



National Association of Community
Health Centers, Inc.

**ANNUAL
REPORT
1976-77**

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PROGRAM ACTIVITY REPORT

INTRODUCTION

Each year the goals and objectives of the National Association of Community Health Centers are translated into a series of national, area-wide and regional program activities designed to encourage and facilitate the development of community-based ambulatory care programs. These program activities are diverse and address professional, social and political issues reflective of the diversity of interests and concerns found within the community health center movement.

The program activities for FY '77 were organized into four major activity categories:

- Education, Training and Program Development
- Policy Analysis
- Membership and Communications Services
- Management

EDUCATION, TRAINING AND PROGRAM DEVELOPMENT

The Department of Education and Training is the focal point for the Association's effort to implement effective education and training programs for community health center board members, administrators and providers. Through the cooperative planning and action of Association members, staff and major educational institutions around the country, new educational approaches are being explored and implemented. As shown by the following examples, these efforts respond to the range of professional and continuing education needs found among the Association membership.

Health Administrators Training Program

The Health Administrators Training Program was initiated in 1972. FY '77 was the final year of federal sponsorship of this unique program for professional education. Funded under a contract with the Department of Health, Education and Welfare, Office of Health Resources Opportunity, the HAT program was an intensive on-job/on-campus, two year experience leading to either the MPH Degree at the University of Michigan, or to the MPA Degree at the University of Southern California. The program was designed specifically for administrators and mid-level management personnel employed by community

health programs and structured to enable them to remain on the job while pursuing a graduate degree.

The on-job approach had certain advantages over the usual professional education models. The on-job portion of the HAT program provided each student with a work-site laboratory in which to test ideas and practices related to health services and health administration. The program's academic curriculum was designed to capitalize on the related professional experiences of the participants, and to have immediate positive impact on the student's ability to manage the community health center. A total of 78 students participated in the program during its five year life.

The following persons participated in the Health Administrators Training Program:

UNIVERSITY OF SOUTHERN CALIFORNIA

<u>Group I</u> <u>1972-74</u>	<u>Group II</u> <u>1973-75</u>	<u>Group III</u> <u>1974-77</u>
Clifton Cole	James Abernathy	Ardell Longmire
Paul Gookins	William Buffington	Martha Hall
Herbert Houston	Rene Cordona	Patsy Conley
Emmett Orr	Gilbert Eisner	James Cournoyer
Dave Petteway	Louis Garcia	Willie Gabel
Laura Pinkney	Alberta Hackney	Vernal Lampley
George Suriya	Monte Hammitt	Dolores Lindsay
Donald Watson	Harold Howard	Demetrio Lovato
Bruce Webb	Donna Kishi	Wilbur Thomas
Rhohelia J. Webb	Alicia Reyes	Carol White
William Wilks	Joseph Salinas	
	Robert Smith	
	Edward Watson	
	Flora Weatherly	

UNIVERSITY OF MICHIGAN

Thomas Barnwell	Benny Bailey	Aaron Brown
Melvin Beard	Joan Clark	Luther Carmichael
Amanda Blount	Talmadge Foster	Edward Clarke
Frank Bonati	Arthur Goshin	Curtis Cooper
John Campbell	James Kathman	Bertha Dixon
Charles Fegan	James Martin	Gloria Fitchpritch
Michael Glanz	Manuel Martinez	David Gamez
John Gilbert	Constance Morehead	Ann Garland
James Hayden	James Nunnely	Beverly Harper
Dorleen McCann	Irvin Overton	Jerlean Utley
Joseph McConaghy	Annie Phillips	Rogers Morris
Clarence Montgomery	Miriam Reich	
Terry Rodriquez	Stanford Roman	
Paul Saunders	Robert Williams	
Deloris Smith	Leona Young	
Bernard Sutherland		
Frances Young		

In FY'77, contract funds were used to support the final year of study for students in Group III, and in addition, were used to support a special program activity to assist students from Groups I and II to meet degree requirements not met within the original two year period.

During the five years of this program, many problems not anticipated at the outset were encountered. These problems were typical of those encountered in the implementation of any innovative program. In some instances, the inflexibility of the tradition bound educational institutions led to a failure to meet the special needs of this extraordinary student group. In other instances, the failure of the individual student to adjust to and accept the stringent demands of the unique academic environment led to other problems.

However, in the end few of these problems proved insurmountable and the program is generally considered a success. Each of the participating universities has now incorporated this educational model into its regular academic program, even in the absence of continuing federal support. Other institutions across the country are also adopting this same model. The Association is proud to have played a major role in bringing about this exciting new educational development.

