

# Annual Report

## 2015

LĀNA'I COMMUNITY HEALTH CENTER

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This report has been prepared as a review of our past year's overall performance, development and accomplishments.

*The Community is our Patient -- men, women, children, uninsured, insured!*

*E Ola nō Lāna'i*  
LIFE, HEALTH, and WELL-BEING FOR LĀNA'Ī

**Date: January 2016**

**Prepared By: LCHC Leadership Triad**

## A Message from the President of the Board of Directors

As I look back on 2015, it seems like the year flew by at warp speed. We took giant steps forward despite many roadblocks along the way -- some anticipated, some unforeseen. No matter what, LCHC never missed a beat in providing quality care to our community. In addition, we're partially in our new space. We've expanded our services. We're stronger and wiser.

On behalf of the Board of Directors, I would like to acknowledge and appreciate each and every staff member for their continued dedication and service. You are the backbone of our organization.

To our loyal patients, Mahalo and Salamat for entrusting your health care to us. We look forward to offering you additional services in 2016 as well as continued quality primary care and behavioral health.

As we start a new year, charged with adventures unknown, I recall one of my favorite quotes from Margaret Mead which seems fitting to LCHC:

*Never believe that a few caring people can't change the world. For, indeed, that's all who ever have.*



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**Signature**  
**Beverly R. Zigmond**

## Board of Directors

Incorporated in November 2004, governance rests entirely with its Board of Directors (BOD). LCHC's Board selects its own officers. Delineation of duties and responsibilities are detailed in our By-Laws, which are periodically reviewed to ensure compliance with the law. The BOD is comprised of users of our services (at least 51% is required by our Federally Qualified Health Center, FQHC, status), and is representative of our community in regards to ethnicity, sex, and age.

Our 2015 current Board is as follows:

- Beverly Zigmond, President
- Aaron Fernandez, Vice President
- Michele Holsomback, Secretary
- Deborah dela Cruz, Treasurer
- Andrew de la Cruz
- Ron McOmber
- Jennifer Montgomery
- John Ornellas
- Jackie Woolsey

## Mission Statement

The Lānaʻi Community Health Center’s mission is to take care of the community of Lānaʻi. A 501c3 nonprofit organization, LCHC takes care of the community with a focus on physical, mental, emotional, intellectual and spiritual welfare and by enriching and empowering lives to help build healthy families in a supportive environment.

LCHC carries out its mission in three ways:

1. By directly providing health services (primary care, dental, and behavioral health) to the community.
2. By providing activities and services through partnerships with local organizations as well as the many off-island organizations reaching out to Lānaʻi by serving as coordinator, advocate, resource, initiator, and convener
3. By working collaboratively to provide space for partners who can provide needed services for Lānaʻi.

LCHC serves individuals of all ages, ethnicity, gender, and residency — old timers, part-timers, and newcomers.

## Advisors

- Ms. Laura Anderson, Torkildson, Katz, Moore, Hetherington, & Harris; Solicitor
- Bank of Hawaii; Banker
- Lānaʻi Federal Credit Union; Banker
- First Hawaiian Bank; Banker
- Carbonaro DeMichele CPAs; Accountant and Auditor
- BKD Consultants; Cost Reports and Fee Schedule Reviews
- Integration Technology; Virtual IT Services
- Essential Learning; Employee Orientation System
- Altres; Virtual HR Services
- Architects Hawaii, Inc.; New Facility Architects
- MPG Architects; Temporary Facility Architects
- Pacific Growth Associates; NMTC Consultants
- Goodfellow Brothers, Inc.; Construction Contractor
- Artistic Builders; Construction Subcontractor

# From the Executive Director

Aloha Kakou,

Our dream – a new, larger facility – has become a reality. It stands as proof that hard work, against all odds, will indeed result in impossible accomplishments. While we are still applying the final touches, our new dental program has started, and we anticipate that medical and behavioral health will move to the new facility before the end of the first quarter of 2016.

