

The Olde Towne Medical Center

Williamsburg Area Medical Assistance Corporation
Williamsburg, Virginia

Models That Made It



**VIRGINIA
HEALTH CARE
FOUNDATION**

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In 1993, following a detailed community needs assessment and an examination of alternative proposals for improving local access to public health care, the Williamsburg, James City County and York County governments collaborated to form the Williamsburg Area Medical Assistance Corporation (WAMAC) and to establish the Olde Towne Medical Center. Their intent was to create a public/private health center which would offer medically indigent area residents greater access to primary and preventive health care.

In accordance with this mission, Olde Towne Medical Center was purposefully co-located with the department of social services and was designed to augment, but not replace the services of the local health department. Initially utilizing volunteer physicians, a staff of two nurse practitioners, two nurses and several support staff, the Center provided comprehensive primary health care. This includes pediatric services, adult health and chronic care, family planning, obstetrics, health education and counseling, lab services, and limited pharmacy services.

Over the last five years, the number of volunteers has increased and Center staff have expanded to 25 to accommodate continued growth in patient demand. The Center offers its services to all area residents, but most of those who receive treatment at the center are uninsured (65 percent) or have Medicaid (26 percent).

It is the administrative and funding structures of the Olde Towne Medical Center (OTMC) which have made it such an innovative and effective model for the delivery of primary health care. OTMC combines the elements of a community health center and a free clinic. It is governed like a community health center, with a board of local residents and a structured system of revenue collection. In fact, its recent designation as a rural health center has permitted it to collect cost-based reimbursement for any Medicaid or Medicare patient it sees.

Yet, Olde Towne Medical Center also has much in common with Virginia's free clinics. It recruits and utilizes volunteer physicians, depends on in-kind contributions and regularly solicits community financial support. Its supporters include the three local governments, the local community hospital, the local medical society, and area service agencies. Through these sources it was able to generate \$395,000 dollars in in-kind support in FY 1997 and \$1.2 million in financial support.

Community collaboration has been key to the Center's success. Equally important, however, are the flexibility and entrepreneurial spirit of Olde Towne Medical Center's board and management. They are always

looking for new funding and service delivery opportunities, and when they find a good match, they act on it. As a firmly established entity with solid community support and a good revenue base, the center has become a health care provider to more than 4,000 area residents.

Steps to Establishing a Public/Private Community Health Center

Step 1. Determine the need for and viability of a public/private community health center.

Convene a group of key community organizations and leaders to discuss and gauge the scope of the area's problems with access to health care, and to determine the best way to address these problems.

Begin with an analysis of health care needs in the targeted community. Do Medicaid patients and the uninsured have a medical home (i.e. a place to go for their primary health care needs)? In addition to existing health statistical data, it may be helpful to do a local survey or utilize any community health needs assessments conducted by your local hospital(s).

Olde Towne Medical Center was born from a special study, undertaken by James City County and the College of William and Mary, which found that lack of health insurance and inadequate access to health care were major problems for the area.

Although the unemployment rate in the area is fairly low, many of the jobs (up to 20%) are part-time or seasonal positions in the retail and tourist industry. These positions pay minimum wage and do not include health insurance benefits. The services offered by the local Health Department did not meet the primary care needs of families. Local physicians showed a reluctance to treat Medicaid patients.

Lessons learned:

A survey of major employers in the area will provide valuable information about the availability of health insurance for the families of employed workers.

After the information gathering stage, plan events that will attract different constituencies and enable you to get word of the results of your surveys out to many segments of the community.

Health care services for these families need to be centralized within a service area and preferably on a public transportation route.

A sliding scale fee schedule is useful if many in the target population are the working poor earning a low hourly rate with no

Step 2. Obtain community support.

Community commitment to the Olde Towne Medical Center has been the key to its success and operation. Important representatives for such a community coalition include the:

- Area's city and county governments;
- Local health district;
- Area physicians and the medical community;
- Community hospital;
- Local business community;
- Local community action agency and social service agencies; and
- Interested individuals.

The community planning process for OTMC included two meetings, sponsored by the local League of Women Voters, which brought local physicians, the James City County Board of Supervisors, the Williamsburg City Council and the committee together to examine the community's health needs. Because each of these important constituent groups was involved "from the ground floor", each is invested in the successful operation of the Center.

Lessons learned.

The Olde Towne Medical Center has been successful because of an innovative approach to community health care that mobilizes the entire community for support. All sectors need to be brought into the planning process.

The program does not compete with physicians in the area but seeks to attract patients that need services and have no mechanism for payment. Patients with the means to pay are referred to local physicians.

Olde Towne Medical Center uses a sliding fee scale. However, their full fee is equal to that of the physicians in the area. This policy reassures physicians that they will not be a low cost competitor.

