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Now WHAT?

November 2019



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7501 Wisconsin Avenue, Suite 1100W
Bethesda, MD 20814
Phone 301.347.0400
Fax 301.347.0459
www.nachc.com

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FOREWORD

Congratulations!

You have received new access point (NAP) funding. Take a moment to celebrate. HRSA has made the decision to invest in your health center to provide comprehensive primary health care services to underserved populations.

Now, the real work begins.

A standard reaction may be that you feel overwhelmed and don't know where to start. This publication is the second in a series of practice guides for starting community health centers produced by the National Association of Community Health Center (NACHC). The first guide, "So You Want to Start a Health Center?" provides strategic direction on how to start a health center and the funding requirements that the Health Resources and Services Administration/Bureau of Primary Health Care (HRSA/BPHC) requires to be recognized as part of the federally-funded Health Center Program.

The goal of this guide is to:

- Describe the responsibilities and requirements set forth within your Notice of Award (NOA);
- Provide an overview of the HRSA Health Center Program Requirements as outlined in the two foundational documents, the HRSA Health Center Program Compliance Manual (hereafter referred as the 'Compliance Manual') and the Health Center Program Site Visit Protocol (SVP),¹ both of which are important tools for ensuring compliance with federal funding requirements;
- Provide checklists to assist with the opening of a new health center; and
- Provide a list of resources and other organizations that can help get you off in the right direction.

This publication will focus on the compliance aspect that HRSA/BPHC requires to maintain federal funding. It is important to note that the HRSA Health Center Program Requirements are the floor, not the ceiling, to ensure compliance. The material presented here is a starting point to develop your health center. While the HRSA federal regulations never change, implementation of the requirements is unique to each health center.

This guide is broken into the following areas:

- First 120 days
- Rest of the Year
- Best Practices and Other Considerations
- Implementation checklists
- Lessons learned from the field

The first question you may have is "What should I do right now?" As soon as you receive notice that you are funded, you should:

¹ HRSA's Health Center Program Compliance Manual and Health Center Program Site Visit Protocol (SVP) can be found: <https://bphc.hrsa.gov/programrequirements/compliancemanual/introduction.html> and <https://bphc.hrsa.gov/programrequirements/svprotocol.html>

- Re-read your grant application submitted for federal funding.

Remember, what was written in the grant is the expectation that HRSA will be requiring. Your organization was funded based on this application. If something needs to change, please notify HRSA/BPHC. Your point of contact is on your Notice of Award (NOA).

- Re-read and share the Operational Plan.

The Operational Plan is in your federal application. This plan outlines six key focus areas, the key goals associated with each area, and a checklist of key action steps, timeframe, and the person(s) responsible for implementation. Share it with staff, board members, and anyone who will help with getting your health center up and running. Remember, this is the plan that must be implemented within 120 days of notice of award. HRSA provides a template of an Operational Plan on its website.²

- Read, re-read, and study your Notice of Award (NOA).

As described above, your NOA is the way that HRSA/BPHC has communicated with your point of contact on your funding approval. This NOA provides valuable information on federal funding budgets, details of data submission, specific terms and conditions, and your contact within HRSA/BPHC. Your contact is also called your Project Officer (PO).

- Review the Compliance Manual and Site Visit Protocol.^{3 4}

It is strongly encouraged to share these two foundational documents with staff, board members, and community members that have helped with the funding application. The Compliance Manual consists of 21 Chapters that provide an overview of Statute and regulations, program requirements, and methods to demonstrate compliance. The Site Visit Protocol is HRSA's tool for assessing compliance and serves as an "open-book test" for health centers preparing for an operational site visit (OSV). HRSA/BPHC will complete an OSV within 2-4 months after the first 120 days of operation for a Newly Funded Organization or a Look-Alike with a current one-year designation period.

Again, while this may feel overwhelming, but remember – you are not alone. You are now part of the health center movement, which includes nearly 1,400 health centers. At one point in time – and in some cases many points in time -- these health centers have received the same newly funded status that you have just received for either their health center or a site. These health centers have successfully made it through the first 120 days, first year, and more. Reach out to them, your primary care association, your BPHC project officer, and NACHC for support along the way.

Welcome to the health center family!

2 "Sample NAP Operational Plan," HRSA: https://bphc.hrsa.gov/sites/default/files/bphc/programopportunities/fundingopportunities/NAP/FY19_Sample_Operational_Plan.pdf

3 Compliance Manual: <https://bphc.hrsa.gov/programrequirements/compliancemanual/introduction.html>

4 HRSA Health Center Program Site Visit Protocol: <https://bphc.hrsa.gov/programrequirements/svprotocol.html>



Overview

Congratulations on receiving a New Access Point (NAP) funding award.

HRSA has decided specifically and intentionally to invest in your health center to provide comprehensive primary health care services to medically underserved populations and/or communities.

However, with the funding award come requirements and expectations. In the first 120 days of the Notice of Award, all proposed sites must begin delivering services to the proposed target population and become compliant with Health Center Program Requirements. For example, health centers with a September 1st start date must be operational and compliant by December 31st. NAP patient projections are also expected to be met for the first calendar year after receiving funding. For example, HRSA would use 2020 Uniform Data System (UDS) report – the standard data set reported annually to HRSA to provide consistent information about health centers – submitted in early 2021 to determine whether health centers that received a September 1, 2019 award, met the NAP unduplicated patient projection.⁵

For right now, the first 120 days are the most crucial. These 120 days are for:

- Implementing the Operational Plan that was written in your federal grant application
 - Set up timelines and tactics to complete goals with objectives and keep staff and board members up to date
- Setting up new systems, whether it be a new payroll, accounting, or health records
- Hiring and orienting new or existing staff
- Enrolling in reimbursement programs with Medicare, Medicaid, or other insurance companies
- Making regulatory filings
- Working with local community agencies to assist with support and startup of your health center
- Conducting governance oversight by a Board of Directors that meets HRSA Health Center Program Requirements
- Providing comprehensive care, whether directly, contract, or by referral to the community that you serve
- Getting to know your HRSA/BPHC PO and start fulfilling requirements stated in your NOA

It is important to keep in mind two important points:

- Ensure that the mission and vision of the organization coincides with the outcomes you have proposed and want to achieve
- Become compliant with HRSA Health Center Program Requirements by using the Compliance Manual and the Site Visit Protocol

⁵ For more information on UDS, see HRSA's "Uniform Data Systems (UDS) Resources:" <https://bphc.hrsa.gov/datareporting/reporting/index.html>

Health Center Funding Types

As a newly funded health center, there are several types of funding streams your health center may have been awarded. Below is a brief explanation of the populations served by funding type:

- **Section 330(e) Underserved Population:** This includes all residents of the center's service area, regardless of the individual's ability to pay, including migrant and seasonal farmworkers, homeless persons, and residents of public housing.
- **Section 330(g) Migratory and Seasonal Agricultural Worker (MSAW):** Migratory agricultural workers are defined as individuals whose principal employment is in agriculture, who have been employed in agriculture within the last 24 months, and who have established for the purposes of such employment a temporary abode. Seasonal agricultural workers are defined as individuals whose principal employment is in agriculture on a seasonal basis and who do not meet the definition of a migratory agricultural worker. Individuals who are no longer employed in migratory or seasonal agriculture because of age or disability are within such catchment area, and/or family members of the individuals described above.
- **Section 330(h) Homeless Population:** Homeless populations are individuals who lack housing (without regard to whether the individual is a member of a family), whose primary residence during the night is a supervised public or private facility that provides temporary living accommodations, who resides in transitional housing, and/or who reside in permanent supportive housing or other housing programs that are targeted to homeless populations.
- **Section 330(i) Residents of Public Housing:** This population includes residents of public housing and individuals living in areas immediately accessible to public housing. The term "public housing" refers to low-income housing developed, owned or assisted by public housing agencies including mixed finance projects. This excludes housing units with no public housing agency support other than Section 8 housing vouchers.

A health center can have all these funding streams, a combination of funding streams, or just one of them. Regardless of type of funding streams, health centers must still maintain compliance with the HRSA Health Center Program Requirements. For more detail on the funding types, refer to the Glossary section of the Compliance Manual.⁶

⁶ Section 330 (h), (i), (g) are considered to be special populations funding streams. Specific definitions of these funding streams can be found in the Compliance Manual [HRSA Glossary Definitions](#).



The First 120 Days

Newly funded health centers – both new sites and new health centers – must be operational and compliant with Health Center Program Requirements within 120 days of the Notice of Award.

The Operational Plan: Your Key to Initial Operational Success

The Operational Plan submitted with your grant funding application has been approved by HRSA/BPHC. It is strongly encouraged to review the NOA, as additional clarification on the Operational Plan may be required. Remember, by the end of the 120 days, your newly funded organization must be up and running and seeing patients. If a change to the Operational plan needs to occur, talk with your Project Officer. The operationalization of the plan may change, but at the end of the 120 days, the health center must be able to provide care to patients.

When operationalizing your plan, make sure you are doing things right the first time. A temporary fix may suffice to get the ball rolling but going back to fix systems later can take much more time than doing it correctly and comprehensively the first time. Setting up systems is intense and time-consuming. But serving the community and managing the details of running the center is even more intense. There are many new and proven ways of designing systems that can have big impacts on efficiency, effectiveness, and financial sustainability of the health center. This may be the opportunity to do appropriate research, planning, and implementation so everything you put into place will serve the health center for years to come.

Compliance with HRSA Health Center Program Requirements

Compliance with the HRSA Health Center Program Requirements **MUST** be completed within the 120-day Operational Phase. When operationalizing your plan, the question to always have in the forefront is, “how does this ensure compliance with the HRSA Health Center Program Requirements.”

HRSA/BPHC has provided the following tools to inform health centers of federal regulations and requirements for Health Center Program awardees.