While we were managing the construction project, we also continued to show growth, though much slower than in 2014:

- 4% growth in our Active<sup>1</sup> Patient Count
- Active Patient Count represents 48% of the island’s population (1% reduction from 2014 based upon the 2010 census of 3,100 for Lāna’i; uncertain as to our actual 2015 census though which is likely to be lower than 2010)
- 9% growth in Encounters
- 84% growth in HRSA Grant Revenues due to expansion opportunities, quality awards, and successful competitive awards – all of which are now rolled into our base
- 48% growth in Patient Service Revenues due to increase in patient encounters and Medicaid PPS rate

Our relationship with Lāna’i High and Elementary School has expanded to include teaching the health curriculum to grades 1 thru 4. We have also started an internship program with the school and are offering a scholarship to any island resident seeking a college degree in a health-related field. Dr. Humphrey’s home-based medical program, the High Blood Pressure Monitoring program, has continued to grow – with 90 patients now enrolled. Even more impressive is the fact that patients’ blood pressure control is improving and some patients have even had their medication reduced! Another successful program is our OB program, which now provides ultrasound services with an LCHC certified technician and tests read by University of Hawaii OB’s. LCHC also implemented a wellness program and is offering free fitness classes to the community, which encourages a holistic approach to wellness.

<sup>1</sup>Active Patient Count is defined by HRSA as a patient whom we have seen at least once within the 12-month year being reported – in this case 2015.



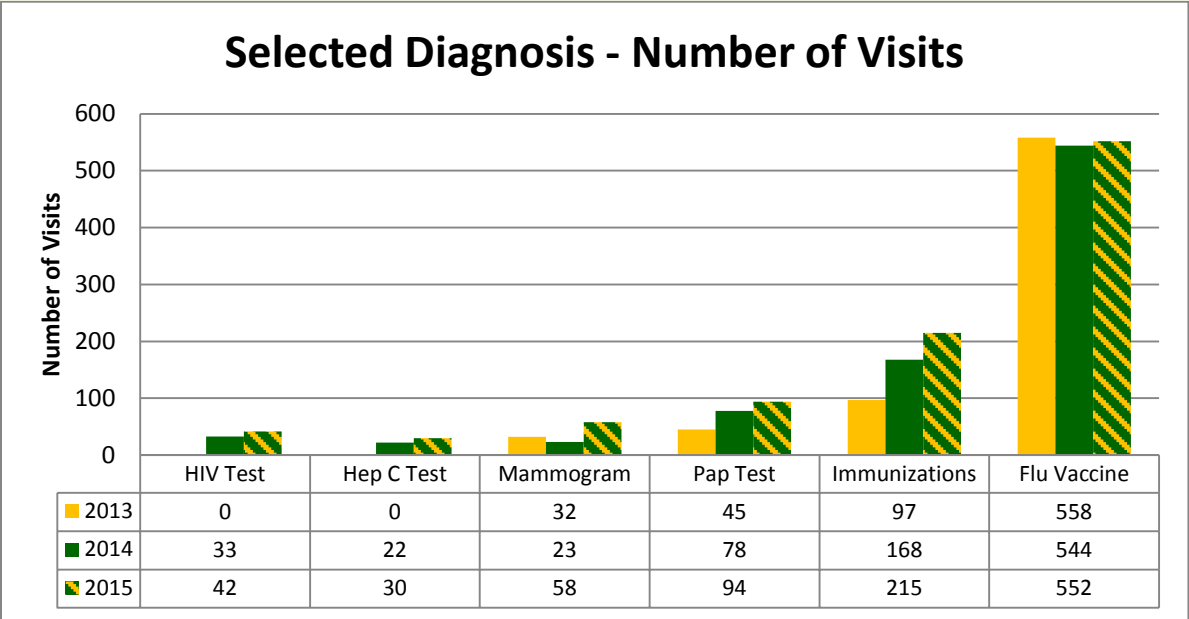
“Our program continues to deliver the highest quality of care and also offers a unique approach to the provision of healthcare – something that this island’s residents have not seen in the past, prior to LCHC’s establishment. Our team approach, which integrates medical, dental behavioral health, vision, OB and select specialty services, makes our organization stand out among other healthcare organizations on island, and elsewhere in the State. Going that extra mile, making sure our patients do not have to ‘surf’ the health care system alone, is the key to our success and will continue to create new demand for our service.”

