

National Association of Community Health Centers



PROGRAM ACTIVITY REPORT 1977 - 78



1625 I Street, N.W.

Washington, D.C.

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PROGRAM ACTIVITY REPORT

For the 1977-78 program year, the National Association of Community Health Centers adopted the theme: "Community Health Centers: Leaders in Tomorrow's Health Care System." This theme symbolized the leadership role of community health centers in restructuring our national health care delivery system and providing health services to millions of America's medically unserved and underserved.

This leadership theme was also expressed throughout fiscal '78 in the Association's program activities at the national, area and regional levels.

Program activities for the year fell into four basic categories: Education and Training, Policy Analysis, Technical Assistance and Communications. Through these program activities, the Association articulated its continuing commitment to the concept of community-based ambulatory care and the continuing growth and development of community health centers, in their various forms.

Our successful implementation of these programs contributed to our growing national stature and credibility. As we conclude another year of successful work, we put in place yet another building block upon which to build future success. The following is a summary report of our activities for FY '78.

EDUCATION AND TRAINING

Education and training activities are designed to increase the knowledge and improve the skills of providers and consumers involved in and concerned about ambulatory care, community health centers in particular. Our educational activities include the Community Health Institute at the national and area levels, the National Conference Series and assorted conferences and seminars.

Community Health Institute

The foundation of the Association's educational activity is the Community Health Institute. Each year the Institute kicks off the Association's program year by bringing together over 800 community health center administrators, providers and consumers for information exchange on contemporary and critical health issues. The 1977 Institute was built around the "Leadership" theme and in more than thirty sessions conference participants explored a full range of subjects related to the continuing development of urban and rural community health programs.

National Community Health Institute activities are greatly re-enforced by area and regional CHI activities. In FY '78 more than forty CHI sessions were held at 10 area sponsored CHI's. In contrast to national CHI sessions which are general in nature, area sessions focus on specific operational problems of health centers and also provide additional education and skills development opportunities to Association members.

In FY '78, fourteen educational sessions for peer groups (Affiliated Divisions) were held as part of the national CHI. For many of the peer groups these sessions were the first educational sessions designed especially for them. Additionally, some sessions granted professional continuing education credits. In future years continuing education credits shall be an increasingly important part of the CHI.

Health Education

The Education and Training Department continued its involvement in health education activities during FY '78. Many of these activities were cooperative endeavors implemented in conjunction with other voluntary health organizations. In cooperation with the National Cancer Institute, NIH Office of Cancer Communications, the department completed an assessment of needs for health education related to cancer prevention health services. As a result of this assessment, educational materials were developed with a special emphasis on hard to reach populations (Hispanic, Native American, Black, and Asian-American groups).

Also completed during FY '78 was the publication of "Dental Tips for Mothers", a pamphlet encouraging preventive dental habits for mothers during pregnancy, and for infants and children. This activity was coordinated with the Dental Research Institute, NIH.

National Conference Series

The National Conference Series shall provide a forum for the discussion of specific health care issues of national and regional significance. The Series shall begin in the FY '78 program year and conclude in FY '79. The conference schedule is as follows:

- I. Continuity of Care for Migrant Populations
Sheraton Twin Towers
Orlando, Florida
May 22-23, 1978
Co-Sponsor: Southern Association of CHC's
- II. Partners in Health Care Delivery: Community Health Centers and Public General Hospitals
Parker House
Boston, Massachusetts
June 26-27, 1978
Co-Sponsor: Massachusetts League of CHC's
- III. Rural Health Care Consortia and Regional Health Delivery Systems: Models for Meeting Rural Health Care Needs
Galt House
Louisville, Kentucky
August 11-12, 1978
Co-Sponsor: Midwest Association of CHC's
- IV. Quality Assurance Issues in Ambulatory Care

Strategies for Improving Management of Ambulatory Care Programs
Biltmore Hotel
Los Angeles, California
October 12-13, 1978
Co-Sponsor: Western Association of CHC's
- V. Prepayment and Community Health Centers: A Critical Analysis
Statler Hilton
New York, New York
November 9-10, 1978
Co-Sponsor: Association of New York NHC's
- VI. Solving Environmental Health Programs Through Community Health Services
(Rescheduled)

Each of these conferences provides conference participants the opportunity to interact with knowledgeable persons from within the community health center movement as well as experts from academia, government and private industry.

POLICY ANALYSIS

FY '78 was important for the Association in the area of policy analysis. Important legislative issues were faced and with the strong support of our President, Executive, Legislative and Health Policy Committees, our objectives were achieved.