- **Federal and Statutory Requirements**
 - o 42 USC 254b: Primary Health Care Centers: This is the authorizing statute for the Health Center Program. It was amended through the Bipartisan Budget Act of 2018.
 - <http://uscode.house.gov/view.xhtml?req=granuleid:USC-prelim-title42-section254b&num=0&edition=prelim>
 - o Electronic Code of Federal Regulations, Title 42: Public Health, Chapter 1: Subchapter D, Part 51c, Grants for Community Health Services:
 - <https://www.ecfr.gov/cgi-bin/text-idx?SID=4655ec57c96e5c9d9a016de226b0bb7c&node=42:1.0.1.4.27&rgn=div5>,
 - o Electronic Code of Federal Regulations, Title 42: Public Health, Chapter 1: Subchapter D, Part 56, Grants for Migrant Health Services:
 - <https://www.ecfr.gov/cgi-bin/text-idx?SID=daee7d6d90817be86de13a5ae3f7e3c8&mc=true&node=pt42.1.56&rgn=div5>

- o Electronic Code of Federal Regulations, Title 45: Public Welfare, Subtitle A, Subchapter A, Part 75, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards:
 - <https://www.ecfr.gov/cgi-bin/retrieveECFR?gp=1&SID=501752740986e7a2e59e46b724c0a2a7&ty=HTML&h=L&r=PART&n=pt45.1.75>
- **Compliance Manual and Site Visit Protocol (SVP)**
 - o *Compliance Manual*: The Compliance Manual is the principal resource to assist health centers in understanding and demonstrating compliance with Health Center Program Requirements. The Compliance Manual is comprised of 21 Chapters, each of which addresses the legal authority for and ways to demonstrate compliance with the requirements of the Health Center Program.
 - o *Health Center Program Site Visit Protocol (SVP)*: This document, which is aligned with the Compliance Manual, is the tool that HRSA/BPHC uses to monitor health centers' compliance with these requirements during regular onsite operational site visits (OSVs) and other types of visits when appropriate. The Site Visit Protocol is designed to provide HRSA the information necessary to perform its oversight responsibilities using a "standard and transparent methodology" that aligns with the Compliance Manual. As a newly funded health center, you will receive an OSV within 2-4 months after receiving the NOA. During the OSV, the site review team interviews staff and utilizes the Compliance Manual and the Site Visit Protocol to assess compliance.
- **Uniform Data Systems (UDS) Reporting**

Every health center must submit an annual report to HRSA/BPHC, known as the Uniform Data Systems (UDS) Report. It requires specific demographic information on your patients, operations data, financial information including revenues, clinical and financial measures, and other indicators of health center performance. These data sets are used monitor your program and it is aggregated with data from all other health centers around the country to report to Congress, the President and the general public. Information about UDS is available at the following link: <https://bphc.hrsa.gov/datareporting/reporting/index.html>

- **Project Officer (PO) and Grand Management Specialist (GMS)**

As a funded health center, HRSA/BPHC provides two direct resources: (1) a PO who has been assigned to oversee the programmatic portion of the federal grant and (2) a GMS who has been assigned to oversee the financial portion of the federal grant. These two individuals will be your two points of contact for any questions and concerns. Health centers will have regular calls with their assigned PO and at that time can also discuss any Technical Assistance (TA) needs that may be required.

Progressive Action

Consistent with applicable laws and HRSA's program oversight responsibilities, health centers are assessed for compliance with these requirements and are provided an opportunity to remedy areas of non-compliance. In circumstances where HRSA has determined that a health center has failed to demonstrate compliance with one or more of the Health Center Program Requirements, one or more condition(s) will be placed on the award/designation, which will follow the Progressive Action policy and process.

The Health Center Program uses a library of standard conditions that follow its Progressive Action policy and process, which fully aligns with the Compliance Manual. To view the full Progressive Action Condition Library, see the link below:

<https://bphc.hrsa.gov/programrequirements/conditions-library.html>.

The above link provides a list of *Progressive Action Conditions Library FAQs* in addition to a phone number to call with questions. For a detailed explanation of the Progressive Action Process, please review the Compliance Manual, [Chapter 2: Health Center Program Oversight](#).

Working with Health Center Colleagues

Health centers can tap into a wide variety of organizations that provide training and technical assistance resources. These include:

- **Primary Care Associations (PCAs)**

PCAs are state or regional nonprofit organizations that provide training and technical assistance (T/TA) to help health centers improve programmatic, clinical, and financial performance and operations. PCAs exist to provide:

- o Training and technical assistance in health center leadership and administration including governance and fiscal and program management;
- o Operational, administrative, and quality improvement support; and
- o Information regarding resources available under Public Health Service Act (PHS) Section 330 and how they can be best used to meet the health needs of the communities served by potential and existing health centers.

To find your PCA, a link can be found at:

<https://bphc.hrsa.gov/qualityimprovement/strategicpartnerships/ncapca/associations.html>

- **National Association of Community Health Centers (NACHC)**

NACHC serves as the leading national advocacy organization in support of community-based health centers and the expansion of health care access for the medically underserved and uninsured. They also:

- o Conduct research and analysis that informs both the public and private sectors about the work of health centers;
- o Provide training, leadership development, and technical assistance to health center staff and boards to support and strengthen health center operations and governance; and
- o Develop alliances and partnerships with the public and private sectors to build stronger and healthier communities and bring greater resources to and investment in community health centers.

- **National Cooperative Agreements (NCAs)**

NCAs are funded to provide T/TA to health centers in a manner that increases patient safety and health outcomes, and that effectively serves diverse special, vulnerable, and underserved rural, frontier, and urban populations. In 2018, the 20 NCAs funded by HRSA launched the Health Center Resource Clearinghouse, which can be found at the following link: www.healthcenterinfo.org. The Health Center Resource Clearinghouse is a website repository for hundreds of technical assistance documents covering a wide range of domains, including finance, governance, emergency preparedness, social determinants of health, and many more. For a complete list of special and vulnerable population National Cooperative Agreements, visit: <https://bphc.hrsa.gov/qualityimprovement/strategicpartnerships/ncapca/natlagreement.html>

- **Other Existing Health Centers**

One of the best and most unique characteristics about the health center movement is the willingness of staff and board members to help each other. Peer networking is a frequent request from health centers when they need training, information, or technical assistance. Health centers are a unique provider type in the larger industry. No one knows what you are going through like someone who has also already gone through it. To find another

health center, contact NACHC by emailing us at trainings@nachc.org or visit: <https://findahealthcenter.hrsa.gov/?display=map&zip=>

Whether starting a newly funded health center, every health center will have its own challenges to face and its own areas of strength on which to build. With the help of this booklet, your health center will have a roadmap to help sustain efforts in the year to come.

Checklist #1: Governance

1. *Review Compliance Manual Chapter 19: Board Authority and Chapter 20: Board Composition*
2. *Develop a matrix of board governance responsibilities based on Chapter 19: Board Authority, Elements C, D, and E*
3. *Develop a matrix of board members to ensure compliance based on Chapter 19: Board Composition, Elements C and D*
4. *Ensure board members meet monthly with a quorum*
5. *Ensure board-approved bylaws meet HRSA Program compliance requirements*

If you are a Look-Alike health center that received your notice of award, you are expected to already be in compliance or in the process of becoming compliant with HRSA's governance requirements (it is possible that a Look-Alike may have a governance condition at the time of the award). If you are brand new to the Health Center Program, then you are aware that the governing board of directors for a health center is one of the most critical components of the health center's mission to deliver community-based, comprehensive primary care services.

Board governance is also part of the core HRSA Health Center Program Requirements. Chapter 19: Board Authority and Chapter 20: Board Composition provides detailed requirements to ensure compliance.⁷ Requirements include specific duties and responsibilities, and detailed requirements on size and composition. It is important to note that if your health center is funded under any special populations funding streams, additional governance requirements will be required.

Governance: To-Do's for First 120 Days

- **Review the Compliance Manual and Site Visit Protocol for duties and responsibilities**

These include⁸:

- o Monthly meetings with quorum (quorum determined by health center)
- o Approval, selection, evaluation, and dismissal of CEO
- o Approval of applications related to the health center project
- o Approval of health center sites, hours of operations, locations and services

⁷ Detailed board requirements can be found at [Chapter 19: Board Authority](#) and [Chapter 20: Board Composition](#)

⁸ These duties are based on Compliance Manual, Chapter 19: Board Authority, Elements C, D, E, F.

- o Monitoring financial status of the health center, including the hiring, approval of the auditor⁹
 - o Strategic plan/long range planning
 - o Evaluation of health center performance based on QI/QA and other measures
 - o Achievement of project objectives
 - o Service utilization patterns
 - o Quality of care
 - o Efficiency and effectiveness of the center
 - o Patient satisfaction including any patient grievances
 - o Billing and collections (including a policy on waiving charges)
 - o Sliding fee discount program
 - o Quality improvement/assurance plan and program
 - o Financial management and accounting systems policies
 - o Personnel policies
- **Review the 120 Day Operational Plan, NOA, and other official documents**

As board members start the journey of governance oversight, it is important for them to understand submitted documents within the federal grant. Documents such as the Operational Plan, NOA and bylaws to name a few should be reviewed to ensure that all understand what HRSA/BPHC is requiring of board members.

- **Provide Training for Board Members**

Board members should be provided with board education and board training on the HRSA Health Center Program Requirements and to ensure that all members understand their roles and responsibilities.

- **Develop a Board Matrix**

Developing a board matrix will help the health center keep track of certain board composition indicators such as patient versus non patient users, and geographic and other characteristics that are representative of the patients served (race, ethnicity, and gender).

