Spotlight Practice

Smart Financing Practices for School Health Centers

Sustainability through Dynamic Partnerships and Financial Sophistication
Alameda County’s school health centers have been dedicated to improving health and education outcomes for young people since 1989. Thank you to the many school health center staff, lead agencies, schools, districts, partners, and young people who engage in this critical work every day, and have contributed to the development of Alameda County’s School Health Center Model and Spotlight Practices.
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Smart Financing Practices for School Health Centers

Introduction

School Health Centers (SHCs) have proven successful at increasing health and learning outcomes for youth. In Alameda County, and around the country, SHCs have documented improved health access and utilization for those traditionally underserved, increased school engagement and success, improved social-emotional wellness and school climate, and improved healthy habits around everything from oral health to reproductive health to asthma management. Despite their proven success, SHCs consistently face the challenge of securing adequate and sustainable funding. SHCs require effective financial systems for billing and reimbursement; core funding for operations and special projects; and the ability to ensure universal access for students. This can only be achieved by weaving together a patchwork of diverse funding, i.e., federal, state, and local dollars, and private and philanthropic investments. Given this complexity, it is challenging to develop a standard SHC financing model with consistent cost and revenue estimates. However, through many years of public-private partnership, we have developed a $17 million SHC network with a multi-pronged approach to long-term sustainability. In Alameda County, over 37,000 students attend schools with high-quality SHCs that provide integrated health and wellness services including medical, dental, behavioral health, health education, and youth development. And we have never closed a SHC!

This brief describes Alameda County’s SHC finance approach – the strategies and funding streams we use to fund both services on the ground and the overall initiative; a historic perspective on how we have grown the SHC network and dedicated funding over time; and our experience and lessons learned that have informed the efforts of others working to start or expand their own local SHC initiative.

School Health Centers in Alameda County

Our 28 SHCs are both clinics and environments for students to experience positive youth development opportunities. A successful SHC goes beyond co-locating services on a school site. It also promotes trusting and collaborative relationships with youth, families, schools, health providers, and the community.

Our SHC approach is to address young people’s health holistically, offering integrated health and wellness services that include medical, dental, behavioral health, health education, and youth development. Youth experience authentic relationships with health providers and develop agency over their own health and lifestyle decisions.

Figure 1. SHC Total Funding Sources 2018-19

28 School Health Centers

<table>
<thead>
<tr>
<th>Source</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>3rd Party Billing</td>
<td>2%</td>
</tr>
<tr>
<td>Base Allocation</td>
<td>14%</td>
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<tr>
<td>Grant Funding (Private, State, Federal)</td>
<td>19%</td>
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<tr>
<td>Additional County Funding</td>
<td>19%</td>
</tr>
<tr>
<td>School District Funding</td>
<td>41%</td>
</tr>
<tr>
<td>In-Kind Funding</td>
<td>5%</td>
</tr>
<tr>
<td>Total Budget</td>
<td>$17 Million</td>
</tr>
</tbody>
</table>

Total Budget

$17 Million
Our History

SHCs first emerged in the Bay Area in the late 1980s from the work of volunteer doctors looking for new ways to reach adolescents. A handful of clinics opened in the schools, run by Federally Qualified Health Centers (also known as Community Health Clinics) or city health departments. Working in isolation, and with limited resources, these early school health centers used vacated school nurses’ offices and counselor rooms to extend health care into schools. Their early success paved the way for the county-wide SHC network we have today.

The mid-1990s was a period of significant change in Medicaid policy and financing that required local health departments to reorganize and rethink their systems. In 1996, this prompted the Alameda County Health Care Services Agency (HCSA) to adopt SHCs as an innovative and emerging strategy for addressing inequities in adolescent health.

HCSA, the health authority for the county, is responsible for providing indigent care, as well as behavioral health, environmental health, and public health services.1

This means HCSA contracts with hospitals, Federally Qualified Health Centers, and other community-based partners to ensure the “safety net” for the county’s most vulnerable residents, e.g., those who are uninsured, undocumented, or in the foster care or juvenile justice systems.