Community Health Institute

The Community Health Institute (CHI) activities are the core of the NACHC's continuing education program. Each year the principal CHI activity is the Institute held in conjunction with the Association's annual meeting. This annual Institute session provides community health center administrators, board members and providers with a forum for the exchange of information and the discussion of issues critical to community health center development. Last year over 600 persons participated in Institute sessions built around the theme "Future Trends: Urban and Rural." In more than thirty sessions, conference participants explored the full range of subjects related to the continuing development of community health programs in both urban and rural areas.

The activities of the Community Health Institute at the national level are extended to the area and regional levels through the national Technical Assistance Network. In FY '77 more than 42 sessions of the CHI were conducted at the area and regional levels. Through these sessions, which were directed toward specific operational problems, additional education and skills development opportunities were provided to Association members.

Another important component of the CHI is the Clearinghouse program which serves as a central information resource and exchange for Association members. During FY '77 the resource capacity of the

Clearinghouse program was expanded to include a greater assortment of resource materials. In addition to providing direct access to resource materials, the Clearinghouse program provided a limited research and referral service in response to specific requests. Information on materials available through the Clearinghouse is available on a bi-monthly basis through the Community Health Institute Clearinghouse News which is published as a part of the Association's monthly newsletter.

Inter-Agency Cooperative Endeavors

During FY '77 the Department of Education and Training provided the principal linkage between the Association and other public and private organizations in the cooperative development and implementation of a variety of health related projects.

American Lung Association Project

NACHC and the American Lung Association jointly developed an in-service educational program for community health centers to improve the treatment and prevention of respiratory diseases among minority populations.

The objectives of the program are to produce and distribute to selected neighborhood health centers a packet of basic documents on tuberculosis prevention and control and to develop guidelines for a training program for health professional staff based on the material in the "packet."

This approach is based on certain assumptions, namely:

1. Neighborhood health centers provide a significant percentage of the health services available in the geographic areas having a high prevalence of tuberculosis.
2. Professional and allied health personnel of community health centers can benefit from increased knowledge of the current methods of tuberculosis control.
3. The compilation of these basic documents into a "packet" or reference work provides the basis for an on-going staff education program.
4. There are certain specific areas of content that require presentation in a structured educational (training) program and that this content is basic to understanding tuberculosis control.

Centers participating in this program are:

1. NENA Comprehensive Health Services Center
New York, New York
2. West Baltimore Community Health Care Corp.
Baltimore, Maryland
3. Family Health Center
Miami, Florida
4. Atlanta Southside Comprehensive Health Center
Atlanta, Georgia
5. Watts Health Foundation
Los Angeles, California
6. Family Health Center
Orange Cove, California
7. Group Health Cooperative of Puget Sound
Renton, Washington
8. Shaw Community Health Center
Washington, D. C.

American Hospital Association Project

The Hospital Research and Educational Trust has initiated a project to develop a national comparative cost and productivity reporting program for ambulatory health services and to integrate it into the Hospital Administrative Services (HAS) program of the American Hospital Association (AHA). The project is being conducted under a grant from the W. K. Kellogg Foundation, Battle Creek, Michigan. In view of the growth of ambulatory services and the success of Hospital Administrative Services in gathering and reporting hospital data, the Kellogg Foundation in October, 1974, awarded a three-year grant to the Hospital Research and Educational Trust.

An important factor in making Hospital Administrative Services available to ambulatory care organizations is the increase in the provision of such services by institutions and by organized group practices. Within hospitals one of the most significant developments has been the expansion of outpatient clinic and emergency services. Group practice clinics have grown rapidly and in recent years there has been renewed interest in prepayment group practice plans. Yet despite the dramatic increase in the amount of medical care delivered in ambulatory care settings, there is little systematic provision of information on ambulatory services.

The principal focus of the project is the development of reporting programs to meet the needs of various ambulatory settings. The first program is for college and university health centers. The second program will be for hospital outpatient clinics and emergency services. The third program area will be for health maintenance organizations (HMO) and related prepaid group practice plans. The last program area is fee-for-service group practice clinics.

NACHC is represented on the advisory panel for this project. NACHC assisted in the design of the reporting instrument and assisted in field testing of the instrument. Upon completion of the project, we will be involved in evaluation of the project.