- o The Compliance Manual, Chapter 20: Board Composition, and the Site Visit Protocol – Board Composition section outlines specific board composition details. Fifty-one percent (51%) of board members must be patients of the health center. A board member can be considered a patient in the following manner:¹⁰
 - An individual who has received at least one service in the past 24 months that generated a health center visit, where both the service and the site where the service was received are within the HRSA-approved scope of project;
 - A legal guardian of a patient who is a dependent child or adult,
 - A person who has legal authority to make health care decisions on behalf of a patient,
 - A legal sponsor of an immigrant patient may also be considered a patient of the health center.

9 An auditor will help you prepare for your required annual audit and help the health center comply with 45 CFR Part 754 as it relates to financial management of the health center. CFR” refers to the “Code of Federal Regulations.” This citation refers to the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards and is often referred to as the “Super-Circular,” as it replaced several documents that were called “Circulars.

10 Compliance Manual , Chapter 20: Board Authority, Element C, Footnote #12:
<https://bphc.hrsa.gov/programrequirements/compliancemanual/chapter-20.html#titletop>



Checklist #2: Administration

1. Complete application (as applicable) of state licensure or other operating licensures
2. Enroll for National Health Service Corps (NHSC) site application
3. Apply for State Medicaid/Medicare and other Insurance Payor applications
4. Enroll in 340B Drug Pricing Program
5. Apply for in Federal Torts Claim Act (FTCA) malpractice insurance
6. Review Compliance Manual, Chapter 11: Key Management Staff

Administration: To-Do's for First 120 Days

- **Application for state licensure (as applicable) to operate a health center**

You may need special business licenses or state licensure to operate as a health center. Likely, you have already completed this prior to applying for your grant, but it is worth making sure you have all the licenses you need in order to operate now.

- **National Health Service Corps (NHSC)**

NHSC awards scholarships and loan repayment to primary care providers in eligible disciplines. This may be one of the health center's recruitment vehicles for medical, dental, behavioral health, and mid-level providers. Many providers consult NHSC as they seek practice locations upon completion of training. The health center will need to apply to be an NHSC-approved site to take advantage of recruitment and technical assistance. For more information, visit the [National Health Service Corp Website](#).

- **Application for Medicaid/Medicare and Other Insurance Payors**

As a newly funded health center, applications must be completed in order to bill for services rendered. The first step is to make sure that a health center applies as a Federally Qualified Health Center (FQHC). FQHC refers to the method of payment that the Centers for Medicare and Medicaid Services (CMS) recognize in order to received enhanced reimbursement for services rendered. Each satellite location must have its own Medicare number.

- **340B Drug Pricing Program**

Health centers have access to 340B drug pricing for pharmaceuticals and devices used in the delivery of care and as prescriptions given to patients. The health center must enroll with the Office of Pharmacy Affairs (OPA) for this benefit. Please consider that OPA only approves entry into the 340B Drug Pricing Program four times per year, so applying immediately is a good idea. For more information, visit: <http://www.hrsa.gov/opa/>.

- **Federal Tort Claims Act (FTCA)**

Through the Federal Tort Claims Act (FTCA), eligible HRSA-supported health centers may be granted medical malpractice liability protection. To receive coverage, health centers must submit an initial deeming application to HRSA/BPHC and meet deeming requirements to attain deemed status. Renewal applications for redeeming must be submitted on an annual basis to continue coverage. Remember to build compliance with FTCA requirements into your annual operating plan right away, whether you are deemed or not, since deeming requirements related to the establishment of credentialing and privileging procedures and quality improvement/assurance programs are aligned with the program requirements addressed in the Compliance Manual. Further, building compliance from the outset will assist the health center in obtaining initial deeming. For more information, visit the [FTCA webpage](#).

For newly funded health centers, there will be new reporting requirements. The health center must establish systems for monitoring program performance to ensure:

- Oversight of the operations of the Federal award [or designation]-supported activities in compliance with applicable Federal requirements;
- Performance expectations [as described in the terms or conditions of the Federal award or designation] are being achieved; and
- Areas for improvement in program outcomes and productivity [efficiency and effectiveness] are identified.

The Compliance Manual, [Chapter 18: Program Monitoring and Data Reporting Systems](#) notes four areas¹¹ which must be reported not only to the board of directors but to senior staff to ensure appropriate decision making:

- Costs of health center operations
- Patterns of health center service utilization
- Availability, accessibility, and acceptability of health center services
- Other matters relating to operations of the Health Center Program project (as required)

Your health center must also have a system in place to collect and organize data related to the HRSA-approved scope of project, as required to meet HHS reporting requirements, including those data elements for Uniform Data Systems reporting. Your health center must also submit timely, accurate, and complete UDS reports in accordance with HRSA instructions and submits any other required HHS and Health Center Program reports.¹² Lastly, you should begin establishing a package of regular reports for management, the board, and outside entities.

11 This is not an inclusive list. The health center must determine what reports and data are needed to make appropriate decision making to maintain financial and operational viability.

12 For more information on UDS Reporting, refer to HRSA's *Uniformed Data Systems (UDS) Reporting* website: <https://bphc.hrsa.gov/datareporting/reporting/index.html>

Checklist #3: Human Resources and Recruitment and Retention

1. *Review the Compliance Manual, Chapter 11: Key Management Staff*
2. *Refine and develop job descriptions*
3. *Ensure board approves wage/salary and benefit ranges for organization*
4. *Review the Compliance Manual, [Chapter 20: Board Composition](#) to understand requirements for hiring health center staff*

The Health Center is as good as the people it hires. While much focus is placed on the recruitment and retention of providers, recruiting and retaining clinical and nonclinical support staff (like nurses, front desk, and medical or nursing assistants) can often take a back seat. Hiring these personnel can be more difficult than finding providers! We know that a health center's success is often predicated on the work that these support staff do in the health center each day and recommend that your human resources (HR) department identify schools, training organizations, and other referral resources that can help the health center recruit for support team members.

Human Resources and Recruitment and Retention: To-Do's for First 120 Days

- **Review the Compliance Manual, [Chapter 11: Key Management Staff](#)**

The health center is required to have a management staff appropriate for its size and scope. HRSA/BPHC requires that a CEO/Executive Director¹³ must be directly employed by the health center.¹⁴ Typically, this also includes at a minimum a Clinical Director/Medical Director and a Finance Officer, but not always. Working in conjunction with your PO, and following the health center's operational plan, a management team must be assembled to meet the goals of the health center.

- **Refine and develop job descriptions**

A manual or handbook that is based on your employment policies and procedures helps all supervisors, and the board of directors, to be sure they are treating everyone fairly in the workplace. Additionally, having your onboarding and regular employee training program(s) that includes information about your new status as a federally funded health center is something that should be done right away. Your health center is required to offer care to patients regardless of their ability to pay, to provide care in a linguistically and culturally appropriate way, etc. The staff needs to know how to communicate effectively with patients, and if these requirements are relatively new to the organization's staff, they deserve appropriate training on these topics.

¹³ While the position title of the key person who is specified in the award/designation may vary, for the purposes of the Health Center Program, this Chapter will utilize the term "Project Director/CEO" when referring to this key person. Under 45 CFR 75.2, the term "Principal Investigator/Program Director (PI/PD)" means the individual(s) designated by the recipient to direct the project or program being supported by the grant. The PI/PD is responsible and accountable to officials of the recipient organization for the proper conduct of the project, program, or activity. For the purposes of the Health Center Program, "Project Director/CEO" is synonymous with the term "PI/PD."

¹⁴ Public agency health centers utilizing a co-applicant structure would demonstrate compliance with the statutory requirement for direct employment of the Project Director/CEO by demonstrating that the public agency, as the Health Center Program awardee/designee of record, directly employs the Project Director/CEO. Refer to related requirements in [Chapter 19: Board Authority](#) regarding public agencies with co-applicants

- **Ensure board approves wage/salary and benefit ranges for organization**

Setting realistic and competitive wage and salary scales is something that should be done right away as salary ranges must be approved by the Board.¹⁵ It is recommended that the HR and Finance Departments complete a market salary analysis to review what the salary/wage levels are in your marketplace. Similarly, the benefits package is an area you must review immediately. While you may not be able to make changes to the benefits offered right away, having a plan in place to offer competitive benefits to your staff will go a long way toward recruiting and retaining staff people.

- **Review the Compliance Manual, Chapter 20: Board Composition to understand requirements for hiring health center staff**

It is important to review the Compliance Manual, [Chapter 20: Board Composition](#), as it states that no employee may be a board member or an immediate family member (spouse, child, parent, or sibling) of one of the members of the board of directors, whether by blood, marriage, or adoption. The health center should review any family relationships that exist with board members and take appropriate action to ensure that it is in compliance with program requirements.

¹⁵ HRSA Compliance Manual, [Chapter 19: Board Authority, Element E](#)

Checklist #4: Finance

1. *Billing, collections & participating in third party insurance*
 - i. *National Provider Identifier (NPI) Number*
 - ii. *Submit 855A/855I Form for Medicare/Medicaid billing*
2. *Sliding Fee Discount Program (SFDP)*
3. *Procurement / 45 CFR Part 75 / Conflict of Interest*
4. *Financial management and accounting*

There cannot be mission without margin. In other words, a health center must generate revenue to pay its bills. There are several factors that a health center must address in the areas of financial management, billing and collections, procurement, and the Sliding Fee Discount Program (SFDP) in the first 120 days. The issues below are necessary to address when getting started and have been organized by the corresponding chapters of the Compliance Manual.

Finance: To-Do's for First 120 Days

- **Review the Compliance Manual, Chapter 16: Billing & Collections**

The health center must ensure it is enrolled and participates in third party insurance programs so it will not be solely dependent upon federal funding.

