

Compassionate Health Center 2020 Annual Report



Compassionate Health Center

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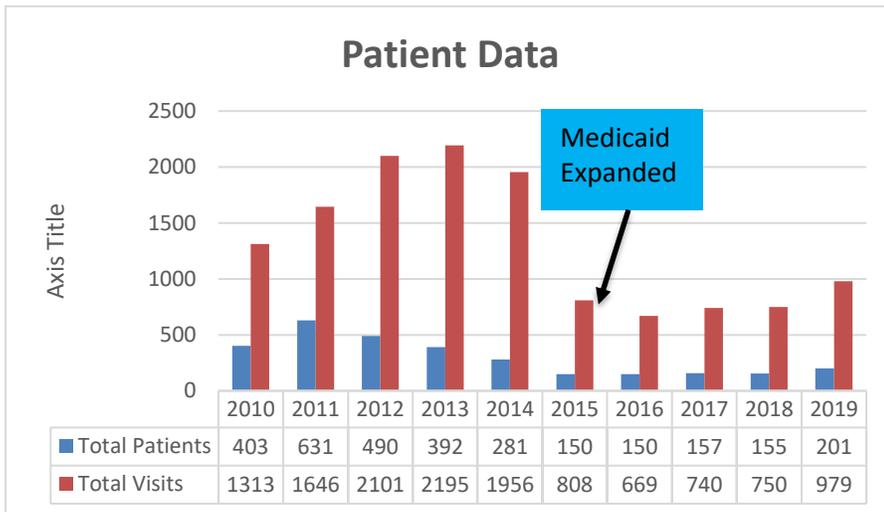
Dear Woodlawn Hospital Board Members,

This annual report depicts the financial and operational status of the Compassionate Health Center as of June 30, 2020. The report illustrates the value of Compassionate Health Center to Woodlawn Hospital and Fulton County, reflects on the past support of the hospital, and requests your continued support of this successful and mutually beneficial partnership.

Compassionate Health Center celebrated a milestone in 2019, our 10th anniversary. Throughout this time, we have provided free services to more than 1500 patients. As a free clinic, we are able to serve low income patients with chronic conditions that often prevent them from working and keep them trapped in the cycle of poverty. Their economic situation often prohibits any type of preventive healthcare. Patients then find themselves in poor health and unable to pay for healthcare, all of which leads to a higher acuity of patients seen at the clinic - much higher than physician clinics who see insured patients.

Dr. John Haste retired and subsequently resigned as our Medical Director. He was a great asset to the clinic, and we were sad to lose him. We were successful in recruiting Dr. Kevin O'Brien to assume those duties, and we are grateful for his commitment to the clinic.

Our total number of patients and visits rose dramatically in 2019, resulting in the busiest year since 2014 (pre-Medicaid Expansion). We started 2019 with 155 patients and ended the year with 201



patients. Of the total patient count, 96 were new patients, 27 previously disenrolled patients re-enrolled, and 77 were disenrolled. Driving the high number of new enrollments are the economic conditions caused by Covid-19; lost health insurance due to lost jobs with many people choosing to forgo insurance expense and utilizing the free clinic instead. Healthcare continues to be a very dynamic business with very high patient turnover. The 77 patients were disenrolled for various reasons;

some became insured, some left the county, and some failed to complete the annual re-enrollment process. While patients are notified several times about the need to renew their enrollment annually, many opt to ignore the process and then reapply only when healthcare is needed.

