

Approved as to Form:

COUNTY ATTORNEY'S OFFICE  
LEON COUNTY, FLORIDA

By: *Herbert W.A. Thiele*  
Herbert W.A. Thiele, Esq.  
County Attorney

LEON COUNTY  
OFFICE OF HUMAN SERVICES AND COMMUNITY PARTNERSHIPS

LEON COUNTY PRIMARY HEALTHCARE PROGRAM  
STANDARD CONTRACT

THIS CONTRACT is entered into between Leon County hereinafter referred to as the *County* and **Bond Community Health Center, Inc.**, hereinafter referred to as the *Provider*.

THE PARTIES AGREE:

I. THE PROVIDER AGREES:

A. To provide services in accordance with the conditions specified in Attachment I.

B. Requirements of §287.058, Florida Statutes (FS)

To provide units of deliverables, including reports, findings, and drafts as specified in Attachment I, to be received and accepted by the contract manager prior to payment. To comply with the criteria and final date by which such criteria must be met for completion of this contract as specified in Section III, Paragraph A. of this contract. To submit bills for fees or other compensation for services or expenses in sufficient detail for a proper pre-audit and post-audit thereof. To allow public access to all documents, papers, letters, or other materials subject to the provisions of Chapter 119, FS, made or received by the provider in conjunction with this contract. It is expressly understood that the provider's refusal to comply with this provision shall constitute an immediate breach of contract.

C. To the Following Governing Law

1. State of Florida Law

This contract is executed and entered into in the State of Florida, and shall be construed, performed, and enforced in all respects in accordance with the laws, rules, and regulations of the State of Florida. Each party shall perform its obligations herein in accordance with the terms and conditions of the contract.

2. Federal Law

- a. If this contract contains federal funds, the provider shall comply with the provisions of 45 CFR, Part 74, and/or 45 CFR, Part 92, and other applicable regulations as specified in Attachment I.
- b. If this contract contains federal funds and is over \$100,000, the provider shall comply with all applicable standards, orders, or regulations issued under §306 of the Clean Air Act, as amended (42 U.S.C. 1857(h) et seq.), §508 of the Clean Water Act, as amended (33 U.S.C. 1368 et seq.), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR Part 15). The provider shall report any violations of the above to the County.
- c. If this contract contains federal funding in excess of \$100,000, the provider must, prior to contract execution, complete the Certification Regarding Lobbying form, Attachment NA. If a Disclosure of Lobbying Activities form, Standard Form LLL, is required, it may be obtained from the contract manager. All disclosure forms as required by the Certification Regarding Lobbying form must be completed and returned to the contract manager.
- d. Not to employ unauthorized aliens. The County shall consider employment of unauthorized aliens a violation of §§274A (e) of the Immigration and Naturalization Act. Such violation shall be cause for unilateral cancellation of this contract by the County.
- e. The provider and any subcontractors agree to comply with Pro-Children Act of 1994, Public Law 103-277, which requires that smoking not be permitted in any portion of any indoor facility used for the provision of federally funded services including health, day care, early childhood development, education or library services on a routine or regular basis, to children up to age 18. Failure to comply with the provisions of the law may result in the imposition of civil monetary penalty of up to \$1,000 for each violation and/or the imposition of an administrative compliance order on the responsible entity.
- f. HIPAA: Where applicable, the provider will comply with the Health Insurance Portability Accountability Act as well as all regulations promulgated thereunder (45CFR Parts 160, 162, and 164).

D. Audits, Records, and Records Retention

1. To establish and maintain books, records, and documents (including electronic storage media) in accordance with generally accepted accounting procedures and practices, which sufficiently and properly reflect all revenues and expenditures of funds provided by the County under this contract.
2. To retain all client records, financial records, supporting documents, statistical records, and any other documents (including electronic storage media) pertinent to this contract for a period of six (6) years after termination of the contract, or if an audit has been initiated and audit findings have not been resolved at the end of six (6) years, the records shall be retained until resolution of the audit findings or any litigation which may be based on the terms of this contract.
3. Upon completion or termination of the contract and at the request of the County, the provider will cooperate with the County to facilitate the Duplication and transfer of any said records or documents during the required retention period as specified in Section I, paragraph D.2. above.
4. To assure that these records shall be subject at all reasonable times to inspection, review, or audit by Federal, state, or other personnel duly authorized by the County.
5. Persons duly authorized by the County and Federal auditors, pursuant to 45 CFR, Part 92.36(i)(10), shall have full access to and the right to examine any of provider's contract and related records and documents, regardless of the form in which kept, at all reasonable times for as long as records are retained.
6. To provide a financial and compliance audit to the County as specified in Attachment II and to ensure that all related party transactions are disclosed to the auditor.
7. To include these aforementioned audit and record keeping requirements in all approved subcontracts and assignments.

E. Monitoring by the County

To permit persons duly authorized by the County to inspect any records, papers, documents, facilities, goods, and services of the provider, which are relevant to this contract, and interview any clients and employees of the provider to assure the County of satisfactory performance of the terms and conditions of this contract. Following such evaluation the County will deliver to the provider a written report of its findings and will include written recommendations with regard to the provider's performance of the terms and conditions of this contract. The provider will correct all noted deficiencies identified by the County within the specified period of time set forth in the recommendations. The provider's failure to correct noted deficiencies may, at the sole and exclusive discretion of the County, result in any one or any combination of the following: (1) the provider being deemed in breach or default of this contract; (2) the withholding of payments to the provider by the County; and (3) the termination of this contract for cause.

**F. Indemnification**

1. The provider shall be liable for and shall indemnify, defend, and hold harmless the County and all of its officers, agents, and employees from all claims, suits, judgments, or damages, consequential or otherwise and including attorneys' fees and costs, arising out of any act, actions, neglect, or omissions by the provider, its agents, or employees during the performance or operation of this contract or any subsequent modifications thereof, whether direct or indirect, and whether to any person or tangible or intangible property.
2. The provider's inability to evaluate liability or its evaluation of liability shall not excuse the provider's duty to defend and indemnify within seven (7) days after such notice by the County is given by certified mail. Only adjudication or judgment after highest appeal is exhausted specifically finding the provider not liable shall excuse performance of this provision. The provider shall pay all costs and fees related to this obligation and its enforcement by the County. The County's failure to notify the provider of a claim shall not release the provider of the above duty to defend.

**G. Insurance**

To provide adequate liability insurance coverage on a comprehensive basis and to hold such liability insurance at all times during the existence of this contract and any renewal(s) and extension(s) of it. Upon execution of this contract, the provider accepts full responsibility for identifying and determining the type(s) and extent of liability insurance necessary to provide reasonable financial protections for the provider and the clients to be served under this contract. Upon the execution of this contract, the provider shall furnish the County written verification supporting both the determination and existence of such insurance coverage. Such coverage may be provided by a self-insurance program established and operating under the laws of the State of Florida. The County reserves the right to require additional insurance as specified in Attachment I where appropriate.

**H. Safeguarding Information**

Not to use or disclose any information concerning a recipient of services under this contract for any purpose not in conformity with state and federal law or regulations except upon written consent of the recipient, or his responsible parent or guardian when authorized by law.

**I. Assignments and Subcontracts**

1. To neither assign the responsibility of this contract to another party nor subcontract for any of the work contemplated under this contract without prior written approval of the County, which shall not be unreasonably withheld. Any sub-license, assignment, or transfer otherwise occurring shall be null and void.
2. The provider shall be responsible for all work performed and all expenses incurred with the project. If the County permits the provider to subcontract all or part of the work contemplated under this contract, including entering into subcontracts with vendors for services and commodities, it is understood by the provider that the County shall not be liable to the subcontractor for any expenses or liabilities incurred under the subcontract and the provider shall be solely liable to the subcontractor for all expenses and liabilities incurred under the subcontract. The provider, at its expense, will defend the County against such claims.
3. Leon County shall at all times be entitled to assign or transfer its rights, duties, or obligations under this contract to another governmental agency in Leon County Government, upon giving prior written notice to the provider. In the event Leon County approves transfer of the provider's obligations, the provider remains responsible for all work performed and all expenses incurred in connection with the contract. In addition, this contract shall bind the successors, assigns, and legal representatives of the provider and of any legal entity that succeeds to the obligations of Leon County, Florida.
4. Unless otherwise stated in the contract between the provider and subcontractor, payments made by the provider to the subcontractor must be within seven (7) working days after receipt of full or partial payments from the County in accordance with §§287.0585, FS. Failure to pay within seven (7) working days will result in a penalty charged against the provider and paid to the subcontractor in the amount of one-half of one (1) percent of the amount due per day from the expiration of the period allowed herein for payment. Such penalty shall be in addition to actual payments owed and shall not exceed fifteen (15) percent of the outstanding balance due.

**J. Return of Funds**

To return to the County any overpayments due to unearned funds or funds disallowed pursuant to the terms of this contract that were disbursed to the provider by the County. In the event that the provider or its independent auditor discovers that overpayment has been made, the provider shall repay said overpayment within 40 calendar days without prior notification from the County. In the event that the County first discovers an overpayment has been made, the County will notify the provider by letter of such a finding. Should repayment not be made in a timely manner, the County will charge interest of one (1) percent per month compounded on the outstanding balance after 40 calendar days after the date of notification or discovery.

**K. Incident Reporting**

**Abuse, Neglect, and Exploitation Reporting**

In compliance with Chapter 415, FS, an employee of the provider who knows or has reasonable cause to suspect that a child, aged person, or disabled adult is or has been abused, neglected, or exploited shall immediately report such knowledge or suspicion to the Florida Abuse Hotline on the single statewide toll-free telephone number (1-800-96ABUSE).

**L. Civil Rights Requirements**

Civil Rights Certification: The provider will comply with applicable provisions of the State of Florida County of Health publication, "Methods of Administration, Equal Opportunity in Service Delivery."

**M. Independent Capacity of the Contractor**

1. In the performance of this contract, it is agreed between the parties that the provider is an independent contractor and that the provider is solely liable for the performance of all tasks contemplated by this contract, which are not the exclusive responsibility of the County.
2. The provider, its officers, agents, employees, subcontractors, or assignees, in performance of this contract, shall act in the capacity of an independent contractor and not as an officer, employee, or agent of the Leon County, Florida nor shall the provider represent to others that it has the authority to bind the County unless specifically authorized to do so.
3. Neither the provider, its officers, agents, employees, subcontractors, nor assignees are entitled to county retirement or county leave benefits, or to any other compensation of county employment as a result of performing the duties and obligations of this contract.
4. The provider agrees to take such actions as may be necessary to ensure that each subcontractor of the provider will be deemed to be an independent contractor and will not be considered or permitted to be an agent, servant, joint venturer, or partner of Leon County, Florida.
5. Unless justified by the provider and agreed to by the County in Attachment I, the County is not responsible for services of support (e.g., office space, office supplies, telephone service, secretarial, or clerical support) to the provider, or its subcontractor or assignee.
6. All deductions for social security, withholding taxes, income taxes, contributions to unemployment compensation funds, and all necessary insurance for the provider, the provider's officers, employees, agents, subcontractors, or assignees shall be the responsibility of the provider.

**N. Sponsorship**

If the provider is a non-governmental organization which sponsors a program financed wholly or in part by county funds, including any funds obtained through this contract, it shall, in publicizing, advertising, or describing the sponsorship of the program, state: *Sponsored by (provider's name) and Board of County Commissioners with County Logo*. If the sponsorship reference is in written material, the words, Board of County Commissioners, Leon County and county logo shall appear in the same size letters or type as the name of the organization.

**O. Final Invoice**

To submit the final invoice for payment to the County no more than 45 days after the contract ends or is terminated. If the provider fails to do so, all right to payment is forfeited and the County will not honor any requests submitted after the aforesaid time period. Any payment due under the terms of this contract may be withheld until all reports due from the provider and necessary adjustments thereto have been approved by the County.

**P. Use of Funds for Lobbying Prohibited**

To comply with the provisions of §216.347, FS, which prohibit the expenditure of contract funds for the purpose of lobbying the Legislature, judicial branch, or a state agency.

**Q. Patents, Copyrights, and Royalties**

1. If any discovery or invention arises or is developed in the course or as a result of work or services performed under this contract, or in anyway connected herewith, the provider shall refer the discovery or invention to the County to be referred to the County of State to determine whether patent protection will be sought in the name of Leon County, Florida. Any and all patent rights accruing under or in connection with the performance of this contract are hereby reserved to Leon County, Florida.
2. In the event that any books, manuals, films, or other copyrightable materials are produced, the provider shall notify the County. Any and all copyrights accruing under or in connection with the performance under this contract are hereby reserved to Leon County, Florida.
3. The provider, without exception, shall indemnify and save harmless Leon County and its employees from liability of any nature or kind, including cost and expenses for or on account of any copyrighted, patented, or unpatented invention, process, or article manufactured by the provider. Leon County will provide prompt written notification of claim of copyright or patent infringement. Further, if such claim is made or is pending, the provider may, at its option and expense, procure for Leon County, the right to continue use of, replace, or modify the article to render it non-infringing. If the provider uses any design, device, or materials covered by letters, patent, or copyright, it is mutually agreed and understood without exception that the bid prices shall include all royalties or cost arising from the use of such design, device, or materials in any way involved in the work.

**R. Construction or Renovation of Facilities Using County Funds**

Any county funds provided for the purchase of or improvements to real property are contingent upon the provider granting to the county a security interest in the property at least to the amount of the county funds provided for at least (5) years from the date of purchase or the completion of the improvements or as further required by law. As a condition of a receipt of county funding for this purpose, the provider agrees that, if it disposes of the property before the County's interest is vacated, the provider will refund the proportionate share of the county's initial investment, as adjusted by depreciation.

**S. Information Security**

The provider shall maintain confidentiality of all data, files, and records including client records related to the services provided pursuant to this agreement and shall comply with state and federal laws, including, but not limited to, sections 384.29, 381.004, 392.65, and 456.057, Florida Statutes. Procedures must be implemented by the provider to ensure the protection and confidentiality of all confidential matters. These procedures shall be consistent with Leon County Information Security Policies, as amended, which is incorporated herein by reference and the receipt of which is acknowledged by the provider, upon execution of this agreement. The provider will adhere to any amendments to the County's security requirements provided to it during the period of this agreement. The provider must also comply with any applicable professional standards of practice with respect to client confidentiality.

**II. The County Agrees:**

**A. Contract Amount**

To pay for contracted services according to the conditions of Attachment I in an amount of up to \$125.00 per patient visit for Primary Care and Women and Children's Services, not to exceed a total of \$332,052 for Primary Care, \$245,588 for Women & Children's Services, \$177,500 for Pharmacy Services and \$80.00 per patient visit for Mental Health Services not to exceed \$50,000 for a total contract amount of **\$805,140**, of which, **\$626,891** will be remitted as grant matching funds to the Agency for Healthcare Administration, and \$178,249 will be reimbursed to the Provider, subject to the availability of funds. Leon County's performance and obligation to pay under this contract is contingent upon an annual appropriation by the Board of County Commissioners. The costs of services paid under any other contract or from any other source are not eligible for reimbursement under this contract.

**B. Contract Payment**

Invoice payment requirements do not start until a properly completed invoice is provided.

**III. The Provider and the County Mutually Agree**

**A. Effective and Ending Dates**

This contract shall begin on October 1, 2012, and shall end on September 30, 2013.

**B. Termination**

**1. Termination at Will**

This contract may be terminated by either party upon no less than thirty (30) calendar days notice in writing to the other party, without cause, unless a lesser time is mutually agreed upon in writing by both parties. Said notice shall be delivered by certified mail, return receipt requested, or in person with proof of delivery.

**2. Termination Because of Lack of Funds**

In the event funds to finance this contract become unavailable, the County may terminate the contract upon no less than *twenty-four (24) hours* notice in writing to the provider. Said notice shall be delivered by certified mail, return receipt requested, or in person with proof of delivery. The County shall be the final authority as to the availability and adequacy of funds. In the event of termination of this contract, the provider will be compensated for any work satisfactorily completed prior to notification of termination.

**3. Termination for Breach**

This contract may be terminated for the provider's non-performance upon no less than *twenty-four (24) hours* notice in writing to the provider. If applicable, the County may employ the default provisions in Chapter 60A-1.006 (3), FAC. Waiver of breach of any provisions of this contract shall not be deemed to be a waiver of any other breach and shall not be construed to be a modification of the terms of this contract. The provisions herein do not limit the County's right to remedies at law or in equity.

**4. Termination for Failure to Satisfactorily Perform Prior Agreement**

Failure to have performed any contractual obligations with the County in a manner satisfactory to the County will be a sufficient cause for termination. To be terminated as a provider under this provision, the provider must have: (1) previously failed to satisfactorily perform in a contract with the county, been notified by the county of the unsatisfactory performance, and failed to correct the unsatisfactory performance to the satisfaction of the county; or (2) had a contract terminated by the county for cause.

**C. Renegotiation or Modification**

Modifications of provisions of this contract shall only be valid when they have been reduced to writing and duly signed by both parties. The rate of payment and dollar amount may be adjusted retroactively to reflect price level increases and changes in the rate of payment when these have been established through the county budgeting process and subsequently identified in the County's operating budget.

**D. Official Payee and Representatives (Names, Addresses and Telephone Numbers)**

- |  |   |
|--|---|
| 1. The name (provider name as shown on page 1 of this contract) and mailing address of the official payee to whom the payment shall be made is:<br><u>Bond Community Health Center, Inc.</u><br><u>1720 S. Gadsden Street</u><br><u>Tallahassee, Florida 32301</u> | 2. The name of the contact person and street address where financial and administrative records are maintained is:<br><u>Debra Weeks, Chief Administrative Officer/Interim CEO</u><br><u>Bond Community Health Center, Inc.</u><br><u>1720 S. Gadsden St., Tallahassee, Florida 32301</u> |
|--|---|

3. The name, address, and telephone number of the contract manager for the County for this contract is:

Lorraine Y. Austin, Healthcare Services Coordinator  
Office of Human Services and Community Partnerships  
918 Railroad Avenue  
Tallahassee, Florida 32310

4. The name, address, and telephone number of the provider's representative responsible for administration of the program under this contract is:

Debra Weeks, Chief Administrative Officer/Interim CEO  
1720 S. Gadsden Street  
Tallahassee, FL 32301 (850) 576-4073

5. Upon change of representatives (names, addresses, and telephone numbers) by either party, notice shall be provided in writing to the other party and said notification attached to originals of this contract.