- o National Provider Identifier (NPI) Number: Every health center needs an organizational National Provider Identifier (NPI) number. This number is used for many purposes with federal, state, and private payer organizations. Ensure the health center has an appropriate NPI number immediately. To apply for the organization's NPI number, visit NPI Application:

<https://nppes.cms.hhs.gov/NPPES/Welcome.do>

Individual providers also need an NPI number.

- o 855A/855I Forms: The health center must enroll with the Centers for Medicare and Medicaid Assistance (CMS) using the 855A form. A form must be completed for each site it operates. Providers must also enroll but use the 855I form.
 - Even if the health center sees very few Medicare patients, enrolling right away is something that every health center should do, because many state Medicaid agencies will not process an FQHC Medicaid enrollment without the approval of Medicare.
 - Once the 855A form is submitted, the health center must prepare the state's Medicaid FQHC enrollment package. Consult with your state Medicaid agency, but many will not accept the FQHC enrollment package until you have the approved 855A in hand. Be ready to send (or hand-deliver or send via overnight mail) the state's FQHC reimbursement application IMMEDIATELY. This is because most states only reimburse at FQHC rates from the date the application is received by them. Delaying completing the application translates into lost revenues to your health center.

- o As the health center is awaiting the approval process from the Medicare and Medicaid agencies it must also ensure the following four items are being put into place.
 - First, have forms, systems and processes in place to collect patient registration and insurance information for reimbursement.
 - Second, the health center must establish a fee schedule for services that are within the HRSA-approved scope of project and are typically billed for in the local health care market. The health centers must use a cost-based and local approach to developing its fee schedule. Health centers are required to study their actual costs of providing services and consider locally-prevailing rates. These are complex analyses that go beyond the scope of this monograph, and health centers are encouraged to consult with financial advisors, PCAs, or cooperative agreement-supported organizations for further assistance.
 - Third, establish and implement collection policies and procedures that will ensure that the health center will be paid in a timely and accurate fashion and at the amounts health centers bill for with procedures in place to address denied claims.
 - Last, the health center will start to engage, review, and participate in third party contracts. A payer contract review protocol will help the health center evaluate insurance contracts that are presented to leadership. Establishing insurance contracts is critical – especially in the post-Affordable Care Act world. Different contracts will pay different amounts for the same procedures; finance, leadership, and the board of directors must understand the nuances among the various payers. The finance department should have a process in place to review contracts – from the agreement’s fee schedule to billing requirements to expected receipt of revenues – to be able to advise leadership and the Board about the proposed agreement and the effects of entering it.

- **Review HRSA Compliance Manual Chapter 9: Sliding Fee Discount Program (SFDP)**

As a newly funded health center, your Section 330 grant funds are intended to provide care to patients regardless of their ability to pay. Discount policies and related billing and collection must be established to minimize financial barriers to care and to ensure that the policies themselves do not become a barrier to care. Discounts can only be based on the federal poverty guidelines for family size and income and would be applied to the fee schedule on a graduated basis (the sliding fee discount).

The requirements for discounting services and for billing and collecting payments in a way that minimizes barriers to care go to the heart of the health center’s mission to not deny care due to a patient’s inability to pay. Your SFDS program should ensure that all services rendered within your scope of services are offered within the SFDS program. Second, there is a process in place for assessing household size and income through documentation for all those that participate in the program. Third, the SFDS program is offered to all patients. Lastly, that there is a method for evaluating and approving the SFDS program through the health center governing board.

- **Review HRSA Compliance Manual Chapter 12: Contracts / Sub-Awards/ Conflict of Interest**

The health center must have written procurement procedures that comply with federal procurement standards, including a process for ensuring that all procurement costs directly attributable to the federal award are allowable, consistent with Federal Cost Principles. The health center will need to have a bid process for vendor/contract selection for all contracts for goods or services for procurement actions that are \$25,000 or more and include costs directly attributable to the federal Health Center Program award. The health center must ensure it have written policies and procedures in the areas of misappropriation of funds, irregular practices, employee outside business interests, kickbacks and gifts, which are considered a conflict of interest.

- **Review HRSA Compliance Manual Chapter 15: Financial Management and Accounting**

The health center is required to utilize a financial management and internal control system that reflects Generally Accepted Accounting Principles (GAAP) for private non-profit health centers based on Government Accounting Standards Board (GASB) principles for public agency health centers. These internal controls must ensure at a minimum compliance with 45 C.F.R. Part 75, which is applicable to all federal grantees receiving funds from HHS, as well as the Health Center Program Compliance Manual.

The general accounting system must ensure control, accountability, relevance, compatibility, and flexibility. The health center must maintain effective control over and accountability for all funds, property, and other assets in order to adequately safeguard all such assets. The health center must ensure that these funds, property and other assets are used solely for authorized purposes, while ensuring health center expenditures are consistent with the HRSA-approved total budget and with any additional applicable HRSA approvals that have been requested and received. The health center must ensure the safeguarding of all assets to assure they are used solely for authorized purposes in accordance with the terms and conditions of the award, while having the ability to track the financial performance of the health center, including identification of trends or conditions that may warrant action by the organization to maintain financial stability. The health center must have a written documented policy and procedures for drawing down HRSA federal funds from the Payment Management System (PMS) that minimizes the elapsed time between the transfer of the Federal award funds from HRSA and the disbursement of these funds by the health center. The health center must also assure that expenditures of Federal award funds are allowable in accordance with the terms and conditions of the Federal award and with the Federal Cost Principles 79 in 45 CFR Part 75 Subpart E.

Finally, if a health center expends \$750,000 or more in award funds from all federal sources during its fiscal year, the health center ensures a single or program-specific audit is conducted and submitted for that year in accordance with the provisions of 45 CFR Part 75, Subpart F: Audit Requirements. It also ensures that subsequent audits demonstrate corrective actions have been taken to address all findings, questioned costs, reportable conditions, and material weaknesses cited in the previous audit report, if applicable. To ensure proper internal control, the health center will need various banking accounts in order to operate. It is highly recommended that the health center has various accounts (one for the receipt of federal dollars, one for payroll disbursements, one for accounts payable, one for insurance payments and one for general operations, for instance) to facilitate the tracking of dollars received and their expenditure.

Checklist #5: Clinical

1. *Ensure all required and optional services (additional and specialty) services are accurately reflected on Form 5A: Services Provided*
2. *Determine laboratory needs (contract vs. in-house, stat labs) and developing tracking processes for laboratory and diagnostic tests*
3. *Ensure arrangements are in place to accommodate the Limited English Proficiency (LEP) population*
4. *Establish credentialing and privileging processes for all clinical staff members which include performance requirement standards*
5. *Establish a process for covering medical emergencies during business hours and provide staff training*
6. *Establish a process for providing after-hours coverage*
7. *Determine continuity of care needs for hospitalized patients (provider admitting privileges/hospital referral arrangement) and develop a mechanism for tracking and follow up*
8. *Identify a designated individual(s) to oversee the Quality Improvement/ Assurance Program (QI/QA)*
9. *Develop board approved QI/QA Policies*
10. *Form a QI Committee*
11. *Develop processes and initiate monitoring/reporting of clinical services and clinical management metrics*
12. *Develop a process for conducting Peer Review for all services in scope*
13. *Ensure systems are in place for protecting the confidentiality of patient information*

Providing culturally competent, community-based comprehensive primary care services is at the heart of the health center movement. As a newly funded health center, one of the largest and most important tasks is ensuring the health centers' services are reflected accurately on Form 5A.¹⁶

¹⁶ Form 5A is also called the "Scope of Project" and referred to sometimes as scope of services. The health center's scope of project defines the [service sites](#), services, providers, [service areas\(s\)](#), and target population included in the HRSA-approved Health Center Program project. More information can be found here: <https://bphc.hrsa.gov/programrequirements/scope.html>

Clinical: To-Do's for First 120 Days

- Required services are available to the community, regardless of ability to pay. Although not required, many health centers achieve this by offering all required services directly utilizing W-2 staff members and/or NHSC. In addition to providing services directly, the health center has the option to contract with or refer to another provider. Services in scope that are provided through a formal written contract (Column II) are paid for by the health center; whereby services provided through a formal written referral arrangement (Column III) are not paid for by the health center. In both cases, the formal written contract or referral arrangement must ensure that the necessary services are being provided and the health center is conducting appropriate credentialing and privileging of contracted/referral providers.
 - o Additional clinical language required for Column II contracts include the manner by which the health center will pay for the service and how the service will be documented in the patient's medical record.
 - o Additional clinical language addressing continuity of care is required for Column III referral arrangements including how the referral will be made and managed and appropriate tracking to ensure proper follow-up.¹⁷
- It is important to keep in mind specific fiscal language is required for formal contracts and referral arrangements. Fiscal requirements for contracts and formal referral arrangements are referenced in the HRSA Compliance Manual, [Chapter 9: Sliding Fee Discount Program](#) and [Chapter 12: Contracts and Sub-Awards](#). These agreements describe legal responsibilities for both the health center and the contracted/referral provider; therefore, it is important to adhere to all of the requirements outlined in the Compliance Manual and Site Visit Protocol. Additionally, it is advisable to confer with local legal counsel to ensure compliance with state-based requirements.
- Laboratory Services: As a patient's primary medical home, a health center requires arrangements for services such as laboratory, radiology and other ancillary care, to ensure a collaborative approach to care. Some health centers provide a comprehensive set of services directly; however, many enter into contracts and formal referral arrangements. Your health center must determine for itself the most effective way to ensure access to these services, which is oftentimes based on location, demographics and special populations. Whether you contract for a laboratory or start one in the health center, there will be a need for certain clearances by the HHS through CMS. More information is available on CMS's [Clinical Laboratory Improvement Amendments webpage](#).