The policy analysis objectives for the year were to:

1. Secure continuing authorizing legislation for community and migrant health centers.
2. Maintain current CHC and MHC service levels through increased appropriations.
3. Obtain a waiver of State "intent to reside" requirements.
4. Be active participants in national health insurance debate.
5. Secure passage of the physician extender reimbursement legislation.

Reauthorizing legislation for community and migrant health centers (HR 12460 and S. 2474) currently awaits floor action. Incorporated in the pending legislation are several significant modifications proposed by NACHC:

- o 3 to 5 year authorization
- o Increases in funding levels
- o Income retention provision
- o Construction authority
- o Improved service packages

At the urging of NACHC and its members, substantial increases in appropriations were secured for FY '78:

CHC's	\$247 million	+\$32 million
MHC's	\$345 million	+\$4.5 million

Additional increases have been proposed for FY '79 with the active support of NACHC. Pending the Senate and House conference following floor action, CHC's may gain an additional \$100 million and MHC's an additional \$15 million.

HCFA has published a proposed change of state residency requirements as recommended by NACHC. The proposed change states that a person who is living in a state for purposes of employment cannot be denied Medicaid on the grounds that the employment is short-term and the person is likely to move to another state to seek employment.

NACHC participated in national and regional hearings on National Health Insurance. Three NACHC members were appointed to the Secretary's Advisory Council on NHI:

Aaron Shirley, M.D.
Jackson-Hinds Health Center
Jackson, Mississippi

Manuel Soliz
Rio Grande Federation of Health Centers
San Antonio, Texas

Beulah Wiley
Central Virginia Health Center
New Canton, Virginia

NACHC also collaborated with White House staff, the Committee for a National Health Service and the Committee for National Health Insurance in an effort to promote the need for a universal, comprehensive, NHI plan which calls for system reform and treats all people equally.

After considerable effort by NACHC and other concerned organizations, Congress passed PL 95-210 which provides for reimbursement for physician assistant and nurse practitioner services provided in rural clinics. Policy analysis staff also contributed heavily to the development of regulations to assure simple certification procedures and adequate reimbursement rates. HCFA currently is working on plans to extend reimbursement to urban areas on a demonstration basis. The Association shall continue to work to assure permanent reimbursement to urban clinics.

Several other legislative accomplishments are worthy of note.

- o For the first time Sections 319 and 330 of the Public Health Service Act will provide construction authority for migrant and community health centers (if passed by Congress--HR 12460 and S 2474).
- o At the urging of NACHC, interagency agreements have been negotiated between HEW and USDA and EDA for long term low interest loans for construction and renovation of CHC/MHC's. Agreement with USDA has been completed and will be announced shortly. Discussions with EDA for urban areas are underway.
- o Legislation (S 2474) pending floor action will waive Sec. 1313 for CHC's and MHC's, thus allowing up to 5% of the funds appropriated to be used for development of additional prepaid programs, at the request of the center board.

The national office staff was strongly supported by the Legislative Committee, chaired by Speaker, Irvin Overton, which fulfilled its vital role of planning and strategy development and formulation of Association positions on national policies and priorities. Through regular meetings throughout the year, the committee was able to provide on-going direction and guidance to the national office staff.

NATIONAL TECHNICAL ASSISTANCE NETWORK

During FY '78, the Association continued its support of the National Technical Assistance Network. The purpose of this activity is to provide Association members and medically underserved communities with reasonable access to technical assistance and training services. These services are provided by five organizations under contract to NACHC. They are:

- Massachusetts League of Community Health Centers
- Association of New York Neighborhood Health Centers
- Southern Association of Community Health Centers
- Midwest Association of Community Health Centers
- Western Association of Community Health Centers

The specific program plans of each contractor are developed in conjunction with the national office staff and the advice and approval of the Program Review and Executive Committees. For the 1978 year, five specific program objectives for the Network were agreed to by the national office and the five contractors, with the concurrence of the funding agency, the Bureau of Community Health Services/DHEW. The five objectives are as follows:

- Objective I: To assist at least 30 high priority Medically Underserved Areas to develop applications for urban and rural health initiative grants.
- Objective II: To improve health service program effectiveness and efficiency by providing on-site technical assistance to at least 125 community health service programs
- Objective III: To provide opportunities for continuing education for health care administrators, providers, board members, and consumers of member and non-member health service programs by conducting one national and ten regional Community Health Institutes.
- Objective IV: To help alleviate health manpower shortage area problems in medically underserved areas assisting at least 100 MUA's to request and obtain designation as health manpower shortage areas.