**E. All Terms and Conditions Included**

This contract and its attachments as referenced, Attachments I & II and Exhibits 1, 2, 3, A, B, C, D, E, F, G, H & I contain all the terms and conditions agreed upon by the parties. There are no provisions, terms, conditions, or obligations other than those contained herein, and this contract shall supersede all previous communications, representations, or agreements, either verbal or written between the parties. If any term or provision of the contract is found to be illegal or unenforceable, the remainder of the contract shall remain in full force and effect and such term or provision shall be stricken.

I have read the above contract and understand each section and paragraph.

**Provider:** Bond Community Health Center, Inc.  
1720 S. Gadsden Street  
Tallahassee, FL 32301

**Signed by:** [Signature]

**Name:** Debra Weeks

**Title:** CAO/Interim CEO

**Date:** January 14, 2013

**LEON COUNTY, FLORIDA**

**BY:** [Signature]  
Vincent S. Long  
County Administrator



**ATTEST:**

Bob Inzer, Clerk of the Court  
Leon County, Florida

**BY:** [Signature]

**Approved as to Form:**

Leon County Attorney's Office

**BY:** [Signature]

Herbert W. A. Thiele, Esq.  
County Attorney

# FQHC RATES - Effective 10/1/2012

FQHC RATES EFFECTIVE OCT 1, 2012		
PROVIDER NUMBER	PROVIDER NAME	MEI 0.6% 10/12 RATE
0008356-00	Florida Dept of Health dba Osceola Co. Health Dept.	129.21
0009529-00	Florida Dept of Health dba Citrus Co. Health Dept.	109.21
0011826-00	FoundCare, Inc - <b>FQHC LOOK ALIKE</b>	128.05
0017183-00	Heart of Florida Health Center, Inc.	109.20
0017183-02	Heart of Florida Health Center, Inc. - 60th Ave.	109.20
0017183-04	Heart of Florida Health Center, Inc. - Reddick	109.20
0017183-06	Heart of Florida Health Center, Inc. - Belleview	109.20
0017183-08	Heart of Florida Health Center, Inc. - Ocala E. Marion CHD	109.20
0034079-00	Community Aids Resource, Inc.	140.95
0291528-03	Collier Health Svc - Marion E. Fether	144.98
0291528-05	Collier Health Svc - East Naples Med Center	144.98
0291528-06	Collier Health Svc - Golden Gate Pediatrics	144.98
0291528-07	Collier Health Svc - Children's Health Network	144.98
0291528-09	Collier Health Svc - Marco Island Pediatrics	144.98
0291528-10	Collier Health Svc - Immokalee FCC	144.98
6839550-00	Collier Health Svc - Golden Gate Dental	144.98
6839550-03	Collier Health Svc - Horizon Primary Care Center	144.98
6839550-05	Collier Health Svc - Creekside Pediatrics	144.98
6839550-06	Collier Health Svc - Ronald McDonald	144.98
6839550-10	Collier Health Svc - Dental	144.98
6839550-12	Collier Health Svc - FSU Primary Care	144.98
6839550-14	Collier Health Svc - CHS-UF Pediatric Dental Center	144.98
6839550-17	Collier Health Svc - Creekside Family Practice	144.98
0295060-01	Trenton Medical Center, Inc.	93.91
0295060-07	Trenton Medical Center - Bradford	93.91
0295060-09	Trenton Medical Center - Pediatrics	93.91
0295060-11	Trenton Medical Center - Healthcare	93.91
0295060-13	Trenton Med. Palms Pediatrics	93.91
0295060-15	Trenton Medical Center - Palms Medical Group	93.91
6905951-00	Trenton Medical Center - Bell Family Healthcare	93.91
0295400-00	Jessie Trice Comm. - Flamingo	126.29
0295418-00	Jessie Trice Comm. - Main	126.29
0295418-02	Jessie Trice Comm. - North	126.29
0295418-04	Jessie Trice Comm. - Cope North	126.29
0295418-06	Jessie Trice Comm. - Northshore	126.29
0295418-08	Jessie Trice Comm. - Norland Health Care	126.29
0295418-10	Jessie Trice Comm. - Charles Drew Elem	126.29
0295418-12	Jessie Trice Comm. - Lillie C. Evans Elem	126.29
0295426-00	Jessie Trice Comm. - James Scott Satellite	126.29
0295434-00	Rural Health Care - Main	119.90
0295434-01	Rural Health Care - Palatka Family Medical Center	119.90
0295434-02	Rural Health Care - Interlakan Family Med. Center	119.90

# FQHC RATES - Effective 10/1/2012

PROVIDER NUMBER	PROVIDER NAME	MEI 0.6% 10/12 RATE
0295434-03	Rural Health Care - Crescent City Family Med. Center	119.90
0295434-05	Rural Health Care - Keystone Heights Family Med Center	119.90
0295434-06	Rural Health Care - Hawthorne Family Med. Center	119.90
0295434-07	Rural Health Care - Palatka Family Medical Center	119.90
0295434-09	Rural Health Care - Family Dental	119.90
0295434-11	Rural Health Care - Family Dental -Elm Street	119.90
0295434-13	Rural Health Care - Eastside Family Dental Center	119.90
0295434-14	Rural Health Care - Family Medical & Dental Centers	119.90
0295434-16	Rural Health Care - Family Med. & Dental Ctrs - Clay Co.	119.90
0295442-00	Miami Community Htlh. Ctr. - Stanley C. Myers	124.48
0295442-01	Miami Community Htlh. Ctr. - Beverly Press	124.48
0295442-05	Miami Community Htlh. Ctr. - Dr. Sol Lichter	124.48
0295442-07	Miami Community Htlh. Ctr. - Nanay	124.48
0295442-09	Miami Community Htlh. Ctr. - Beverly Press	124.48
0295442-11	Miami Community Htlh. Ctr. - 2nd Ave.	124.48
0295451-00	Community Health Centers	137.67
0295451-08	Community Health Centers - Winter Garden Child Health	137.67
0295451-10	Community Health Centers - Southlake Family Health	137.67
0295451-11	Community Health Centers - Winter Garden Family Health	137.67
0295451-12	Community Health Centers - Leesburg	137.67
0295451-13	Community Health Centers - Apopka Family Health	137.67
0295451-14	Community Health Centers - Apopka Children Health	137.67
0295451-15	Community Health Centers - Pinehills	137.67
0295451-17	Community Health Centers - Zellwood	137.67
0295451-19	Community Health Centers - Lake Ellenor	137.67
0295451-21	Community Health Centers - Apopka Dental	137.67
0295451-23	Community Health Centers - Bithlo Family Health Center	137.67
0295451-25	Community Health Centers - Meadow Woods Children's Health Cen	137.67
6819699-00	Community Health Centers. - Eatonville	137.67
0295477-00	Thomas E. Langley Med. Ctr.	126.44
0295477-02	Family Medical Center - Shores	126.44
0012762-00	Tampa Family Health Center #20	119.84
0295485-00	Tampa Community Health Center	119.84
0295485-02	Tampa Community Health Center - Salvation Army	119.84
0295485-03	Tampa Community Health Center - Sine Domus	119.84
0295485-04	Tampa Community Health Center - Lee Davis HC	119.84
0295485-05	Tampa Community Health Center - 131st Ave	119.84
0295485-06	Tampa Community Health Center - Rome Ave	119.84
0295485-13	Tampa Community Health Center - Waters Ave.	119.84
0295485-16	Tampa Community Health Center - Mobile Dental	119.84
0295485-17	Tampa Family Health Center #11	119.84
0295485-19	Tampa Family Health Center #27	119.84
0295485-20	Tampa Family Health Center #26	119.84
0295485-21	Tampa Family Health Center #25	119.84
0295485-22	Tampa Family Health Center #24	119.84
0295485-27	Tampa Family Health Center #23	119.84
6837107-00	Tampa Community Health Center - Mobile Medical Center	119.84
0295493-00	Central Florida Health Care, Inc. - Frostproof	144.98

# FQHC RATES - Effective 10/1/2012

PROVIDER NUMBER	PROVIDER NAME	MEI 0.6% 10/12 RATE
0295493-01	Central Florida Health Care - Wauchula	144.98
0295493-04	Central Florida Health Care - Avon Park	144.98
6814719-00	Central Florida Health Care - Dundee	144.98
6918352-00	Central Florida Health Care - Lakeland OB/GYN	144.98
6918352-02	Central Florida Health Care - Lakeland Primary	144.98
6918352-04	Central Florida Health Care - Winter Haven	144.98
6918352-06	Central Florida Health Care - Lake Wales Dental	144.98
0295507-00	Premier Community Healthcare	141.64
0295507-01	Premier Community Healthcare - Zephyrhills	141.64
0295507-02	Premier Community Healthcare - Summit	141.64
0295507-03	Premier Community Healthcare - New Port Richey	141.64
0295507-04	Premier Community Healthcare - Dade City	141.64
0295507-07	Premier Community Healthcare - Hudson	141.64
0295515-00	Central Florida Family Health Center, Inc. - Home-Sanford	108.17
0295515-02	Central Florida Family Health Center - Alafaya	108.17
0295515-04	Central Florida Family Health Center - Underhill Road	108.17
0295515-06	Central Florida Family Health Center - Lake Ellenor	108.17
6829601-00	Central Florida Family Health Center- Hoffner	108.17
0295523-00	Family Health Center of Columbia County	96.59
0295531-00	Helen B. Bentley Family Health Care Center	144.31
0295540-00	Borinquen Health Care Center	122.45
0295540-02	Borinquen Health Care Center - 3601 Fed. Hwy.	122.45
0295540-03	Borinquen Health Care Center - SW 8th Street	122.45
0295540-08	Borinquen Health Care Center - Paul W. Bell Middle Sch	122.45
0295540-10	Borinquen Health Care Center - Brent Tree Elementary	122.45
0295540-12	Borinquen Health Care Center - Howard A Doolin Middle	122.45
0295540-14	Borinquen Health Care Center - MS Douglas Elementary	122.45
0295540-16	Borinquen Health Care Center - 16	122.45
0295540-19	Borinquen Health Care Center - 19	122.45
0295540-21	Borinquen Health Care Center - 21	122.45
0295540-23	Borinquen Health Care Center - 23	122.45
0295540-25	Borinquen Health Care Center - 25	122.45
0295540-27	Borinquen Health Care Center - 27	122.45
0295540-29	Borinquen Health Care Center - 29	122.45
0295540-31	Borinquen Health Care Center - 31	122.45
0295574-00	Suncoast Community HCC - Ruskin	140.34
0295574-01	Suncoast Community HCC - Women & Children Comm. Ctr	140.34
0295574-02	Suncoast Community HCC - Plant City	140.34
0295574-03	Suncoast Community HCC - Mobley Street	140.34
0295574-05	Suncoast Community HCC - Joyce Ely Comm. Health Ctr	140.34
0295574-08	Suncoast Community HCC - Suncoast Mobile Dental Van	140.34
0295574-09	Suncoast Community HCC - Brandon Comm. Health Ctr	140.34
0295574-12	Suncoast Community HCC - Oakfield Comm. Health Ctr	140.34
0295230-01	Suncoast Community HCC - Dover Health Center	140.34
0295612-00	Manatee County Rural Hlth Svc	119.36
0295612-01	Manatee County Rural Hlth Svc - Bayshore	119.36

# FQHC RATES - Effective 10/1/2012

PROVIDER NUMBER	PROVIDER NAME	MEI 0.6% 10/12 RATE
0295612-02	Manatee County Rural Hlth Svc - Hwy 301	119.36
0295612-03	Manatee County Rural Hlth Svc - Lawton Chiles	119.36
0295612-04	Manatee County Rural Hlth Svc - Southeast FHCC	119.36
0295612-05	Manatee County Rural Hlth Svc - East Manatee Health	119.36
0295612-06	Manatee County Rural Hlth Svc - Myakka FHCC	119.36
0295612-07	Manatee County Rural Hlth Svc - Infectious Disease Ctr	119.36
0295612-10	Manatee County Rural Hlth Svc - Colson Ave	119.36
0295612-12	Manatee County Rural Hlth Svc - Health Park OB/GYN	119.36
0295612-14	Manatee County Rural Hlth Svc - Palmetto FHC	119.36
0295612-18	Manatee County Rural Hlth Svc - Westgate	119.36
0295612-20	Manatee County Rural Hlth Svc - Arcadia	119.36
0295612-22	Manatee County Rural Hlth Svc - Lakewood	119.36
0295612-24	Manatee County Rural Hlth Svc - Riverview	119.36
0295612-26	Manatee County Rural Hlth Svc - Brandonton Chiropractic	119.36
0295612-28	Manatee County Rural Hlth Svc - Whole Child Pediatrics	119.36
0295612-30	Manatee County Rural Hlth Svc - General Surgery	119.36
0295612-32	Manatee County Rural Hlth Svc - Redi-Care Plus	119.36
0295612-33	Manatee County Rural Hlth Svc - River Landings OB/GYN	119.36
0295612-36	Manatee County Rural Hlth Svc - North Co. Family Vision Ctr	119.36
0295612-38	Manatee County Rural Hlth Svc - Manatee Ave.	119.36
0295612-40	Manatee County Rural Hlth Svc - Bradenton Family Med.	119.36
6809961-00	Manatee County Rural Hlth Svc - Arcadia FHC	119.36
0295655-00	Community Health Center of Pinellas	107.96
0295655-01	Community Health Center - Mother & Child Center	107.96
0295655-03	Community Health Center - Women's & Children's HC	107.96
0295655-12	Community Health Center - Largo	107.96
0295655-14	Community Health Center - Tarpon Springs	107.96
0295680-00	North Florida Medical Center, Inc.	103.82
0295680-01	North Florida Med. Ctr - Wakulla Medical	103.82
0295680-05	North Florida Med. Ctr - Tri City Greenville	103.82
0295680-09	North Florida Med. Ctr. - Mayo	103.82
0295680-12	North Florida Med. Ctr - Family Medical Practice	103.82
0295680-13	North Florida Med. Ctr - Gadsden Medical Center	103.82
0295680-15	North Florida Med. Ctr - Gadsden Dental Center	103.82
0295680-30	North Florida Med. Ctr. - Eastpointe	103.82
6847838-00	North Florida Med. Ctr. Taylor Dental	103.82
6929575-00	North Florida Med. Ctr. Taylor Medical	103.82
6935648-00	North Florida Med. Ctr. - Crestview Med. Ctr.	103.82
0008013-00	North Florida Med. Ctr - Baker	103.82
0295701-00	Family Health Center of Southwest Florida	106.06
0295701-01	Family Hlth Ctr of SW Florida - Labelle	106.06
0295701-02	Family Hlth Ctr of SW Florida - Bonita Springs	106.06
0295701-03	Family Hlth Ctr of SW Florida - E. Ft. Myers	106.06
0295701-05	Family Hlth Ctr of SW Florida - Lehigh Acres	106.06
0295701-06	Family Hlth Ctr of SW Florida - N. Ft. Myers	106.06
0295701-07	Family Hlth Ctr of SW Florida - Paul Lawrence	106.06
0295701-09	Family Hlth Ctr of SW Florida - Metro Pkwy	106.06
0295701-10	Family Hlth Ctr of SW Florida - Cape Coral	106.06
0295701-11	Family Hlth Ctr of SW Florida - Broadway Dental	106.06
0295701-12	Family Hlth Ctr of SW Florida - Port Charlotte	106.06

# FQHC RATES - Effective 10/1/2012

PROVIDER NUMBER	PROVIDER NAME	MEI 0.6% 10/12 RATE
0295701-15	Family Hlth Ctr of SW Florida - Pine Island	106.06
0295701-18	Family Hlth Ctr of SW Florida - South Ft. Myers	106.06
0295701-20	Family Hlth Ctr of SW Florida -Bonita Spgs Dental	106.06
0295701-22	Family Hlth Ctr of SW Florida - Broadway Ave.	106.06
0295728-00	Community Health of South Florida, Inc.	144.98
0295728-01	Community Health of S. Florida - MLK	144.98
0295728-02	Community Health of S. Florida - Dental Svc	144.98
0295728-03	Community Health of S. Florida - MLK Dental	144.98
0295728-04	Community Health of S. Florida - W. Perrine Health Ctr	144.98
0295728-05	Community Health of S. Florida - Naranja Health Center	144.98
0295728-06	Community Health of S. Florida - W. Perrine Dental	144.98
0295728-09	Community Health of S. Florida - Everglades	144.98
0295728-10	Community Health of S. Florida - S. Dade Health Center	144.98
0295728-11	Community Health of S. Florida - Naranja Dental Svc	144.98
0295728-13	Community Health of S. Florida - Everglades Dental	144.98
0295728-15	Community Health of S. Florida - Laura Saunders Elem	144.98
0295728-17	Community Health of S. Florida - Homestead High	144.98
0295728-19	Community Health of S. Florida - Cope South	144.98
0295728-21	Community Health of S. Florida - 307 Street	144.98
0295728-24	Community Health of S. Florida - Marathon Hlth. Ctr.	144.98
0295728-26	Community Health of S. Florida - Morton	144.98
0295728-27	Community Health of S. Florida - Campbell	144.98
0295728-28	Community Health of S. Florida - Colonia	144.98
0295728-29	Community Health of S. Florida - Ammons	144.98
0295728-30	Community Health of S. Florida - Jane Roberts	144.98
0295728-31	Community Health of S. Florida - Ferguson	144.98
0295728-32	Community Health of S. Florida - Dade Senior	144.98
0295728-33	Community Health of S. Florida - Chapman	144.98
0295728-35	Community Health of S. Florida - W. Miami	144.98
0295728-37	Community Health of S. Florida - Braddock	144.98
0295728-52	Community Health of S. Florida - Flagami Elem.	144.98
0295728-53	Community Health of S. Florida - Avocado Elem.	144.98
0295728-54	Community Health of S. Florida - Airbase Elem.	144.98
0295728-55	Community Health of S. Florida - FL City Elem	144.98
0295728-56	Community Health of S. Florida - Homestead Middle	144.98
0295728-57	Community Health of S. Florida - McMillan Middle	144.98
0295728-58	Community Health of S. Florida - Perrine Elem.	144.98
0295728-59	Community Health of S. Florida - Redondo Elem.	144.98
0295728-68	Community Health of S. Florida - Royal Green Elem.	144.98
0295728-70	Community Health of S. Florida - South Wood Middle	144.98
0295744-00	Florida Community Health Centers, Inc.	119.00
0295744-01	Florida Community Health Centers Infectious Disease	119.00
0295744-02	Florida Community Health Centers - Clewiston	119.00
0295744-03	Florida Community Health Centers - Indiantown	119.00
0295744-04	Florida Community Health Center - Ft Pierce	119.00
0295744-06	Florida Community Health Center - Lakeshore Medical	119.00
0295744-14	Florida Community Health Center - 103 NE 19th Dr	119.00
0295744-16	Florida Community Health Center - Hillmoor	119.00
0295744-18	Florida Community Health Center - Pahokee	119.00
0295744-20	Florida Community Health Center - Moore Haven	119.00
6846602-00	Florida Community Health Center - St Lucie	119.00