¹⁷ Additional information regarding clinical language required for contracts and referral arrangements can be found in the following chapters of the Compliance Manual: [Chapter 4: Required and Additional Health Services](#) and [Chapter 5: Clinical Staffing](#)

- The health center’s Chief Medical Officer (CMO)¹⁸ or Clinical Director has certain responsibilities to ensure that the care delivered is of the highest quality. A key component to ensuring the delivery of safe and quality care is the development of credentialing and privileging processes for all clinical staff. Consistent with the requirements outlined in HRSA Compliance Manual, [Chapter 5: Clinical Staffing](#), clinical staff are categorized as Licensed Independent Practitioners (LIP), Other Licensed or Certified Practitioners (OLCPs) and Other Clinical Staff (OCS). When a clinical staff member joins the health center, they should be credentialed and apply for privileges to practice at the health center. While credentialing is a standard process of checking the clinical staff member’s capability to provide services, privileges and competencies are highly specific. To ensure compliance, the health center must:
 - o Develop operating procedures for the initial and recurring review of all clinical staff members who are health center employees, individual contractors and volunteers.
 - o Monitor the performance of clinical staff members. Job descriptions and provider employment contracts that clearly outline the expectations for productivity performance, as well as quality outcomes must be considered in the credentialing and privileging process.¹⁹
- The health center Board of Directors is responsible for the Quality Improvement/Assurance (QI/QA) Program. As outlined in [Chapter 10: Quality Improvement/Assurance](#) of the Compliance Manual, the health center must have a board approved policy (QI Plan), as well as a designated individual(s) to manage quality and performance improvement. Processes must be developed for monitoring and reporting of both clinical services and clinical management metrics to identify areas in need of improvement. Additionally, the health center must develop systems to ensure the confidentiality of patient medical records. Reports are then presented to health center leadership and the Board of Directors for the purposes of management decision making.

¹⁸ Or Medical Director

¹⁹ Although the Compliance Manual no longer requires LIPs be presented to the Board of Directors for approval, health centers with Federal Tort Claims Act (FTCA) coverage must comply with FTCA requirements. For more information, please visit: [HERE](#)



Checklist #6: Information Technology

1. *Program monitoring and data reporting system*
2. *Electronic Health Records (EHR) system*
3. *Accounting system*

Health care providers often find themselves in the position of being data rich but information poor.

To improve patient and community health, health centers must have systems in place to collect and organize data in a meaningful way. This includes data related to the HRSA-approved scope of project – as required to meet funding reporting and governance requirements – but also other data that provides a fuller picture.

The health center must compile and report data and other information as required by HRSA, relating to technology systems and plans will need to cover the following areas to ensure compliance, which include costs of health center operations; patterns of health center service utilization; availability, accessibility, and acceptability of health center services; and other matters relating to operations of the Health Center Program project, as required. Two core areas of system compliance every health center must have include retrievable health records – such as Electronic Health Records (EHR) – and General Accounting systems.

Information Technology: To-Do's for First 120 days

- Review HRSA Compliance Manual [Chapter 18: Program Monitoring and Data Reporting System](#)
- . The health center has a system in place for overseeing the operations of the Federal award supported activities to ensure compliance with applicable Federal requirements and for monitoring program performance. The typical reports generated by the health center for the governing board or key management staff (e.g., board packets from the past few months, reports provided to the Finance or Quality Improvement Committee, routine reports generated by the health center for key management staff) include information on:
 - o Health center financial reports
 - o Reports on health center operational performance
 - o Trends and patterns in the patient population
 - o Patient service utilization

The health center must have a system in place to collect and organize data related to the HRSA-approved scope of project, as required to meet HHS reporting requirements, including those data elements for Uniform Data System (UDS) reporting. The standard HRSA approved systems in place to populate this type of reporting data is in approved EHR and accounting software systems. The primary purpose of EHRs is to support and improve individual patient care and much of it is held under professional and legal obligations of confidentiality. In practice, EHRs may be used for a wide spectrum of uses, such as protecting the health of the public through enhanced drug safety monitoring, improving the management of the health systems, and enhancing the mobility of health services, health practitioners, and patients.

Each Health Center EHR must ensure it improves health center clinical quality, patient health outcomes, practice redesign, and increases access to comprehensive primary health care services. At the same time, it should improve quality, access, and cost effectiveness for the health center. HRSA/BPHC-supported Health Center Controlled Networks (HCCN) offer an excellent opportunity to work with other health centers, sometimes from around the nation, to provide electronic records systems. Information about HCCNs can be found at [HCCN Partners](#). You should have a thorough process for selecting the right system for your health center. The general accounting system should operate through a general ledger system to accumulate all financial transactions through a chart of accounts. The chart of accounts includes the account titles and account numbers assigned to identify assets, liabilities, net assets, revenues, and expenses of health center. Account numbers must be developed to separate and identify information needed for financial reporting.



Checklist #7: Facility Management

1. *Accessible locations and hours of operations*
2. *Environment of care*
3. *Safety management*
4. *Medical equipment management*
5. *Hazardous material/waste management*

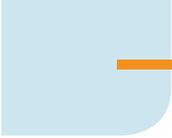
The health center should identify service areas based on where current or proposed patient populations reside as documented by the ZIP codes that will be reported on the health center's Form 5B: Service Sites. Because each new health center will have its own circumstances related to physical space (including cost and availability), there is no one standard approach that all new health centers should adopt. Each health center must have the following policies for facilities management regarding general environment of care, safety/risk management, medical equipment management, and hazardous material/waste management.

Facility Management: First 120 days To-Do's

- Review HRSA Compliance Manual [Chapter 4: Accessible Locations and Hours of Operations](#)

The health center's service site(s) need to be accessible to the patient population relative to where this population lives or works (for example, at migrant camps for health centers targeting agricultural workers, in areas immediately accessible to public housing for health centers targeting public housing residents, or in shelters for health centers targeting individuals experiencing homelessness). Specifically, the health center should consider the factors that present potential barriers to access. For example, barriers resulting from the area's physical characteristics, residential patterns, or economic and social groupings. The health center should also consider distance and time taken for patients to travel to or between service sites in order to access the health center's full range of in-scope services.

- Implement a safety management plan that sets forth preventive measures and addresses concerns regarding risk exposure for patients, employees, professional staff, volunteers, visitors, property, and assets.
- Adopt a medical equipment management plan to provide an electronically safe environment for all staff and patients, while ensuring that all medical equipment is well maintained, safe to use, replaced when appropriate, and that medical equipment users are adequately trained to operate this equipment.
- Adopt a hazardous materials and waste management plan that provides an environment that is functionally safe for patients, visitors, and employees by minimizing the risk of infection transmitted by blood, bodily fluids, expired medications, and other waste products.



Checklist #8: Risk Management

1. *Establish Conflict of Interest policies and procedures*
2. *Review and ensure appropriate insurance coverage*
3. *Develop a Risk Management program for all services in scope*
4. *Establish a claims management process*
5. *Identify a designated individual responsible for the claims management process*
6. *Establish an Emergency Preparedness plan*
7. *Inform health departments and other first responder agencies of the health center's ability to assist in emergencies*
8. *Establish corporate compliance systems*

Regardless of newly funded, your health center has assumed certain risks that may exceed the risk level it had before. The critical component of managing risk is first to know what the risk is and then begin to find ways to manage and mitigate it. When developing risk management activities, the health center should become familiar with the requirements of FTCA, with the expectation of submitting a future deeming application. Additional information regarding the FTCA requirements can be located here: <https://bphc.hrsa.gov/ftca/index.html>

Risk Management: To-Do's for First 120 Days

- Develop a Conflict of Interest (COI) policy or Standards of Conduct that applies to all board members, management team members, other staff members, employees, and agents. Typically, all board members and at a minimum senior level leadership must make conflict of interest disclosures (annual disclosures are recommended but not required). Requirements needed in the COI can be found in [Chapter 13: Conflict of Interest](#).²⁰
- Review any additional coverage for insurance. Some of the most common coverage obtained by health centers are:
 - o Malpractice (Medical, Dental, Behavioral Health)
 - o Property and Casualty
 - o Workers' Compensation
 - o Directors' and Officers' (D&O)

²⁰ HRSA/BPHC published a Conflict of Interest Policy that applies agency-wide and can be located [HERE](#). A health center should with local legal counsel to ensure it meets any state and/or local requirements.

- o Employee Benefits Coverage
 - o Employment Retirement Income Security Act (ERISA) Rider for offering
 - o Employment Practices Liability Insurance (EPLI)
 - o HIPAA Cyber Liability
- Develop a Risk Management Program. With the expectation of applying for FTCA coverage, the health center must have a program in place that addresses all services in scope and has a designated individual to provide oversight. Quarterly risk management assessments must be completed at a minimum, and health center staff must complete risk management training on an annual basis. The health center will utilize the results of quarterly risk management assessments to identify areas of highest risk and implement corrective plans of action. Additionally, the health center is responsible to develop systems, policies and procedures to address clinically related complaints, grievances, and “near misses” reported by employees, patients, and other individuals. As noted in [Chapter 4: Required and Additional Health Services](#) and [Chapter 8: Continuity of Care and Hospital Admitting](#) of the Compliance Manual, the health center is also responsible for developing systems, policies, and procedures to address tracking of referrals, laboratory and diagnostic tests, and hospitalizations. The results of risk management activities, and any related follow-up, are presented to the Board of Directors and key management staff²¹ a minimum of annually.
 - Developing an Emergency Preparedness plan is an essential component for managing risk. Your health center will also need a disaster plan to manage operations which includes knowing where to go, whom to call, and where operations will centralize in the event of a disaster. The emergency communications system is also a major part of this plan, though it is the facet of the plan you will use the most, especially if your community faces challenging weather such as severe winter storms, tornadoes, hurricanes, etc. In 2016, CMS issued Emergency Preparedness Requirements for Medicare and Medicaid Participating Providers and Suppliers (the “CMS Emergency Preparedness Rule”). The CMS Emergency Preparedness Rule applies to seventeen different provider and supplier types, including health centers. Emergency preparedness was added to the Rural Health Clinics: Conditions for Certification and FQHCs Conditions for Coverage at [42 CFR § 491.12](#). The emergency preparedness regulations apply to each separately certified Medicare facility or site. The Emergency Preparedness Program elements include an emergency plan, policies and procedures, communication plan, and training and testing. While the health center does not have to comply with the CMS Rule for non-Medicare certified sites (i.e., school-based clinic), such sites should still be considered in the health center’s overarching emergency preparedness program, as part of risk management, etc. [Click here for more information on the CMS rule.](#)

Corporate compliance systems are the best way to make sure the health center proactively manages and address risk in the health center. The Office of Inspector General (OIG) at the Department of Health and Human Services offers guidance free of charge on how to establish a Corporate Compliance Program. These resources can be found on the [OIG’s website](#).