HCSA recognized SHCs as an effective means to reaching underserved adolescents and connect them and their families to the existing safety net providers. Therefore, with funding from the East Bay Community Foundation, HCSA brought together the organizations running the SHC and created the Alameda County School-Based Health Center Coalition.

1 The ultimate mission of Alameda County Health Care Services Agency is to provide fully integrated health care services through a comprehensive network of public and private partnerships that ensure optimal health and well-being and respect the diversity of all residents.
The Coalition had two goals: 1) strengthen the role of SHCs in the county’s healthcare safety net; and 2) develop a plan for SHC growth and sustainability. Over the next few years, the Coalition received additional grants, which in turn, led to the county’s decision to create a dedicated fund to support the SHC strategy. This HCSA funding provided core financial support to the existing SHCs and created a small team – now known as the Center for Healthy Schools and Communities (CHSC) – to act as the intermediary for the county-wide SHC initiative.

In that role, we identified and secured funding, provided technical assistance, engaged school districts, and interfaced with managed care plans on behalf of the SHC network. By January 2000, there were a total of seven SHCs in Alameda County and over the next eight years, there was a steady increase of SHCs due primarily to two major sources of funding from the county: 1) the Tobacco Master Settlement Fund (TMSF); and 2) Alameda County Measure A.

- **TMSF** is a perpetual funding stream resulting from litigation against four major tobacco companies. In 2000, the Alameda County Board of Supervisors adopted general policies and recommendations for the allocation of this fund and prioritized new program initiatives in four key service areas. One of the priorities was school-linked services and included funding for SHCs.

- **Alameda County Measure A** is a half-cent sales tax enacted in 2004 to support emergency medical, hospital inpatient, outpatient, public health, mental health, and substance abuse services to indigent, low-income, and uninsured residents. SHCs met the criteria for this funding.

With 12 fully operational SHCs, 2008 became a turning point for the SHC network. Due to their documented success, Atlantic Philanthropies and Kaiser Permanente made major investments in SHC expansion. This investment leveraged school district bond measures, which funded SHC construction, especially at Oakland Unified. Within seven years, the number had rapidly increased to 28 SHCs throughout Alameda County.

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2 Managed care plans are a type of health insurance. They have contracts with health care providers and medical facilities to provide care for members at reduced costs. These providers make up the plan’s network.
Our Financing Strategy

Although the number of SHCs grew quickly, expansion was focused on sustainability. As the number of SHCs increased, so did the county infrastructure and financing model. CHSC continues to play a critical role as convener, technical assistance provider, advocate, evaluator, and partial funder for the SHC network. Over the years, in partnership with the network of providers, school districts, and funders, we have developed an effective multi-pronged approach to the long-term sustainability of SHCs and the SHC network, with six core strategies.

1. **Build Capacity Through Local Intermediary**
   We act as an intermediary organization for the SHC network, focusing on sustainability, capacity building, and quality improvement. We work in partnership with the providers and districts, and have developed a county-wide SHC model, evaluation framework, and best practices that guide the work. It's important for every intermediary to understand that needs vary depending on each initiative's unique situation. Having a dedicated intermediary body is critical to long-term success and stability of an initiative.

2. **Invest Local Public Dollars**
   We provide an annual base allocation to SHCs to provide for core operations and to ensure universal access to services. The public investment leverages on average $6 for every dollar invested.

3. **Partner with School Districts**
   We place great importance on partnering with our schools and districts to ensure that SHCs are well integrated into the school community. Partnering is also an essential strategy for financing and sustainability. Districts have access to a variety of funding streams that can support SHCs, including school bonds, LEA Medi-Cal, categorical or discretionary funding, and in-kind contributions.

4. **Leverage Federally Qualified Health Centers**
   Our SHCs are run by Federally Qualified Health Centers (FQHC), the safety net provider of low income and underserved communities and essential providers for communities. They have enhanced reimbursement rates and high standards of health care, which contribute to both sustainability and quality.