These area technical assistance activities are supported by funds provided to the National Association of Community Health Centers through a grant from the Bureau of Community Health Services/DHEW. The Association in turn contracts with the five organizations identified above. Funding levels for the current program year (January - December 1978) are as follows:

Massachusetts League of CHC's	\$108,000
Association of New York NHC's	\$146,000
Southern Association of CHC's	\$101,463
Midwest Association of CHC's	\$ 99,281
Western Association of CHC's	\$ 90,756
	\$545,500

MEMBERSHIP AND COMMUNICATIONS SERVICES

For five consecutive years the Association has enjoyed increases in organizational and individual membership. In FY 1978, organizational membership grew to 270, up from 247 in 1977. This growth both reflects and enhances the Association's credibility and effectiveness. Credit for our continuing growth must be shared with the area and regional organizations for their enthusiastic efforts to bring new organizational and individual members into the Association.

The continuing growth of the Association and the community health center movement is further characterized by the development of regional and statewide associations. New groups have emerged in Region III (Region III Health Resources, Inc.) Maine (Maine Ambulatory Care Association) Rhode Island (Rhode Island Health Center Association), Kentucky (Kentucky Primary Care Association) and Tennessee (Tennessee Primary Care Association). The development and growth of these groups further strengthens the community health center movement and provides mechanisms for more effective service delivery.

Inherent in the Association's continuing growth is a demand for greater and more extensive communications services. Our mechanism for general information dissemination is the monthly newsletter. The Newsletter provides members and other interested persons with a regular and timely source of information on current community health center developments.

As an additional communications service, the Association initiated last fall the Clearinghouse News. The Clearinghouse News focuses on new publications and research and educational activities in health care. It is published every other month and also includes listings of monographs, papers and studies by Association members. These papers are available through the Clearinghouse for a nominal fee.

In response to the growing demand for malpractice insurance at reasonable rates, the Association in conjunction with Richard Gross and Schiff-Terhune of Philadelphia developed THE PRIMARY CARE MALPRACTICE INSURANCE PROGRAM. This program is available to organizational members of the Association only and provides clinic and physician coverage at competitive rates. Launched in November of 1977, the program has more than \$25 million of insurance coverage in effect. This program also represents a potential source of substantial discretionary income to the Association.

FISCAL

The basic support for the Association's general activities is provided by the Association's membership through the payment of membership dues, convention fees and other funds into the General Fund of the Association. In FY '78, \$42,941 was provided by the membership for this purpose. An additional \$45,095 was generated through conference fees, publication sales and other income.

A Statement of the financial condition of the Association is presented on the following pages. More detailed reports on the financial activity of the Association during FY '78 are available separately.

THE NATIONAL ASSOCIATION OF COMMUNITY HEALTH CENTERS, INC.
BALANCE SHEET

	June 30,	
	1978	1977
<u>ASSETS</u>		
Cash, including interest bearing accounts designated for specific purposes of \$18,089 and \$14,899	\$ 33,212	\$148,017
Accounts receivable		
Grants and contracts	380,000	18,513
Other	5,189	2,782
Furniture and fixtures, net of accumulated depreciation of \$13,380 in 1978 and \$10,133 in 1977	15,757	17,077
	\$434,158	\$186,389
<u>LIABILITIES AND FUND BALANCES</u>		
Accounts payable		
Contracts and grants	\$ 49,603	\$ 67,586
Other	8,002	10,598
	57,605	78,184
Commitments		
Fund balances		
General fund (deficit)	(19,299)	22,902
Technical Assistance Grant-DHEW/BCHS	395,852	85,303
	376,553	108,205
	\$434,158	\$186,389

See notes to financial statements.

THE NATIONAL ASSOCIATION OF COMMUNITY HEALTH CENTERS, INC.
STATEMENT OF CHANGES IN FUND BALANCES

	Year ended June 30,	
	1978	1977
<u>General Fund-Increase(Decreases)</u>		
Fund balance, beginning of year	\$ 22,902	\$ 25,586
Revenues	95,616	79,767
Expenses	(137,764)	(90,294)
Unreimbursed expenditures of contracts charged against General Fund	(53)	(874)
Transfer of prior years' expenditures to Education Contract	--	8,717
	<u>\$ (19,299)</u>	<u>\$ 22,902</u>
<u>University of Cincinnati Contract-Increases (Decreases)</u>		
Fund balance, beginning of year	\$ --	\$ --
Contract award	13,213	--
Expenditures	(13,266)	--
Transfer unreimbursed expenditures to General Fund	53	--
	<u>\$ --</u>	<u>\$ --</u>
<u>Technical Assistance Grant-DHEW/BCHS-Increases (Decreases)</u>		
Fund balance, beginning of year	\$ 85,303	\$162,028
Grant award CS-H-06-3	--	605,937
Grant award CS-H-06-4	350,000	--
Grant award CS-H-06-5	875,000	--
Addition of interest income earned on grant funds	1,032	1,574
Transfer of unapplied funds from Training Grant DHEW/OHRO	--	80,366
Expenditures	(915,483)	(764,602)
	<u>\$395,852</u>	<u>\$ 85,303</u>
<u>Training Grant-DHEW/OHRO-Increases(Decreases)</u>		
Fund balance, beginning of year	\$ --	\$136,740
Expenditures	--	(56,374)
Transfer of unapplied funds to DHEW Technical Assistance Grant No. CS-H-06-3	--	(80,366)
	<u>\$ --</u>	<u>\$ --</u>
<u>Education Contract-DHEW/HRA-Increases(Decreases)</u>		
Fund balance, beginning of year	\$ --	\$107,290
Expenditures	--	(98,106)
Prior years' expenditures charged to General Fund	--	(8,717)
Reduction of DHEW receivable for unapplied revenue	--	(467)
	<u>\$ --</u>	<u>\$ --</u>