²¹ HRSA Compliance Manual-[Chapter 19: Board Authority](#)



Checklist # 9: Operational Site Visit Preparation

1. *Review each section of the Health Center Program Site Visit Protocol*
2. *Review the entire Health Center Program Compliance Manual*

The Health Resources and Services Administration (HRSA) is responsible for providing effective oversight of the Health Center Program. Operational Site Visits (OSVs) are the process by which HRSA conducts an objective assessment and verification of the status of each Health Center Program awardee's or look-alike's compliance with the statutory and regulatory requirements of the Health Center Program.

The Health Center Program Site Visit Protocol (SVP) is the tool for assessing compliance with Health Center Program requirements. The SVP is utilized during operational site visits (OSVs) and look-alike initial designation site visits and is designed to provide HRSA the information necessary to perform its oversight responsibilities using a standard and transparent methodology. This methodology aligns with the Health Center Program Compliance Manual.

Newly funded health centers can expect to have their site visit within their first 2-4 months of operations.

HRSA contracts with an independent firm to support the conducting of the OSV. During the OSV, three reviewers, including a governance/administrative, fiscal, and clinical reviewer – come to assess health center compliance. The reviewers will meet with the health center Board of Directors and key management staff to review whether the health center has demonstrated compliance with Health Center Program Requirements.

To prepare for the site visit, HRSA created the Site Visit Protocol. This document should be used continuously by health centers to self-assess compliance and prepare for the OSV. Each section of the SVP identifies a key issue of compliance – e.g. Needs Assessment, Sliding Fee Discount Program, etc. – and is organized in the following way:

- Document Checklist for Health Center Staff
- Demonstrating Compliance
 - o Elements
 - Site Team Visit Methodology
 - Site Team Visit Findings

In the Site Visit Findings section, reviewers will provide responses to a series of questions based on the related methodology. These findings form the basis for determining whether the health center has demonstrated compliance with Health Center Program requirements. The review team will provide a summary report within 45 days upon completion of the site visit.

While “quick fixes” are not allowed during the OSV, HRSA has implemented a process called Compliance Resolution Opportunity (CRO) to support the timely resolution of areas where the health center did not demonstrate compliance during the OSV. CRO provides health centers an opportunity to address these findings prior to HRSA

issuing the site visit report and placing conditions on the award/designation due to a failure to demonstrate compliance. Specifically, CRO provides a 14-calendar day window for health centers to address OSV findings by submitting evidence of compliance via the HRSA Electronic Handbook (EHB). CRO submission(s) will be reviewed and assessed before the final site visit report is issued.

HRSA will also designate a representative to the site visit team in addition to the three reviewers. However, beginning in calendar year 2019, a health center's designated Project Officer will not attend the site visit, nor will they have a role in the determination of compliance. The health center's Project Officer will arrange a pre-site visit call among the health center, the site visit consultant team, and the individual who will serve as the on-site HRSA representative. Health centers are allowed to request the presence of their state or regional Primary Care Association during the site visit.

For more information refer to:

- HRSA's Health Center Program Compliance Manual:
<https://bphc.hrsa.gov/programrequirements/compliancemanual/introduction.html>
- HRSA's Health Center Program Site Visit Protocol:
<https://bphc.hrsa.gov/programrequirements/svprotocol.html>
- HRSA's Health Center Program Site Visit Protocol Frequently Asked Questions:
<https://bphc.hrsa.gov/programrequirements/svp-faqs.html>
- Consolidated Documents Checklist for Staff:
<https://bphc.hrsa.gov/sites/default/files/bphc/programrequirements/pdf/hc-consolidated-documents-checklist-by-timeline.pdf>



SECTION II – The Rest of Year 1

Congratulations! Your health center has passed its first hurdle – the first 120 days of operations. In this time, you and your team have positioned the health center for success, and begun thinking, looking, and feeling like a fully operational health center.

There is a saying in the health center movement: “When you’ve seen one health center, you’ve seen one health center.” There is a lot of truth to this. Every health center will look and feel just a little bit different from its peers – you will serve patients in different languages according to your community need, you will offer a slightly different set of services (but everyone will provide the required services and maintain compliance with the HRSA Health Center Program Requirements), and you will use different techniques of outreach and communication with your patient base. At the core, however, most health centers will perform most of the same tasks, and will have very similar things to review, perfect, and operationalize.

In this section, we will give you some suggestions how to approach the next eight months of your development. The systems you develop during this period will be the enduring way the health center approaches its compliance and operations for many years to come. Building it right the first time will save the health center from having to recreate systems in the future.

This section is deliberately “lighter” in terms of suggested activities – it is understood that you have done a lot of work getting through the first 120 days, and the health center must now concentrate on establishing sustainable processes that will work for years to come. It is time to start thinking about the future and positioning the organization for long-term success.



Rest of Year One: Governance Checklist

1. *Conduct board training to solidify board's role and its long-term plan*
2. *Make a long-term board recruitment plan*
3. *Solidify and finalize committee structures*
4. *Review the board's ongoing role in areas like quality oversight, financial oversight, and fundraising*
5. *Perform board self-assessment toward the end of the year*

Conduct Board Training

Board training can happen at any time, and if not already completed, now is the time to schedule and complete it.

One trap some health centers have fallen into is blurring the lines between the role of governance and management – and board training can help you make sure that everyone knows the roles to play. Boards must understand their obligations under state and federal law and their duty to advance the mission and vision of the organization. Scheduling a board retreat during this time, in which you will revisit the obligations of a board of directors, is highly recommended. These obligations should consider not only corporate governance requirements (including the board's fiduciary duties), but also the requirements of health center boards under [Chapter 19: Board Authority](#) and [Chapter 20: Board Composition](#) of the Compliance Manual.

Long term Board Recruitment Plan

To accomplish the goals and objectives in your organization's plan, you will need board members who can contribute critically needed skills, experience, perspective, wisdom and time to the organization. You can create a board recruitment matrix based on the needs of the organization that will also incorporate the necessary membership changes generated by the new health center site. This matrix should include Health Center Program Requirements for board composition, identified skills and resources, representation from communities served by the health center, and community partners. Don't eliminate potential recruits who may not fall into a matrix category. Some people have such interest, passion, or potential that they should be asked to join the board even if they don't fit neatly into the matrix.

Health center board member recruitment is an ongoing process. It should be well planned with a strategy of constantly developing potential members. One suggestion is to establish a Board Development Committee rather than a Nominating Committee. Nominating committees tend to meet just before a slate of candidates is due. A Board Development Committee has a much larger responsibility. This committee meets at least quarterly and is responsible for reviewing prospects, cultivating them, developing the board member handbook, conducting the orientation, driving board education, and bringing names and profiles to the board for its review all year round.

Potential board candidate suggestions can come from board members and staff members. Once names have been identified, the Board Development Committee should take as much time as necessary to find out as much as possible about the potential candidates. Talk to the individual who suggested the name, meet with prospects, give tours of the health center, and invite prospects to visit board meetings.²² Don't forget that the option of having someone first serve as a non-voting member on a board committee is a great opportunity to get to know how well they fit into the board dynamics.

Keep a listing of desired skills and abilities you would like to have on the board so all board members and interested parties can be on the lookout for candidates. Share the list at least quarterly and review it on that schedule with the board development and executive committees so that it remains always fresh in everyone's mind.

Solidify and Finalize Board Committee Structure

Chances are the health center has been so focused on meeting HRSA's requirements within the first 120 days (and making sure the health center is operational) that neither staff nor board leadership has had the opportunity to focus on how the board will do its work for the long term. Now is the opportunity to think through the committee structure that is envisioned in the health center's bylaws and compare it to some best practices for governance. Think carefully about establishing standing committees in the bylaws, as they must be sustained long-term. While HRSA does not have any requirements for the establishment of specific committees, it is often recommended that an executive committee, a quality committee, and a finance committee form the backbone of the committee structure. Earlier, we suggested a board development committee, also to have responsibility for nominations; we think this is a promising practice for health centers. You may wish to consider having an audit committee separate from your finance committee, and we recommend conferring with local counsel and your auditor on this point. Some boards of directors rely on ad hoc task forces, charged with a single deliverable, that you can rely upon for issues like strategic planning and other shorter-term, time-limited, work.

The board's role in fundraising

Fundraising is an area that many boards will become involved in over the course of their tenure. Who better to tell the story of the health center, then a patient-majority board of directors? [Board Source](#) has free materials available to help the health center with this and other topics.

Board Self-Evaluation

While not required, every board of directors should consider undertaking a self-evaluation of its own performance. Boards can rate themselves on various topics, such as attendance, participation, involvement in committee work, compliance with requirements, exercise of authorities, and other topics. The Council of Nonprofits has self-evaluation information available free of charge at [Council of Non-Profits. Board Source](#), mentioned above, also has free board self-evaluation tools. Like any kind of long-term evaluation, it is recommended that the organization select or develop a tool, and plan to stick with it for a few years, to track and trend its performance over time.