The program reduces the need for the local uninsured to use the hospital emergency room for primary care.

It can be very beneficial to work with the managed care organizations that serve your area.

Step 3. Design the program.

Program Model: The Olde Towne Medical Center has evolved and expanded considerably since its inception five years ago. It began as a nurse practitioner managed clinic with a retired MD serving as the volunteer Clinical Director. It is now a full fledged medical practice operating as a “rural health center” and sees Medicaid patients as well as the uninsured. The Center now has a substantial patient load serving approximately 1200 patients each month.

The entrepreneurial spirit which led to this evolution is the key to Olde Towne Medical Center’s success. The Center’s board and management are flexible and not dogmatic about their program design. They actively seek out and pursue opportunities that can enhance the Center’s growth and success.

Oversight: OTMC’s Operations are overseen by the Williamsburg Area Medical Assistance Corporation Board of Directors. This board consists of 20 local citizens representing funding and support organizations and interested citizens.

Staffing: Daily operation of the center is under the direction of a paid executive director who reports to the Board of Directors. An administrative manager oversees all non-medical operations. A Nurse Practitioner is the clinical director. She is supervised by a local physician who volunteers as the Medical Director.

The Center started with nine staff and two nurse practitioners. Today, it has a staff of 25 that includes a pharmacist, dentist and volunteer coordinator. Numerous volunteers work in clerical and clinical positions and with the dental program.

Lessons learned:

The Olde Towne Medical Center is a Nurse Practitioner managed clinic with volunteer physicians providing oversight. Before adopting this approach, it is important to become familiar with Virginia's laws and regulations regarding nurse practitioner scope of practice and supervisor/requirements.

Be sure to stay within the Center's mission when contemplating changes in program design.

Make sure that all stakeholders are involved in any decisions regarding the thrust or identity of the Center.

Maintain a Board of Directors with a broad community base. Include representatives of the governmental entities, both elected officials and hired employees whose jobs relate to the medical services area. Involve the business community by recruiting representatives for the Board of Directors.

A strong experienced executive director who is well connected in the community and has fund raising experience is an important early hire.

As the center grows it will also need an office manager experienced in running medical offices, and a part time accountant.

Step 4. Identify evaluation criteria and design the necessary evaluation tools.

In developing the Olde Towne Medical Center, the Williamsburg Area Medical Assistance Corporation's (WAMAC) goal was to provide cost-effective, quality primary health care.

To help meet the goal of controlled patient costs, WAMAC developed and monitors the success of the following strategies:

- maximize use of volunteer providers and other in-kind services;
- get supplies and equipment donated whenever possible;
- utilize specialty clinics, such as an immunization clinic and an ob-gyn clinic, to provide efficient service to large numbers of patients; and
- target hours of operation to coincide with times of greatest patient demand.

To determine OTMC's impact in reducing inappropriate utilization of the hospital emergency room, WAMAC worked with the local hospital to obtain baseline data.

WAMAC's long-term goals include reductions in the number of:

- teen pregnancies;
- low birth-weight babies and premature babies; and
- untreated and uncontrolled chronic conditions such as hypertension, cardiovascular disease and diabetes.

Success in meeting the long-term goals can be measured by tracking health outcomes for individual patients and by utilizing the local health statistics maintained by the Virginia Department of Health.

Lessons learned:

Goals for the Center can be related to services (type and volume provided); cost-effectiveness; and health outcomes (e.g. to decrease the number of childhood asthma attacks or low-birth weight babies born to Center patients).

Work with your local hospital to obtain a baseline of inappropriate Emergency Room usage and to track any changes that may result from the establishment of the community health center.

Determine your computer needs prior to purchasing software for the Center.

Purchase a software package that can maintain billing, financial and health information for each patient. Many physicians offices have programs that do billing. A Center such as OTMC, however, needs a patient tracking system that can count unduplicated patients, types of services provided to these patients and health problems that they have (i.e. individuals with asthma, or children with diabetes.)

Step 5: Prepare a budget and obtain funding.

Much of the funding for OTMC comes from local entities, both public and private. This and revenue generated by the Center provide an underpinning of support. Special programs or additional needs are addressed through foundation grants, special events and individual giving.

When the Olde Towne Medical Center was established, in-kind contributions of space, equipment and personnel helped reduce start-up costs significantly. Of the initial staff, two nurses and one clerk were funded through the health department. The building and equipment had been used by the local health department until a reorganization of services. Most of the examination rooms and medical and dental equipment had been in the facility and were donated to the OTMC along with the building space.

Olde Towne Medical Center has a wide variety of income streams. It receives financial support from three local governments, the local hospital, the United Way and a variety of foundations. Medicaid reimbursement is another important source of funds accounting for 15% of OTMC's revenues.