In addition to developing uniform reporting programs for ambulatory services, the project specifies as a major undertaking the preparation of a chart of accounts, definitions and performance measurements for ambulatory health services, which will be widely applicable in management. There is also a provision for exploration of improved cost-finding techniques, a process that may indeed be vital to the development of full cost on hospital ambulatory services.

The following health centers are participating in the project:

- Dr. Martin Luther King Jr. Health Center
Bronx, New York
- Matthew Walker Health Center
Meharry Medical College
Nashville, Tennessee
- Watts Health Foundation
Los Angeles, California
- Central Virginia Community Health Center
New Canton, Virginia
- Family Health Center, Inc.
Miami, Florida
- South Plains Health Provider, Inc.
Plainview, Florida
- Jackson-Hinds Comprehensive Health Center
Jackson, Mississippi

National Institute of Dental Research

The Department of Education and Training collaborated with the National Institute of Dental Research to develop and distribute a pamphlet on dental health for expectant mothers and mothers with young children. The pamphlet incorporates many suggestions from community health center dentists and will be distributed to CHC's.

National Cancer Institute

NACHC and the National Cancer Institute are working cooperatively to develop a cancer health education project. The purposes of this project are to determine the cancer information needs of communities served by CHC's and to develop such information and disseminate it to those communities through CHC's.

Working together, NACHC and the National Cancer Institute hope to utilize our communications network among CHC's to disseminate vital information on cancer detection and treatment. A special focus shall be hard to reach persons among CHC service populations.

Satellite Communications Project

In response to an invitation from the National Aeronautics and Space Administration (NASA), NACHC entered into discussions on the planning of a Public Service Communications Satellite System. The Association has entered into an informal working agreement with NASA, Communications and Navigation Division, to continue planning certain applications of communications satellite technology to the delivery of health care services and to health education.

The Association views the use of communications satellite technology as one possible answer to problems of maldistribution of manpower and health education for providers and consumers, especially in isolated service areas. The Association has developed several proposals for its continuing participation in user experiments prior to the launch of the Public Service Communications Satellite planned for 1984.

Program Development

The Department of Education and Training plays a major role in the development of national program activities, and in addition, provides program development support to the members of the Association's National Technical Assistance Network.

The Department of Education and Training is constantly searching for program development opportunities which are in line with the Association's goals, objectives and program priorities. Each possibility which comes to our attention is carefully reviewed and is pursued, if it satisfies an existing program need.

The following program proposals developed by the Department are now under consideration by the respective funding agencies:

1. Title: Health Intensive Telecommunication System
Funding Agency: National Science Foundation
Program Period: 1 year
Amount Requested: \$96,108

2. Title: Plan for Application of Communications Satellites
in Health Education (A Joint Venture with The
University of Cincinnati)
Funding Agency: National Institute of Education
Program Period: Six months
Amount Requested: Total - \$43,041
University of Cincinnati - \$29,828
NACHC - \$13,213

3. Title: Project Reach: Rural Education & Community Health
Funding Agency: National Aeronautics & Space Administration
Program Period: To be determined
Amount: To be determined

4. Title: PATHS - Public Access to a Health Satellite
Funding Agency: National Aeronautics & Space Administration
Program Period: To be determined
Amount: To be determined

In addition, the Department made a significant contribution to the development of the proposal submitted to and funded by the Bureau of Community Health Services/DHEW. This proposal was funded for the amount of \$435,000 for a six month period. This grant supports education and training activities as well as others.

The Department of Education and Training also provided program development support to the National Technical Assistance Network. Departmental staff worked with staff members of each of the Association's technical assistance contractors to develop T/A work plans and program activity plans responsive to the needs of the Association's membership and medically underserved communities.

NATIONAL TECHNICAL ASSISTANCE NETWORK

During FY '77 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 support. This support is provided by five organizations under contract to NACHC. They are:

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

Each organization builds its program activities around three major program elements:

- Education and Training
- Policy Analysis
- Communications

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.

POLICY ANALYSIS

FY '77 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.

Consistent with the stated program goals and objectives, the policy analysis program consisted of the following activities:

1. Analysis and Research--activities designed to collect and evaluate data about health centers and analysis/evaluation of legislative and executive policies and proposals to determine their impact or potential impact upon health center programs.
2. Communications--activities designed to communicate with NACHC's membership, policy bodies and committees, and the general public on matters pertaining to legislative and administrative policies directly or indirectly affecting health centers.
3. Education--activities coordinated through the Community Health Institute and the National Technical Assistance Network designed to facilitate a better understanding of health policies and the legislative and administrative processes.
4. Program Development--activities in support of and in conjunction with the National Technical Assistance Network designed to advance program goals and objectives.