²² Review the requirements for Board Composition in [Chapter 20](#) of the HRSA Compliance Manual.



Rest of Year One: Administration Checklist

1. *Revisit days and hours of operations*
2. *Establish or refine care management processes*
3. *Create your focus on outreach*
4. *Review contracting options for needed services*
5. *Interact with payers*

As the health center goes through the rest of its first year, it will face the opportunity to look at systems, processes and plans. What you put in place administratively today will make a big difference towards the outcome.

In the rest of the first year, the health center should focus on being responsive to patients and community stakeholders. This means that you will be focused on how the health center holds itself out to the community both in terms of marketing and in linking up with other health care providers.

Revisit Days/Hours of Operation

It may be necessary to revise the health center hours of operation in the beginning as the health center becomes fully operational. Until all the providers are on board, it may not be possible to have the full hours of operation including evening or weekends. Use patient surveys to find out what times are convenient for them; doing so will help to determine if and when extended hours or additional days are needed. Keep in mind that the board must approve the hours of operation so keeping the board informed as hours and days of operation change along the way is vital.

Outreach and Collaboration within the Community

As the health center is becoming fully operational and ensuring compliance with [Chapter 14: Collaborative Relationships](#), it is important to develop an outreach plan for your target population. Consider the following:

- What are the venues/mediums for reaching your target patient population?
- Involve the board and other key stakeholders
- Develop a timeline for implementing the outreach plan

Make sure to connect with your local schools, churches, hospitals, social service agencies etc.; they will be your best referral sources to reach your target population.

To Contract or Not to Contract

As a new health center, you will be making a lot of decisions about what things to do in-house and what to contract for in the marketplace. Contracting (for everything from housekeeping service to temporary personnel to provider staff to augment salaried staff) can be a good idea for the health center, but it is a relationship that must be entered into carefully. Remember that all contracts must be entered into under the requirements of HRSA The Compliance Manual (as applicable, Chapters 4, 5, 9, 12) as well as 45 CFR Part 75.

It is always wise to have your legal counsel involved in contract development and execution, because as noted above, all contracts with the health center must adhere to the Compliance Manual and the provisions of 45 CFR Part 75. Specifically, 45 CFR 75.327 relates to procurements, which governs the way in which contracted health services paid for in whole or in part with federal funds are obtained and codified into written agreements. Contracts involving billing should address, among other things, patient protections such as how to respond to patients with the inability to pay and who retains the right to proceed to bill for overdue accounts. [Chapter 16: Billing and Collections](#) of the Compliance Manual can help provide guidance on the requirements that health centers must follow when billing and collecting payments from patients, even when services are rendered by contracted entities.



Rest of Year One: Human Resources Checklist

1. *Establish competency assessment system for support staff*
2. *Build an on-boarding process*
3. *Establish recruitment relationships*
4. *Make and execute a staffing-up plan*

During the rest of year 1, the health center will likely devote energy in developing the staff. You will be establishing competency assessments for ancillary staff, developing and enhancing your on-boarding, and perhaps most importantly, recruiting considerable numbers of people to your team. What's more, you will be establishing the relationships for staffing that will carry the health center forward for years to come.

Competency assessments are critical. Whether you employ nurses, medical assistants, dental assistants and other staff, the health center must know that the staff employed has the skills needed to perform the duties they must to care for the patients. Typically, this is completed through the direct observation of the proper implementation of protocols that reflect professionalism of the team in place and should be done at the time of hire and annually thereafter.

Develop a Strategy for “Staffing up”

Remember, according to the health center statute and HRSA regulations, **the CEO/Executive Director must be selected, evaluated, and removed (if needed) by the health center board.**²³ The board of directors is responsible for ensuring that the health center has a core staff sufficient to provide services as outlined in its initial grant application and operational plan. The health center statute and the Compliance Manual also require that the CEO/Executive Director be directly employed by the health center.²⁴ It is recommended (but not required) that most of the health center staff also be employed by the health center directly, to help ensure that the line of accountability to the board's policies for care delivery are followed. If the health center decides to contract for certain positions at the health center, HRSA prior approval may be required (see Chapters 11 and 12 of the Compliance Manual for additional information on contracting for staff).

²³ HRSA Compliance Manual, Chapter 19: Board Authority [Chapter 19: Board Authority](#)

²⁴ HRSA Compliance Manual, [Chapter 11: Key Management Staff](#)



Rest of Year One: Finance Checklist

1. *Ensure items from first 120 days' checklist are fully implemented*
2. *Create regular monthly financial closure procedures*
3. *Prepare for annual audit*
4. *Consider securing a line of credit*
5. *Review front desk operations*

The rest of year 1 is a time for the finance department to focus on implementing its processes. In the first 120 days, the finance team focused on developing compliant charts of accounts, helped the board secure the services of an auditor, began providing financial statements, and established procedures for the receipt of federal funds. It also made sure that tracking could occur of federal dollar expenditures.

You have no doubt noticed the reference back to the first 120 days' checklist here. It is understood and recognized that the organization of a finance department may be a herculean effort. Your finance team will be tired, and they will have invested countless hours in making sure that the health center is prepared to operate effectively from a financial standpoint. They may not have gotten everything done, and they need time to complete the tasks before them.

One thing that is recommended is that there be an unbending process for the closure of month end financial transactions. This ultimately requires the assistance of everyone in the health center. All transactions for the month should be in and posted at a given time, and the finance team ready to convert the raw data into a regular financial report. We advise health centers to make and stick to a calendar of financial closing that supports this aim. The entire health center staff should be aware of these closing deadlines so that your process is smooth.

As the end of the first-year approaches, it will be time to consider the annual audit. Ideally, the board of directors will choose an audit firm during the first 120 days. The Chief Financial Officer (CFO) and Chief Executive Officer (CEO) should meet with the audit partner every couple of months during the first year to help identify issues that could arise. While the actual audit cannot occur until the entire year has been closed, there is much that can be done early.

A line of credit is an excellent idea for any health center organization. There's a saying among finance professionals: when you need a line of credit, you can't get one, and when you don't need one, you can.

Another area finance operations would be to review the front desk, consumer support, and/or customer service representatives. While there are many titles for reception, the front desk team not only controls access to the facility, it is also supports the role of other staff – such as billing managers or financial counselor – by gathering proper data for billing and assessing patients for the Sliding Fee Discount Program. During this time, establish performance metrics and begin to collect and measure data. Involve the staff members themselves in the planning and execution of these reviews, as they need to understand why they are doing what they do, not just that they need to do it.

Where the front desk is concerned, measure everything that can be measured. Understand how long it takes to complete a new patient registration as well as to update information. Realize that patients may not always have everything they need with them to complete a registration – how does that impact operations? It is also essential that the front desk staff does not view this as a punitive exercise. The front desk is the face of your health center – if the team is not bought into the health center’s vision, patients will feel the effects.



Rest of Year One: Clinical Checklist

- 1. Increase and maximize clinical productivity*
- 2. Recruit patients to fill out patient panels*
- 3. Plan for and begin recruitment efforts for new providers*
- 4. Revisit and solidify clinical referral patterns*
- 5. Start doing performance improvement based on QI plan data*

In the first 120 days, clinical staff focused on startup procedures that it needed to complete. QI committees have been formed, and that team has started collecting and analyzing data. For the remainder of the first year, newly funded health centers can turn to maximizing productivity, building patient panels, planning for recruitment of new providers, solidifying clinical referral processes, and beginning performance improvement activities as part of the QI plan.

The secret to success of a health center is production. Reality is that when health care services are delivered, the health center fulfills its mission and generates revenues. In order to generate revenue to sustain operations, providers must have adequate numbers of patients to see, and some providers will be more popular than others. Typically, patient panel size ranges between 1,500 and 3,000, depending on the type of provider and specialty, with midlevel providers and internal medicine physicians being at the lower end of the scale, family practice providers in the middle, and pediatricians at the higher end. With family practice, ensure that the physicians have a reasonable mix of adult and pediatric patients, or be willing to adjust the panel size accordingly, especially if the physician is essentially acting as an internal medicine specialist. Remember, appropriate clinical support ratios and number of exam rooms will drive the number of patients a provider can see.

Recruitment and retention of providers is a never-ending process. Your health center will need a recruitment plan that can accommodate these cycles and should start planning immediately for recruitment. Also, do not forget that many state PCAs also offer recruitment help. And it never hurts to develop a relationship with local residency programs in your area. Finally, do not forget provider retention. The CMO or Clinical Director should be meeting regularly with clinicians to assess their satisfaction and to seek input that is really used to create an environment that is attractive to clinicians to work in.

As the patient load builds, so too will the number of referrals made by clinicians to other providers. These can include specialist physicians, physical and occupational therapists, and others. What they all need are processes to ensure that your referral information is getting to the other provider, and that your health center is getting reports from that provider on the care that was delivered. This is particularly important if the health center has included the referred service within its approved scope of project (i.e., listed it as “in-scope” on its Form 5A).

During this time, your QI program will also mature. Just measuring outcomes is not sufficient. The health center will now start to make improvements based on the data – and the clinical team will need to spearhead it. The data will show whether or not the patients are getting the care they need. Visits will need to be redesigned, patient flow reexamined, and clinical decision-making supports put into place to ensure that patients are cared for properly.



Rest of Year One: Information Technology Checklist

1. *Conduct HIPAA security audit*
2. *Conduct disaster drill*
3. *Test backup procedures and failovers*
4. *Begin an IT strategic plan*

The work of IT in the first 120 days was just a kick-off. IT projects take months and years, not days and weeks. From the procurement of equipment, to extensive testing, to implementations and go-lives, most of the work from the period right after funding approval will be just getting off the ground at the end of the first 120 days.