Now that the Center is firmly established in the community, it is working to increase and maintain community interest through special events; targeted mailings to prospective donors and an enhanced volunteer program.

Lessons learned:

Substantial in-kind donations by key stakeholders will increase their commitment to the center. When establishing the center look within your community for entities that are capable of providing this support.

Do not neglect the local business community when seeking in-kind and cash donations. Many of your patients will be employees of local businesses. By supporting you they decrease pressure to offer health benefits.

Establish a donor database early. Select a method that is expandable so that you can add information as you become more familiar with your needs.

Be sure to stay on mission when looking for funding. Do not be led astray by the possibility of large sums for programs that have little to do with your mission. Take your mission statement and print it out poster size. Make it visible during your board and staff meetings when you are making programmatic decisions.

Once the Center has been operating for a year or two, have an annual financial audit conducted and prepare an annual report.

Medicaid/Medicare reimbursement can be an important source of revenue if you have a sufficient patient base and staff who can navigate the reimbursement system. It can be especially rewarding if a center meets the criteria for being a "Federally Qualified Health Center". This enables the Center to obtain cost-based reimbursement for each Medicaid or Medicare patient it sees.

With the dynamic nature of health care today and the increasing penetration of managed care, be prepared to be flexible. OTMC has recently become a certified HMO provider and now receives capitated payments for some of its Medicaid patients.

Work with the medical society and individual physicians to solicit volunteers for the center.

Step 6: Implement and maintain the program

Start-Up Issues: Initially, a center may only choose to offer a small array of services. Before opening, determine what those services will be; your hours of operation; the number of patients that can be seen each hour; if and how you will see walk-ins; and how you will take referrals from other agencies and area physicians. Various clinical protocols should also be developed and established.

These decisions will help you determine the size and nature of the staff and volunteers necessary to operate the Center. When it first started, almost one half of OTMC's staff were employed by other agencies and "on loan" to the Center. This significantly reduced the amount of necessary "start-up cash".

Medications: Medications raise two big issues in any clinic setting. First, it is important to determine how storage and distribution of samples will be handled. Virginia's Board of Pharmacy has regulations that help guide these decisions.

Equally important, however, is assuring that medically indigent patients have access to necessary medications. OTMC uses a variety of methods to provide necessary medications while keeping costs manageable. These include: heavy reliance on samples; utilization of the pharmaceutical companies' patient assistance programs; a restricted formulary (?); and patient co-pays.

Revenues and Financial Support: Several of OTMC's supporting organizations (local governments and Williamsburg Community Hospital) have committed to long-term support of the Center. To supplement this funding, OTMC has become a Medicaid HMO provider.

Lessons Learned:

James City County government acts as the fiscal agent for OTMC, providing personnel benefits such as employee health insurance and a retirement package. This arrangement has helped the Center hire well qualified employees.

Before opening your doors determine what lab services you need, and secure a laboratory service contract.

Put in the work necessary to determine the qualification and requirements for being a Medicaid provider for your local managed care organizations.

Determine if your service area qualifies for designation as a "health professional shortage area". Contact the Virginia Department of Health for assistance with this.

Keep abreast of the changes in child health insurance. The upper limit of income required for eligibility is being raised. This will provide health insurance coverage and reimbursement for many children who are currently seen free of charge.

Identify medical specialists to when you can refer patients in need of services not affected by the Center. OTMC has referral agreements with a variety of specialists who bill the patient using OTMC's sliding fee scale.

Constantly, look for ways to become involved in the community and get exposure as a good community citizen.

Because the Center is in a federal “health professional shortage area”, it gets cost-based reimbursement for any Medicaid or Medicare patients and is eligible to apply for a variety of federal health grants and supports.

When a patient needs special medical equipment, the Center first seeks donations from the community. When the Center needs to expand or introduce a new service, it writes grants and solicits additional local support.

Each new initiative broadens OTMC’s exposure and the impact it is making. The Center is currently supplementing its basic services with a women’s health program, a CHIP (Comprehensive Health Investment Program), the Touchpoints program for parent education about child development, and a reading and book lending program with the area elementary schools.

Checklist for Implementing A Public/Private Community Health Center

Step 1. Determine the need for and viability of a public/private community health center.

- Convene a working group that includes all or some of the following:
 - Physicians and health care providers;
 - Dentists;
 - Local hospital representatives;
 - Local health department representatives;
 - Social service agencies;
 - Representatives of business community;
 - Representative of local universities; and
 - Interested individuals.

- Survey the major employers in the area to determine the availability of health insurance.