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**Signature**  
**Executive Director**

# Projects, Programs & Events

LCHC continues to focus on providing high quality health care on Lānaʻi -- run **by** the community **for** the community. In 2015 LCHC continued to hone it's a highly motivated, compassionate and stable team providing clinical services to our patients and the community. In addition, LCHC continues to leverage technology to increase patient access to care and reduce cost. We are using remote monitoring for blood glucose and blood pressure, fetal monitoring, and expanding telehealth to include psychiatry and ultrasound exams, as well as maintaining our former programs in dermatology and retinal imaging. We also now have the capability to provide tele-dentistry. We continue to provide and utilize sophisticated reports with the use of BridgeIT, a data warehouse that generates population based reports, interfaced with eClinicalWorks, our electronic health record (EHR), and CDMP, our chronic disease management database. Our team approach supported by information technology has provided LCHC with the ability to expand existing programs (such as optometry's expansion to twice a month) and develop new ones (such as dental). The chart below compares selected diagnoses for the past two years. These diagnoses are monitored by HRSA as important preventive services.



## Clinical Programs: Chronic Disease

The chronic disease management program continues to mature. With the addition of Jared Medeiros, APRN-Rx, as our second full time clinical provider, the hypertension program is maturing with nearly 100% of our patients with hypertension as their primary diagnosis moving to home blood pressure monitoring. With this program, their care is community-based consisting of home visits that support lifestyle changes and uploaded readings, in addition to routine office visits. In October, the U.S. Preventive Service Task Force updated the screening recommendations for hypertension. They

# Projects, Programs & Events - Continued

recommended that the diagnosis of hypertension should **not** be established in the office; the diagnosis should be established through ambulatory or home BP recordings. In our program we go further: the patient's readings are captured in our care management software, CDMP, and Molokai Drugs has secured access to the records to integrate our pharmacist into our health care team. Our 2015 UDS report used our home BP measures, with results showing that 70% of our BP patients are now 'controlled' compared to 57% in 2014 (prior to the initiation of our program). LCHC program is resulting in major improvement in lowering the cardiovascular risk of our population.

At the end of 2015, the Hawaii Primary Care Association and the Hawaii DOH contracted with 10 FQHCs to improve hypertension and pre-diabetes management. This program is funded from the CDC as part of the 1422 Healthy Communities Program. LCHC presented our hypertension management program at the first 1422 learning session in January as a model of hypertension management. It was very well received and resulted in increased interest among the other CHC's to implement similar programs. It is fair to say that LCHC has **the** model hypertension management program in the State. In addition, the Department of Health has a second CDC grant in which we are participating. This grant is aimed at improving the detection of people with undiagnosed hypertension in the community.

In 2016, we are working to develop and implement a program for recognizing and managing pre-diabetes, patients that have elevated blood sugar levels but are below the level that establishes a diagnosis of diabetes. Lifestyle intervention significantly reduces the progression to diabetes, and the LCHC Fitness Program, offering a variety of activity and exercise classes is a supportive intervention that increases community and patient resources to manage pre-diabetes. We are in the process of developing an EMR input mechanism for our patients so that their fitness class information will be included in the LCHC EMR ensuring that their provider is aware of their wellness efforts and can provide counseling as needed.

LCHC is also focused on increasing access to education videos for our patients and the community-at-large. Why is this different from other educational videos? Ours will 'star' local community members and provide education in their native language of Ilocano. Filming is scheduled to begin in March 2016. Progress has been slow, but we have a commitment from a producer to develop the first of the videos and to provide training so that we can bring production in house for further video production.

Hepatitis B screening is not as universal as it should be; however, knowing how critical it is especially to our immigrant community, this screening is now an integral part of our preventive health screening (along with mammography, colon cancer testing, PAP, etc.). In addition to expanding our screening

# Projects, Programs & Events - Continued

tests, we have improved the structure of our screening efforts to reach more patients and to assure that appropriate tests are offered based upon age and personal health risks, thereby reducing inappropriate testing.

## **Clinical Programs: Integrated Behavioral Health**

The HRSA Integrated Behavioral Health (IBH) Grant, awarded in 2014, continues to provide funding to support our efforts to fully integrate our behavioral health and primary care programs. Since the middle of the summer, we have actively been supported by the University Of Hawaii (UH) Department Of Psychiatry for brief interventions, most often related to medication management and telemedicine consults primarily for intake interviews. We also have effectively integrated our medical providers as co-managers. A component of our program is to provide all LCHC staff with education in effective brief interventions – including dentist, dental assistants, optometrists, administration, finance, facilities, outreach and medical staff. We are also initiating an improved screening tool to identify patients with behavioral health problems including substance abuse, motivational interviewing and an expanded role for the team in managing behavioral health issues. There is universal agreement that we are providing improved care.