# FQHC RATES - Effective 10/1/2012

PROVIDER NUMBER	PROVIDER NAME	MEI 0.6% 10/12 RATE
6846602-02	Florida Community Health Center - Hillmoor	119.00
0605514-01	Bond Community Health Center	111.73
0605514-02	Bond Community Health Center - W. Orange	111.73
0605514-04	Bond Community Health Center - Cap. Circle	111.73
0605514-05	Bond Comm Health Ctr - THA Health Center at Joe Lewis	111.73
6800025-00	Camillus Health Concern, Inc.	144.98
6800025-05	Salvation Army - Camillus Health Concern	144.98
6800025-06	Camillus House	144.98
6800025-08	Camillus - Better Way of Greater Miami	144.98
6800025-10	Camillus - Mother Theresa Sister of Charity	144.98
6800050-00	Treasure Coast Com. Health Ctr - Fellsmere	137.12
6800050-01	Treasure Coast Com. Health Ctr - Vero	137.12
6800050-02	Treasure Coast Com. Health Ctr - Vero2	137.12
6800050-06	Treasure Coast Com. Health Ctr - Sebastian	137.12
6800050-08	Treasure Coast Com. Health Ctr - Fellsmere2	137.12
6800271-00	Broward Community & Family Health Ctr.	140.95
6800271-02	Broward Community - Pompano Beach	140.95
6800271-04	Broward Community & Family - West Park	140.95
6860320-00	I.M. Solzbacher Ctr. for the Homeless	115.62
6860320-02	I.M. Solzbacher - Beaches Community Healthcare	115.62
6867286-00	St. Joseph Care of Florida, Inc. - Garrison Ave	100.93
6867286-02	St. Joseph Care of Florida, Inc. - Lake Ave	100.93
6867286-04	St. Joseph Care of Florida, Inc.- Fourth St.	100.93
6874291-00	Health Care Centers for Homeless	134.35
6874291-02	Health Care Centers - Parramore	134.35
6879551-00	Northeast Florida Hlth. Svc. - Pierson	115.62
6879551-02	Northeast Florida Hlth. Svc. - West Plymouth Ave.	115.62
6879551-04	Northeast Florida Hlth. Svc. - Deltona	115.62
6884121-00	Pinellas County Board - Mobile Med. Unit	107.95
6885713-00	Citrus Health Network	133.84
6885713-02	Citrus Health Network - W. 51st	133.84
6885713-04	Citrus Health Network - 4125 W. 20th	133.84
6885713-06	Citrus Health Network - E. 26th St.	133.84
6886931-00	The Brevard Health Alliance	136.69
6886931-02	The Brevard Health Alliance - Hickory	136.69
6886931-06	The Brevard Health Alliance - Century County Clinic	136.69
6886931-08	The Brevard Health Alliance - International Mobile Unit	136.69
6886931-10	The Brevard Health Alliance - Blake Ave.	136.69
6886931-12	The Brevard Health Alliance - N. Washington Ave	136.69
6886931-14	The Brevard Health Alliance - Malabar	136.69
6896936-00	PanCare of Florida	117.36

## FQHC RATES - Effective 10/1/2012

PROVIDER NUMBER	PROVIDER NAME	MEI 0.6% 10/12 RATE
6896936-03	Pancare of Florida, Inc.	117.36
6896936-04	PanCare of Florida - Santa Rosa Bch	117.36
6896936-05	PanCare of Florida - Bruce	117.36
6905561-00	Agape Community Health Center	115.62
6929907-00	Escambia Community Clinics	100.72
6929907-02	Escambia Community Clinics dba Santa Rosa	100.72
6929907-04	Escambia Community Clinics - Hwy 29	100.72
6929907-05	Escambia Community Clinics d/b/a Lanza Pediatrics	100.72
6929907-06	Escambia Community Clinics dba Lakeview Medical Clinic	100.72
6929907-08	Escambia Community Clinics dba Urgent Care	100.72

**Neighborhood Medical Center, Inc**  
**Billing and Reimbursement Rates on Average**

**What NMC Bills To Medicaid (Average)**

New Patient		
	99201	\$65.00
	99202	\$100.00
	99203	\$135.00
	99204	\$190.00
	99205	\$240.00

Est. Patient		
	99211	\$55.00
	99212	\$115.00
	99213	\$125.00
	99214	\$150.00
	99215	\$180.00

**What NMC Receives From Medicaid (Average)**

ARNP Rates		
New Patient		
	99201	\$25.96
	99202	\$27.96
	99203	\$38.94
	99204	\$57.27
	99205	\$72.78

Est. Patient		
	99211	\$17.47
	99212	\$19.29
	99213	\$21.29
	99214	\$24.61
	99215	\$50.15

MD Rates		
New Patient		
	99201	\$31.20
	99202	\$32.71
	99203	\$48.68
	99204	\$68.84
	99205	\$87.48

Est. Patient		
	99211	\$12.48
	99212	\$21.84
	99213	\$26.61
	99214	\$41.46
	99215	\$60.28

# Evaluation and Management

## Office or Other Outpatient Services

►The following codes are used to report evaluation and management services provided in the office or in an outpatient or other ambulatory facility. A patient is considered an outpatient until inpatient admission to a health care facility occurs. ◀

To report services provided to a patient who is admitted to a hospital or nursing facility in the course of an encounter in the office or other ambulatory facility, see the notes for initial hospital inpatient care (page 15) or initial nursing facility care (page 25).

►For services provided in the emergency department, see 99281-99285. ◀

For observation care, see 99217-99226.

For observation or inpatient care services (including admission and discharge services), see 99234-99236.

### Coding Tip

#### Determination of Patient Status as New or Established Patient

Solely for the purposes of distinguishing between new and established patients, **professional services** are those face-to-face services rendered by physicians and other qualified health care professionals who may report evaluation and management services reported by a specific CPT code(s). A new patient is one who has not received any professional services from the physician/qualified health care professional or another physician/qualified health care professional of the **exact** same specialty and subspecialty who belongs to the same group practice, within the past three years.

An established patient is one who has received professional services from the physician/qualified health care professional or another physician/qualified health care professional of the **exact** same specialty and **subspecialty** who belongs to the same group practice, within the past three years.

In the instance where a physician/qualified health care professional is on call for or covering for another physician/qualified health care professional, the patient's encounter will be classified as it would have been by the physician/qualified health care professional who is not available. When advanced practice nurses and physician assistants are working with physicians they are considered as working in the exact same specialty and exact same subspecialties as the physician.

*CPT Coding Guidelines, Evaluation and Management, Definitions of Commonly Used Terms, New and Established Patient*

## New Patient

▲ 99201 **Office or other outpatient visit** for the evaluation and management of a new patient, which requires these 3 key components:

- **A problem focused history;**
- **A problem focused examination;**
- **Straightforward medical decision making.**

Counseling and/or coordination of care with other physicians, other qualified health care professionals, or agencies are provided consistent with the nature of the problem(s) and the patient's and/or family's needs.

Usually, the presenting problem(s) are self limited or minor. Typically, 10 minutes are spent face-to-face with the patient and/or family.

🕒 *CPT Assistant* Winter 91:11, Spring 92:13, 24, Summer 92:1, 24, Spring 93:34, Summer 93:2, Fall 93:9, Spring 95:1, Summer 95:4, Fall 95:9, Jul 98:9, Sep 98:5, Jun 99:8, Feb 00:3, 9, 11, Aug 01:2, Oct 04:11, Mar 05:11, Apr 05:1, May 05:1, Jun 05:11, Dec 05:10, Feb 06:14, May 06:1, Jun 06:1, Aug 06:12, Oct 06:15, Apr 07:11, Sep 07:1, Nov 08:10, Mar 09:3, Aug 09:5, Dec 09:9, Jul 10:10, Jan 11:3, Jan 12:5, Mar 12:4, 8, Apr 12:10; *CPT Changes: An Insider's View* 2011, 2013

🏥 *Clinical Examples in Radiology* Winter 12:9

▲ 99202 **Office or other outpatient visit** for the evaluation and management of a new patient, which requires these 3 key components:

- **An expanded problem focused history;**
- **An expanded problem focused examination;**
- **Straightforward medical decision making.**

Counseling and/or coordination of care with other physicians, other qualified health care professionals, or agencies are provided consistent with the nature of the problem(s) and the patient's and/or family's needs.

Usually, the presenting problem(s) are of low to moderate severity. Typically, 20 minutes are spent face-to-face with the patient and/or family.

🕒 *CPT Assistant* Winter 91:11, Spring 92:13, 24, Summer 92:1, 24, Spring 93:34, Summer 93:2, Fall 93:9, Spring 95:1, Summer 95:4, Fall 95:9, Jul 98:9, Sep 98:5, Feb 00:11, Aug 01:2, Apr 02:14, Oct 04:10, Apr 05:1, 3, Jun 05:11, Dec 05:10, May 06:1, Jun 06:1, Oct 06:15, Apr 07:11, Sep 07:1, Mar 09:3, Aug 09:5, Dec 09:9, Jan 11:3, Mar 12:4, 8; *CPT Changes: An Insider's View* 2013

🏥 *Clinical Examples in Radiology* Winter 12:9

▲ 99203 **Office or other outpatient visit** for the evaluation and management of a new patient, which requires these 3 key components:

- **A detailed history;**
- **A detailed examination;**
- **Medical decision making of low complexity.**

Counseling and/or coordination of care with other physicians, other qualified health care professionals, or agencies are provided consistent with the nature of the problem(s) and the patient's and/or family's needs.

Usually, the presenting problem(s) are of moderate severity. Typically, 30 minutes are spent face-to-face with the patient and/or family.

➤ *CPT Assistant* Winter 91:11, Spring 92:14, 24, Summer 92:1, 24, Spring 93:34, Summer 93:2, Fall 93:9, Spring 95:1, Summer 95:4, Fall 95:9, Jul 98:9, Sep 98:5, Feb 00:11, Aug 01:2, Apr 02:14, Oct 04:10, Feb 05:9, Apr 05:1, 3, Jun 05:11, Dec 05:10, May 06:1, Jun 06:1, Oct 06:15, Apr 07:11, Sep 07:1, Mar 09:3, Aug 09:5, Dec 09:9, Jan 11:3, Mar 12:4, 8; *CPT Changes: An Insider's View* 2013

➤ *Clinical Examples in Radiology* Winter 12:9

- ▲ **99204** **Office or other outpatient visit** for the evaluation and management of a new patient, which requires these 3 key components:

- **A comprehensive history;**
- **A comprehensive examination;**
- **Medical decision making of moderate complexity.**

Counseling and/or coordination of care with other physicians, other qualified health care professionals, or agencies are provided consistent with the nature of the problem(s) and the patient's and/or family's needs.

Usually, the presenting problem(s) are of moderate to high severity. Typically, 45 minutes are spent face-to-face with the patient and/or family.

➤ *CPT Assistant* Winter 91:11, Spring 92:14, 24, Summer 92:1, 24, Spring 93:34, Summer 93:2, Fall 93:9, Spring 95:1, Summer 95:4, Fall 95:9, Jul 98:9, Sep 98:5, Feb 00:11, Aug 01:2, Apr 02:14, May 02:1, Oct 04:10, Apr 05:1, 3, Jun 05:11, Dec 05:10, May 06:1, Jun 06:1, Oct 06:15, Apr 07:11, Sep 07:1, Mar 09:3, Aug 09:5, Dec 09:9, Jan 11:3, Mar 12:4, 8; *CPT Changes: An Insider's View* 2013

➤ *Clinical Examples in Radiology* Winter 12:9

- ▲ **99205** **Office or other outpatient visit** for the evaluation and management of a new patient, which requires these 3 key components:

- **A comprehensive history;**
- **A comprehensive examination;**
- **Medical decision making of high complexity.**

Counseling and/or coordination of care with other physicians, other qualified health care professionals, or agencies are provided consistent with the nature of the problem(s) and the patient's and/or family's needs.

Usually, the presenting problem(s) are of moderate to high severity. Typically, 60 minutes are spent face-to-face with the patient and/or family.

➤ *CPT Assistant* Winter 91:11, Spring 92:14, 24, Summer 92:1, 24, Spring 93:34, Summer 93:2, Fall 93:9, Spring 95:1, Summer 95:4, Fall 95:9, Jul 98:9, Sep 98:5, Feb 00:11, Aug 01:2, Apr 02:2, May 02:1, Oct 04:10, Apr 05:1, 3, Jun 05:11, Dec 05:10, May 06:1, Jun 06:1, Oct 06:15, Apr 07:11, Sep 07:1, Mar 09:3, Aug 09:5, Dec 09:9, Jul 10:4, Jan 11:3, Jan 12:3, Mar 12:4, 8; *CPT Changes: An Insider's View* 2013

➤ *Clinical Examples in Radiology* Winter 12:9

## Established Patient

- ▲ **99211** **Office or other outpatient visit** for the evaluation and management of an established patient, that may not require the presence of a physician or other qualified health care professional. Usually, the presenting problem(s) are minimal. Typically, 5 minutes are spent performing or supervising these services.

➤ *CPT Assistant* Winter 91:11, Spring 92:14, 24, Summer 92:1, 24, Spring 93:34, Summer 93:2, Fall 93:9, Spring 95:1, Summer 95:4, Fall 95:9, Oct 96:10, Feb 97:9, May 97:4, Jul 98:9, Sep 98:5, Oct 99:9, Feb 00:11, Aug 01:2, Jan 02:2, Oct 04:10, Feb 05:15, Mar 05:11, Apr 05:1, 3, May 05:1, Jun 05:11, Nov 05:1, Dec 05:10, Feb 06:14, May 06:1, Jun 06:1, Jul 06:19, Oct 06:15, Nov 06:21, Apr 07:11, Jul 07:1, Sep 07:1, Dec 07:9, Mar 08:3, Aug 08:13, Mar 09:3, Aug 09:5, Apr 10:10, Jan 11:3, Jan 12:3, Mar 12:4, 8, Apr 12:10; *CPT Changes: An Insider's View* 2013

- ▲ **99212** **Office or other outpatient visit** for the evaluation and management of an established patient, which requires at least 2 of these 3 key components:

- **A problem focused history;**
- **A problem focused examination;**
- **Straightforward medical decision making.**

Counseling and/or coordination of care with other physicians, other qualified health care professionals, or agencies are provided consistent with the nature of the problem(s) and the patient's and/or family's needs.

Usually, the presenting problem(s) are self limited or minor. Typically, 10 minutes are spent face-to-face with the patient and/or family.

➤ *CPT Assistant* Winter 91:11, Spring 92:14, 24, Summer 92:1, 24, Spring 93:34, Summer 93:2, Fall 93:9, Spring 95:1, Summer 95:4, Fall 95:9, Jul 98:9, Sep 98:5, Feb 00:11, Jun 00:11, Aug 01:2, Jan 02:2, May 02:3, Apr 04:14, Oct 04:10, Apr 05:1, 3, Jun 05:11, Dec 05:10, May 06:1, Jun 06:1, 11, Sep 06:8, Oct 06:15, Apr 07:11, Jul 07:1, Sep 07:1, Mar 08:3, Mar 09:3, Aug 09:5, Feb 10:13, Jul 10:4, Sep 10:4, Jan 11:3, Jun 11:3, Mar 12:4, 8, Apr 12:17; *CPT Changes: An Insider's View* 2013

- ▲ **99213** **Office or other outpatient visit** for the evaluation and management of an established patient, which requires at least 2 of these 3 key components:

- **An expanded problem focused history;**
- **An expanded problem focused examination;**
- **Medical decision making of low complexity.**

Counseling and coordination of care with other physicians, other qualified health care professionals, or agencies are provided consistent with the nature of the problem(s) and the patient's and/or family's needs.

Usually, the presenting problem(s) are of low to moderate severity. Typically, 15 minutes are spent face-to-face with the patient and/or family.

➤ *CPT Assistant* Winter 91:11, Spring 92:14, 24, Summer 92:1, 24, Spring 93:34, Summer 93:2, Fall 93:9, Spring 95:1, Summer 95:4, Fall 95:9, Jan 97:10, Jul 98:9, Sep 98:5, Aug 01:2, May 02:3, Oct 03:5, Apr 04:14, Oct 04:10, Mar 05:11, Apr 05:1, 3, Jun 05:11, Dec 05:10, May 06:1, Jun 06:1, 11, Sep 06:8, Oct 06:15, Apr 07:11, Jul 07:1, Sep 07:1, Mar 08:3, Mar 09:3, Aug 09:5, Sep 10:4, Jan 11:3, Jun 11:3, Mar 12:4, 8; *CPT Changes: An Insider's View* 2013

- ▲ **99214 Office or other outpatient visit** for the evaluation and management of an established patient, which requires at least 2 of these 3 key components:

- **A detailed history;**
- **A detailed examination;**
- **Medical decision making of moderate complexity.**

Counseling and/or coordination of care with other physicians, other qualified health care professionals, or agencies are provided consistent with the nature of the problem(s) and the patient's and/or family's needs.

