

Federally Qualified Health Center Financial Stability Religious Organizations

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Federally qualified health centers (FQHCs) have become a critical source of primary and specialty-related care for millions of low-income and underserved individuals in urban and rural areas (Wright & Ricketts, 2013). As the number of recipients rises, the demand for affordable low-cost health services has become a dire need for poverty-stricken communities (Umeh & Feeley, 2017). FQHCs aid this purpose by providing comprehensive services through a sliding scale fee for areas across the United States (FQHC Associates, n.d.), often leading to a funding gap that is not covered by the allocated state and federal funding provided to these establishments. FQHCs are faced with the lack of annual financial reserve due to the uncompensated care that must be covered and the limited use of diversified revenue streams within the industry, resulting in a continuous yearly deficit and the inability to maintain annual sustainability. This financial deficit causes healthcare suffrage to the underserved population. Diversified revenue streams can enhance current fund development practices, aid in additional revenue streams to increase annual sustainability, and build organizational independence.

STRIDE Community Health Center

STRIDE Community Health Center is an influential healthcare facility that serves the most extensive population base of any FQHC within Colorado. The organization has 18 different locations that focus on quality and improvement management. STRIDE aims to continue improving the healthcare needs of underserved communities and minority families through low-cost services. Its organizational mission is to promote and provide healthcare services through accessible and affordable options for community members. The nonprofit organization seeks to provide high-quality care and patient satisfaction through superior, professionally integrated approaches by creating access that promotes the prevention and care continuum (STRIDE Community Health Center, n.d.).

STRIDE, alongside many other FQHCs, is unfortunately exposed to a drastic financial loss annually and often can fall into a deficit due to the difficulty of maintaining and sustaining the organization's finances due to the funding gap. STRIDE must engage and utilize its competitive advantage to offset these possible threats, solicit more significant amounts of new patients, and find alternative means of financial reserves to expand its offered services. Expanding services would mean that the facility could serve more than the underserved or minority population.

Problem Statement

FQHCs are often faced with the need for annual financial reserve due to the funding gap and limited use of diversified revenue streams within the industry, resulting in an unremitting deficit and the inability to maintain annual sustainability. FQHCs, such as STRIDE, struggle to overcome the funding gap due to the lack of current diversified revenue streams, leaving these organizations vulnerable and exposed to financial crises and downpours. By addressing this problem, FQHCs can develop revenue streams that balance the funding gap and maintain the firm's economic viability to provide culturally sensitive health services to the underserved population.

The federal and state funding received by FQHCs often does not fully offset the costs of uncompensated care provided, creating a deficit due to the difficulty of maintaining and sustaining the organization's finances (Wright & Ricketts, 2013). A resolution has not been identified due to the fiscal cliff organizations have encountered while waiting for the bipartisan renewal of federal funding from the Community Health Center Funding (CHCF). Fiscal cliffs can drastically reduce the federal budget. These funds account for three-fourths of FQHC funding (Kaiser Family Foundation, 2019). A slight delay in decision-making by the CHCF results in FQHCs pursuing other areas of priority to make up for the projected revenue loss and, in this case, targeted revenue diversification.

Methodology

Problem-based learning is a constructive and strategic teaching method that utilizes complex real-world problems to promote learning concepts to students through learned principles. This method supports investigation and examination through knowledge acquisition and collaboration in individual and group projects.

The study consisted of qualitative research approaches that evaluate additional studies to help create a concrete solution based on data analysis and methodologies. STRIDE was assessed to evaluate the current financial viability and organizational performance to purposefully identify opportunities for developing and implementing diversified revenue streams.

A rich and complex understanding helped to break down the analysis of development capabilities that STRIDE had previously or had not yet been able to establish. Delving deep into the organization's financials enhanced the richness of the study (Campbell et al., 2020). The literature review provided coherence and alignment between the available diversified revenue streams and those that currently exist for STRIDE. Scholarly experts in the field of were identified. Thorough content analysis was used to investigate the documents provided by STRIDE.

Recommendations/Solutions

The recommendation is that STRIDE utilize philanthropic efforts to increase diversified revenue streams by creating a birthing center. STRIDE will need to initiate a capital campaign that will help bring in profits for the development and construction of the new facility. A capital campaign aims to create a dynamic function that ties the prospective donors' values to the organization's mission, leading to high-dollar giving. The efforts of a capital campaign will help identify and cultivate donors eager to address social problems and provide the needed services for STRIDE patients.

To proceed with expansion operations, the team will need to analyze and define the following areas: site location and cost per visit compared to allotted funding through Medicaid. Identifying profits and ensuring that STRIDE does not absorb birthing service costs will be necessary. Creating a specialty that most FQHCs do not offer will give STRIDE a competitive advantage. This advantage will increase philanthropic partnerships and increase visibility and attraction to new and existing patients. By creating a birthing center, the organization will be able to provide continued care to patients and serve their patients' needs through enhanced services for low-risk birthing mothers.

Conclusion

As the need for comprehensive primary health care organizations continues to rise, FQHCs have become the critical access point to serving and providing comprehensive healthcare services in underserved communities (Norwood et al., 2017). Nicol (2018) noted that sustainability within the healthcare industry is often related to quality improvements, process and system designs, and workforce planning. However, it

also includes the financial aspects of the firm, the cultural, societal, and environmental maximization, and the assessment of the overall organization for improvements (Nicol, 2018).

FQHCs lack financial reserves due to the amount of uncompensated care provided to patients annually and the limited use of diversified revenue streams within the industry result in a continuous annual deficit and the inability to maintain annual sustainability. The dismal state of the problem requires FQHCs to face the possibility of becoming non-existent and causing healthcare suffrage to the underserved population it currently serves. By diversifying revenue streams to prepare for any uncertainty (such as COVID-19 or crisis), nonprofit facilities create flexibility that can achieve effective financial management and the capacity to withstand economic shock or fiscal cliffs (Hung & Hager, 2018). Diversified revenue streams help circumvent revenue loss, including federal or state funding and uncompensated care coverage, by strengthening the revenue cycle management.

Overall, it is recommended that STRIDE utilize philanthropic efforts to increase diversified revenue streams by creating a birthing center. Creating a birthing center through capital campaign utilization will enable the organization to provide continued care to patients while also covering the uncompensated care cost accruals. The solutions help create clear and shared visions that support identification of the necessary change strategies, implementation processes, and results required for sustainability.

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