However, we also have had challenges. We lost our case manager (Ms. Jessika Smith) in 2015 and Dr. Serenity Chambers, our licensed psychologist, in 2014. We have recently filled our position for a case manager, Ms. Alice Granito, and Serenity is returning to full-time, on-island status in April 2016. We also expect our post-doc fellow, Dr. Cori Takesue, to obtain her license in 2016. These changes will bring our IBH team to full force. In the meantime, we have managed our patients' needs with the assistance of the UH Department of Psychiatry, whom has provided timely intake interviews for our new behavioral health patients which has absorbed some of the pressure Cori has been under since Serenity's move to Africa and part-time status.

## **Clinical Programs: OB, Women's Health and Family Planning**

Ms. Aileen Duran, APRN-Rx, with support from the UH Department of OB, our prenatal program has continued to mature. Our program has grown from 17 OB patients in 2013 to 35 OB patients in 2014, and 42 OB patients in 2015. LCHC added tele-ultrasound allowing women to obtain required prenatal ultrasounds on-island and have their scans read by the certified UH Maternal and Fetal Medicine providers with whom we contract. LCHC ultrasounds are performed by our certified ultra-sonographer, employee Thalia Salazar, RMDS. In addition to our ultrasound capabilities, Ms. Duran is trained to provide non-stress testing so women requiring this test do not have to travel in their third trimester to

# Projects, Programs & Events - Continued

Oahu, twice a week, to have these tests performed off-island. The Women's Health Program continues to provide community education, also, at health fairs and at the school. With increased education and awareness, more women, including teens, are becoming proactive about seeking birth control to prevent unwanted pregnancy, including seeking LARCs (long acting reversible contraceptives, highly recommended by our State Title X grant, as well as being a best practice). We have also noted increased usage of free condoms provided in our facilities, which we feel is also due to our increased education efforts – especially in the school. Lastly, of note, we have seen significant improvement in the rates of PAP testing (45 in 2013, 78 in 2014, and 94 in 2015) and mammogram screening 32 in 2013, 23 in 2014, and 58 in 2015). The mammogram screening has been supported, at least in part by our Susan G. Komen Grant.

