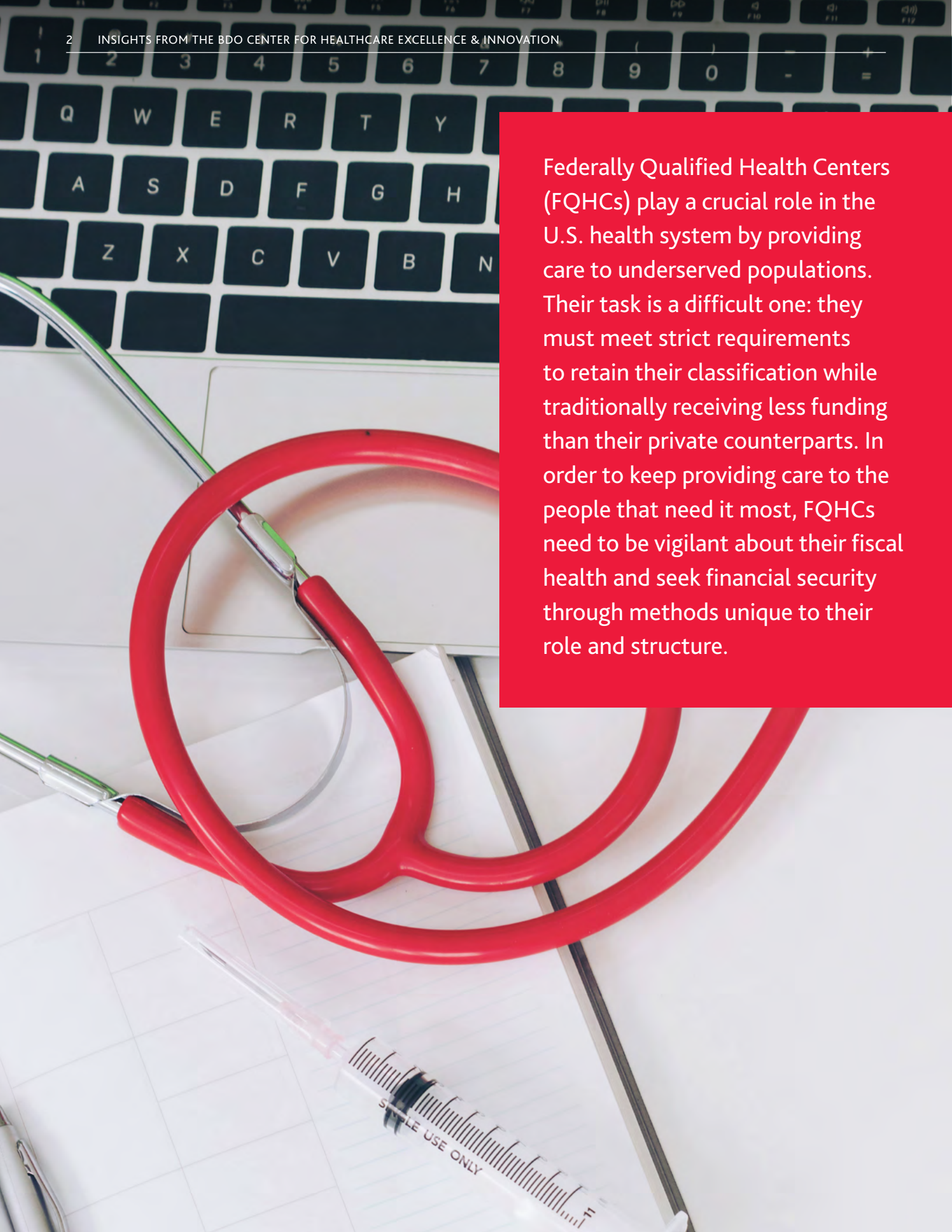


INSIGHTS FROM THE BDO CENTER FOR HEALTHCARE EXCELLENCE & INNOVATION

IN THE KNOW WITH BDO: 5 Ways to Improve Your FQHC's Financial Health



A red stethoscope is coiled over a white document with a grid pattern. Below the stethoscope, a clear plastic syringe with a black plunger and a white needle is visible. The background shows a portion of a laptop keyboard with black keys and white lettering. The text is overlaid on a red rectangular background on the right side of the image.

Federally Qualified Health Centers (FQHCs) play a crucial role in the U.S. health system by providing care to underserved populations. Their task is a difficult one: they must meet strict requirements to retain their classification while traditionally receiving less funding than their private counterparts. In order to keep providing care to the people that need it most, FQHCs need to be vigilant about their fiscal health and seek financial security through methods unique to their role and structure.

5 Ways FQHCs Can Enhance Their Financial Health



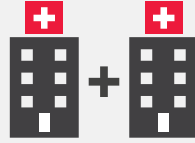
Expand into managed care.

FQHCs generally have the infrastructure already in place to move into the managed care space, which reduces the cost of doing business. Furthermore, some managed care contracts — in particular, Medicaid managed care contracts — allow FQHCs to earn financial incentives.



Further invest in population health management approaches.

FQHCs are pioneers of the value-based care model, which offers clear benefits both for the provider and patient: Value-based care leads to lower cost of care and better clinical outcomes. FQHCs should explore additional methods of population health management and addressing social determinants of health (SDoH) to ensure they are maximizing the ROI of their value-based care approach.



Partner with multi-specialty clinics in the community.

By using closed-loop referral tracking or by bringing specialists into the FQHC, these clinics become part of the covered entity. As a result, FQHCs are able to offer access to a greater range of care while patients remain covered under existing pharmacy contracts and programs.



Maximizing the value of onsite pharmacy.

Getting patients to the clinic's pharmacy starts with the physician. Create a simple communication strategy with prescribing physicians in the clinic to understand the value of the onsite pharmacy. Once physicians understand the clinical and financial value of using the onsite pharmacy, they can more effectively encourage patients to use it.



Reach out to contract pharmacies.

Contract pharmacies are especially useful for entities that don't have an onsite pharmacy. They can also allow a greater share of patients to access 340B drugs and bring greater savings for FQHCs, depending on the structure of the contract. To ensure the contract is appropriate, it's crucial to have an experienced legal team review it.

Additionally, FQHCs are able to participate in the 340B Drug Pricing Program, which offers an avenue of financial support by reducing the cost FQHCs pay for outpatient drugs. The program is designed to create an integrated pharmacy program while generating much needed funds for the benefit of the patients served by the FQHC. However, most FQHCs aren't maximizing the available opportunities for improved clinical and financial outcomes through their current offerings. A typical FQHC only captures about 20-30% of the qualified prescriptions through their 340B program.

At the same time, they often fail to fully leverage the clinical expertise of pharmacy. Using their pharmacy and pharmacy programs strategically is integral for FQHCs' financial success and stability.

FQHCs are more important than ever before as the U.S. strives for greater health equity across the nation. These strategies will allow FQHCs to create a more stable future, both clinically and financially, ensuring they can continue to play their critical role in supporting the U.S. healthcare system.



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