5. **Hold Financial Sophistication**
   We have developed financial sophistication and the related billing infrastructure needed for sustainability for our own organization and the SHCs. This includes developing a diverse portfolio of funding, and creativity in blending a variety of sources, and maximizing billing at the SHC, lead agency, and initiative levels. We track local, regional, and national trends that affect funding streams for SHCs, and capitalize on opportunities to innovate practice.

6. **Demonstrate and Document Impact**
   Evaluation is an essential part of our SHC financing strategy; we document results that inform quality improvement, and build and maintain the support of key champions that provide funding and resources.
1. Build Capacity Through Intermediary Agency

The importance of an intermediary organization to the success and sustainability of any initiative has been well documented, most recently in a series of research articles on collective impact. “Creating and managing collective impact requires a separate organization and staff…to serve as the backbone for the entire initiative…that serve(s) six essential functions: providing overall strategic direction, facilitating dialogue between partners, managing data collection and analysis, handling communications, coordinating community outreach, and mobilizing funding.”

In Alameda County, CHSC took on this role because we had the leadership commitment and infrastructure to do so. In addition, we had the capacity to serve the six functions – most notably to provide strategic direction, convene partners, manage evaluation, and mobilize funding – and also to provide significant technical assistance and consultation. We recommend that initiatives choose an intermediary organization that has the ability and credibility to convene cross-sector partners, sustain the overall vision, and lead the development of a sophisticated financing approach.

Some of the things we do as an intermediary that contribute to financial stability include:

• Create a county-wide SHC model that is both impactful and sustainable.
• Advocate for and administer an annual base allocation for SHCs from county funds.
• Develop an evaluation framework and infrastructure to demonstrate SHC impacts.
• Facilitate a learning community of SHCs, where best practices are cultivated and shared to improve financing strategies, i.e., third-party billing and minor consent, as well as to improve quality of services, data-driven decision making, and integration of health and wellness services in the schools.
• Provide technical assistance and coaching for lead agencies and school districts on a range of topics, from SHC design and construction, to partnership agreements and governance structures, to financial strategies and infrastructure.


Collective Impact is a framework to tackle deeply entrenched and complex social problems. It is an innovative and structured approach to making collaboration work across government, business, philanthropy, non-profit organizations and citizens to achieve significant and lasting social change.
2. Invest Local Public Dollars

Creating healthy communities with thriving schools requires long-term investments from local public systems; and an annual SHC funding allocation.

Alameda County is committed to providing an annual base allocation of $119,000 per year to each fully operational SHC, which generally have an operating budget of about half a million dollars. The majority of the county base allocation comes from the tobacco settlement fund and sales tax mentioned above. This core funding ensures the stability of the basic infrastructure, and gives the SHC capacity to provide non-billable programs and services that respond to specific school and community needs. It also lessens the burden of fund raising for basic day-to-day operations and acts as leverage for private and grant funding. The $119,000 leverages anywhere from three to eight times the funding in services, depending on the maturity of the SHC. However, the return on investment is much greater than that. The county’s core funding ensures implementation of an evidence-based SHC model, universal access to health care for all students, engagement of the SHC in the county-wide learning community, and participation in a shared database and evaluation.

The will and commitment of local health authorities, human service agencies, cities, counties, and school districts to fund school health services is essential to the sustainability of SHCs. Public funding may come from school district general funds, Local Education Agency (LEA) Medi-Cal, Social or Human Services, Probation, City Health Department, Realignment, and city general fund dollars.

3. Partner with School Districts

Forging deep partnerships with schools and school districts is an essential strategy for financing and sustainability, as well as a necessity for running a successful SHC.

