

FREQUENTLY ASKED QUESTIONS

1. **What will you do with 91K dollars?**

It is up to the health district board to determine the amount of money the clinic will receive. The proposed levy amount was estimated to generate approximately \$91,000 from the property tax rolls. Of this \$91,000, about \$86,450 would be deemed collectible (accounting for unpaid taxes). This \$86,450 would then be authorized to the Health District, whose board members would decide how the funds would be allocated. The PEHPC Board initially chose this levy amount because, at the time, this was the anticipated cost of acquiring an additional provider for maintaining current services as well as allowing for relief coverage for the current provider.

2. **Will the health district board members be the same as the PEHPC Board?**

Not necessarily. Anyone living within the district boundary 18 or over can run.

3. **Does it cost more to operate the new clinic than the old one?**

No. Adjusting for inflation, operating expenses for the new building are actually lower than they were for the old building. In addition, because we can offer space to other health care providers, we are able to generate revenue from rents with our new building, which can be used to defray the cost of utilities and maintenance.

4. **Do we have too many employees in the front office?**

According to a report published by the Medical Group Management Association (MGMA), 4.77 is the median FTE (Full Time Equivalent) support staff ratio for family practice groups. FTE support staff includes all non-medical employees (such as nurses, receptionists, secretaries and billing clerks). Currently, the Clinic has an FTE ratio of 3.52 including the nurse and 2.72 without counting the nurse. Our staff is comprised of a full-time Nurse who works 32 hr/wk, a full-time receptionist who works 32 hrs/wk, a full-time Billing/Office Manager who works 40 hrs/wk and a fill-in receptionist who works an average of 11 hrs per week. The Administrator, who also does all of the accounting for the Clinic, works an average of 26 hrs/wk.

5. **Do we have to pay the same medical salaries that are paid in Portland?**

No, we do not. However, we are competing for the same pool of applicants as the areas on the western side of the state. According to the Oregon Department of Employment, the average statewide salary in 2007 for a Physician's Assistant was \$78,890.

6. Why are there complaints about people not being able to see the practitioner?

There are a few instances when a patient might not be able to get into see the practitioner when they want. If that particular time slot is filled, we will look for another opening in the schedule. If the medical need is emergent, we will rearrange the schedule so the patient can be seen. If the provider is out of town for Continuing Education or conferences, we try to get a provider to fill in. However, we have found it very difficult to find locum tenens (one filling an office for a time or temporarily taking the place of another—used especially of a doctor or clergyman). On the days we do not have a provider, we do our best to keep our facility open for prescription pick-up and blood draws.

7. Do we accept emergencies?

The clinic accepts emergencies if the appropriate staff and equipment are available. There are instances where the emergency requires a higher level of medical care than the clinic can provide.

8. Do you treat people who owe the clinic money?

Yes. In order for a RHC's and FQHC's to be eligible for a HPSA (Health Physician Shortage Area) designation, the entity may not deny requested health care services, and shall not discriminate in the provision of services, to an individual who is unable to pay for services or whose services are paid for by Medicare, Medicaid, or State Health Insurance Programs.

9. If everyone paid their total bill, would this solve the problem?

No. It would certainly help the Clinic's bottom line, but the financial problems the Clinic faces stem from inadequate insurance reimbursement rates. The Clinic receives a flat-rate reimbursement from Medicare and Medicaid, regardless of the complexity or length of the medical visit. In other words, if you are on Medicare and your office visit totaled \$135, we would only be reimbursed \$80 for that visit. Our area demographics indicate that we serve a large Medicare population. In 2007, 40% of our billable encounters were Medicare patients.

10. Can you write a grant to finance the Clinic?

It is very rare to find a grant for operational expenses. Most grants are available for capital projects or equipment purchases only. We have successfully applied for and received grant monies for equipment purchases. Just recently, we received a \$9000 grant from Leo Adler for the purchase of an AED.

11. Why was Richland included within the boundaries of the health district?

Currently, we have 238 individual patients with a 97870 zip code who utilize the clinic. This translates to 704 visits by individuals living within the 97870 zip code. When the PEHPC Board was discussing boundary lines for a Health District, they agreed that following the School District boundary lines would be a logical choice and would accommodate the majority of the patients we serve.

12. What are the differences in services that can be provided by a PA and a doctor?

Physician assistant responsibilities vary depending on training and experience. Generally, PA's handle all but the most complicated medical cases. Unusual or hard-to-manage cases may require a referral to the physician or a consultation between the patient, the PA and physician. All 50 states, DC, Guam and the US Virgin Islands allow physician assistants to prescribe medication.

Physician assistants perform the same functions as a doctor, handling all but the most complex cases. PA's must be under the direct supervision of a physician. Typical duties include the following:

- Taking medical histories
- Examining and treating patients
- Ordering and analyzing lab tests and x-rays
- Prescribing medications
- Treating minor injuries

13. How long will the Clinic be able to operate without additional funding?

It is difficult to pinpoint a specific date when we will no longer be able to operate. However, as of December 2007, the Clinic has approximately \$28,258 in reserves from which it can draw. Careful consideration and planning must be made to ensure that the Clinic's Current Assets will cover the Current Liabilities and funds must be available to cover costs incurred upon closure such as employee's accrued benefits, Accounts Payable, Payroll Taxes, etc. If we can stabilize the losses to around \$20,000 per year, then I would estimate we could sustain operations for a year. Planning would need to commence at least 6 months prior to the closure date for the establishment of a cessation of operation's plan.

14. **What have you done to cut costs?**

Some of the changes we have implemented to cut operating costs include:

- Salary & wage freeze since 2006
- Employee benefit cuts (decreased paid holidays from 10 to 4)
- Eliminating Tuesday morning clinic
- Eliminating Friday clinic
- Eliminating on-call service
- Purchasing supplies in bulk
- Reconfiguring Janitorial/Maintenance contract
- Consolidating Liability Insurances
- Changing Employee health insurance coverage
- Eliminated the Administrative/Management Service Contract

15. **Do you accept all insurances? What insurances are you signed up as a Preferred Provider?**

We do accept all insurances with the exception of out-of-state Medicaid. We have Preferred Provider status with:

- Regence BlueCross/BlueShield
- LifeWise
- Pacific Source
- ODS

16. **Why does the PEC charge more than the clinics in Baker City?**

The clinic doesn't. Our office visit charges are based upon a mandated payment system linked to CPT codes. This reimbursement methodology was set in place by Congress in 1992 in an effort to create a reimbursement equity based upon relative work performed. It is known as the RVU (relative value unit) system. Our office, as well as the medical offices in Baker City, uses this system to set fees. According to a recent survey, our fee schedule is within a few dollars of most offices in Baker City. It is important to note that when comparing office visit fees, you must specify the type of CPT code involved to make an honest and true comparison. **Please see the chart at the end of this handout for details.**