## Quality Initiatives

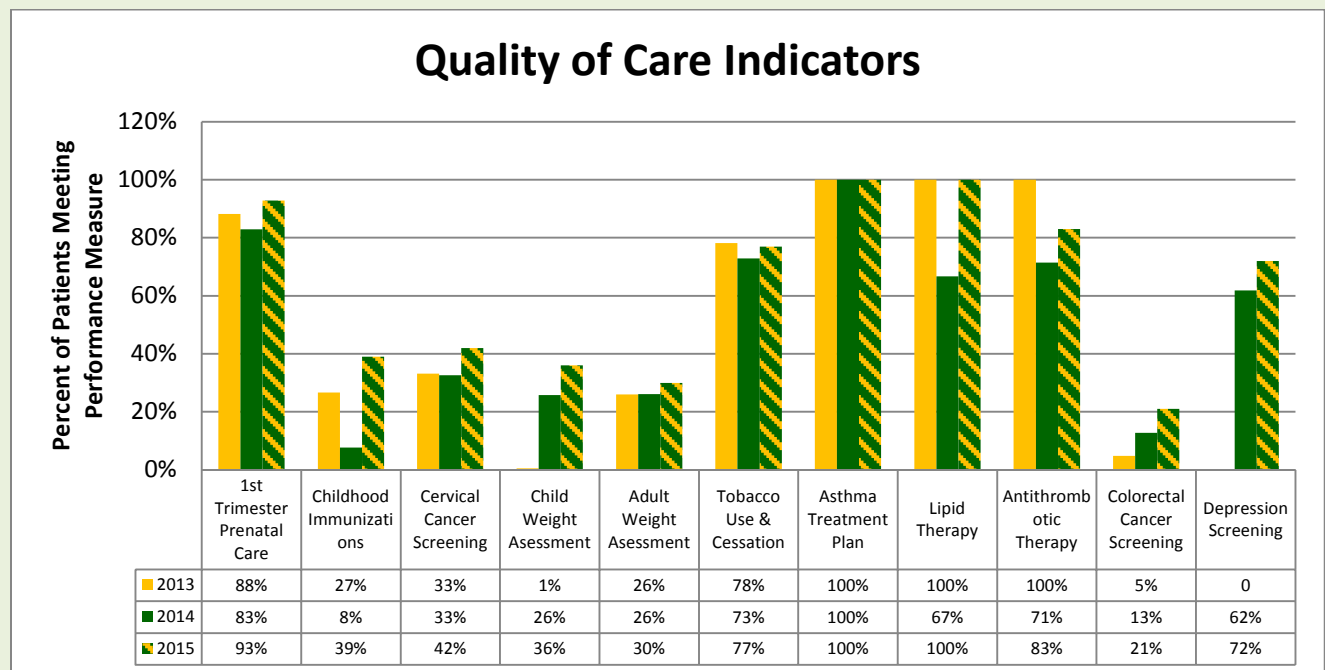
As a result of the 2014 HRSA site visit, our quality improvement (QI) program underwent an overhaul – primarily to improve documentation of our efforts in a manner satisfactory to HRSA. Our improved documentation now provides us with the ability to better manage our efforts, and ultimately produce continuous improvements in our services. Of course, our information system is critical to the QI efforts, and virtually represents the backbone of our quality improvement program. The Electronic Health Record captures the patient's medical information including medications and labs. For reporting and analytics, the information is moved into our data warehouse, BridgeIT, and also exported to our chronic disease management program, CDMP. CDMP supports the tele-ophthalmology program, remote monitoring of BP readings, and provides survey tools to screen patients. It also has a patient education library to index the DM Ilocano videos.

The information system also provides data for our numerous external reporting requirements for grants, health plans, and government requirements. We have a data use agreement with AlohaCare to share clinical data with them to improve their required HEDIS quality reporting. Perhaps one of the most important aspects of our information system, though, is the role it plays in providing data to identify opportunities to improve the care we provide to our patients. For example, we have identified children that have fallen behind in their childhood immunizations, women who are due their pap smear and mammogram, and chronic disease patients who have not kept their follow up appointments. We continue to look both for opportunities and funding to improve the quality of our care, such as the Hawaii DOH 1422 Grant, Imi Hale Colorectal Cancer Screening Grant to increase colon cancer screening, and a recent approval to participate in the CMS/Million Hearts research project focused on reducing cardiovascular risk.



# Projects, Programs & Events - Continued

Success of our quality initiative efforts can best be seen in the following graph, which depicts our performance on critical measures and has been used to identify our performance compared to USPSTF recommendations. Our performance in all areas in 2015 improved over 2014. We are very pleased at our continued progress, especially in some of the more difficult categories (i.e., getting patients into prenatal care in their 1<sup>st</sup> trimester) often due to cultural customs. Our plans are to continue to increase community education about our programs and the importance of prevention.



## Telemedicine

In 2015, telehealth took a giant step forward with the licensing of the ZOOM, cloud-based telehealth video software. The system is available in every room where a computer is placed, and is used for telehealth consultations including the behavioral health integration psychiatry consultations and for off-island video conferencing. Video conferencing scheduling in the past has been a major challenge due to the need for special equipment and software; however, now that LCHC is the “hub” controlling the scheduling and providing the technology, we have been able to utilize this technology with ease and increased our telemedicine ability.

# Projects, Programs & Events - Continued

We now have the capability of conducting tele-dentistry with our systems. In addition, we added a tele-medicine contract with

- Maui Diagnostic Imaging to read our abdominal ultrasounds,
- Kapiolani to read our OB ultrasounds,
- UH Psychiatry to provide psychiatric consultations;
- And we continue to utilize tele-ophthalmology and tele-dermatology.

Lastly, we are in discussion with Queens Medical Center to provide tele-echo cardiology.