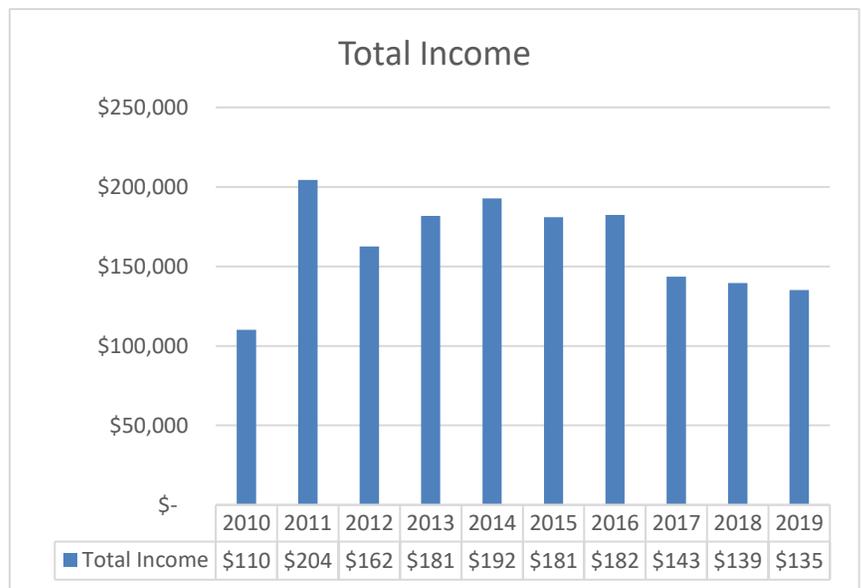
Our staff continually discuss how to expand our outreach so that we can ensure those in need of our services are aware that we exist. We regularly search for new and better ways to market the clinic but find that our best vehicle is through word of mouth. Our target patient demographic is a difficult one to reach. They don't usually subscribe to the newspaper. Billboards are costly and have not proven beneficial for our market; however, almost everyone has a cellphone with access to the internet. For that reason, we utilize social media as much as possible - we have had many Facebook posts with

more than 1000 hits. Events of interest are posted to our page, which contains direct links back to our website. We utilize Constant Contact but find that many emails go unopened. We also have distributed small informational flyers to many businesses throughout Fulton County that are frequented by the lower income population.

We are an active participant in H.O.P.E., the local network of service providers. As part of the Poverty Subcommittee, we continue to discuss ways all service providers ensure that their services are known, utilized and not duplicated. The group meets quarterly and has made significant strides toward ensuring that we collectively meet the needs of the community.

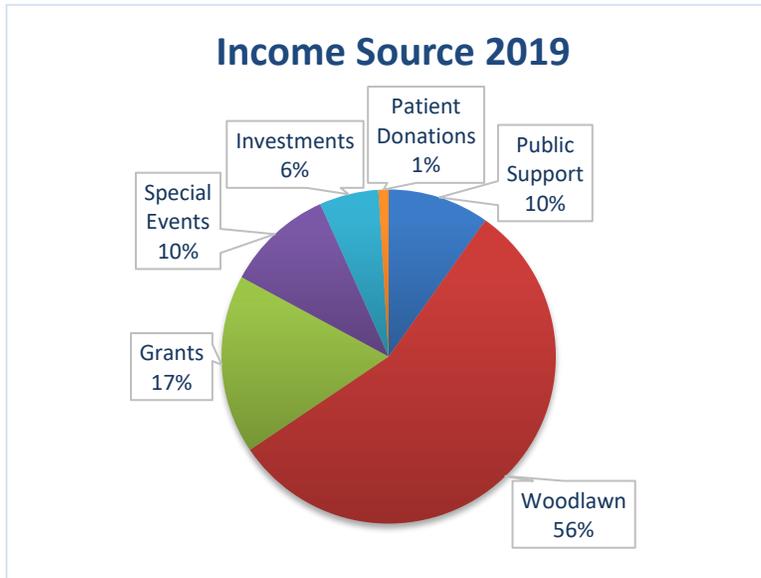
Compassionate Health Center works diligently to offer an integrated healthcare approach that includes a wide scope of free services for our patients. Currently we offer general medical, limited dental procedures, vision exams with follow up, CPAP machines, nebulizers, flu shots, pneumonia shots, mental health counseling, and more. We provide new patients with information during intake illustrating the vast array of services available to them. This integrated model has been very successful due in part to the strong partnerships we have established with other service providers. Our local dentists, optometrist, 4 County Mental Health, Woodlawn Hospital and physicians, and our dedicated supporters all play a key role in helping us achieve our goals.