- Determine the major health care needs of the community. The following data sources may be helpful:
 - U.S. Census data to obtain a demographic profile of community
 - The health department for major causes of death
 - Local hospital for causes of illness and visits to the emergency room
 - Any existing health needs assessments

- Hold community forums or other events to ask residents about their perceptions of health care issues.

- Based on the information gathered by the group, formulate a statement of health care needs for the target population and community

- Make a go/no-go decision about the appropriateness of a public/private community health center for your community by asking the following questions:
 - Do we have an uninsured population that would benefit from more readily available health services?
 - Are the major causes of morbidity and mortality such that preventive maintenance and follow-up care will benefit the population?
 - Does the demographic profile indicate a population that will make use of primary care services (e.g. a large number of families with young children).

- Generate support for the program in the community.

- Are there supporting agencies/businesses/health care providers in the community?
- Are the health care providers, specifically the physicians, supportive of the program?
- Is there an agency or governmental entity willing to act as the fiscal agent for the program?
- Can you identify possible sources of in-kind donations and operating funds?

Step 2. Obtain community support.

- Recruit a Board of Directors that includes representatives of most, if not all, of the following:
 - Physicians and health care providers;
 - Dentists;
 - Local hospital representatives;
 - Local health department representatives;
 - Social service agencies;
 - Representatives of business community;
 - Representative of local universities; and
 - Interested individuals.
- With the Board of Directors, draw up a mission statement that will give guidance and focus to the Center's programmatic efforts.
- Identify and contact organizations, agencies and constituencies that should be informed concerning the results of your needs assessment and the health problems identified, as well as your suggested approach to solving the problem.
- If your community is served by one or more managed care organizations, work with these entities to see what partnership opportunities exist.
- Initiate an on-going relationship with the local newspaper. and write a press release about the center, its mission, and the Board of Directors.

Step 3. Design the program.

- Determine the basic set of services that you want to offer in the beginning. These should be based on community need and what you can afford. Use groups, interviews with community members, and community input meetings to the design of center services.

- If you are considering a nurse practitioner managed clinic, become familiar with Virginia's laws and regulations regarding the nurse practitioner's scope of practice and supervision requirements.
- Identify a location for the Center that is centralized within the service area and preferably accessible by public transportation. The most efficient location would be in close proximity to the local social services department.
- Determine staffing needs and write job descriptions.
- Design a patient record keeping system, preferably computer based.
- Design a patient tracking database for use in administrative and management evaluation.
- Determine equipment needs and begin to identify low cost or free sources of needed equipment.
- Determine your sliding fee scale.
- Contact managed care organizations in your community and begin work on becoming a Medicaid provider for these organizations.

Step 4. Identify evaluation criteria and design the necessary evaluation tools.

- Work with your local hospital to obtain a baseline of inappropriate emergency room usage and to track any changes that may result from the establishment of the community health center.
- Determine what service outcomes can be expected from medical center activity. Intermediate outcomes can be additional requests for flu shots, cholesterol screening, child immunizations or increased use of prenatal services.
- Determine the possible health outcomes that can result from the use of the clinic. For example, early prenatal care can prevent complications at birth and in infancy. An increase in flu shots may translate into fewer cases of flu being seen in emergency rooms during flu season.
- Design a computerized database to track patient encounters and give feedback to staff on current activities.

Step 5: Prepare a budget and obtain funding.

- Develop an initial budget that addresses the services to be offered and identify sources of in-kind contributions that will assist with meeting the budget. (See Appendix for a sample budget from Olde Towne Medical Center.)
- Determine your eligibility to qualify as a Medicaid and/or managed care provider and take the necessary steps to obtain this status.
- Work with Board of Directors to identify in-kind support.
- Identify possible funding sources and obtain information about funding requirements.
- Prepare funding proposals using data collected and a realistic budget.
- Obtain letters of support from community providers, agencies and political entities.
- Establish a donor database.

Step 6: Implement and maintain the program.

- Before opening the center, determine:
 - hours of operation;
 - the number of patients that can be seen each hour;
 - if and how the center will see walk-ins; and
 - how the center will handle referrals from other agencies and physicians.
- Develop clinical protocols to be utilized by the center.
- Hire an Executive Director and clinic staff.
- Recruit necessary volunteer providers.
- Determine how medically indigent patients will obtain necessary medications.
- Establish a medication policy which specifically addresses how drugs will be stored and distributed.
- Secure a laboratory services contract.

- Cultivate and maintain a good working relationship with local health care providers. Keep them informed as to what the program is doing and ask how it can help them. Set up a referral system so patient information can easily flow in both directions.
- Hold board meetings on a regular basis to monitor operations and emphasize the governance responsibility of the board.
- Continue to look for funding opportunities in the community and at the state and federal levels.