



Partnering with a Federally Qualified Health Center to Enhance the Resident Experience and Decrease Clinic Costs

February 2019

WRITTEN BY: **LEAH GASSETT**

Teaching hospitals are limited in their ability to receive additional federal funding for new residency programs or the expansion of existing programs because of the Balanced Budget Act of 1997, which established a cap on funding for residency positions at teaching hospitals. To mitigate the impact of funding limitations, teaching hospitals must be creative in lowering costs and finding other methods to support training programs. Partnerships with Federally Qualified Health Centers (FQHCs) provide

opportunities to reduce costs and/or lower the incremental costs of training more residents while improving the quality of the training.

Depending on the specialty, residents can spend up to a third of their time in an outpatient setting, typically referred to as the resident continuity clinic. These clinics often have a significant negative impact on the bottom line of the teaching hospitals that sponsor the programs due to an unfavorable payer mix and

“ Additionally, FQHCs generally serve a large and diverse patient population, which provides residents with the exposure that is mandated in their training requirements. ”

a lack of predictive scheduling of faculty and resident time. The patient populations at residency clinics resemble those of FQHCs, which are specially designated community-based healthcare providers that receive funds from the Health Resources & Services Administration’s Health Center Program to provide primary care services in underserved areas. FQHCs provide cost-effective access to care as an alternative to patients presenting to local emergency departments. Integrating primary care programs (i.e., family medicine, internal medicine, pediatrics, and OB/GYN) into community-based FQHCs can enhance collaborative patient care, support the teaching mission, and improve delivery capacity. A well-structured partnership creates a win-win for both the residency program and the FQHC. We will review how these organizations can collaborate to address critical community needs by improving and expanding physician training and access to high-quality care for vulnerable populations.



IMPROVED EDUCATIONAL EXPERIENCE

Certain specialties such as family medicine prescribe requirements related to the patient population and physical infrastructure of the resident clinic.¹ Hospitals may struggle to provide a sufficiently large or diverse patient population or adequate clinical space for

training, either of which can limit the number of residents trained. An FQHC partnership can potentially allow for a larger resident complement by addressing both these situations. Nationwide, FQHCs provide care to over 24 million patients annually.²

Residency programs are responsible for training future generations of physicians and should prepare their graduates to provide care to diverse patient populations by utilizing innovative care models. FQHCs are required to operate practices under a Patient-Centered Medical Home model,³ which has been shown to improve quality and the patient experience and increase staff satisfaction while reducing healthcare costs, meaning residents train within a contemporary and patient-centric care model. Additionally, FQHCs generally serve a large and diverse patient population, which provides residents with the exposure that is mandated in their training requirements.



MORE ACCESS AND BETTER CARE

Integrating a primary care residency into an FQHC can have a considerable impact on the center’s ability to see more patients without having to recruit additional attending physicians or advanced practitioners, which is a common struggle for FQHCs.⁴ CMS’s primary care exception allows for up to four residents to be supervised by one attending physician in the clinic.⁵ The rule was created with family practice, general internal medicine,

¹ <https://www.acgme.org/Specialties/Program-Requirements-and-FAQs-and-Applications/pfcetid/8/Family%20Medicine>.

² <http://www.nachc.org/wp-content/uploads/2015/06/Americas-Health-Centers-March-2016.pdf>.

³ <https://www.ncqa.org/programs/recognition/practices/patient-centered-medical-home-pcmh>.

⁴ <http://www.modernhealthcare.com/article/20180217/NEWS/180219923>.

⁵ <https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/Downloads/Teaching-Physicians-Fact-Sheet-ICN006437.pdf>.



geriatric medicine, pediatrics, and OB/GYN in mind. Deploying an efficient model in the outpatient setting can significantly increase the number of patients who can be seen without also increasing the number of attending physicians. A well-structured training curriculum can also improve the transition of care, as resident teams can be utilized to ensure timely follow-up visits for recently transitioned patients.

FQHCs struggle to recruit physicians because of competition for a limited number of primary care providers, and they are unable to offer market-

competitive contracts compared to hospitals or health systems.⁶ A study in the *Journal of Graduate Medical Education* reported that exposing residents to underserved areas can significantly increase their likelihood of practicing in a similar setting post training.⁷ Per the AAMC, 54.5% of residents remain in the state they trained in after graduation; in specialties such as family medicine that number is 64.3%.⁸ Much like when an AMC or hospital participates in training residents, the FQHC needs to consider the potential to recruit trainees when they graduate as a crucial factor when deciding to partner.

⁶ <http://www.modernhealthcare.com/article/20160618/MAGAZINE/306189981>.
⁷ <http://www.jgme.org/doi/abs/10.4300/JGME-D-17-00019.1?=&code=gmed-site>.
⁸ <https://www.aamc.org/data/493666/report-on-residents.html>.



FACTORS TO CONSIDER BEFORE PARTNERING

Before deciding to partner with an FQHC for resident training, the teaching hospital should have a strong understanding of the following key considerations and their impact:

- » **Accreditation and educational experience requirements**

- » **The FQHC's ability to provide the appropriate educational experience and operational performance**

- » **Understanding of the program's current educational strengths**

- » **Cultural and integration implications**

- » **The financial impact on both organizations**

- » **Operational implications related to care models and infrastructure (e.g., the need for an independent board for the FQHC, the FQHC's responsibility for clinical operations)**

“ Performance monitoring is also an essential aspect of a successful partnership, and both organizations should develop concrete productivity goals that foster an operational environment focused on efficiency, throughput, and maintaining high quality education.”

Both parties need to have a deep understanding of these topics and their consequences for each organization, as well as for the residents it will be training. Performance monitoring is also an essential aspect of a successful partnership, and both organizations should develop concrete productivity goals that foster an operational environment focused on efficiency, throughput, and maintaining high quality education. Processes to be established related to dashboard tracking and key metric monitoring include predictive scheduling, faculty/resident ratios for each clinical session, operational costs, and real-time tracking of key revenue cycle elements (e.g., no-shows, visits per session, coding irregularities). All these metrics need to be documented in the contractual arrangement between the sponsoring teaching hospital and the FQHC, along with a clear remediation process for when expected metrics are not achieved. A contemporary agreement that factors in the responsibilities, decision-making, financial commitments, and operational considerations needs to be designed to ensure a successful partnership.



About ECG

ECG is a national healthcare consulting firm that has worked exclusively in the healthcare provider sector for more than 45 years serving AMCs, hospitals and health systems, children's hospitals, and physician organizations. Since our founding, ECG has maintained a dedicated practice of professionals exclusively devoted to working in the subsector of academic healthcare. Our clients include the leading medical schools and teaching hospitals, as well as related academic and nonacademic physician organizations. We help a wide array of AMCs, ranging from small, community-based medical schools typically with three separate component entities to large, fully integrated, single-CEO AMCs. Our experts in ECG's Academic Healthcare practice who subspecialize in each mission of the AMC, including medical education (undergraduate and graduate), research, and the clinical enterprise.

For more insights from ECG, visit www.ecgmc.com/thought-leadership.

the Authors



LEAH GASSETT

Principal

617-227-0100

lgasset@ecgmc.com