Close partnership with the school administration and staff improves outreach and utilization by students. Districts have access to a variety of distinct funding streams that can support SHCs however the largest relates to construction – school bonds. The funding for construction, renovation, and repair projects in a district can and should be leveraged to build a SHC where that need has been identified. Other school district contributions can include financial support from the district or site categorical and discretionary funds, and waiving rental fees for the property, covering the costs of utilities, phones, custodial services, etc. This in-kind funding lowers the operating cost of the SHC and allows the center to use more funding to provide direct services.

Leveraging Medi-Cal through the Schools

The Local Educational Agency (LEA) Medi-Cal Billing Option Program provides Federal financial participation reimbursement to LEAs for health-related services provided by qualified practitioners to students receiving special education services and who are on Medi-Cal. LEAs can include school districts, county offices of education, community colleges, and university campuses. The revenue is reinvested into health and social services to provide comprehensive health services to students and families. SHCs are eligible recipients of LEA funding.
4. Leverage Federally Qualified Health Centers

Another lynchpin in our financing strategy is deciding who will provide health care in the SHC. In Alameda County, we use Federally Qualified Health Centers (FQHCs) with high standards of care that are regulated and consistent.

As our county’s safety net provider for poor and low income communities, FQHCs can provide continuity of care for students and families who already have limited access. The FQHC serves as a portal to a system of care beyond the walls of the school health center.

FQHCs are a smart financing practice for SHCs because of their ability to leverage funding and generate revenue. First, they receive funding under Section 330 of the Public Health Service Act by the Health Resources and Services Administration (HRSA), a division of the US Department of Health and Human Services (DHHS). Second, they have an enhanced billing rate – higher than non-FQHC providers – which ranges from $160 to nearly $300 per visit in Alameda County. In addition, FQHCs have the existing infrastructure to generate revenue, such as contracts and credentialing with managed care organizations, business planning, and financial management tracking of payor mix. Finally, FQHCs are skilled in outreach and referral to increase the client base; they are also connected to advocacy organizations that affect state and Federal Medicaid policies to maximize revenue sources for SHCs.

Federally Qualified Health Centers

Federally Qualified Health Centers (FQHCs), more commonly known as Community Health Centers (CHCs), are primary care centers that are community-based and patient-directed. By mission and design, FQHCs exist to serve those who have limited access to health care, although all are welcome. Unlike most private practices, FQHCs welcome low-income individuals, the uninsured and underinsured, immigrants, migrant and seasonal farm workers, homeless people, and others who can’t access health care anywhere else. FQHCs are locally based nonprofit organizations governed by a board of directors from the community and must maintain a board majority of health center clients.
5. Holding Financial Sophistication

We believe that social programs and organizations must learn to be aggressive and clever with finances; and we support the lead agencies and school districts in building their sophistication.

Achieving financial sophistication means the SHC has diverse funding sources, creativity in how they braid those sources, and the infrastructure needed specifically to capitalize on billing and revenue opportunities. Adaptability is one of the most essential components of a sustainable organization; the ability to be flexible often determines which agencies survive difficult times and which close their doors.

Diverse Portfolio

Sustainable SHCs maintain a portfolio of diverse resources across public, non-profit, private, and philanthropic sectors. The SHC lead agencies have internal systems within their organizations that track local, regional, and national trends affecting funding streams. They deliberately explore and consider new ways of funding and providing services in their SHCs.

Braiding Funds

Braiding funds is an important financing strategy that utilizes multiple funding streams to support a common group of activities. The funding sources are used seamlessly to support programming, but are tracked in such a way that they can still be accounted for separately. This approach is central to the sustainability of our SHCs.

Braiding begins with clearly identifying the purpose and desired results of the funding. In Alameda County, the purpose of our core funding is to support the SHCs to provide universal access, have a dedicated site coordinator, and implement all components of the model: medical, behavioral health, dental, health education, and youth development. Within that purpose, the SHCs have flexibility to use our funding to fill in the gaps. While we know how the specific county funds are spent, we do not restrict the funding to any particular service or position – we monitor the results.

