

**West Virginia Department of Health and Human Resources  
Bureau for Public Health**

**Office of Community Health Systems  
Division of Primary Care**

**Free Clinic**

**Application for Uncompensated Care and  
Equipment and Capital Costs  
Funding**

**GUIDELINES**

**Fiscal Year 2010  
July 1, 2009- June 30, 2010**

**Application Due Date: May, 8, 2009**

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Application for Uncompensated Care and Equipment  
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## **FY – 2010 Application Guidelines**

### **I. INTRODUCTION**

The purpose of this document is to provide guidance to Free Clinics for the preparation of **FY – 2010 Application for Uncompensated Care and Equipment and Capital Costs Funding** to the Division of Primary Care (hereafter referred to as “program”). The program is funded through yearly state appropriations as set forth in the West Virginia State Budget.

### **II. PROGRAM GOAL AND OBJECTIVES**

This funding assists free primary care clinics in providing comprehensive primary health care services to all patients without other means of payment (third party). The program goal is to maintain free clinic services in areas where feasible to provide these services with adequate volunteer assistance and charitable resources.

The objectives are to:

- Increase access to comprehensive health care and decrease health disparities.
- Strengthen community health systems

### **III. COMPREHENSIVE PRIMARY HEALTHCARE SERVICES**

As defined in West Virginia Legislative Rules 64 CSR-70-3.10, a primary health care service is a health care service, including medical care, which emphasizes first contact patient care and assumes overall and on-going responsibility for the patient in both health maintenance and treatment of illness. Primary care involves a unique interaction between patient and primary care physician or a multi-disciplinary team under the supervision of a physician or both. The appropriate use of referrals and community resources is an important part of effective primary care. The care is generally provided by a physician, but may be provided by other members of a multi-disciplinary team such as registered nurses, nurse practitioners, physician assistants and nurse mid-wives. The purpose of this interaction is to achieve comprehensive coordination of health care including educational, behavioral, biological, and social aspects of care. It is a patient care-oriented approach which emphasizes the continuity of care over the full spectrum of health services. It begins with patient assessment, wellness, and prevention through medical management, lifestyle modification and health education. The primary care provider is the patient’s advocate through the complex system of health care delivery.

### **IV. FUNDING**

The need for program funding occurs when a financial deficit is created within a free primary care clinic organization, i.e., when the free primary care clinic’s revenues do not offset expenses incurred in rendering primary health care services. All funds awarded under the program are limited to free primary care clinics in-state that meets the definition and eligibility of a free primary care clinic. Recommended funding levels shall be based on the review criteria and the

availability of funds. All grants are awarded by the Commissioner of the West Virginia Bureau for Public Health.

## **V. PROGRAM REQUIREMENTS**

### **A. Uncompensated Care Required Services**

Each full-time equivalent (FTE) provider, based on 40 hours per week per 12 month period, is expected to meet the following **minimum** productivity levels:

- Per physician: 1,200 patients and 4,200 encounters
- Per mid-level: 700 patients and 2,100 encounters
- Per dentist: 1,000 users and 2,400 encounters

### **B. Equipment and Capital Costs**

Equipment is defined as an item costing \$500 or more; having a useful life of one year or greater; and purchased within the budgeted period July 1, 2008 - June 30, 2009.

All equipment purchased with these funds shall be the property of the State of West Virginia. The equipment shall be inventoried in accordance with the policies and guidelines issued by the Bureau for Public Health, Office of Community Health Systems and Health Promotion, Division of Primary Care. These currently include at a minimum, maintenance by the organization of an inventory list for equipment purchased with State funds.

If the clinic either ceases to exist or stops administering a program, all control and custody of such equipment shall be relinquished to the Bureau for Public Health. Disposition of equipment shall be in accordance with guidelines issued by the Bureau for Public Health.

**Capital costs** are repairs and alterations made within the budgeted period July 1, 2008 – June 30, 2009 to facilities currently being used for primary care services. **These funds may not be used for new capital construction.**

### **C. Hours of Operation**

Free primary care clinics must be open 32 hours per week and provide direct access to a physician or mid-level provider a minimum of 24 hours per week with arrangements for medical consultation by referral or call for the remaining hours of operation.

### **D. State Primary Care Center Designation**

The Free Primary Care Clinic is a private, not-for-profit organization, governed by a community based board of directors, whose mission is to provide free primary

care services to poverty populations who are without private, public, Medicaid, or Medicare insurance. The clinic must be approved and recognized by the West Virginia Bureau for Public Health as a free primary care clinic serving the uninsured.

#### E. Board Composition and Corporate Structure

Although exempt from FQHC Board requirements, a free primary care clinic must be governed by a community based board of directors that includes at least two (2) patients from the service area.

#### F. Two Year Rule

In order for an entity to be eligible to apply for state uncompensated care funding, the clinic must have been in existence and providing primary care services as of July 1, 2005. If services began after July 1, 2005, the agency must have been funded for two full years by July 1, 2008. Agency supervision is accomplished by a free clinic with ten year operating experience. The entity must have as its main purpose the provision of primary care services for uninsured patients, and derive at least 90% of its revenues from charitable donations, grants from charitable foundations, or governmental grants.

### **VI. ADMINISTRATIVE REQUIREMENTS**

Applicants will have complied with and met all special conditions for the preceding year's funding in accordance with the grant agreement, i.e.

