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COVID-19 pandemic creates cash-flow crisis at Kansas community clinics

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TOPEKA – The coronavirus pandemic has divided the Kansas economy into two camps: Essential and non-essential. Being deemed essential implies that a business or organization may keep its doors open, but does not release it from the laws of supply and demand.

Community health centers (CHCs) and other non-profit community-based clinics in Kansas provide a perhaps surprising example of this fundamental economic principle.

While testing and treating patients potentially infected with COVID-19 steadily have increased since the virus' arrival in the Sunflower State two months ago, the vast majority of patient visits have dwindled as stay-at-home orders and social distancing became the new norm. Traditional patient visits for dental care, wellness checks, regular and follow-up appointments, and chronic disease management have been curtailed. Clinics that provide school-based services additionally were affected when every public and private school in the state were shut down. Concurrently, work force issues such as quarantined providers and laid-off support staff are compounding the situation in many local communities.

Kansas health centers can expect the financial hit to be approximately \$13 million during the next three months, according to a recent study from the non-profit organization Capital Link. The projection assumes a 50 percent decrease in patient visits, which also would result in a loss of 364 jobs at the health centers. Using a conservative multiplier to calculate the total impact on the communities these clinics serve, and the totals jump to 625 lost jobs and \$25 million less revenue.

“These are trying times for our members,” said Denise Cyzman, CEO of the Community Care Network of Kansas. “The numbers are alarming.”

Much like a patient who receives troubling medical news, Cyzman sought out a second opinion. Community Care reviewed an independent analysis, which quickly confirmed the Capital Link prognosis. The results from BKD CPAs and Advisors were the same: Kansas health centers stand



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to lose \$3 million revenue per month with a 30 percent decrease in services and \$4.1 million monthly with a 50 percent decrease.

It is important to note that these calculations were made based exclusively on the 18 federally qualified health centers (CHCs) in Kansas. Similar data for the Kansas look-alike health center and the other 21 community-based primary care clinic grantees are not available, although Cyzman said all Community Care members are reporting similar experiences.

“Losing at least half of our patient volume is having a significant impact on cash flow,” said Amy Falk, CEO of the Health Partnership Clinic located in Johnson, Franklin and Miami counties. She also serves as president of Community Care’s board of directors.

“At the same time,” Falk said, “we are trying to secure personal protective equipment for staff and patients, navigating expanded telehealth capabilities, and changing modes of delivery to include seeing people outside the clinic.”

Community Care staff are attempting to identify and secure additional federal and state funding sources as the COVID-19 crisis deepens. An emergency funding request was sent to Gov. Laura Kelly this week. Cyzman said the National Association of Community Health Centers (NACHC) has been instrumental in obtaining federal assistance through the recent \$2 trillion economic recovery package signed by President Donald Trump.

Under normal circumstances, the network of community-based primary care clinics is Kansas’ largest source of comprehensive care for medically underserved populations. Community Care clinics are located throughout the state, serving all Kansans regardless of their ability to pay. Last year, they provided \$46 million in uncompensated care. Cyzman knows this amount will be dramatically higher for 2020, as Kansans lose their employer-sponsored health insurance and have less income to cover the cost of care.

That won’t stop health centers and clinics from carrying out their mission. However, emergency funding will allow them to rise to the occasion without worry of severe financial impacts.

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About Community Care Clinic of Kansas: Community Care exists to achieve equitable access to high-quality, whole-person care for all Kansans, regardless of ability to pay. As the Primary Care Association (PCA) for Kansas, Community Care supports and strengthens its members through advocacy, education and communication. Community Care’s diverse membership includes Federally Qualified Health Centers (FQHCs), and Look-Alikes (LALs), as well as public and private nonprofit Community-Based Primary Care Clinics (CBPCCs) and Rural Health Clinics (RHCs).