Compassionate Health Center has experienced a continued decline in income, due partially to the conclusion of the 5-year pledge drive which was initiated in 2011, and to a decrease in interest. The hospital also decreased its support in a mutual agreement. In an effort to be more self-sufficient, the clinic requested a \$17,000 decrease in annual support from the hospital in 2016, which remains in place. While the clinic is still financially sound, the downward trend of income continues to erode our reserves. Woodlawn Hospital provides slightly more than half (56%) of the total funding for the clinic, and we are very appreciative of that support.



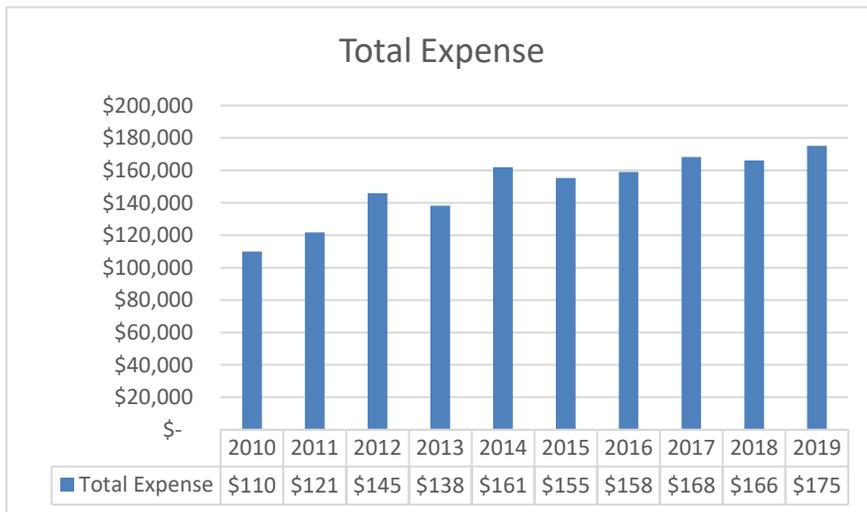
During 2019, 98 of our patients indicated that they would have sought care through the Emergency Department if the clinic had not been available. These avoided ED visits help to reduce the hospital's bad debt exposure due to low income patients. Additionally, some of our newer initiatives have helped us keep our patients healthier, thus preventing a number of admissions for serious health conditions which often lead to significant amounts of potential bad debt per admission. Seventy-four Compassionate Health Center patients went to the ED during 2019. We review the reason for the visit and the time of the visit to ensure that patients are not abusing the ED. The most common reason was chest pain which qualifies as an emergent situation. In addition, the hospital wrote off \$1,018,111 in charges for patients of the clinic, which includes lab, x-ray, admissions and surgeries. Compassionate Health Center staff review each of these charges to confirm that the patient is an active clinic patient.

While this is more than double the write off in 2018, the increase was driven by the influx in patients and the acuity of our patients. The relationship between the hospital and the clinic remains very strong and mutually beneficial.



The balance of the clinic's funding is provided through grants (17%), public support (10%), and our only fundraiser, an annual golf outing (10%). We realized a modest return on our reserve funds, which amounted to 6% of our income. It is noteworthy that our patients also make donations to the clinic when they are financially able to do so. While only a small amount of our total revenue (1%), we appreciate the sacrifice some patients make to support the clinic.