A wide variety of program activities contributed to the accomplishment of our goals and objectives.

The Legislative Committee, chaired by Speaker Irvin Overton, met on five occasions throughout the year. The committee, broadly representative of all segments of NACHC membership, 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.

The Health Policy Committee, chaired by Aaron Shirley, M.D., met twice during the year to provide counsel and guidance in the design of the Association's position on national health policy issues. The committee focused upon two major areas: defining "primary health care" and national health insurance and its implications for community and migrant health centers. Findings of both committees are contained in their respective reports.

The Legislative Status Report (monthly) and the Action Memo (as needed) serve as the main vehicles for communication with members and non-member community health centers. Each publication plays a specific and important role in keeping CHC's abreast of current legislative and policy initiatives. The National Technical Assistance Network also played a key role as a communicative link between the Association and community health centers.

Policy Analysis educational activities were conducted through the annual Community Health Institute and participation in 18 area and regional conferences across the nation. In addition to these training sessions conducted by members of the national office staff, the Policy Analysis Department provided educational materials to the Technical Assistance Network and directly to organizational members of the Association. The warm response to these activities proves to be a continuing source of encouragement to national office staff.

An activity worthy of special note was the Second Annual Policy and Issues Forum, February 20-23, 1977. This year's forum was attended by over 100 members of NACHC, who met to discuss health legislation and other issues affecting community health centers. Forum attendees participated in workshop sessions on the legislative process and thus gained practical experience through visits to members of Congress.

Receptions were held for House Appropriations Subcommittee Chairman Daniel Flood (D-Pa), and Senate House Subcommittee Chairman Edward M. Kennedy (D-Mass.), both of whom reiterated their strong support for community and migrant health centers. Another reception was held for members of the Congressional Black Caucus and Congressional Rural Caucus. Members of each group expressed their continuing commitment to community and migrant health centers.

In our opinion, each of these activities contributed to the success of our policy analysis program for FY '77. Those accomplishments of which we make special note are:

- Early enactment of PL 95-83, which extends legislation for CHC's and migrant health centers through FY '78.

The Membership Services and Communications Department has devoted a major portion of its efforts during the past year to preparation for the Eighth Annual Convention and Community Health Institute. Each year the convention gets larger and more complex. Each year the Membership Department responds to the challenge and we enjoy progressively more rewarding convention experiences. Already preliminary plans are underway for the 1978 and 1979 conventions in Phoenix and Boston.

MANAGEMENT

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 '77 \$79,767 was provided by the membership for this purpose.

In addition, the Association solicited through the Office of the Executive Director public and private grants and contracts to support specific program activities of the Association. During FY '77 grant and contract funds were made available by the following sources to support the education, training and technical assistance activities of the Association.

- Office of Health Resources Opportunity
Contract # 106-74-187
Health Administrators Training Program
Group III
- Bureau of Community Health Services
Grant # CS-H-000006-03
Technical Assistance
- National Cancer Institute
Subcontract
Cancer Detection Information Program

A statement of the financial condition of the Association is presented on the following pages. Detailed reports on the financial activity of the Association during FY '77 are available separately.

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

	June 30,	
	1977	1976
<u>ASSETS</u>		
Cash		
Association	\$ 26,471	\$ 10,051
Grants	121,546	313,598
Accounts receivable		
Grants and contracts	18,513	156,490
Other	2,782	2,172
Furniture and fixtures, net of accumulated depreciation of \$10,133 in 1977 and \$7,213 in 1976	17,077	14,606
	<u>\$186,389</u>	<u>\$496,917</u>
<u>LIABILITIES AND FUND BALANCES</u>		
Accounts payable		
Trade	\$ 48,087	\$ 38,969
Other	10,598	
Deferred revenue	19,499	16,469
	<u>78,184</u>	<u>55,438</u>
Commitments		
Fund balances		
General fund	22,902	25,586
Training grant - DHEW/OHRO		136,740
Education contract - DHEW/HRA		107,290
Research contract - DHEW/HRA		9,835
Technical Assistance Grant - DHEW/BCHS	85,303	162,028
	<u>108,205</u>	<u>441,479</u>
	<u>\$186,389</u>	<u>\$496,917</u>

The accompanying notes are an integral part of these statements.