The concept of braiding funds is also applied at a systems level. Realizing the goals of a SHC requires financial commitment and braiding of funds from multiple agencies. For us, that includes the county, school district, and health provider at a minimum, plus additional partners, depending on the specific SHC. At this level, agreements are made through memoranda of agreement and intentional governance structures.
Third-Party Billing

Finally, the most stable funding for SHCs is derived from third-party billing. Lead agencies must have a strong infrastructure for billing patient reimbursements. State Medicaid policies vary across the country regarding reimbursement for SHCs. And with the implementation of the Affordable Care Act, health care is rapidly changing – along with the regulations around billing. Jurisdictions should consult with their state or national School Based Health Alliance for specific guidance in this area.4

In general, however, there are a series of considerations when developing a billing system. The following summary is adapted from a 2009 publication, “Third Party Billing: A Manual for California’s School Health Centers” by the California School Health Center Association and the L.A. Care Health Plan.5

Lead Agency: What is the potential and capacity of your lead agency to bill for services?

In Alameda County, our model utilizes Federally Qualified Health Centers whose staff are already approved and therefore the services they deliver are eligible for reimbursement. In addition, an FQHC receives an enhanced billing rate. Non-FQHC providers will have to work with their regional managed care organization to become a recognized provider eligible for third-party reimbursement.

Patient Population: What revenue sources are available for the populations you serve?

Knowing the health coverage of students using a SHC can be challenging. Traditionally, patient eligibility is determined first before a clinic sees a patient. However our SHCs serve all students regardless of ability to pay. This doesn’t mean that all services are provided, but all students must be managed into appropriate care if the SHC can provide the service.

Services: What is the best mix of reimbursable services for your population?

Matching the services provided to the various billing options is critical to maximizing third-party revenue. In Alameda County and California, we have payor sources specific to family planning and sensitive services which are listed on the next page. Depending on student needs, our SHCs convert every visit to a billable source when appropriate.

Infrastructure: What structures, staffing, and support are necessary for billing?

The SHC and its staff must have the knowledge, skill, capacity, and will to implement a robust billing system. Staff need to be trained on billing requirements, kept current with changing Medicaid policies, have the skills to use the systems to process billing, and the will to research and solve billing problems when they arise.

While each SHC is responsible for their respective clinic flows and billing, the monthly learning community is where the 28 SHCs share lessons learned and best practices around billing. Health care regulations and billing practices change rapidly, and the learning community creates a repository of financial sophistication that can be shared with all.6

4 For more information, go to http://www.sbh4all.org/advocacy/medicaid-policies-that-work-for-sbhcs/
6 A SHC billing matrix developed in the learning community can be found at www.achealthyschools.org/schoolhealthworks/programs/smart-finance.html.
Alameda County Revenue Sources: Third-Party Billing

In Alameda County and California, SHCs have access to a number of additional county and state reimbursement programs, in addition to optimizing Medi-Cal/Medicaid reimbursements. While unique to our situation, these funding streams may be similar to, or replicable by other jurisdictions, for example:

**Family Planning, Access, Care, and Treatment (FamilyPACT) Program.** FamilyPACT was implemented in 1997 under the California Department of Public Health, Office of Family Planning. Women and men residing in California who are at risk of pregnancy or causing pregnancy, have a gross family income at or below 200% of the Federal Poverty Guideline (FPG), and have no other source of health care coverage for family planning services are eligible for the program.

**Minor Consent Medi-Cal.** California Family Code states that minors under age 21 may receive the following confidential services without parental consent: services related to sexual assault, pregnancy and pregnancy related services, family planning, sexually transmitted diseases, drug and alcohol abuse, and outpatient mental health treatment and counseling. The youth must be a California resident and living with a parent or receiving financial support. Eligible even he or she has full scope Medi-Cal or private insurance. Immigration status does not matter.

**Child Health and Disability Prevention Program (CHDP).** CHDP provides health check-ups for infants, children, and teens. These health check-ups include: growth and development check; all needed shots and lab tests; dental, vision, and hearing screenings; and appropriate health education information. If medical problems are found during the visit, children are referred for additional medical services.