## Outreach and Educational Programs

Our outreach and education program continues to expand the support services that are being provided, as well as increasing our eligibility, translation and transportation services. Ms. Wilma Koep, our first and longest serving employee, continues to provide culturally sensitive translation services during appointments, as well as providing transportation services. As an important part of our clinical team, Ms. Koep adds value that is not found elsewhere on our island. She also continues to provide timely assistance to our patients and the community with regard to eligibility: In 2015, she had 896 Quest applications approved, a 9% increase over the 826 applications approved in 2014.

Ms. Koep also provided assistance to the families of several of our patients during the end-stage of their illness and subsequent death. The support, information, coordination, and advice she provided was deeply appreciated by the families and certainly contributed to broaden the depth of our patient care services.

In addition, to Ms. Koep's work, all our providers and staff participate in community events and educational efforts. Perhaps one of the largest impacts LCHC has made upon the community in 2015 has been the expansion of our School Health Education Program. This program brought our staff into the class room – before the eyes of the keiki, teachers, and parents. In addition to increased visibility for LCHC, this type of program has been proven to be **more effective** than health education programs provided only in the doctor's office. While our providers currently teach the health curriculum in only grades 1 thru 4, our goal is to expand our program offering it to K-12 and also involve more LCHC staff. For example, we are planning to expand this program to include a Wellness Coach and Health Navigator/Community Health specialist in the future. In addition, to reach the parents, teachers and community, our staff are now attending the Kakou Group meetings (parent, teacher, student

# Projects, Programs & Events - Continued

organization) with Lānaʻi High & Elementary School. Having the Health Center's presence at the meetings has allowed for a deeper understanding of the challenges that parents, students, and teachers face with the education activities at the school. Our goal is to deepen and expand our connection with school so that our services, such as case management, interpretation, primary care, and others, may be easily accessed and utilized to help the students stay healthy and become successful in school. A secondary goal of this program is to get the keiki interested in health service-related careers. We are working with MEDB's Science, Technology, Electronics, and Math (STEM) program to provide support for their afterschool program and to offer a medical component in the upcoming 2016 school year. Towards that end we implemented an intern/mentor program and a small scholarship program for students interested in pursuing a health career.

Lastly, as the school and community lack access to internet, computer and study lab facilities when the public/school library is closed, we established a site in our new facility for increased access to this type of facility, as our hours are greater than those of the library. We are in the process of setting up a computer in our multipurpose room, with educational software to create a learning environment for parents and their children, and also have one of our staff and volunteers available to provide oversight and educational assistance. We are also working with Maui Economic Development Board once again, participating in their STEM program, planning to teach students an after-school course in some of the health care disciplines.

## Community Events and Awards:

LCHC continues to have a strong presence in the community with continuous free daily fitness classes offered to the community at large and chair yoga offered at the Senior Center; and wellness and flu clinics held at the various community locations throughout the island including the Senior Center, Four Season Hotel and Pulama worksites. These efforts are in addition to those of Ms. Wilma Koep, LCHC Outreach and Education Specialist, who accumulated 10,800 encounters during 2015.

The list below is a sampling of the various community events/awards that we sponsored, participated in held, or received:

- 2015 Mayor's Small Business Awards, February 26, 2015 (Outstanding Non-Profit Business Category)
- Kakou Carnival, April 30, 2015
- Charity Walk, May 2, 2015
- LHES Teacher Appreciation Day, May 8, 2015
- Family Planning Teen Event, June 29, 2015
- Pineapple Festival, July 3 -4, 2015

## Community Events and Awards (Continued):

- Ho'omalama Welcome Back Event, July 25, 2015
- National Community Health Center Week - Walk with LCHC, August 10-14, 2015
- Learning Disabilities Association of Hawaii Traveling Mini-Conference, August 13, 2015
- Health Education Classes for Middle School Science Class, August 2015
- Maui State Health Planning and Development Agency (SHPDA), September 11, 2015
- Innovation in Rural Behavioral Health, September 16, 2015
- Showing of *Ike: Knowledge is Everywhere* to LHES Educators, September 23, 2015
- UH Maui Clinical Medical Assistant Hands-On Training, September 29-30, 2015
- Kidney Interactive Workshop, September and October 2015
- E Malama Keiki O Lāna'i Preschool Oral Screening, October 16, 2015
- Ohana Health and Wellness Day, October 17, 2015
- Lāna'i Annual Health Fair, October 24, 2015
- Holiday Crafts Fair, November 14, 2015
- Turkey Day, November 21, 2015
- Christmas Tree Lighting Ceremony, December 5, 2015
- Health Education Event at the school every Thursday



Scenes from our various  
community events  
during 2015...