See notes to financial statements.

THE NATIONAL ASSOCIATION OF COMMUNITY HEALTH CENTERS, INC.
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEARS ENDED JUNE 30, 1978 AND 1977

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization -- The Association was incorporated in 1971, pursuant to the District of Columbia Non-Profit Corporation Act. The main purpose of the Association as set forth in the articles of incorporation is to foster the advancement of high quality health care that is responsive to the communities being served.

Revenue -- Grants and contracts are recorded as revenue when funds are received; however, at the time the award is granted, the receivable and corresponding fund balance are recorded. Applicable expenditures are recorded as incurred.

Furniture and Fixtures -- Depreciation is computed on the straight-line method at rates based on estimated service lives of five to ten years.

Fixed assets purchased with Federal funds revert back to the grantor at the termination of the grant.

2. CASH IN SAVINGS, SPECIFIC PURPOSE

The organization conducts various workshops under the grants and other association activities that generate funds designated for specific purposes such as the future development of the Community Health Institute.

3. FURNITURE AND FIXTURES

The balance in the account is reflected as follows:

	<u>Cost</u>	<u>Reserve</u>
Beginning balance	\$ 27,210	\$ 10,133
Additions	2,277	3,417
Dispositions	<u>(350)</u>	<u>(170)</u>
Ending balance	<u>\$ 29,137</u>	<u>\$ 13,380</u>

4. GRANT FUND BALANCES

Such funds, if not used in the implementation of approved programs during the grant period, must be refunded to the respective grantors, unless authorization for future use is obtained.

5. TAX STATUS

The operations of the Association are exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code.

6. COMMITMENTS

Office Space -- The Association has a three-year lease, expiring November 30, 1979, for office space at an annual rental of approximately \$29,000.

Employment Agreement -- The Association has executed an employment agreement with its executive director as to the terms of his employment.

Contract Services -- The Association has executed agreements with five organizations to perform certain services under its Technical Assistance Grant program. The committed funds for the balance of Grant CS-H-06-05 are as follows:

Midwest Association of Community Health Centers	\$ 50,394
Southern Association of Community Health Centers	50,253
Western Association of Community Health Centers	46,462
Association of New York Neighborhood Health Centers	73,000
Massachusetts League of Neighborhood Health Centers	<u>54,198</u>
	<u>\$274,307</u>

7. RECLASSIFICATION OF PRIOR YEAR EXPENDITURES

For years prior to 1976 certain expenditures in the amount of \$8,717 were charged to the General Fund erroneously and the reimbursement of these expenditures from HEW were applied to the Education Contract that expired in April 1977. These financial statements reflect this adjustment of \$8,717 as a reduction of the Education Contract fund balance and increase the General Fund balance as shown on the Statement of Changes in Fund Balances.

8. CHANGE OF NAME

During the year ended June 30, 1977, the Association changed its name from the National Association of Neighborhood Health Centers, Inc. to the National Association of Community Health Centers, Inc.

WILLS & ASSOCIATES
CHARTERED
Certified Public Accountants

ANNAPOLIS 224-2144
WASHINGTON, DC 261-8181

2510 RIVA ROAD, SUITE 315
ANNAPOLIS, MARYLAND 21401

The Board of Directors
The National Association of
Community Health Centers, Inc.
Washington, DC

We have examined the balance sheet of the National Association of Community Health Centers, Inc., as of June 30, 1978 and 1977, and the related statements of revenues and expenses for the general fund, revenues and expenditures for the Cincinnati Contract, Technical Assistance Grant, Training Grant and Education Contract, and changes in fund balances for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of the National Association of Community Health Centers, Inc. at June 30, 1978 and 1977, and the results of its operations and changes in its fund balances for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Wills & Associates

WILLS & ASSOCIATES

Annapolis, MD

August 16, 1978

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