Akron Lions Club donated \$1400 to pay for glasses for our patients. We received several grants, including an Indiana Breast Cancer Awareness Trust grant which provides funding for 20 free mammograms and any follow up testing. Our Community Service Block Grant made available by REAL Services was renewed for \$15,000 for our dental program. REMC generously donated \$1000, and Northern Indiana Community Foundation donated \$5000 to assist with our dental program. We were able to provide 54 patients with dental care - the highest annual number of dental procedures to date. Many patients come to the clinic in need of dental work. There is a definite link between serious dental issues and poor medical health. We feel that while many come to the clinic for dental, we are able to provide additional and preventive healthcare that improves their overall health status.



Our expenses remain fairly consistent from year to year. We operate on a lean budget with little room for cost cutting. Our largest expense is payroll (60%). The clinic is staffed by three part-time paid employees and 21 volunteers. The paid staff includes the Executive Director, Office Manager and Nurse Practitioner. Contract services (17%) have continued to increase but are driven by and directly proportional to our grants. These are the services which are paid for and

reimbursed by our dental and mammography grants. So as our grants have increased, the associated expenses have also risen.

Our budget for the last few years has been designed to utilize a small portion of our reserve funds. As a result, we have ended the last three years with expenses that exceed income. We developed a very similar budget for 2020. With a strong focus on financial stewardship, we remain financially sound at

midyear 2020, but we continue to see our reserves dwindling. Our income at midyear is 68% of budget and our expenses are right at budget. Due to the Covid pandemic, we opted to cancel the annual golf outing, which is our only fundraiser and instead, mailed out donation requests to previous sponsors. This innovative campaign has brought in more than \$5,000 to date. We also have been able to obtain a Paycheck Protection Program Loan for \$20,000. Finally, we have tried to utilize AmazonSmile and Kroger Community Cares as a small source of additional revenue which does not involve any expense to our supporters.

2020 has already been quite a year, and we are just midway. We started the year with lease issues which resulted from the purchase of the building by Dr. Michael Laszynski. The board spent several weeks in negotiation and we were able to reach an agreeable new lease. We also made early adjustments to Compassionate Health Center so that Covid-19 did not cause a total disruption to the clinic. While we were never closed, we did restrict entrance to the clinic and only offered telemedicine for several weeks. We have gradually re-opened following the direction of county officials and the governor's plan. Although our visits are down year to date due mostly to Covid-related restrictions imposed during the last few months, our patient numbers are now growing as more and more people have lost employment and thus, their health insurance.

Every three years, our auditors complete a thorough financial audit. An annual audit is cost prohibitive. A financial review is done by an auditor in the other two years as part of our 990 preparation. The audit of 2019 revealed no significant issues. It is difficult to achieve a full separation of duties with only three employees. Safeguards are in place to ensure that we meet all financial standards. During the audit interview, our auditor suggested that we pursue NAP credits (Neighborhood Assistance Program). We applied for \$5,000 and were awarded \$2,080. We were the only Fulton County agency to receive these credits.

Our phone system was installed when the clinic was opened in 2009. The phones were donated as part of an upgrade for a local facility at that time. While we have been able to utilize this system for 10 years, our pandemic related operations made it apparent that the lack of newer features like call forwarding was a real problem. Northern Indiana Community Foundation indicated that they had earmarked some funds for issues identified during the lockdown. Rochester Telephone Company put together an excellent package for us with four new phones and many newer features. We were able to secure a grant from NICF to pay for the phones and the installation charges. In addition, the new phones come with a less expensive monthly fee. This is just another example of the great networking and team concept that exists in our community.

We are exceedingly proud that last month, the National Association of Free and Charitable Clinics awarded the clinic with a Silver Quality Status. Based upon the clinic meeting certain criteria, the county can be assured that the clinic is providing quality healthcare that meets or exceeds the care provided by other facilities.



I am honored to continue to guide such a wonderful asset to Fulton County. Thank you for your past support, and we hope you will continue to support the clinic as you have since its inception. Together with our other partners, we are all helping to make Fulton County a better place for the underserved in our community. Thank you for your time and your consideration of continued support.

Mary Kay, Executive Director