- Applicant must have met the basic requirements of these guidelines.
- Applicant must have participated in the Quality Assessments of the Free Clinics Program.
- One copy of the most recent independent Audit with management letter(s) will be attached with the application. One additional copy will be sent to:

**Office of Audits, Research & Analysis  
Building 3, Room 515  
1900 Kanawha Boulevard East  
Charleston, WV 25305**

### **VII. DEFINITIONS**

#### **A. Patients and Encounters**

Information required in this section has had no new revisions.

**Patients:** The number of unduplicated individuals receiving at least one face-to-face medical encounter for services provided by the grantee organization in the calendar year 2008.

**Encounter:** The number of unduplicated, face to face encounters between a clinic patient and a physician or mid-level practitioner (physician assistant, nurse practitioner and certified nurse midwife) or health professional functioning under protocol.

**Medications Only Patients:** The number of unduplicated individuals receiving at least one face-to-face medication only encounter for calendar year 2007.

**Prescription Data:** Enter the total number of prescriptions filled by your pharmacy unit and the retail dollar value of those prescriptions. Enter the number of prescriptions filled at no cost to the patient and the retail value of those. *It is understood that the total number of prescriptions and the number of free prescriptions may be the same.* Complete the information in all fields regardless of duplication.

**Medications Encounter:** The number of unduplicated face-to-face encounters is when a patient obtains medications from the clinic pharmaceutical dispensary, but receives no other services related to the condition.

**Medical Referral Encounter:** The number of face-to-face encounters in which a health care practitioner (as defined under medical encounter above) makes a referral to a health care practitioner not associated with the grantee agency.

**On-Site Dental Encounter:** The number of unduplicated face-to-face encounters when a patient receives services from a dentist or dental hygienist working for the grantee and on the premises.

**Mental Health Encounter:** The number of unduplicated face-to-face encounters in which a patient receives services from a licensed clinical psychologist, licensed professional counselor, or licensed clinical social worker working for the grantee agency and on the premises.

**Social Service Referral Encounter:** The number of face-to-face encounters in which a member of the grantee organization's staff makes a referral to a program or agency which can assist the patient with non-health care services and is not associated with the grantee.

**Nursing Encounter:** The number of unduplicated face-to-face encounters in which a patient receives services from a licensed, registered or certified health care practitioner who is not a physician or a mid-level medical practitioner (as defined in medical encounter above), who is working for the grantee organization and on the premises of the grantee. It is determined a nursing encounter if the patient receives no other health care services on that day from any other medical practitioner, licensed clinical psychologist, licensed professional counselor, licensed clinical social worker, or dentist and dental hygienist.

**Health Education Encounter:** The number of unduplicated face-to-face encounters in which a member of the grantee organization's staff provides valid health-related information or education to a patient in a single visit.

## **B. Pharmacy**

A pharmacy is licensed by the State of West Virginia Pharmacy Board as a retail pharmacy. This does not include a doctor's office pharmacy type operation, i.e. prescriptions, medications, and free medicines.

## **C. Allowable Restricted Funds**

Funds donated or granted by donor or grantor to the organization for an identified specific purpose. These funds should be identified in the current audit, as "restricted by donor." All restricted and non-restricted donations collected/received by a free clinic must be reported in the annual audit.

## **D. Non-allowable Expenses**

- The principal portion of long term and short term notes payable are not an allowable expense. Mortgage payments in lieu of rent, are allowable if used to procure real property for the provision of primary care services, and if the amount is equal to reasonable rent for the geographical area.
- Depreciation expense(s) will not be used to determine grant awards, but must be reported in the application.
- Placement fees paid to a for-profit recruitment firm for placements
- Indirect cost
- Payment of personal income taxes for providers
- Equipment placed in "other" category

**Note:** Public relations expenses will be considered on a case by case basis as identified and explained in the budget justification.

## **E. Surplus Funds**

Surplus Funds will be determined by using the last three (3) prior years' audits with adjustments made to identify allowable excess funds. If three (3) years' of audit excesses are identified, **30** days of actual primary care personnel and fringe benefits cost will be subtracted from the most current audit's adjusted excess and any remaining balance will be subtracted from the recommended award.

## **F. Budget Surplus**

The budget is reasonable according to clinic size, type, and number of uninsured served. An automatic increase in all line items is not acceptable. An increase in the budget must be supported by an increase of patients or basic operations. An increase may not represent expansion costs or supplanting dollars from other programs due to loss of funds.

#### **G. Personnel Costs**

Total personnel costs as a percentage of the total primary health services budget may not exceed 65%.

#### **H. Charges and Collections**

Differences between the budget and actual charges and/or collections per encounter should be reasonable and require little or no adjustment.

#### **I. Collection Rates**

Differences between budgeted and actual collection rates are within reasonable limits and consistent with state averages and group averages.

#### **J. Provider Productivity**

Any deviations from the clinical provider productivity levels must be addressed in the general narrative section of the application.

#### **K. Audit Variations**

Major variations noted when comparing the applicant's independent A-133 audit to the budget period may impact funding recommendation.

**One (1) original and one (1) copy of the application with attachments must be submitted *on or before (not postmarked) May 8, 2009* to:**

**WVDHHR/BPH  
Office of Community Health Systems and Health Promotion  
Division of Primary Care  
Attn: David Haden, Director  
350 Capitol; Street, Room 515  
Charleston West Virginia, 25301-3716**