One item for risk management that also tests systems is a HIPAA security audit. This should be conducted at least annually. It is likely that a contractor will be required in order to do this, as systems that include internet connectivity need to be assessed, and it's unlikely that the health center will have the expertise to do that testing. Also, all IT vendors will need to complete a questionnaire for the annual financial audit.

IT should periodically test disaster scenarios. If the health center is using an electronic health records system, how does the system function during an outage? Those systems should be as robust as possible, and providers as well as support staff need to know how to operate in the event of an outage. Providers may not have access to prior records, the front desk cannot access patient financial information, and the billing team cannot issue bills, work denials, or communicate with patients about their outstanding bills. Because it is not the intention to provide less than stellar service, these drills should be done during slower periods, and without any actual impact on patients. But they must be completed, because your system will be unavailable at some time, and staff must be prepared to operate without their usual tools.

All IT systems – especially those that communicate externally to the organization – should have redundancy built into them. A redundant system has no value if you don't understand how it works. While theoretically “failover” is an automatic process – i.e., if the primary internet connection is lost, a backup system automatically kicks in and should be nearly seamless to most users – IT should test this failover regularly to ensure that if the health center ever needs it, it is operating effectively and is reliable. In the event of a failover, the health center would need to ensure that it has a disaster recovery plan to ensure the integrity of EHR data, accounting, and administrative files. As an example, data is backed up off-site at a remote location to ensure continued operations.



Rest of Year One: Facilities Management Checklist

1. *Complete first 120 days checklist*
2. *Review all contractors for performance*
3. *Perform preventive maintenance*

We expect that there will be outstanding items from the first 120 days that must still be completed throughout the rest of year 1. These should take primary priority during this period. If the health center is operating in a temporary location, the facilities team may be focused on a construction project in addition to regular maintenance. This work will go on until the project is complete, and when it is, the team will truly get to work learning to operate new systems, understanding the maintenance requirements and methods those systems have, and activating the new facility to have it ready for patient care.

Much of the work of facilities occurs on a day-to-day basis, rather than on any kind of schedule. The facilities team will be constantly responding to acute situations, like spills, emergent repairs, etc., and they must have the availability to do that essential work.

Usually, health centers have contracted for certain facilities-related services. In the rest of the first year, facilities should be reviewing the performance of all contractors²⁵ to make sure the organization's expectations are being met. During this time, the health center may be renewing licenses, reviewing contracts/MOUs with state and local agencies, and completing major projects like repairing roofs, winterizing building systems, and ensuring that all preventive maintenance has been completed.

²⁵ HRSA Compliance Manual, [Chapter 12-Contracts and Sub-Awards](#), provides a specific outline on requirements needed to monitor the performance of a contractor.



Rest of Year One: Risk Management Checklist

1. *Renew insurance coverage*
2. *Convert malpractice insurance to FTCA if deemed*
3. *Complete provider peer review*
4. *Review trends in incident reporting*
5. *Finish emergency preparedness plan and emergency communications systems*
6. *Activate corporate compliance plan*

At the end of a year of operations, the health center will begin the renewal process of insurances. This will include a review of projected revenues and expenses, growth in personnel, major additions to equipment and supply stores, and a review of any workers' compensation claims that occurred.

With good planning and systems, the health center will receive deeming under the Federal Tort Claims Act during this period of time. Converting to FTCA coverage has implications for risk management. The prior malpractice carrier may require the purchase of "tail" coverage that essentially extends insurance of prior acts once FTCA is in effect. More information is in the appendix. Work closely with HRSA/BPHC (especially the Office of Quality Improvement), and your insurance carrier and insurance broker to make sure the health center and its providers are properly protected.

Provider peer review is something that should occur regularly. It consists of the analysis of randomly selected patient charts for another provider of the same type or specialty to review the care delivered and express a professional opinion on that care. Reviewers will opine on the comprehensiveness of the plan of care developed for each patient. Note: only clinicians can see the actual commentary on peer review documents. This is often limited to physicians, and perhaps a nurse who coordinates the peer review process. The actual commentary should be sealed, and only aggregate data per provider reported to non-clinical management, including the board.

Every health center has incidents. These can be as serious as a needle stick, or as minor as a slight slip on a carpet. Every incident, no matter how small, should be documented. Data should be kept on all incidents and tracked and trended regularly. These should be reported to senior management (individually and in the aggregate) and to the board of directors (in the aggregate only). Trends should be identified early, and remedial action put into place to minimize clinical and legal risk to the health center.

During the first 120 days, the health center started emergency preparedness work. This should be completed during year 1. As part of this, the health center should complete an emergency preparedness self-assessment, which can then be updated every year. These systems will include emergency communications systems, which should be tested periodically.



Rest of Year One: Project Period Renewal Applications

Typically, approximately 4 months before the end of your project period (although this timeframe could be sooner or later in any given year), you will need to submit a comprehensive reapplication for your health center grant. This Service Area Competition (SAC) application will essentially mirror the initial New Access Point application your organization submitted. Each year, HRSA/BPHC issues a new Notice of Funding Opportunity for these applications. They are updated every year, so details will change.

For this application, you will need to complete a comprehensive needs assessment, staffing plan, budget, and certain updated policies – everything you did to submit your original application. Be sure you have accounted for the time and effort this application will require. This effort should be considered in the strategic plan – during this time, you will need to be focused on the reapplication.

Ideally, you will have completed the health center's strategic plan. That way the health center will have its road map in place for most of the future funding period, with the understanding that completing the new strategic plan will be a key function in the new operating plan.

For this submission (just like the health center's initial application) the health center will have to document broad-based support. It is never too soon to begin obtaining letters of support and commitment, as well as updating any memoranda of understanding and contracts for services. Each of these should be documented well and available to submit as required.

Similarly, for the SAC submission (just like the health center's initial application), the health center will have to document its compliance with the program requirements set forth in the Compliance Manual. It is never too soon to ensure that the health center maintains ongoing compliance by assigning someone to monitor any new requirements issued by HRSA/BPHC or other applicable federal/state agencies and to inform appropriate persons of any changes so that revisions to policies, procedures, systems, etc. can be made on a timely basis.

Another area to consider is a discussion of the performance of the board itself. Every year, it is highly advisable that you conduct a self-evaluation of the board's performance, recruitment, and other factors. This was completed in the first year and is an annual exercise. Take this evaluation seriously.

The takeaway message is to plan effectively and put as much effort into the SAC application as for the initial application.



Advanced Concepts – Year 2 and Beyond

The health center has celebrated its first anniversary and has become a vital part of the community. Through your hard work, planning, and determination, the health center is positively impacting countless individuals. In the coming years, the health center needs to move from the operational phase to the next level in operations and planning. This next section will merely highlight the areas you should think about in years 2 and beyond.

Accreditation/Recognition Initiative

Accreditation is an area of consideration for health centers that must be carefully reviewed. HRSA recognizes two accrediting bodies: The Joint Commission (TJC) and the Accreditation Association of Ambulatory Health Care, Inc. (AAAH). Many factors come into play as a health center considers accreditation.

Accreditation and/or certification are the processes of requesting an independent review of your organization's performance against national quality and safety requirements. In October 1996, BPHC began an initiative to promote accreditation of health centers.

Long-range strategic planning

HRSA/BPHC requires that each health center, at least once every three years, engage in long-range strategic planning, which at a minimum addresses financial management and capital expenditure needs.²⁶ Strategic planning determines an organization's direction for the future, how the organization is going to get there, and how it will know if it got there or not. The focus of a strategic plan is usually on the entire organization, while the focus of a business plan is usually on a particular product, service or program.

Strategic planning should be based on collecting and analyzing data, as well as on input from diverse stakeholders, such as health center governing board members, staff at all levels, community members, clients and organizations involved in providing or paying for health care in the marketplace. When considering input from community stakeholders, do not overlook health planning agencies, local health departments, your state primary care association, and elected officials. All of these can provide insight to your planning process that will inform and improve the final product. If you receive funding under special populations (migrant and seasonal agricultural workers, homeless and public housing), do not forget to confer with representatives of these populations either in crafting your strategic plan. Finally, excellent strategic plans include financial modeling that demonstrates the likely impacts of implementing the strategies identified in the planning process.

Planning should include ongoing evaluation, feedback and adjustment based on environmental, operational, or clinical changes. While remaining flexible and allowing for response to new opportunities and pressures, plans should describe the health center's goals and priorities sufficiently to guide members of the organization in strategic and operational decision-making.

The board should be involved in the process from the beginning, not just review a plan proposal from the management team, as ultimately, it is the board that must approve the strategic plan. Once the plan is approved, the board should receive periodic updates on the plan's progress. It is recommended that this occur no less than quarterly.

²⁶ HRSA Compliance Manual, [Chapter 19-Board Authority](#)



Conclusion

HRSA's investment in your health center will have a profound impact on the lives of the people you serve. The initial Notice of Award truly represents a major victory for your community – it is a starting point, not an endpoint.

No startup guide can cover every possible set of circumstances that a new health center will face. The first 120 days can be challenging, if not overwhelming. HRSA expects you to be fully operational and compliant with the Health Center Program Requirements. Depending on the New Access Point guidance issued by HRSA, there may or may not be other unique expectations with which you have to comply.

This publication has provided the newly-funded health center with a set of suggestions that guide toward compliance with Health Center Program Requirements and provided some tips from the industry leaders and experts that will guide the new center to success. Remember to make use of the many resources available to you. From your project officer, to your state or regional Primary Care Association, to the holders of cooperative agreements for special populations, to your fellow grantees around the country, there are many people willing to help you be successful. You have joined much more than an industry. The health center movement really is a family.