**HealthPAC.** HealthPAC is an Alameda County specific coverage that provides comprehensive health care services through a contracted network of health care providers. To be eligible, individuals must not be enrolled in full-scope Medi-Cal or private/employer-based insurance. Health services are provided through a provider network, which includes the Alameda County safety net hospital system and primary care community-based organizations. As SHCs are run by FQHCs, which are part of that safety net system, all of the SHCs in Alameda County are HealthPAC providers.
6. Demonstrate and Document Impact

Sustainable SHCs clearly document their impact, and can show what has improved because of their work. The ability to effectively communicate success stories inspires others to actively support and become champions for the SHC – which leads to new and/or more stable funding.

As the SHC intermediary organization and partial funder, we have partnered with an outside evaluator – the University of California, San Francisco – to conduct an evaluation of all of the SHCs since 2003. The evaluation has contributed greatly to our success in implementing an evidence-based model across school districts and providers, increasing health access and outcomes for young people, and sustaining and expanding the core funding. At the heart of our evaluation approach is a focus on building the supportive environment and organizational capacity needed for continuous quality improvement. There are four major components to the approach: foster a culture of reporting; collect and use data; ensure meaningful quality improvement; and facilitate a peer learning community. Early on, the evaluation created alignment among all partners and helped define the county-wide SHC model. It has enabled us to measure the efforts and outcomes of the various SHCs in a standard way and to show the collective results of the work. Over time, the evaluation results garnered significant support for SHCs locally and nationally, helped secure dedicated funding, and brought in new partners and funders.

Figure 2. Alameda County SHC Impacts and Results

Supported Academic Achievement
School health centers helped students to...

- Get involved in leadership programs: 75%
- Have better school attendance: 80%
- Stay in school: 89%
- Work harder in school: 89%
- Have goals and plans for the future: 92%

Improved Physical Health
School health centers helped students to improve healthy behaviors...

- Improve tooth decay/maintenance: 79%
- Eat better and/or exercised more: 90%
- Increase use of contraceptives: 95%

7 A spotlight on our approach to evaluation and quality improvement can be found on our School Health Works website at ahealthyschools.org/resources
Conclusion

The diversity of available resources, governing laws, and varying needs across communities in this country makes it challenging to develop a cookie cutter approach to school health center financing.

Our five smart financing strategies provide a frame to hold while building and expanding SHCs and SHC initiatives. The best thing for those interested in financing SHCs to do is to look at local and national examples and identify the core strategies that are relevant and feasible to their state or local region. It is important to remember our financing approach is dynamic, not static. We are continually reviewing and improving across all five areas. Also, while the strategies do not need to be developed simultaneously, we believe it requires all components for a stable and sustainable financing strategy. This work is critical and never ends; alongside our partners, we continue to be innovative about how to better leverage, expand, and enhance our resources to increase health and educational outcomes for our students, families, schools, and communities.
About Us

As part of Alameda County Health Care Services Agency, the Center for Healthy Schools and Communities (CHSC) has worked for over 20 years with school districts, community partners, youth, families, and policymakers to build school health initiatives that create equitable conditions for health and learning. Together we have developed 28 school health centers, expanded behavioral health supports to over 190 schools, built and lead operations of the REACH Ashland Youth Center, supported youth wellness and family partnership initiatives, and implemented targeted equity strategies for youth furthest from opportunity. Our school health programs and partnerships address urgent health and education inequities and create opportunities for all young people to cultivate their strengths, resiliency, and promise. We focus on supporting the physical health of students – knowing that students can’t learn if they are sick, hungry, or absent from school. But we also focus on other aspects of wellness that youth and families need to thrive: social, emotional, spiritual, intellectual, environmental, and occupational. For more information about CHSC’s work, please visit our website at achealthyschools.org

How It Works

Look for the School Health Works icon anywhere on the CHSC website to find resources, tools, guides, and videos to help health and education leaders to build school health initiatives.

achealthyschools.org/resources