**#LanaiHealth**

**#HealthyLanai**

**Fun, Education, Screening...**

We Walk as One  
10/17/15

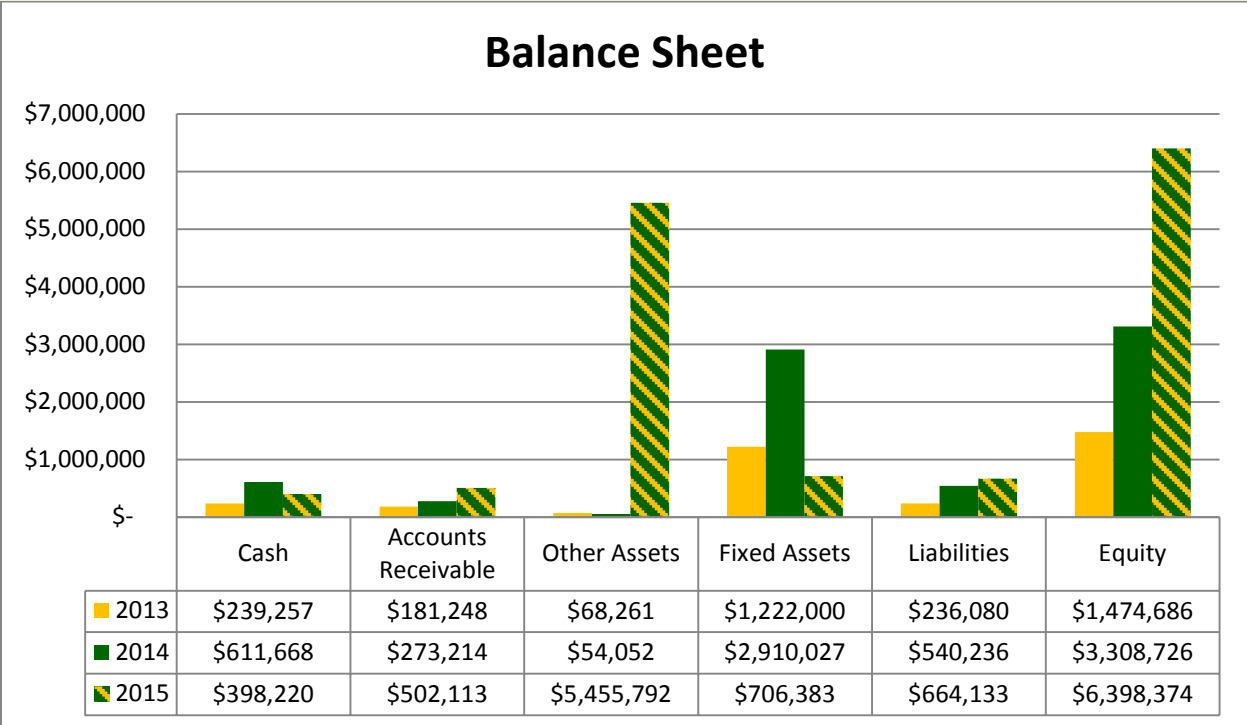


Making a difference -  
2015...