Usually, the presenting problem(s) are of moderate to high severity. Typically, 25 minutes are spent face-to-face with the patient and/or family.

➡ *CPT Assistant* Winter 91:11, Spring 92:15, 24, Summer 92:1, 24, Spring 93:34, Summer 93:2, Fall 93:9, Spring 95:1, Summer 95:4, Fall 95:9, May 97:4, Jul 98:9, Sep 98:5, Aug 01:2, Jan 02:2, May 02:1-2, Oct 03:5, Apr 04:14, Oct 04:10, Apr 05:1, 3, Jun 05:11, Dec 05:10, May 06:1, Jun 06:1, 11, Sep 06:8, Oct 06:15, Apr 07:11, Jul 07:1, Sep 07:1, Mar 08:3, Mar 09:3, Aug 09:5, Sep 10:4, Jan 11:3, Jun 11:3, Mar 12:4, 8; *CPT Changes: An Insider's View* 2013

- ▲ **99215 Office or other outpatient visit** for the evaluation and management of an established patient, which requires at least 2 of these 3 key components:

- **A comprehensive history;**
- **A comprehensive examination;**
- **Medical decision making of high complexity.**

Counseling and/or coordination of care with other physicians, other qualified health care professionals, or agencies are provided consistent with the nature of the problem(s) and the patient's and/or family's needs.

Usually, the presenting problem(s) are of moderate to high severity. Typically, 40 minutes are spent face-to-face with the patient and/or family.

➡ *CPT Assistant* Winter 91:11, Spring 92:15, 24, Summer 92:1, 24, Spring 93:34, Summer 93:2, Fall 93:9, Spring 95:1, Summer 95:4, Fall 95:9, Jan 97:10, Jul 98:9, Sep 98:5, Aug 01:2, Jan 02:2, May 02:1, 3, Apr 04:14, Oct 04:10, Mar 05:11, Apr 05:1, 3, Jun 05:11, Dec 05:10, May 06:1, Jun 06:1, 11, Sep 06:8, Oct 06:15, Apr 07:11, Jul 07:1, Sep 07:1, Mar 08:3, Mar 09:3, Aug 09:5, Jul 10:4, Sep 10:4, Jan 11:3, Jun 11:3, Jan 12:3, Mar 12:4, 8, Apr 12:10; *CPT Changes: An Insider's View* 2013

## Hospital Observation Services

The following codes are used to report evaluation and management services provided to patients designated/admitted as "observation status" in a hospital. It is not necessary that the patient be located in an observation area designated by the hospital.

If such an area does exist in a hospital (as a separate unit in the hospital, in the emergency department, etc.), these codes are to be utilized if the patient is placed in such an area.

For definitions of key components and commonly used terms, please see **Evaluation and Management Services Guidelines**.

### Coding Tip

#### The Significance of Time as a Factor in Selection of an Evaluation and Management Code

The inclusion of time as an explicit factor beginning in CPT 1992 is done to assist in selecting the most appropriate level of E/M services. It should be recognized that the specific times expressed in the visit code descriptors are averages and, therefore, represent a range of times that may be higher or lower depending on actual clinical circumstances.

Intrасervice times are defined as **face-to-face** time for office and other outpatient visits and as **unit/floor** time for hospital and other inpatient visits. This distinction is necessary because most of the work of typical office visits takes place during the face-to-face time with the patient, while most of the work of typical hospital visits takes place during the time spent on the patient's floor or unit.

#### Unit/floor time (hospital observation services, inpatient hospital care, initial inpatient hospital consultations, nursing facility):

For reporting purposes, intrасervice time for these services is defined as unit/floor time, which includes the time present on the patient's hospital unit and at the bedside rendering services for that patient. This includes the time to establish and/or review the patient's chart, examine the patient, write notes, and communicate with other professionals and the patient's family.

In the hospital, pre- and post-time includes time spent off the patient's floor performing such tasks as reviewing pathology and radiology findings in another part of the hospital.

This pre- and postvisit time is not included in the time component described in these codes. However, the pre- and post-work performed during the time spent off the floor or unit was included in calculating the total work of typical services in physician surveys.

Thus, the unit/floor time associated with the services described by any code is a valid proxy for the total work done before, during, and after the visit.

*CPT Coding Guidelines, Evaluation and Management, Definitions of Commonly Used Term, Time*

## Observation Care Discharge Services

Observation care discharge of a patient from "observation status" includes final examination of the patient, discussion of the hospital stay, instructions for continuing care, and preparation of discharge records. For observation or inpatient hospital care including the admission and discharge of the patient on the same date, see codes 99234-99236 as appropriate.



**Leon County**  
**Board of County Commissioners**  
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(850) 606-5302 www.leoncountyfl.gov

Office of Human Services and  
Community Partnerships  
918 Railroad Avenue  
Tallahassee, Florida 32310  
(850) 606-1900

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County Attorney

October 5, 2012

Debra Weeks, Interim CEO  
Bond Community Health Center, Inc.  
1720 S. Gadsden Street  
Tallahassee, FL 32301

Dear Ms. Weeks,

Thank you for accommodating staff during the recent contract monitoring visit at Bond Community Health Center on August 22 - 24, 2012. I appreciate the cooperation of you and your staff in helping to secure files and documentation for the review. Attached, please find the following for details regarding the visit:

1. FY 2011/12 Monitoring Report
2. The Quality Assurance Patient Record Review
3. Monitoring and QA Review Form
4. Patient Eligibility Record Review

The findings indicate that there are significant deficiencies in the maintenance of patient records as it relates to establishing eligibility for services billed to Leon County for the Primary Healthcare Program. A written Management Response must be received within 30 calendar days of receipt of this report.

No additional reimbursement will be made to Bond prior to receipt of the Management Response. In addition, no additional reimbursement will be made prior to establishing eligibility for reimbursement for patients billed to the County in accordance with the terms of the contractual agreement.

We look forward to a follow-up visit with you and anticipate that Bond will be able to cure the deficiencies found during the monitoring visit. If you have any questions, I may be reached at 606-1900.

Sincerely,

A handwritten signature in black ink, appearing to read "Candice M. Wilson".

Candice M. Wilson, Director

Cc: Lorraine Austin, Healthcare Services Coordinator

**Leon County Office of Human Services and Community Partnerships  
Primary Healthcare Program  
FY 2011/12  
Monitoring Report**

**PROVIDER:** Bond Community Health Center, Inc.

**Contract #:** 2765J

**MONITORING DATE(S):** August 22 - 24, 2012

**Leon County Staff:** Lorraine Austin, Healthcare Services Coordinator

**Health Department Staff:** Peggy Reinhardt, R.N., Acting Community Health Nursing Director

**Report Date:** October 5, 2012

**BACKGROUND**

Under the supervision of Candice Wilson, Director, Leon County Office of Human Services and Community Partnerships, Lorraine Austin, Healthcare Services Coordinator, is responsible for oversight of the Primary Healthcare Program which includes contract management to ensure program and fiscal compliance. Leon County Government (County) and the Leon County Health Department (State) provide funding to Bond for the provision of primary care services for uninsured residents who are financially indigent. Although the County and the State each allocate funding for uninsured and indigent residents, these agreements are separate and independent of the other.

For FY 2011/12, Bond and Leon County have an agreement for the provision of primary care, mental health, and pharmacy services. The total contractual agreement is \$805,140. Funding for these services has been allocated by the Board of County Commissioners to meet a specific need identified in the Leon County community; healthcare for uninsured and financially indigent residents.

Of the contracted amount, the County reimburses Bond \$125 for each primary care visit, up to 2,656 visits. For mental health services, \$50,000 is allocated for up to 625 mental health services visits, for which Bond is reimbursed \$80 per visit. Additionally, the County provides \$177,500 in funding for pharmacy staffing as follows: 1.0 FTE Pharmacy Manager; 1.0 FTE Pharmacy Technician; and .50 FTE PAP Technician. Finally, of this funding, Bond has received approval from the Board of County Commissioners to utilize a portion as matching funds for Agency for Healthcare Administration Low Income Pool grants.

Ms. Austin coordinated staff of the County, Health Department, and Bond to conduct the visit on a mutually established date. In previous years, the Health Department conducted monitoring visits under the direction of Ms. Page Jolly. During this visit, Ms. Jolly provided

training and assistance to Ms. Austin with the Staffing Requirements *only*. This included a review of the job descriptions, protocols, licensure and training. Ms. Austin also conducted patient chart reviews to ensure that Bond is in compliance with eligibility requirements for reimbursement for services, as outlined in the contract.

The Health Department authorized Ms. Peggy Reinhardt, Acting Community Health Nursing Director, to collaborate with the County to conduct the clinical review of the patient records. The ***Quality Assurance Patient Record Review*** section of this report provides a summary of Ms. Reinhardt's review.

### **METHODOLOGY**

The methodology for selecting records was provided to Bond along with a list of patient records which would be reviewed. The methodology for selecting records was as follows: Eight (8) records for each month, October – March, for a total of 48 records. For each month of patient billing, staff selected the following records on the billing list: 10, 20, 60, 100, 140, 180, 220, and 260. One record was a duplicate patient file, for a total of 47 patient charts. Of these records, 39 were reviewed electronically and 8 were paper charts. The monitoring tool is incorporated in Bond's contractual agreement and was also provided to the agency prior to the visit.

### **QUALITY ASSURANCE PATIENT RECORD REVIEW**

Ms. Peggy Reinhardt, R.N., Acting Community Health Nursing Director, Leon County Health Department, conducted the *Quality Assurance Patient Record Review* on August 22, 2012. The following provides a summary of Ms. Reinhardt's review. Ms. Reinhardt reviewed a total of 47 records; 9 of which were paper records and 38 electronic. ***Exhibit A, Quality Assurance Patient Record Review***, provides details regarding the patient records reviewed.

#### **Areas of Concern:**

- 3 of the 9 paper records did not have the patient's identification on every page
- 3 of the 9 paper records did not document the patient's allergies on the front covers
- Although there were signatures/titles for entries in the paper records, many of them were not legible.
- There were not many referrals for identified health problems; however, this could be related to the type of patient visits e.g. Well Child, medication refills, headache etc."
- Patients are not receiving recommended preventative screenings.

#### **Recommendations:**

- Offer flu and pneumonia vaccines to vulnerable patients such as the chronically ill and the elderly populations.
- Offer prostate screenings for men and record PSA levels in patient chart.
- Refer for mammography as recommended and record results in patient record.
- Provide Pap smears as recommended and record results in patient record.

## SUMMARY OF REVIEW

The following provides the results of the monitoring site visit. The numbers correspond with the number of the item on the **Monitoring and QA Review** form, **Exhibit B**.

**Staffing Requirements (5-10):** This section of the review, which includes licensure and training, met the contractual requirements, and is in compliance.

- The provider provided documentation of current licensure, job description/protocol, and training.
- The provider has met the requirement of maintaining 1.0 FTE Pharmacy Manager; 1.0 FTE Pharmacy Technician; and .50 FTE PAP Technician for pharmacy services in accordance to the agreement.

**Service Tasks (11-16):** This section of the review, which includes referrals, patient visits, and health center hours, met the contractual requirements, and is in compliance.

- The contract requires that Bond have a system in place for referrals to help ensure continuity of care. Case management notes regarding referrals are captured in the files. In addition, Bond staff provided a review of the procedures for referrals, which are coordinated with the appropriate referring agencies.
- Included in this contract, Leon County has allocated funding for up to 2,656 visits for eligible patients. At the time of the monitoring visit, Bond reported 8,007 primary care visits. Bond has met its required number of visits.
- Included in this contract, Leon County has allocated funding for up to 1,964 women and children's visits. At the time of the monitoring visit, Bond reported 2,974 visits for women and children's services.
- Included in this contract, Leon County has allocated funding for up to 625 mental health services visits. At the time of the monitoring visit, Bond reported 426 visits for mental health services. Based on the reported number of visits for mental health services, Bond has not yet provided the maximum number of visits funded by this contract. Additional reimbursement for the outstanding 199 visits will be made contingent upon the results of the eligibility review findings.
- In an effort to ensure access to patients, the contract indicates that "24 hour telephone access for patients" be provided, including after hours line directing patients where to seek emergency care. Bond's after hours voicemail does direct patients on how to seek emergency assistance if needed. Also, as required, the health center hours are posted.

**Reporting (17-24)** This section of the review, which includes monthly reporting, billing, client satisfaction and provider clinical and performance data.

- Monthly reimbursement requests and service reports have not been provided on or before the 15<sup>th</sup> of the month following the month of service.
- The billing has been accurate and no errors or duplications have been found in the reports.
- Because the Satisfaction Surveys were not reviewed during the monitoring visit, subsequent to the visit, a request was made for staff to come to the office and randomly retrieve surveys for review. Ms. Weeks indicated that the surveys are not available, however a summary document would be provided.
- Additionally, the quarterly Clinical and Performance Data and QA Reports have not been received; however, the agency will not be penalized during this review, as there appears to have been a mutual misunderstanding regarding this requirement. These reports will be incorporated into the upcoming agreement and will be required according to the terms of the agreement.

## **FINDINGS**

**Patient Records (25-30):** The patient records component of the monitoring was unsatisfactory. This section of the review is to determine whether or not Bond is compliance with the established eligibility criteria, and documentation is maintained in accordance with the contractual agreement for all patients billed to the County. ***Exhibit C, Patient Eligibility Record Review***, provides additional information The criteria outlined in the agreement is as follows:

1. Income verification completed within most recent 12-month period
2. Client income is at or below 100% of non-farm Federal Poverty Level
3. Documentation of Leon County residency in file
4. Medicaid Eligibility Verification Documented
5. Signed and Dated Client Participation Agreement in file

## **Analysis of the findings**

- 106 of 235, or 45%, of the required documents were in the files.
- 74%, or 35/47 patient files did not have completed income verification within 12 months of the date of service billed to the County.
- 74%, or 35/47 records did not document client income at or below 100% of the non-farm Federal Poverty Level (FPL). As verification is not included in the record, staff could not confirm the FPL.

- 65%, or 31/47 patient records did not have documentation of Leon County residency.
- 100% of the patients had verification of Medicaid eligibility. Medicaid verification was not in the file, as this information is documented in a different system. Paper copies of the verification was provided by Ms. Barrington for each patient.
- 57%, or 27/47 patient records did not have a signed Client Participation Agreement. Some files included unsigned and unwitnessed copies of the agreement.

Of the 47 records reviewed, only 1 is in compliance with the established eligibility criteria. Based on these findings, only one (1) patient visit of those reviewed is eligible for reimbursement.

### **Management Response:**

### **RECOMMENDATIONS**

1. Revise ***“Eligibility/Insurance Verification Protocol”*** and ***“Annual Income Thresholds for Sliding Scale Discounts”*** to reflect **NO** payment required (vs. \$25 min co-pay) for patient visits funded by Leon County’s Primary Healthcare Program.
2. In accordance with Bond’s ***“Eligibility/Insurance Verification Protocol”***, ensure that a picture id is in the file, and that all identification documents are valid and legible. This includes ensuring the copies of the picture id may be viewed clearly.
3. In accordance with Bond’s ***“Eligibility/Insurance Verification Protocol”***, for each change of address, proof of Leon County residency must be provided. Examples of proof may include new driver license, identification card or utility bill.
4. In accordance with Bond’s ***“Eligibility/Insurance Verification Protocol”***, a Medicaid eligibility search must be conducted on the date of visit. Proof of verification must be maintained in file for all patient visits billed to Leon County.
5. Revise ***“Leon County Mental Health – Plan 303 Patient Eligibility Protocol”*** to reflect that patients may be eligible for mental health services through Leon County’s Primary Healthcare Program if they are at or below 100% of the Federal Poverty Level. In addition, revisions should be made to indicate that patients eligible for services through this funding will not be charged any co-pay, including the established minimum \$25.00 charge.

6. For patients who claim “**no income**”, there should be consistency in applying the procedures for establishing “no income”, and consistency in what documentation is acceptable for documenting this claim.
7. Ensure that eligibility is determined as least annually. Documentation of income and residency must be within 12-months of visit date.
8. Ensure that staff reviews the “**Client Participation Agreement**” with the patient and each sign and date to confirm review of the agreement.
9. Ensure monthly reports are completed and submitted by the 15<sup>th</sup> of the month following the month of service.
10. Staff and supervisor should initial and date all changes made to the staff job description or protocol.

#### **OTHER OBSERVATIONS/COMMENTS**

- The after hours voice response system directs patients to seek emergency assistance if needed. There is no “triage” answering system to address patient needs after hours. It is recommended that Bond explore the feasibility of doing so.
- Early morning hours have not been established. In an effort to accommodate patients and help to reduce inappropriate utilization of emergency department services. It is recommended that Bond explore the feasibility of offering health center hours prior to the traditional (8-5) work day.

Overall, the review was poor. There are serious concerns regarding the establishment of patient eligibility for services before Bond bills the County for these services. Based on this review, eligibility is not being determined in accordance with the Leon County Primary Healthcare Program contract.

The significant number of occurrences of eligibility not being established before Bond bills the County raises grave concerns regarding Bond’s internal control environment, especially given that this represents only a small sample of the patient records for which the County has been billed. Staff recommends major revisions in the verification and documentation of patient eligibility for services funded through the Leon County Primary Healthcare Program.

No additional funding or reimbursement will be made to Bond until Bond cures these findings. A follow-up visit must be scheduled within 5 business days of receipt of this report.