THE NATIONAL ASSOCIATION OF COMMUNITY HEALTH CENTERS, INC.
STATEMENT OF REVENUE AND EXPENSES FOR THE GENERAL FUND, AND
EXPENDITURES FOR GRANTS AND CONTRACTS, AND CHANGES IN FUND BALANCES

	Years ended June 30,	
	1977	1976
<u>GENERAL FUND</u>		
Revenue	\$ 79,767	\$110,695
Expenses	90,294	80,649
Revenues over (under) expenses	(10,527)	30,046
Fund balance, beginning of year	25,586	(4,460)
Unreimbursed expenditures of Information contract charged against General Fund		(874)
Transfer of prior years' expenditures to Education Contract	8,717	
Fund balance, end of year	<u>\$ 22,902</u>	<u>\$ 25,586</u>
<u>GRANTS AND CONTRACTS</u>		
<u>Training Grant-DHEW/OHRO-Increases(Decreases)</u>		
Fund balance, beginning of year	\$136,740	\$234,142
Expenditures	(56,374)	(97,402)
Transfer of unapplied funds to DHEW Technical Assistance Grant No. CS-H-06-3	(80,366)	
Fund balance, end of year	<u>\$ -0-</u>	<u>\$136,740</u>
<u>Education Contract-DHEW/HRA-Increases(Decreases)</u>		
Fund balance, beginning of year	\$107,290	\$289,094
Expenditures	(98,106)	(181,804)
Prior years' expenditures charged to General Fund	(8,717)	
Reduction of DHEW receivable for unapplied revenue	(467)	
Fund balance, end of year	<u>\$ -0-</u>	<u>\$107,290</u>
<u>Research Contract-DHEW/HRA-Increases(Decreases)</u>		
Fund balance, beginning of year	\$ 9,835	\$ 43,446
Expenditures		(24,481)
Unapplied revenue		(9,130)
Transfer of unapplied fund balance to liability account	(9,835)	
Fund balance, end of year	<u>\$ -0-</u>	<u>\$ 9,835</u>
<u>Technical Assistance Grant-DHEW/BCHS-Increases(Decreases)</u>		
Fund balance, beginning of year	\$162,028	\$ 96,117
Grant award CH-H-06-2		744,149
Grant award CH-H-06-3	605,937	
Addition of deferred interest income earned on grant funds	1,574	
Transfer of unapplied funds from Training Grant DHEW/OHRO	80,366	
Expenditures	(764,602)	(678,238)
Fund balance, end of year	<u>\$ 85,303</u>	<u>\$162,028</u>

THE NATIONAL ASSOCIATION OF COMMUNITY HEALTH CENTERS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 1977 AND 1976

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization -- The Association was incorporated on February 3, 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.

Grant Award -- Effective July 1, 1977, the Association received a six-month grant award in the amount of \$350,000 for Technical Assistance under the Bureau of Community Health Services of HEW. Additionally, the unapplied funds for the training grant and the Technical Assistance Grant remaining at June 30, 1977 may be used during the period.

2. DEFERRED REVENUE - COMMUNITY HEALTH INSTITUTE

The Association conducts various training activities, such as workshops, under the Technical Assistance Grant. Income generated from these activities have been earmarked for the future development of the Community Health Institute and are reflected as deferred revenue.

3. 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.

4. CONTINGENT LIABILITIES

Grant expenditures are made under the authority of Federal statutes and regulations, and may be subject to adjustment upon audit by representatives of grantor agencies.

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 which expires May 30, 1980.

7. CHANGE IN ACCOUNTING FOR FIXED ASSETS AND DEPRECIATION

The accounting practice of recording fixed asset acquisitions prior to the current year had established a separate balance sheet account entitled equity in furniture and fixtures. Depreciation was charged directly to the equity in furniture and fixtures account instead of being charged to operations. Operations were charged for annual acquisitions of fixed assets. The financial statements for 1976 were changed to conform with the current year's presentation which is in conformity with generally accepted accounting principles. The change resulted in the transfer of the equity in furniture and fixtures in the amount of \$14,606 to the General fund balance. The change also resulted in the transfer of fixed asset acquisitions for 1976 of \$3,218 which was charged to operations and to properly charge operations with depreciation expense of \$2,701.

8. 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.

9. 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.

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, 1977 and 1976, and the related statement of revenues and expenses for the general fund, and expenditures for grants and contracts, 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, 1977 and 1976, and 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.

Wolf and Company

Annapolis, MD
July 15, 1977