## **CORRECTIVE ACTION PLAN**

1. Within 30 calendar days after receipt of this report Bond must provide a written Management Response addressed to:

**Candice Wilson, Director  
Office of Human Services and Community Partnerships  
918 Railroad Avenue  
Tallahassee, FL 32310**

2. Bond must ensure that the recommendations included in this report are reviewed and included in the Management Response.
3. Bond may not charge or bill any Leon County Primary Healthcare patient a fee or co-pay for services paid for through the Leon County program.
4. Prior to any future reimbursement, staff will request to review a random selection of patient records billed during the month to ensure eligibility in accordance to the terms of the contractual agreement.
5. Bond must provide Leon County with proof of corrective internal process regarding patient eligibility in writing.

CC: Peggy Reinhardt, R.N., Acting Community Health Nursing Director, Leon County Health Department



12. Verify that the Provider has established referral patterns with other programs to include, but not limited to, eligible clients served through Developmental Services, Department of Children and Families, Children's Medical Services and its Regional Perinatal Intensive Care Center Programs and other County Health Department programs.	X	
13. The Provider provided primary care and mental health services to the minimum number of clients as required by the contract by end of contract term. (3334 adult primary care service visits, 1964 women and children visits, and 625 mental health visits)	*	
14. Verify 24 hour telephone access for patients.	X	
15. Verify scheduling for new patient appointments does not exceed 120 days and scheduling for established patient appointments does not exceed 90 days.	X	
16. Verify that early morning and evening clinic hours are available; hours posted.	*	
<b>Reporting:</b>		
17. Monthly Reimbursement Requests have been provided before the 15 <sup>th</sup> day of the following month.		X
18. Verify that multiple units have not been billed for any patient for the same date of service.	X	
19. Service reports have been provided before the 15 <sup>th</sup> day of the following month at the end of each quarter.		X
20. Provider achieved a satisfactory or better rating on 85% of client satisfaction surveys.	*	
21. Verify that the Client Satisfaction Surveys have been distributed no less than quarterly. The completed forms, including a summary document, will be reviewed and recorded by the Healthcare Services Coordinator during the monitoring visit.	*	
22. Quarterly Clinical and Performance Data reports have been provided according to the schedule described in the contract.	*	
23. Quarterly QA reports have been provided according to the schedule described in the contract.	*	
24. All requested records for QA review and QA Committee meeting(s) were provided.	*	
<b>Patient Records:</b>		
25. Client Eligibility: Income verification completed within most recent 12-month period.		X
26. Client Eligibility: Client income is at or below 100% of non-farm Federal Poverty Level.		X
27. Client Eligibility: Documentation of Leon County residency in file.		X
28. Client Eligibility: Medicaid Eligibility Verification	X	
29. Signed and Dated Client Participation Agreement in file		X
30. Conduct Quality Assurance Medical Record Review. Report is attached. <b>47 patient files were reviewed by Ms. Peggy Reinhardt, R.N.</b>	X	
<b>Additional items/comments noted during administrative review:</b>		
*Please see attached report for details regarding the findings of the monitoring visit.		



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NICK MADDOX  
At-Large

VINCENT S. LONG  
County Administrator

HERBERT W.A. THIELE  
County Attorney

August 13, 2013

Mr. Antonio Jefferson  
Chief Executive Officer  
Bond Community Health Center, Inc.  
1720 S. Gadsden Street  
Tallahassee, FL 32301

Dear Mr. Jefferson,

I'd like to express thanks to you and your staff for accommodating our staff during the recent contract monitoring visit at Bond Community Health Center on June 26 -27, 2013. We appreciate the cooperation of your staff with the FY 2012/13 Primary Healthcare contract monitoring, for the months of October 2012 through May 2013. Your staff was instrumental in helping to secure files and documentation for the review. Attached, please find the following for details regarding the visit:

- 1. FY 2012/13 Monitoring Report**
- 2. The Quality Assurance Patient Record Review**
- 3. Monitoring and QA Review Form**
- 4. Patient Eligibility Record Review**

The findings indicate that there are deficiencies in the maintenance of patient records as it relates to establishing eligibility for services billed to Leon County for the Primary Healthcare Program. A written **Management Response** must be received within 30 calendar days of receipt of this report.

No additional reimbursements will be made to Bond CHC prior to receipt of Management's Response. In addition, no future reimbursements will be made prior to establishing eligibility for reimbursement for patients billed to the County in accordance with the terms of the contractual agreement.

We look forward to a response from you and anticipate that BCHC will be able to rectify the deficiencies found during the monitoring visit. If you have any questions, I may be reached at 606-1900.

Sincerely,

  
Candice M. Wilson, Director

Cc: Shelia Murray-Dickens, Healthcare Services Coordinator  
Eryn Calabro, Financial Compliance Administrator

**Leon County Office of Human Services and Community Partnerships  
Primary Healthcare Program  
FY 2012/13  
Monitoring Report**

**PROVIDER:** Bond Community Health Center, Inc.

**Contract #:** 2765J

**MONITORING DATE(S):** June 26 - 27, 2013

**Leon County Staff:** Shelia Murray-Dickens, Healthcare Services Coordinator  
Eryn Calabro, Finance Compliance Administrator

**Report Date:** July 3, 2013

**BACKGROUND**

Under the supervision of Mrs. Candice Wilson, Director, Leon County Office of Human Services and Community Partnerships, Mrs. Shelia Murray-Dickens, Healthcare Services Coordinator, is responsible for oversight of the Primary Healthcare Program which includes contract management to ensure program and fiscal compliance. Leon County Government (County) and the Leon County Health Department (State) provide funding to Bond for the provision of primary care services for uninsured residents who are financially indigent. Although the County and the State each allocate funding for uninsured and indigent residents, these agreements are separate and independent of the other.

For FY 2012/13, Bond and Leon County have an agreement for the provision of primary care, mental health, and pharmacy services. The total contractual agreement is \$805,140. Funding for these services has been allocated by the Board of County Commissioners to meet a specific need identified in the Leon County community; healthcare for uninsured and financially indigent residents.

Of the contracted amount, the County reimburses Bond \$125 for each primary care visit, up to 2,656 visits. Additionally, the County reimburses Bond \$125 for each woman/children visit, up to 1964 visits. For mental health services, \$50,000 is allocated for up to 625 mental health services visits, for which Bond is reimbursed \$80 per visit. Additionally, the County provides \$177,500 in funding for pharmacy staffing as follows: 1.0 FTE Pharmacy Manager; 1.0 FTE Pharmacy Technician; and .50 FTE PAP Technician. Finally, of this funding, Bond has received approval from the Board of County Commissioners to utilize a portion as matching funds for Agency for Health Care Administration Low Income Pool grants.

Mrs. Murray-Dickens coordinated staff of the County and Bond to conduct the visit on a mutually established date. During this visit, Mrs. Eryn Calabro assisted Mrs. Murray-Dickens with the staffing requirements, client eligibility, and patient satisfaction to ensure compliance

with the contract between Leon County and Bond Community Health Center. This included a review of the job descriptions, protocols, licensure and training of staff at the facility. Mrs. Calabro also conducted patient chart reviews to ensure that Bond is in compliance with eligibility requirements for reimbursement for services, including determination of residency and client satisfaction as outlined in the contract.

Mrs. Murray-Dickens also collaborated with Mrs. Calabro for a review of the above mentioned requirements. Additionally, Mrs. Murray-Dickens also conducted an intensive clinical review of the patient records/charts to determine if the clients were fully being served based on the grant requirements. The **Quality Assurance Record Review- Patient** section of this report provides a summary of the results obtained from the clinical review.

### **METHODOLOGY**

The methodology for selecting records was provided to Bond along with a list of patient records which would be reviewed. The methodology for selecting records was as follows: twelve (12) records for each month, October – April and thirteen (13) records for May, for a total of 49 records. For each month of patient billing, staff randomly selected records from the billing list. Of these records, 44 were reviewed electronically and 5 were paper charts. The monitoring tool is incorporated in Bond’s contractual agreement and was also provided to the agency prior to the visit.

### **QUALITY ASSURANCE RECORD REVIEW - PATIENT**

The following provides a summary of Mrs. Murray-Dickens’ review. A total of 49 records were reviewed: 44 electronic records and 5 paper charts. **Quality Assurance Record Review-Patient, Exhibit A**, provides details regarding the patient records reviewed.

#### **Overall Review:**

Based on observations, review of patient records/charts, and documentation, Bond Community Health Center provides excellent care for the residents residing within the community. According to the Agency for Healthcare Research and Quality, quality healthcare is:

- Doing the right thing—getting the health care services needed.
- At the right time—when needed.
- In the right way—using the appropriate procedure or test.
- To achieve the best possible results.

#### **Documentation:**

Based on the information obtained as a result of our monitoring sessions, Bond Community Health Center strives to provide exceptional health care to individuals within the community. Upon reviewing the 49 patient charts, the organization was found to have a 95-100% compliance rate regarding chart documentation with the following:

- Documentation of health history upon initial visit and updates during annual visits.
- Documentation of identified health problems, follow-up treatments, referrals and results.
- Documentation of initial physical exams and subsequent annual physicals.
- Documentation regarding Consent for Treatment displayed appropriately.
- Chart errors corrected appropriately, allergies and alerts entered and strategically displayed, and authorizations for Release of Information forms available for review.
- Documentation for required vital signs and laboratory requests and results, with initialed and dated reviews by clinicians.
- Clinician signatures and dates for each chart entry....including first name, last name, and title.

#### **Patient Care:**

Upon reviewing the 49 patient charts, the organization was found to have a 95-100% compliance rate regarding patient care, referrals and follow-ups with the following:

- Complete diagnosis, treatment, referral and follow-up for life altering illnesses and diseases: Diabetes, Hypertension (High Blood Pressure), Stroke, COPD, Congestive Heart Failure, Heart Disease, and Lung Disease.
- Detection and treatment of communicable and infectious diseases, HIV/AIDS, STD's (Chlamydia, Gonorrhea, Syphilis, etc.).
- Gynecological exams, referrals and follow-ups.
- Contraceptive Management and Sexual Health Safety.
- Case Management for both physical and mental health.

#### **Areas of Concern:**

##### **Clinical Records/Charts:**

- Pneumonia and/or Influenza Vaccine: **43% Compliance-** Inadequate offerings and coverage for one or the other vaccine: (21 of the 49 charts showed clients receiving one or the other of the vaccines).
- Mammograms: **57% Compliance-** Inadequate provisions for mammograms for individuals aged 40 and over: (only 17 of the 30 eligible clients received a referral for the procedure).
- Colorectal Cancer Screenings: **49% Compliance-** Inadequate offerings of colorectal screenings (FIT) for individuals aged 40 and over: (only 19 of the 37 eligible clients received the screening).

**Recommendations:**

- Offer flu and pneumonia vaccines to vulnerable patients such as the chronically ill and the elderly populations.
- Offer prostate screenings for men and record PSA levels in patient chart.
- Refer for mammography as recommended and record results in patient record.

**SUMMARY OF MONITORING AND QA REVIEW**

The following provides the results of the monitoring site visit. The numbers correspond with the number of the item on the ***Monitoring and QA Review*** form, ***Exhibit B***.

**Staffing Requirements (5-10):** This section of the review, which evaluated licensure, certifications and training, provided proof that the provider met the contractual requirements, and is in compliance as designated by the guidelines.

- The provider has provided proof of employment for Physicians, Psychiatrists, ARNPs and Case Managers.
- The provider has met the requirement of maintaining 1.0 FTE Pharmacy Manager; 1.0 FTE Pharmacy Technician; and .50 FTE PAP Technician for pharmacy services in accordance to the agreement.
- The provider provided documentation of current licensure, job description/protocol, and training.
- The provider has maintained sufficient staff to deliver the agreed upon services.

**Service Tasks (11-16):** This section of the review, which includes referrals, patient visits, and health center hours, met the contractual requirements, and is in compliance based on agreed upon guidelines.

- The contract requires that Bond have a system in place for referrals to help ensure continuity of care. Case management notes regarding referrals are captured in the files. In addition, Bond staff provided a review of the procedures for referrals, which are coordinated with the appropriate referring agencies: **Department of Children and Families, County Health Departments, Children’s Medical Services, Developmental Services, Medicaid, Florida Healthy Kids, and other social services programs.**

- Included in this contract, Leon County has allocated funding for up to 2,656 visits for eligible patients. At the time of the monitoring visit, Bond reported **8,645** primary care visits. Bond has met its required number of visits.
- Included in this contract, Leon County has allocated funding for up to 1,964 women and children's visits. At the time of the monitoring visit, Bond reported **3,902** visits for women and children's services.
- Included in this contract, Leon County has allocated funding for up to 625 mental health services visits. At the time of the monitoring visit, Bond reported **347** visits for mental health services. Based on the reported number of visits for mental health services, Bond has not yet provided the maximum number of visits funded by this contract. Additional reimbursement for the outstanding **278** visits will be made contingent upon the results of the eligibility review findings.
- Included in the contract, guidelines were established to ensure that scheduling for new patient appointments does not exceed 120 days and scheduling for established patient appointments does not exceed 90 days. Based on the monitoring visit, Bond has met the requirement for scheduling patient appointments. Additionally, the Bond has provided proof of various "Same Day and/or Walk-In" appointments as well.
- In an effort to ensure around the clock patient access to healthcare, the contract indicates that "**24 hour telephone access for patients**" be provided, including an after-hour line directing patients where to seek emergency care. Bond's after hour voicemail directs patients on how to seek emergency assistance if needed. Also, as required, the health center hours are posted.

**Reporting (17-24):** This section of the review includes clinical/performance data, monthly reporting, client billing, and client satisfaction.

- Monthly reimbursement requests and service reports **have not been** provided on or before the 15<sup>th</sup> of the month following the month of service.
- The billing reports **have not been** accurate and errors or duplications have been found in them.
- The Client Satisfaction Surveys were provided for review during the monitoring visit, and the provider is in compliance of the requirement of allowing patients to rate their overall satisfaction with the organization.
- The quarterly Clinical and Performance Data and QA Reports were received as required. The provider is in compliance with the guidelines set forth in the contract.

**Patient Records (25-30):** The “Patient Records” component of the monitoring was deemed to be **unsatisfactory**. This section of the review is used to determine whether or not Bond is in compliance with the established eligibility criteria, and documentation is maintained in accordance with the contractual agreement for all patients billed to the County. ***Exhibit C, Patient Eligibility Record Review***, provides additional information. The criteria outlined in the agreement is as follows:

1. Income verification completed within most recent 12-month period.
2. Client income is at or below 100% of non-farm Federal Poverty Level.
3. Documentation of Leon County residency in file.
4. Medicaid Eligibility Verification Documented.
5. Signed and Dated Client Participation Agreement in file.

**Finding Analysis:**

- **(45%)** Only **105 of 235** of the required documents were located in the patient files.
- **(62%)** Only **30 of 48** patient files had completed income verifications within 12 months of the date of service billed to the County.
- **(0%) 0 of 48** records provided all of the requested documentation to prove client income at or below 100% of the non-farm Federal Poverty Level (FPL).
- **(40%)** Only **17 of 43** patient files provided documentation proving Leon County residency (5 patients were homeless and not included in the total count of 48 records).
- **(81%) 39 of 48** patient files had verification of Medicaid eligibility. Medicaid verification was determined based upon viewing either the CPS System or Capacity System for Eligibility.
- **(40%)** Only **19 of 48** patient files had a signed Client Participation Agreement. Some files included unsigned and unwitnessed copies of the agreement. Additionally, the agreements should be updated 12 months from the date of the last agreement.

**Of the 48 records reviewed, none was in compliance with the established eligibility criteria. Based on these findings, no patient visit was eligible for reimbursement.**

## **RECOMMENDATIONS**

1. In accordance with Bond's ***"Eligibility/Insurance Verification Protocol"***, ensure that a picture id is in the file, and that all identification documents are valid and legible. This includes ensuring the copies of the picture id may be viewed clearly.
2. In accordance with Bond's ***"Eligibility/Insurance Verification Protocol"***, for each change of address, proof of Leon County residency must be provided. Examples of proof may include new driver license, identification card rental agreement, or utility bill.
3. Revise ***"Leon County Mental Health – Plan 303 Patient Eligibility Protocol"*** to reflect that patients may be eligible for mental health services through Leon County's Primary Healthcare Program if they are at or below 100% of the Federal Poverty Level. In addition, revisions should be made to indicate that patients eligible for services through this funding will not be charged any co-pay, including the established minimum \$25.00 charge.
4. For patients who claim ***"no income"***, there should be consistency in applying the procedures for establishing "no income", and consistency in what documentation is acceptable for documenting this claim.
5. Ensure that eligibility is determined as least annually. Documentation of income and residency must be within 12-months of visit date.
6. Ensure that staff reviews the ***"Client Participation Agreement"*** with the patient and each sign and date to confirm review of the agreement. Additionally, the Client Participation Agreements must be updated each 12 month period from the last signature and date.
7. Ensure monthly reports are completed and submitted by the 15<sup>th</sup> of the month following the month of service.
8. Update current system (CPS) to show all of the required documentation. This will ensure that patient files have all required documentation. Additionally, it will assist users with knowing which files are incomplete.

### OTHER OBSERVATIONS/COMMENTS

- The after hours voice response system directs patients to seek emergency assistance if needed. There is no “triage” answering system to address patient needs after hours. It is recommended that Bond explore the feasibility of doing so.
- Early morning hours have not been established. In an effort to accommodate patients and help to reduce inappropriate utilization of emergency department services. It is recommended that Bond explore the feasibility of offering health center hours prior to the traditional (8-5) work day.

Overall, the clinical review was excellent; however, the eligibility record review was poor. There are serious concerns regarding the establishment of patient eligibility for services before Bond bills the County for these services. Based on this review, eligibility is not being determined in accordance with the Leon County Primary Healthcare Program contract.

The significant number of occurrences of eligibility not being established before Bond bills the County raises grave concerns regarding Bond’s internal control environment, especially given that this represents only a small sample of the patient records for which the County has been billed. Without having the proper eligibility documentation on file, for review, how can the Billing Department perform any quality assurance that the appropriate clients are being billed to the legitimate funding source? Additionally, without the appropriate eligibility documentation on file, how are client referrals performed? The lack of internal controls could result in a gap in “continuity of care” for Leon County clients.

**Staff recommends major revisions in the verification and documentation of patient eligibility for services funded through the Leon County Primary Healthcare Program.** The County reserves the right to grant no additional funding or reimbursement to Bond until Bond cures these findings.

**CORRECTIVE ACTION PLAN**

1. Within 30 calendar days after receipt of this report Bond must provide a written Management Response addressed to:

**Candice Wilson, Director  
Office of Human Services and Community Partnerships  
918 Railroad Avenue  
Tallahassee, FL 32310**

2. Bond must ensure that the recommendations included in this report are reviewed and included in the Management Response.
3. Bond may not charge or bill any Leon County Primary Healthcare patient a fee or co-pay for services paid for through the Leon County program.
4. Prior to any future reimbursement, staff will request to review a random selection of patient records billed during the month to ensure eligibility in accordance to the terms of the contractual agreement.
5. Bond must provide Leon County with proof of corrective internal process regarding patient eligibility in writing.

**Exhibit B**

**Leon County**

**Office of Human Services and Community Partnerships**

Primary Healthcare Program

Monitoring and QA Review

OCT 2012 – MAY 2013

**Provider:** Bond Community Health Center

**Date:** 06/ 26 /2013– 06/ 27 /2013

**Monitoring Staff:** Eryn Calabro, Financial Compliance Administrator

Shelia Murray-Dickens, Healthcare Services Coordinator

Item	Yes	No
<b>County/Provider Staff Requirements:</b>		
1. County staff provided written request to the Provider to schedule monitoring visit within 30 days. <b>*Copy of Letter shown and receipt confirmed*</b>	X	
2. County and Provider established a mutually agreed upon monitoring visit date.	X	
3. County provided written report within 45 days of visit.	X	
4. Provider responded to corrective action, if applicable.	<b>Pending</b>	
<b>Staffing Requirements:</b>		
5. Provider has employed psychiatrists and/or ARNPs & case managers. <b>*Staff Listing Provided*</b>	X	
6. Provider has maintained employment of the following with copies of pay stubs for verification: 1.0 FTE Pharmacy Manager: <b><u>M. Fortune, Pharm D</u></b>  1.0 FTE Pharmacy Technician: <b><u>J. Peterman</u></b>  .50 FTE PAP Technician: <b><u>Ian Houston</u></b>	X	

7. Verify current licensure for professional staff. <b>*Licensure Copies Provided*</b>	X	
8. Provider has maintained sufficient staff to deliver the agreed upon services. <b>*Staff Listing Provided*</b>	X	
9. Each personnel record will outline the current job description with minimum qualifications for that position. <b>*Job Descriptions Provided*</b>	X	
10. Professional personnel records should document training as appropriate to their individual practice. <b>*Staff CEUs, Certifications and Training Provided*</b>	X	
<b>Service Tasks:</b>		
11. Verify case managers are assisting eligible patients in accessing any third party payer (such as Medicaid and Florida Healthy Kids) & other social service needs (such as food, housing and transportation). <b>*Referrals Given and Received*</b>	X	
12. Verify that the Provider has established referral patterns with other programs to include, but not limited to, eligible clients served through Developmental Services, Department of Children and Families, Children’s Medical Services and its Regional Perinatal Intensive Care Center Programs and other County Health Department programs. <b>*Referrals Given and Received*</b>	X	
13. The Provider provided primary care and mental health services to the minimum number of clients as required by the contract by end of contract term. (3334 adult primary care service visits, 1964 women and children visits, and 625 mental health visits). <b>*Information in Written Report *</b>	—	
14. Verify 24 hour telephone access for patients.	X	
15. Verify scheduling for new patient appointments does not exceed 120 days and scheduling for established patient appointments does not exceed 90 days. <b>*Same Day and/or Walk-in Appointments given as well*</b>	X	
16. Verify that early morning and evening clinic hours are available; hours posted. <b>*On Website*</b>	X	
<b>Reporting:</b>		
17. Monthly Reimbursement Requests have been provided before the 15 <sup>th</sup> day of the following month.		X
18. Verify that multiple units have not been billed for any patient for the same date of service.		X
19. Service reports have been provided before the 15 <sup>th</sup> day of the following month at the end of each quarter.		X
20. Provider achieved a satisfactory or better rating on 85% of client satisfaction surveys.	X	
21. Verify that the Client Satisfaction Surveys have been distributed no less than quarterly. The completed forms, including a summary document, must be forwarded to the Healthcare Services Coordinator, within 45 days from the date the survey was conducted.	X	
22. Quarterly Clinical and Performance Data reports have been provided according to the schedule described in the contract. <b>*Copies of Surveys—(100)*</b>	X	
23. Quarterly QA reports have been provided according to the schedule described in the contract. <b>*Copies of Reports*</b>	X	

24. All requested records for QA review and QA Committee meeting(s) were provided.	X	
Patient Records:		
25. Client Eligibility: Income verification completed within most recent 12-month period.	X	
26. Client Eligibility: Client income is at or below 100% of non-farm Federal Poverty Level.	X	
27. Client Eligibility: Documentation of Leon County residency in file. <b>*In CPS*</b>	X	
28. Client Eligibility: Medicaid Eligibility Verification.	X	
29. Signed and Dated Client Participation Agreement in file. <b>*In CPS*</b>	X	
30. Attach "Quality Improvement Medical Record Review." (Minimum: 50 client/patient files)	X	
<b>Additional items/comments noted during administrative review:</b>		
<p>BCHC is in the midst of uploading all records to an electronic format. Currently, they are using the following mechanisms for the housing of information: <b>CPS- Centricity Practice Solution, Capacity System for Eligibility and paper charts.</b></p>		



## **Bond Community Health Center, Inc.**

---

August 29, 2013

Mrs. Candice M. Wilson, Director  
Office of Human Services and  
Community Partnerships  
918 Railroad Ave.  
Tallahassee, FL 32310

Dear Mrs. Wilson,

On behalf of the Bond Community Health Center, Inc., its staff, and Board Members, I would like to thank you and your staff for your visit and review on June 26-27, 2013. We humbly appreciate any opportunity to improve our processes and increase organizational productivity.

Bond's management has reviewed the recommendation from the FY13 audit report and we will adjust our processes to ensure compliance. Most of the issues identified were simply a result of miscommunication and/or lack of an understanding of the currently enacted policies regarding billing/eligibility and patient registration specifically regarding this program. Management will assist front desk staff in becoming more aware of these nuances in an effort to become more thorough in the collection of documentation from our patients.

Henceforth, we will provide the necessary oversight and pay special attention to ensuring that patients of Leon County who are at or below 100% of the Federal Poverty Level are properly classified. Management will provide continuous training on the collection of data, such as income verification, proof of residency, eligibility, etc.

Please review our attached corrective action plan.

Sincerely,



Bill Petit, Acting CEO

1720 South Gadsden Street - Tallahassee, Florida 32301  
Telephone: 850.876.4073 - Fax 850.576.2824

## Leon County Corrective Action Plan

Leon County Recommendations	Responsibility	Due Date	Deliverable	Status/Comments
<b>A. Eligibility/Insurance Verification Protocol</b>				
1. Subtask: Valid Photo Identification	CMO, CFO, Front Desk Manager.	Ongoing	To comply, staff must ensure that clearly visible and valid copies of all required photo identification are retrieved from respective patients.	In Progress.
2. Subtask: Proof of Residency	CMO, CFO, Front Desk Manager.	Ongoing	To comply, front desk staff must verify proof of Leon county residency annually unless patient specifies that a change of address has occurred. Upon such notification, staff will obtain the necessary documentation including but not limited to the following: A new, valid Driver's License or ID card, which may reflect the new address, Lease Agreement, or recent utility bill which reflects service address.	In Progress.
<b>B. Recommendation: Leon County Mental Health – Plan 303 Patient Eligibility Protocol”</b>				
1. Subtask: Establish new category for Mental Health to Primary Care Patients	CMO, CFO, Front Desk Manager.	Ongoing	BCHC will establish a new insurance class, in relation to only this particular grant, to assign patients who are	In Progress.

Bond Community Health Center, Inc. Corrected Internal Processes

			<p>at or below the 100% of the Federal Poverty Level to make it easier for staff to identify that these patients are not responsible for any fees upon their visit.</p> <p>This will ensure that we are properly tracking the patients that qualify for this program in order to properly allocate county funding.</p>	
2. Subtask: “No Income” patients	CMO, CFO, Front Desk Manager.	Ongoing	<p>This protocol, per our policy, is currently enacted. Billing/Eligibility and front desk will be more vigilant to follow the established protocol.</p>	In Progress.
3. Subtask: Ensure that eligibility is determined as least annually.	CMO, CFO, Front Desk Manager.	Ongoing	<p>This protocol, per our policy, is currently enacted. Front Desk and Eligibility will be more vigilant to follow the established protocol.</p>	In Progress.
4. Subtask: Ensure that staff reviews the “ <i>Client Participation Agreement</i> ” with the patient and each sign and date to confirm review of the agreement.	CMO, CFO, Front Desk Manager.	Ongoing	<p>This protocol, per our policy, is currently enacted. Front Desk and Eligibility will be more vigilant to follow the established protocol.</p>	In Progress.

Leon County Primary Healthcare Quality Assurance Review—2013 **Clinical Findings RESPONSE**

The following were areas of concern:

1. Documentation if influenza or pneumonia vaccines were **offered= 21 Of 49 applicable charts (43%) — 2% DECREASE** from previous year (45%)
2. SBE and referral for mammogram= 57%--30% **INCREASE** from previous year (27%)
3. Colorectal Screening= 49%---25% **INCREASE** from previous year (24%)

*Note: There was mention of PSA screenings; report reveals 81% compliance. However, the sample size was small.*

Action Plan/Corrective Actions:

1. Influenza and pneumonia immunization rates have been flat over the past few years (40-45%). Providers continue to stress the importance of immunizations as part of overall good health. However, cultural perceptions and media reports that provide conflicting information regarding the efficacy of the vaccine further discourage patients from participation.

Plan: We will replicate the initiatives that have proven successful in the past. These include: patient reminders, patient education, provider cue cards, and laminated reminders of screening needs placed on corners of computer desk tops in all clinical settings, disease management champions, dedicated catch-up days (replicating Pap Smear Day and Back-to School Day) and engagement of non-traditional staff members to assist with encouraging compliance.

2. Routine mammography has been shown to decrease mortality. Screening rates for Bond's patients have increased by 30% from the past year.

Contributing Factors:

- a. Providers encouraged patients to prioritize this expense as part of their health maintenance.

Restricting Factors:

- a. There are few facilities in Leon County that will provide screening mammograms to the uninsured under the age of 50 at discounted rates, with the exception of the TMH—Sharon Ewing Walker Breast Program (Charity and by application only). Patients may pay 25% of a full mammogram (about \$75.00) and be billed for the remainder at Women's Imaging. The American Cancer Society/Key to Life Program has limited grant funds. Women who have first degree relatives with breast cancer are sent for screenings to the TMH program. Women with findings on physical exam are sent for mammogram through the We Care program or to TMH and are billed or placed in the charity program.
- b. The audited measure references baseline mammography every 1-2 years for ages 40-49 and annually thereafter. The Leon County Breast and Cervical Cancer program, for the uninsured, only offers screening mammograms to women between ages 50-64. Confounding, the annual physical exam must be performed with 30 days of the mammogram; otherwise Bond is not eligible for reimbursement. Aligning the physical exam with the available mammogram appointment has been problematic.

Plan: Mammograms will be recommended to all women ages greater than 40 every 1-2 years.

3. FIT (Fecal Immunoassay Testing) was included as an accepted screen for colorectal cancer by the auditor. This is the test we most frequently use that is accepted by ACS as a form of colon cancer screening. This is especially important in the uninsured population where the cost of a screening colonoscopy is prohibitive. The auditor's finding of 49% is very similar to the Agency's annual UDS report of 2013 of 54%, but overall is a 25% increase from the previous reporting year.

Contributing Factors:

- a. Clinical decision making reminders in the EHR.

Restricting Factors:

- a. Patient reluctance to complete exam.
- b. The prohibitive cost of a screening colonoscopy to the uninsured population, even when discounted by a willing provider.

Plan: Add this measure to CQI/QA plan.

Identify a provider champion to spearhead improvement initiatives.

Query practice management system to identify patients who need service and utilize the outreach team, direct mailers, and provider "POP-UP" reminders in the electronic health record.

4. The upcoming interface of the practice management system with the electronic health records will afford automatic preventive health visit call-backs to patients. It is anticipated that this integrated system will be fully functional by January 2014.
5. Patients are able to speak with a provider during the hours the Center is closed through a telephone patch by the answering service. Bond's providers share a rotating call schedule throughout the year and have access to the electronic record. Clarity is needed regarding the after-hours voice response observation.

## Letter of Agreement

THIS LETTER OF AGREEMENT made and entered into in duplicate on the \_\_\_\_\_ day of \_\_\_\_\_ 2013, by and between Leon County (Bond Community) (the County), and the State of Florida, through its Agency for Health Care Administration (the Agency),

1. Per Senate Bill 1500, the General Appropriations Act of State Fiscal Year 2013-2014, passed by the 2013 Florida Legislature, County and the Agency, agree that County will remit to the State an amount not to exceed a grand total of \$58,667.
  - a. The County and the Agency have agreed that these funds will only be used to increase the provision of health services for the Medicaid, uninsured, and underinsured people of the County and the State of Florida at large.
  - b. The increased provision of Medicaid, uninsured, and underinsured funded health services will be accomplished through the following Medicaid programs:
    - i. The Disproportionate Share Hospital (DSH) program.
    - ii. The removal of outpatient reimbursement ceilings for teaching, specialty and community hospital education program hospitals.
    - iii. The removal of outpatient reimbursement ceilings for hospitals whose charity care and Medicaid days as a percentage of total adjusted hospital days equals or exceeds 11 percent.
    - iv. The removal of outpatient reimbursement ceilings for hospitals whose Medicaid days, as a percentage of total hospital days, exceed 7.3 percent, and are trauma centers.
    - v. Inpatient DRG add-ons for teaching, specialty, children's, public and community hospital education program hospitals; hospitals whose charity care and Medicaid days as a percentage of total adjusted hospital days equals or exceeds 11 percent; or hospitals whose Medicaid days, as a percentage of total hospital days, exceed 7.3 percent, and are trauma centers.
    - vi. The annual cap increase on outpatient services for adults from \$500 to \$1,500.
    - vii. Medicaid Low Income Pool (LIP) payments to rural hospitals, trauma centers, specialty pediatric hospitals, primary care services and other Medicaid participating safety-net hospitals.
    - viii. Medicaid LIP payments to hospitals in the approved appropriations categories.
    - ix. Medicaid LIP payments to Federally Qualified Health Centers.

- x. Medicaid LIP payments to Provider Access Systems (PAS) for Medicaid and the uninsured in rural areas.
  - xi. Medicaid LIP payments for the expansion of primary care services to low income, uninsured individuals.
2. The County will pay the State an amount not to exceed the grand total amount of \$58,667. The County will transfer payments to the State in the following manner:
    - a. The first quarterly payment of \$14,669 for the months of July, August, and September is due upon notification by the Agency.
    - b. Each successive payment of \$14,666 is due as follows, November 30, 2013, March 31, 2014 and June 15, 2014.
    - c. The State will bill the County each quarter payments are due.
  3. Timelines: This agreement must be signed, submitted, and received to the Agency no later than October 1, 2013, for self-funded exemptions, buybacks and DRG add-ons, to be effective for SFY 2013-2014.
  4. Attached are the DSH and LIP schedules reflecting the anticipated annual distributions for State Fiscal Year 2013-2014.
  5. The County and the State agree that the State will maintain necessary records and supporting documentation applicable to Medicaid, uninsured, and underinsured health services covered by this Letter of Agreement. Further, the County and State agree that the County shall have access to these records and the supporting documentation by requesting the same from the State.
  6. The County and the State agree that any modifications to this Letter of Agreement shall be in the same form, namely the exchange of signed copies of a revised Letter of Agreement.
  7. The County confirms that there are no pre-arranged agreements (contractual or otherwise) between the respective counties, taxing districts, and/or the providers to re-direct any portion of these aforementioned Medicaid supplemental payments in order to satisfy non-Medicaid, non-uninsured, and non-underinsured activities.
  8. The County agrees the following provision shall be included in any agreements between the County and local providers where funding is provided for the Medicaid program. Funding provided in this agreement shall be prioritized so that designated funding shall first be used to fund the Medicaid program (including LIP) and used secondarily for other purposes.
  9. The Agency will reconcile the difference between the amount of the IGTs used by or on behalf of individual hospitals' buybacks of their Medicaid inpatient and outpatient trend adjustments or exemptions from reimbursement limitations for SFY 2012-13 and an estimate of the actual annualized benefit derived based on actual days and units of service provided. Reconciliation amount may be incorporated into current year (SFY 2013-14) LOAs.

10. This Letter of Agreement covers the period of July 1, 2013 through June 30, 2014 and shall be terminated June 30, 2014.

**WITNESSETH:**

**IN WITNESS WHEREOF** the parties have duly executed this Letter of Agreement on the day and year above first written.

Leon County  
(Bond Community)

State of Florida

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Stacey Lampkin  
Acting Assistant Deputy Secretary for Medicaid  
Finance, Agency for Health Care Administration

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

<b>Local Government Intergovernmental Transfers</b>	
<b>Program / Amount</b>	<b>State Fiscal Year 2013-2014</b>
Supplemental Payments	
LIP	<b>\$58,667</b>
DSH	
Nursing Home SMP	
Outpatient Amounts	
Automatic Buyback	
Self-Funded Buyback	
Automatic Exemption	
Self-Funded Exemption	
SWI	
Inpatient Amounts	
Automatic DRG Add-On	
Self-Funded DRG Add-On	
<b>Total Funding</b>	<b>\$58,667</b>

## Letter of Agreement

THIS LETTER OF AGREEMENT made and entered into in duplicate on the \_\_\_\_\_ day of \_\_\_\_\_ 2013, by and between Leon County (Bond Comm.) (the County), and the State of Florida, through its Agency for Health Care Administration (the Agency),

1. Per Senate Bill 1500, the General Appropriations Act of State Fiscal Year 2013-2014, passed by the 2013 Florida Legislature, County and the Agency, agree that County will remit to the State an amount not to exceed a grand total of \$261,600.
  - a. The County and the Agency have agreed that these funds will only be used to increase the provision of health services for the Medicaid, uninsured, and underinsured people of the County and the State of Florida at large.
  - b. The increased provision of Medicaid, uninsured, and underinsured funded health services will be accomplished through the following Medicaid programs:
    - i. The Disproportionate Share Hospital (DSH) program.
    - ii. The removal of outpatient reimbursement ceilings for teaching, specialty and community hospital education program hospitals.
    - iii. The removal of outpatient reimbursement ceilings for hospitals whose charity care and Medicaid days as a percentage of total adjusted hospital days equals or exceeds 11 percent.
    - iv. The removal of outpatient reimbursement ceilings for hospitals whose Medicaid days, as a percentage of total hospital days, exceed 7.3 percent, and are trauma centers.
    - v. Inpatient DRG add-ons for teaching, specialty, children's, public and community hospital education program hospitals; hospitals whose charity care and Medicaid days as a percentage of total adjusted hospital days equals or exceeds 11 percent; or hospitals whose Medicaid days, as a percentage of total hospital days, exceed 7.3 percent, and are trauma centers.
    - vi. The annual cap increase on outpatient services for adults from \$500 to \$1,500.
    - vii. Medicaid Low Income Pool (LIP) payments to rural hospitals, trauma centers, specialty pediatric hospitals, primary care services and other Medicaid participating safety-net hospitals.
    - viii. Medicaid LIP payments to hospitals in the approved appropriations categories.
    - ix. Medicaid LIP payments to Federally Qualified Health Centers.

- x. Medicaid LIP payments to Provider Access Systems (PAS) for Medicaid and the uninsured in rural areas.
  - xi. Medicaid LIP payments for the expansion of primary care services to low income, uninsured individuals.
2. The County will pay the State an amount not to exceed the grand total amount of \$261,600. The County will transfer payments to the State in the following manner:
  - a. The first quarterly payment of \$65,400 for the months of July, August, and September is due upon notification by the Agency.
  - b. Each successive payment of \$65,400 is due as follows, November 30, 2013, March 31, 2014 and June 15, 2014.
  - c. The State will bill the County each quarter payments are due.
3. Timelines: This agreement must be signed, submitted, and received to the Agency no later than October 1, 2013, for self-funded exemptions, buybacks and DRG add-ons, to be effective for SFY 2013-2014.
4. Attached are the DSH and LIP schedules reflecting the anticipated annual distributions for State Fiscal Year 2013-2014.
5. The County and the State agree that the State will maintain necessary records and supporting documentation applicable to Medicaid, uninsured, and underinsured health services covered by this Letter of Agreement. Further, the County and State agree that the County shall have access to these records and the supporting documentation by requesting the same from the State.
6. The County and the State agree that any modifications to this Letter of Agreement shall be in the same form, namely the exchange of signed copies of a revised Letter of Agreement.
7. The County confirms that there are no pre-arranged agreements (contractual or otherwise) between the respective counties, taxing districts, and/or the providers to re-direct any portion of these aforementioned Medicaid supplemental payments in order to satisfy non-Medicaid, non-uninsured, and non-underinsured activities.
8. The County agrees the following provision shall be included in any agreements between the County and local providers where funding is provided for the Medicaid program. Funding provided in this agreement shall be prioritized so that designated funding shall first be used to fund the Medicaid program (including LIP) and used secondarily for other purposes.
9. The Agency will reconcile the difference between the amount of the IGTs used by or on behalf of individual hospitals' buybacks of their Medicaid inpatient and outpatient trend adjustments or exemptions from reimbursement limitations for SFY 2012-13 and an estimate of the actual annualized benefit derived based on actual days and units of service provided. Reconciliation amount may be incorporated into current year (SFY 2013-14) LOAs.

10. This Letter of Agreement covers the period of July 1, 2013 through June 30, 2014 and shall be terminated June 30, 2014.

**WITNESSETH:**

**IN WITNESS WHEREOF** the parties have duly executed this Letter of Agreement on the day and year above first written.

Leon County (Bond Comm.)

State of Florida

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Stacey Lampkin  
Acting Assistant Deputy Secretary for Medicaid  
Finance, Agency for Health Care Administration

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

<b>Local Government Intergovernmental Transfers</b>	
<b>Program / Amount</b>	<b>State Fiscal Year 2013-2014</b>
Supplemental Payments	
LIP	\$261,600
DSH	
Nursing Home SMP	
Outpatient Amounts	
Automatic Buyback	
Self-Funded Buyback	
Automatic Exemption	
Self-Funded Exemption	
SWI	
Inpatient Amounts	
Automatic DRG Add-On	
Self-Funded DRG Add-On	
<b>Total Funding</b>	<b>\$261,600</b>

## Letter of Agreement

THIS LETTER OF AGREEMENT made and entered into in duplicate on the \_\_\_\_\_ day of \_\_\_\_\_ 2013, by and between Leon County (the County), and the State of Florida, through its Agency for Health Care Administration (the Agency),

1. Per Senate Bill 1500, the General Appropriations Act of State Fiscal Year 2013-2014, passed by the 2013 Florida Legislature, County and the Agency, agree that County will remit to the State an amount not to exceed a grand total of \$206,650.
  - a. The County and the Agency have agreed that these funds will only be used to increase the provision of health services for the Medicaid, uninsured, and underinsured people of the County and the State of Florida at large.
  - b. The increased provision of Medicaid, uninsured, and underinsured funded health services will be accomplished through the following Medicaid programs:
    - i. The Disproportionate Share Hospital (DSH) program.
    - ii. The removal of outpatient reimbursement ceilings for teaching, specialty and community hospital education program hospitals.
    - iii. The removal of outpatient reimbursement ceilings for hospitals whose charity care and Medicaid days as a percentage of total adjusted hospital days equals or exceeds 11 percent.
    - iv. The removal of outpatient reimbursement ceilings for hospitals whose Medicaid days, as a percentage of total hospital days, exceed 7.3 percent, and are trauma centers.
    - v. Inpatient DRG add-ons for teaching, specialty, children's, public and community hospital education program hospitals; hospitals whose charity care and Medicaid days as a percentage of total adjusted hospital days equals or exceeds 11 percent; or hospitals whose Medicaid days, as a percentage of total hospital days, exceed 7.3 percent, and are trauma centers.
    - vi. The annual cap increase on outpatient services for adults from \$500 to \$1,500.
    - vii. Medicaid Low Income Pool (LIP) payments to rural hospitals, trauma centers, specialty pediatric hospitals, primary care services and other Medicaid participating safety-net hospitals.
    - viii. Medicaid LIP payments to hospitals in the approved appropriations categories.
    - ix. Medicaid LIP payments to Federally Qualified Health Centers.

- x. Medicaid LIP payments to Provider Access Systems (PAS) for Medicaid and the uninsured in rural areas.
  - xi. Medicaid LIP payments for the expansion of primary care services to low income, uninsured individuals.
2. The County will pay the State an amount not to exceed the grand total amount of \$206,650. The County will transfer payments to the State in the following manner:
  - a. The first quarterly payment of \$51,664 for the months of July, August, and September is due upon notification by the Agency.
  - b. Each successive payment of \$51,662 is due as follows, November 30, 2013, March 31, 2014 and June 15, 2014.
  - c. The State will bill the County each quarter payments are due.
3. Timelines: This agreement must be signed, submitted, and received to the Agency no later than October 1, 2013, for self-funded exemptions, buybacks and DRG add-ons, to be effective for SFY 2013-2014.
4. Attached are the DSH and LIP schedules reflecting the anticipated annual distributions for State Fiscal Year 2013-2014.
5. The County and the State agree that the State will maintain necessary records and supporting documentation applicable to Medicaid, uninsured, and underinsured health services covered by this Letter of Agreement. Further, the County and State agree that the County shall have access to these records and the supporting documentation by requesting the same from the State.
6. The County and the State agree that any modifications to this Letter of Agreement shall be in the same form, namely the exchange of signed copies of a revised Letter of Agreement.
7. The County confirms that there are no pre-arranged agreements (contractual or otherwise) between the respective counties, taxing districts, and/or the providers to re-direct any portion of these aforementioned Medicaid supplemental payments in order to satisfy non-Medicaid, non-uninsured, and non-underinsured activities.
8. The County agrees the following provision shall be included in any agreements between the County and local providers where funding is provided for the Medicaid program. Funding provided in this agreement shall be prioritized so that designated funding shall first be used to fund the Medicaid program (including LIP) and used secondarily for other purposes.
9. The Agency will reconcile the difference between the amount of the IGTs used by or on behalf of individual hospitals' buybacks of their Medicaid inpatient and outpatient trend adjustments or exemptions from reimbursement limitations for SFY 2012-13 and an estimate of the actual annualized benefit derived based on actual days and units of service provided. Reconciliation amount may be incorporated into current year (SFY 2013-14) LOAs.

10. This Letter of Agreement covers the period of July 1, 2013 through June 30, 2014 and shall be terminated June 30, 2014.

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**IN WITNESS WHEREOF** the parties have duly executed this Letter of Agreement on the day and year above first written.

Leon County

State of Florida

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Stacey Lampkin  
Acting Assistant Deputy Secretary for Medicaid  
Finance, Agency for Health Care Administration

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

<b>Local Government Intergovernmental Transfers</b>	
<b>Program / Amount</b>	<b>State Fiscal Year 2013-2014</b>
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SWI	
Inpatient Amounts	
Automatic DRG Add-On	
Self-Funded DRG Add-On	
<b>Total Funding</b>	<b>\$206,650</b>



**HRSA**  Office of  
Policy Analysis

---

# **Potential Impacts of the Affordable Care Act on Safety Net Providers in 2014**

This information may not be changed, modified, adapted or altered so as to falsely imply different messages.



## Structure of this Presentation



- A. Impact on providers' typical **patient** populations.
- B. Impact on their health insurance and health care **business environment**.
- C. Impact on providers as **employers**.

*All references to “providers” mean safety net provider organizations (not individuals), unless otherwise specified.*



# A. Potential Impact on Safety Net Providers' **Patient Populations**

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## Many Uninsured Patients Will Become Eligible for Affordable Coverage in 2014



Two new opportunities for health coverage:

1. Medicaid – States will have the opportunity to expand Medicaid coverage to individuals up to 133% FPL.
2. Private insurance purchased through the Health Insurance Marketplace (also known as an Exchange).
  - Some individuals will be eligible for help paying for health insurance in the Marketplace.



## Medicaid Expansion



The Medicaid expansion provision of the Affordable Care Act requires states to expand Medicaid to cover all non-elderly residents with incomes up to 133% FPL starting Jan. 1, 2014.

- 133% FPL is \$15,282 for an individual or \$31,322 for a family of 4 in 2013.
- Individuals will no longer need to meet both income and other medical or categorical requirements (e.g., children, disabled, etc.) to be eligible for Medicaid.
- The expansion will enable childless adults (ages 19-64) to get Medicaid.

# + State Implementation of Medicaid Expansion

- In June 2012, the Supreme Court held that a state may not lose Federal funding for its existing Medicaid program when it does not implement the Medicaid eligibility expansion.
- States that implement the Medicaid expansion will receive 100% federal funding for the cost of the expansion from 2014-2016, and at least 90% after that.
- There is no deadline for States to decide whether to expand, and many States are still deciding.
- Individuals with incomes less than 100% FPL who reside in a state that does not implement Medicaid expansion will not be subject to the Shared Responsibility Payment (i.e., tax penalty for not having insurance).

## + Health Insurance Marketplaces (aka Exchanges)



- By October 1, 2013, every State will have a Marketplace where eligible individuals and small businesses can shop for and purchase private health insurance plans.
- Some Marketplaces will be operated by the Federal government, some by the State, and some via a Federal-State partnership.
- All citizens and lawfully present non-citizens (except the incarcerated) can purchase insurance through the Marketplace.
  - A person cannot be denied due to health status.



## Help with Paying for Insurance through the Marketplace



- **The Affordable Care Act:**
  - **makes premium tax credits available to support the purchase of coverage through a Marketplace for eligible individuals with household income between 100% - 400% FPL;**
  - **provides assistance with cost-sharing for eligible persons between 100% - 250% FPL;**
  - **Members of Federally-recognized Indian Tribes have no cost-sharing if income is <300% FPL**

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## Who's Eligible for Help Paying for Insurance through the Marketplace?

- To be eligible for premium tax credits and cost-sharing reductions for insurance obtained through the Marketplace, a person may not:
  - be eligible for certain government-sponsored programs (e.g., Medicaid, CHIP, Medicare, TRICARE, etc.)
  - be able to get affordable, minimum value coverage at work (defined as coverage for which the employee's contribution for an individual policy is less than 9.5% of income, and which has at least a 60% actuarial value ); or
  - be eligible for any other coverage that qualifies as “minimum essential coverage” under IRC 5000A(f) (other than coverage in the individual market).

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## Some Patients Will Still Have Challenges Accessing Coverage

Once these new opportunities are in effect, CBO estimates that there will still be up to 30 million uninsured across the U.S in 2022. They will include:

- Persons who do not have an “affordable” insurance option available to them;
- Persons who choose not to have insurance, either because they are exempted (e.g., members of an Indian Tribe, those with religious objections) or they choose to pay the Shared Responsibility Payment;
- Individuals who are not lawfully present

This information may not be changed, modified, adapted or altered so as to falsely imply different messages.



# Who is Eligible for What?



Income level % FPL	Eligible :			
	For Medicaid?	To purchase insurance through Market-places?	For insurance purchased through the Marketplace:	
			Premium Tax Credits	Reduced cost-sharing
0 to 100%	Currently eligible people will generally remain eligible. Individuals with incomes up to 138% FPL will be able to enroll in Medicaid in states that implement Medicaid expansion	Yes	No (Exception: legal immigrants)	
100% - 138%		Yes		
138% - 250%	Generally not (although some States cover some individuals)	Yes	Yes*	
250% - 400%	No	Yes	Yes*	No
Above 400%	No	Yes	No	No
Not lawfully present	No (except emergency Medicaid)	No	No	No

This information may not be changed, modified, adapted or altered so as to falsely imply ~~different~~ **unless eligible for other minimum essential coverage as defined in IRC 5000A(f)**

## + Providers May Want to Focus on Educating & Enrolling their Patients in Insurance

To ensure that their eligible patients can appropriately benefit from these new coverage opportunities, safety net providers may want to:

- **Educate** their patients about their new options, how insurance works, the benefits of having insurance, etc., and
- **Assist** patients with **applying for and enrolling** in these programs.



## Educating Patients about New Health Coverage Options



- What the options are: Many individuals who stand to benefit under the 2014 provisions are not aware of their options.
  - A recent study\* found that:
    - Among uninsured Americans who are likely to qualify for help paying for coverage through the Marketplace, only 22% were aware of the financial assistance available.
    - Among those likely to qualify for Medicaid under the expansion, only 17% were aware of this possibility.
- How insurance works: Many newly-eligible individuals would benefit from education on how insurance works (e.g., how cost-sharing works, how provider networks function, and how insurance may benefit them.)

\* Poll by Lake Research Partners, Fall 2012 – available at [www.enrollamerica.org](http://www.enrollamerica.org)  
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## + Assisting Patients in Applying for & Enrolling in the New Options

Eligible patients would likely benefit from help with:

- Accessing the eligibility and enrollment system
  - Individuals can apply online, by phone, by mail, or in-person.
  - Each Marketplace will have assistance programs, including Marketplace Navigators who can help consumers through the enrollment process.
  
- Working their way through the application.
  
- Understanding and evaluating factors they should consider when selecting a plan. For example:
  - Does it cover the Rx I need?
  - Does it include the provider(s) I want to see?



## Summary of Potential Impact on Patient Populations



1. **Some uninsured patients will become eligible for affordable insurance in 2014.**
2. **Not all patients will have access to or will obtain health coverage.**
3. **Providers may want to focus on educating & enrolling their patients in insurance.**



# B. Potential Impact on Safety Net Providers' **Business Environment**

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## + Two New Acronyms: QHPs & ECPs

- **QHPs**: Qualified Health Plans – those private health insurance plans that are approved to be sold through a Marketplace.
- **ECPs**: Essential Community Providers – A term used in the ACA to denote providers that serve predominately low-income, medically underserved individuals, such as:
  - Health care providers defined in Section 340B of the Public Health Service Act and Section 1927(c)(1)(D)(i)(IV) of the Social Security Act
  - This includes many traditional HRSA providers, including Federally Qualified Health Centers, Ryan White HIV/AIDS providers, critical access hospitals, etc.



## ECP Database



- On March 26, CMS/CCIIO posted a “non-exhaustive list” of ECPs to assist health insurance plan issuers in locating ECPs.
  - <http://cciio.cms.gov/programs/exchanges/qhp.html>
- Questions about the database may be directed to [essentialcommunityproviders@cms.hhs.gov](mailto:essentialcommunityproviders@cms.hhs.gov).

## + Increased Competition for Insured Patients



- When previously-uninsured patients become insured, they will become more attractive to other providers.
- Primary care providers may also face increased competition for current Medicaid patients:
  - Medicaid payments rates for primary care increased significantly (to Medicare levels) for 2013 & 2014, making these patients more attractive to other providers.
  - These increases apply to all Medicaid patients, not just those who gain Medicaid in 2014.

+

## Ensuring that Newly Insured Patients Can Stay with their Current Providers



- Newly-insured patients may join plans that have a specific provider network
- To ensure that patients have the option to stay with their current provider:
  - Providers must participate in the networks of the health insurance plans their patients will enroll in (both QHPs & Medicaid managed care plans.)
  - Patients should understand that their new insurance may have a specific provider network.

## + Insurers are NOT Required to Contract with all Safety Net Providers

- Neither QHPs nor Medicaid managed care plans are required to include all safety net providers in their networks.
- The ACA and implementing regulations require QHPs to include “a sufficient number and geographic distribution of essential community providers, where available, to ensure reasonable and timely access to a broad range of ECPs.”

## + How the ECP Rules are Being Implemented in 2014

- CMS has released guidance on how it will determine if a QHP has a sufficient amount of ECPs in its network for 2014:
  - QHPs that demonstrate at least **20 percent** participation of ECPs in the plan's service area **with at least one ECP in each ECP category in each county** and offer contracts to all available Indian providers will meet the **safe harbor**.
  - The guidance also provides a **minimum expectation** where an issuer demonstrates **at least 10 percent** participation of ECPs in the plan's service area, and provides a narrative justification.

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## How the ECP Rules are Being Implemented in 2014, *continued*

- If a QHP does not meet the safe harbor or minimum expectation, it must include a narrative justification describing:
  - why the QHP was not able to meet either standard, and
  - how the QHP's provider network(s) will provide an adequate level of service for low-income and medically underserved enrollees consistent with the regulatory standard.

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## The Time to Reach Out to Health Plans is NOW



- QHPs to be offered for 2014 will be asked to finalize their networks within the next several months.
- So providers may want to reach out to health plans **now** if they want to get into their networks for 2014.

## + Payment Rules for FQHCs under Marketplace Plans

- QHPs are required to pay FQHCs their Medicaid PPS rate – but only if they do not contract with the FQHC (in other words, if they don't include the FQHC in their network.)
- If a QHP and FQHC decide to contract, then the 2 entities may agree on a different rate.



## Patients Should Be Aware of How Provider Networks Function



Patients should be aware that:

- not all plans provide coverage for all providers,
- if they want to stay with their current provider they must select a plan that includes that provider in its network.

Providers who assist patients with selecting & enrolling in insurance plans will need to follow procedures to avoid conflict of interest.

- These procedures are expected to be published soon.

# + Changes in how Health Care is Paid for & Delivered (aka “Payment and Delivery Reform”)

- Health insurers throughout the country – both public and private – are seeking to change the way that health care is paid for and delivered.
- The goals are to :
  - shift from paying for volume to paying for outcomes, and
  - improve care coordination,
  - thereby reducing costs and improving quality.
- Most of these changes are voluntary & small-scale, but they are spreading rapidly.

## + Examples of Payment & Delivery Reforms



- These efforts are taking many forms, such as:
  - Medicaid moving additional populations into managed care (e.g., elderly, disabled, homeless)
  - Primary care medical homes
  - Accountable Care Organizations
  - Bundled payments
  - Global payments

+

## Heightened Focus on Program Integrity (aka Fraud and Abuse)

- CMS, States, and private insurers are becoming increasingly active in identifying improper payments.
- It continues to be critically important that providers ensure they are in full compliance with all requirements.

## + Reductions in Funding to Hospitals that Treat Underserved Patients

- Medicaid and Medicare provide additional funding to “Disproportionate Share Hospitals” (DSH) which serve a significantly disproportionate number of underserved patients.
  - HRSA providers that may receive DSH funding include: Critical Access Hospitals, Sole Community Hospitals, Rural PPS hospitals, and teaching hospitals that receive BHPR funding.
- Starting in 2014, this funding will be reduced, as the number of uninsured is expected to decline.
- It is not yet clear exactly how these decreases will affect individual States and hospitals; however, providers should be aware that they are coming.

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## + Summary of Potential Impact on Business Environment

- Newly-insured patients may enroll in plans that have specific provider networks.
  - Providers may want to participate in the health plans their patients will enroll in (both QHPs & Medicaid managed care plans.)
- Changes in how health care is paid for & delivered
- Heightened focus on program integrity (aka fraud and abuse)
- Lower DSH funding for hospitals that treat a disproportionate share of underserved patients.



# C. Potential Impact on Safety Net Providers **as Employers**

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## + Safety Net Providers May See a Relatively Smaller Decrease in Number of Uninsured

- While safety net providers should expect a decrease in the percentage of their patients who are uninsured, this decrease is likely to be smaller than for other provider types.
- An evaluation of the impact of Massachusetts' health reform\* (implemented in 2006) on FQHCs found that:
  - In the first year, the total number of uninsured persons in the State fell by about 50% -- but the number of uninsured seen at health centers fell by only about 25%.
  - Before reform, Massachusetts health centers served 22% of the State's uninsured population; one year later, they served 36%.

\* Source: "How Is the Primary Care Safety Net Faring in Massachusetts? Community Health Centers in the Midst of Health Reform" available from Kaiser Commission on Medicaid and the

Uninsured

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## + Potential Increase in Demand from Newly-Insured Patients

- History suggests that individuals who gain health insurance for the first time may increase the amount of health care services they consume.
- These increases may be particularly noticeable in:
  - Primary care, and
  - Low-income and/or underserved communities.
- Providers in these communities should assess their staffing needs and strategies in preparation for 2014.

## + New Options & Responsibilities for providing Health Insurance for Staff



- Beginning October 1, 2013, small employers with 100 or fewer full-time equivalent (FTE) employees may shop for and purchase insurance through a Small Business Health Options Program (SHOP) marketplace.
  - States may limit eligibility to employers with 50 or fewer employees for 2014 and 2015 only.
  - Small employers with 25 or fewer FTEs who pay average annual wages below \$50,000 and who purchase insurance through the SHOP may be eligible for a small business tax credit for 2 consecutive years.
- Larger employers (over 50 FTEs) will have to pay assessments if they do not provide their employees with affordable insurance that meets minimum value requirements.

## + Summary of Potential Impact on Providers as Employers

1. Compared to other provider types, safety net providers may see a relatively smaller decrease in how many uninsured persons they serve.
2. Demand for services may increase, particularly for primary care and among underserved populations.
3. Providers should assess their staffing needs & strategies.
4. There will be new options & responsibilities for providing health insurance for staff.



## Conclusion

To prepare for 2014, safety net providers may want to:

- **NOW: Work with potential QHPs and Medicaid managed care plans to explore joining their provider networks.**
- **Educate patients about their new insurance options and how they operate.**
- **Educate patients about programs available to assist them into the new Marketplace (Navigators, etc.)**
- **Make sure patients who are newly eligible for coverage understand that their plan may use a provider network.**
- **Assist patients in getting enrolled in the appropriate option/ programs.**
- **Expect an increase in demand for primary care.**
- **Assess their staffing needs & strategies.**



## For Further Information



**[www.healthcare.gov](http://www.healthcare.gov)**: Contains up-to-date information on topics such as: Preparing for Marketplaces; Health Insurance Basics; and Timeline for ACA implementation. Also contains videos explaining key features of the law

**<http://cciio.cms.gov/resources/factsheets/>**: Contains fact sheets & FAQs focused on private insurance issues, such as Marketplaces, Health Market Reforms, and Consumer Support and Information.

**[www.medicaid.gov](http://www.medicaid.gov)**: Contains general information on Medicaid, as well as information on the Medicaid expansion., including eligibility, benefits, and program administration.



## **Affordable Care Act Provision Description**

**Eligibility:** Fills in current gaps in coverage for the poorest Americans by creating a minimum Medicaid income eligibility level across the country.

**Financing:** Beginning in 2014 coverage for the newly eligible adults will be fully funded by the federal government for three years. It will phase down to 90% by 2020.

**Information Technology Systems and Data:** Policy and financing structure designed to provide states with tools needed to achieve the immediate and substantial investment in information technology systems that are needed in order to ensure that Medicaid systems will be in place in time for the January 1, 2014 launch date of the new Affordable Insurance Exchanges as well as the expansion of Medicaid eligibility.

**Coordination with Affordable Insurance Exchanges:** This system enables individuals and families to apply for coverage using a single application and have their eligibility determined for all insurance affordability programs through one simple process.

**Benefits:** People newly eligible for Medicaid will receive a benchmark benefit or benchmark equivalent package that includes the minimum essential benefits provided in the Affordable Insurance Exchanges.

**Community-Based Long-Term Services and Supports:** Includes a number of program and funding improvements to help ensure that people can receive long-term care services and supports in their home or the community.

**Quality of Care and Delivery Systems:** Improvements will be made in the quality of care and the manner in which that care is delivered while at the same time reducing costs.

**Prevention:** Promotes prevention, wellness and public health and supports health promotion efforts at the local, state and federal levels.

**Children's Health Insurance Program (CHIP):** Extends funding for the Children's Health Insurance Program (CHIP) through FY 2015 and continues the authority for the program through 2019.

**Dual Eligible:** A new office will be created within the Centers for Medicare & Medicaid Services to coordinate care for individuals who are eligible for both Medicaid and Medicare ("dual eligibles" or Medicare-Medicaid enrollees).

**Provider Payments:** States will receive 100 percent federal matching funds for the increase in payments.

**Program Transparency:** Promotes transparency about Medicaid policies and programs including establishing meaningful opportunities for public involvement in the development of state and federal Medicaid waivers.

**Program Integrity:** Includes numerous provisions designed to increase program integrity in Medicaid, including terminating providers from Medicaid that have been terminated in other programs, suspending Medicaid payments based on pending investigations or credible allegations of fraud, and preventing inappropriate payment or claims under Medicaid.

**Matthew Snook**  
Partner



3031 North Rocky Point Drive West, Suite 700  
Tampa, FL 33607  
+1 813 207 6310  
matthew.snook@mercer.com  
www.mercer.com

August 23, 2013

Ms. Shelia Murray-Dickens  
Healthcare Services Coordinator  
Office of Human Services and  
Community Partnerships  
918 Railroad Avenue  
Tallahassee, Florida 32310

**Subject:** Statement of Work for Analysis of Impact of the Affordable Care Act on Leon County's CareNet Program

Dear Shelia:

The objective of this Statement of Work ("SOW") is to confirm the scope of our work and the compensation for this engagement. This SOW is subject to the terms and conditions contained in our existing engagement letter dated October 19, 2010. All capitalized terms not defined in this SOW shall have the meanings ascribed to them in our existing engagement letter.

1. Project: Analysis of Impact of the Affordable Care Act on Leon County's CareNet Program
2. Description of Mercer responsibilities: Leon County currently operates the CareNet program, which is a public/private partnership designed to offer primary healthcare services to the uninsured residents of the county. The county's Board of County Commissioners (BOCC) would like an analysis of the potential impact of the Patient Protection and Affordable Care Act (ACA) on the CareNet program. Specifically, the BOCC is interested in understanding if there are options under the ACA that may provide insurance coverage for the individuals currently served through CareNet. To assist in that effort, Mercer proposes the following scope of work.

Mercer is proposing two phases of work. In Phase 1, Mercer will research options and create a report outlining potential options for the County to explore related to alternative coverage for individuals currently served through the CareNet program. If the County determines that it wants to further explore some of the options identified in Phase 1, Mercer will conduct Phase 2 of the project, which will consist of analyzing the potential enrollment and financial impact of alternative coverage.



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August 23, 2013  
Ms. Shelia Murray-Dickens

### Phase 1

In Phase 1, Mercer will conduct research and develop a report that includes both a primer on the provisions of the ACA that may impact insurance options for low-income uninsured individuals, as well as an analysis of whether those provisions may be options for the County to explore further as an alternative to the CareNet program. In the development of these options, Mercer will rely on information from county staff (e.g., documents, teleconferences) to provide details on the parameters of the CareNet program to ensure we have identified appropriate options under the ACA. In Phase 1, Mercer will identify options but not attempt to quantify any potential fiscal or enrollment impact.

### Phase 2

If the County determines it would like to pursue a fiscal and enrollment analysis of the options presented in the Phase 1 report, Mercer will update the Phase 1 report to include an analysis of the number of individuals potentially impacted by the options and an estimate of the potential fiscal impact to the County of pursuing these options. To complete the analysis, Mercer will need to rely on enrollment and fiscal data from the County. Within the scope of Phase 2, Mercer assumes analyzing up to three options under the ACA. If the County wishes to explore options in excess of three, the scope and budget will need to be revisited.

3. Description of client responsibilities: Provide all data and information relevant to completion of the project in a timely manner (data to be requested once SOW executed); participate in calls/meetings and make decisions as warranted to advance project work. Instructions with respect to this SOW will be given to us by you or your designee.
4. Period of time over which work will be performed: Below is a summary of the timeline for Phase 1, assuming a September 10, 2013 approval date.
  - Draft report: 10/8/13
  - Comments from Leon County on draft report: 10/15/13
  - Final report: 10/22/13

Below is a summary of the timeline for Phase 2, assuming the County determines to pursue Phase 2 by October 29, 2013. Please note that this timeline is contingent upon Mercer receiving complete data by November 5, 2013. If the data are incomplete or need to be revised, this timeline will need to be adjusted.

- Conference call with the County and Mercer to discuss data sources: 10/29/13
- The County provides Mercer with data to support the enrollment and fiscal analysis: 11/5/13
- Draft report: 12/3/13



Page 3  
August 23, 2013  
Ms. Shelia Murray-Dickens

- Comments from Leon County on draft report: 12/10/13
  - Final report: 12/17/13
5. Compensation/fees: We will be compensated for the services described herein on a fixed-fee basis, as follows:

Phase 1: Options Report = \$27,000  
Phase 2: Enrollment and Fiscal Analysis = \$30,000

Fees are exclusive of travel expenses as no on-site presentations in Tallahassee are anticipated. Fees assume clean data provided in requested format. Travel and consulting costs for on-site meetings will be billed separately. We will bill you monthly, with such invoices due within thirty (30) days of your receipt of an undisputed invoice. If any invoice remains unpaid after longer than ninety (90) days from the date of the invoice, we may either suspend the provision of the services until payment is received, or terminate this SOW with immediate effect.

### **Subcontractors**

We may need to utilize various subcontractors ("Subcontractors") in the course of our provision of the Services to assist us in such tasks as printing and mailing, development of interactive tools, graphic design, etc. You consent to our use of the Subcontractors and further acknowledge and agree that we may provide such Subcontractors with your Confidential Information, including Work, on a confidential and a need to know basis for the purposes contemplated by this SOW.

### **Additional Terms**

1. We do not act on behalf of any insurer or other service provider, are not bound to utilize any particular insurer or service provider, and do not have the authority to make binding commitments on behalf of any insurer or service provider. In addition, we do not guarantee or make any representation or warranty that coverage or service can be placed on terms acceptable to you. We are not responsible for the solvency or ability to pay claims of any insurance carrier or for the solvency or ability of any service provider to provide service. Insurance carriers or service providers with which your other risk or insurance coverage or other business is placed will be deemed acceptable to you, in the absence of contrary instructions from you.
2. You understand that the failure to provide, or cause to provide, complete, accurate, up-to-date, and timely documentation and information to us, an insurer, or other service provider, whether intentional or by error, could result in impairment or voiding of coverage or service. You agree to review all policies, endorsements and program agreements delivered to you by



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us and will advise us of anything which you believe is not in accordance with the negotiated coverage and terms within thirty (30) days following receipt.

3. Mercer and its Affiliates serve a wide array of clients, including clients who compete with or whose interests may be adverse to one another. In addition, Mercer interacts with insurance carriers and other service providers through numerous business and contractual relationships, including serving as a broker for its clients and receiving commissions from carriers, providing consulting or administration services to carriers, and auditing carriers' claims data. Mercer is committed to serving each of its clients in an objective manner and maintaining the confidentiality of each of its client's information.
4. You expressly acknowledge that, with respect to the provision of the Services, we are not, nor are any of our Affiliates or subcontractors, an "administrator" within the meaning under applicable law, including the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), nor, with respect to the provision of the Services, are we or any of our Affiliates or subcontractors a "fiduciary" within the meaning under applicable law or ERISA, unless provided otherwise herein or required by applicable law.
5. Title V of the Gramm-Leach-Bliley Act and related state laws and regulations establish limitations on the use and distribution of non-public information collected by financial institutions from their customers and consumers. Our insurance-related work qualifies us as a financial institution under this Act. Our Privacy Policy Notice and additional information regarding other compliance policies at Mercer, including our conflicts of interest policy, are available at [www.mercer.com/transparency](http://www.mercer.com/transparency). At this web address you will also find information regarding Marsh & McLennan Companies, Inc. and its subsidiaries' equity interests in certain insurers and contractual arrangements with certain insurers and wholesale brokers.
6. Without limiting the generality of Section 2 of our engagement letter, you will inform us at the commencement of our work under each SOW (and thereafter in the event of any change) as to whether or not you or any of your Affiliates are subject to any restrictions or obligations directly relevant to the Services as a result of or in connection with having received any federal financial assistance in connection with any federal law or program, including, but not limited to, the American Recovery and Reinvestment Act of 2009 and the Emergency Economic Stabilization Act of 2008, including the Troubled Assets Relief Program. In the event that you or your Affiliates are subject to such restrictions or obligations, you will also promptly describe such restrictions and obligations to us in writing in reasonable detail and make an expert (including internal or external counsel) available to us for additional clarification that we reasonably request regarding the analysis or interpretation of any such restrictions or obligations. You agree that we will be entitled to rely on, and have no liability



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for, the accuracy and completeness of the information, analysis or interpretation that is provided to us in connection with the foregoing.

7. To the extent we create any communications materials for you and you request that we use your name and/or logo in such materials, you hereby grant to Mercer and its agents, vendors, and subcontractors, a non-exclusive, royalty-free, limited license to use your name, logo and any tradename or mark only in connection with Mercer's performance of the applicable Services, provided such use will be subject to your prior written approval as to style, form, context and general content. You will not unreasonably delay or withhold your approval.

We appreciate your business and look forward to working with you on this engagement. Please acknowledge your agreement to the terms contained herein by signing below.

By: 

Name: Matthew L. Snook

Date: August 23, 2013

Title: Partner

ACCEPTED AND AGREED

**Leon County Board of County Commissioners**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Title: \_\_\_\_\_