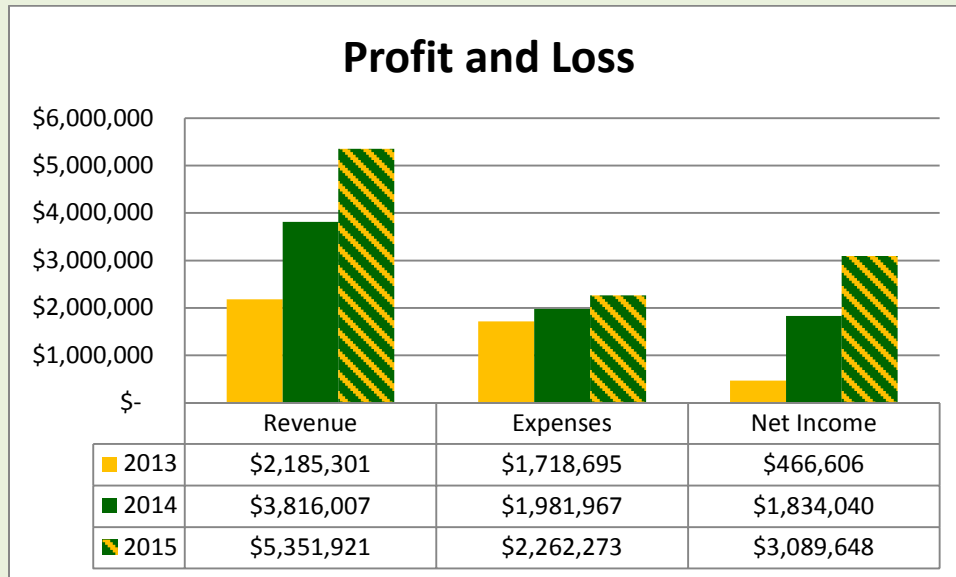
# Financial Analysis & Reporting

This past year has been a year of growth...83% growth! Assets were \$7,062,508 in 2015 versus \$3,848,961 in 2014; liabilities rose to \$664,133 in 2015 versus \$540,236 in 2014; equity was \$6,398,374 in 2015 versus \$3,308,726 in 2014. The major factor contributing to the 2015 change in our Balance Sheet is construction funding for our new facility. However, we have also seen a growth in program and operating funds, including patient revenue. In spite of appearing to decrease 5%, Patient Services Revenue has actually increased. In 2014, we received \$285,600 of Medicaid wrap-around payments – payments that were actually for prior years of 2012 and 2013. These past-year payments, artificially inflated our 2014 patient revenues. A component of the increase in patient service revenue that we see in 2015 is a reflection of our final 2014 settlement (\$51,772). In addition, Medicaid PPS rate increased from \$157 to \$344 per visit in 2015. In fact, when removing the wrap around payments in both years, our current year Patient Services Revenue increased by 48%, \$725,426 in 2015 versus \$491,598 in 2014. Our CIP Revenue also increased 90%, and Grant and Other Revenue increased 63%.

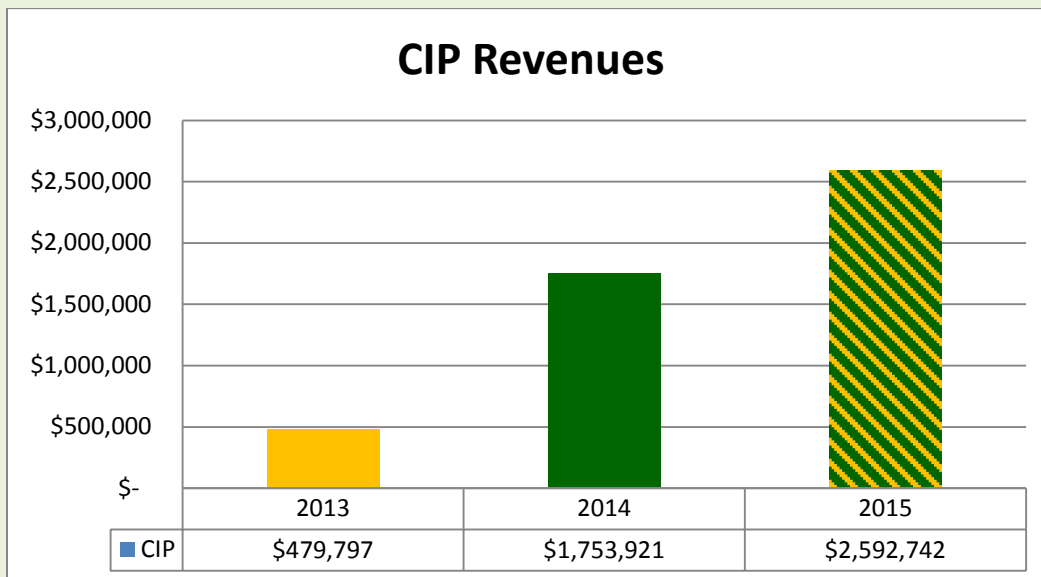


Our net income increased 68% -- \$3,089,648 in 2015 versus \$1,834,040 in 2014.

# Financial Analysis & Reporting - Continued



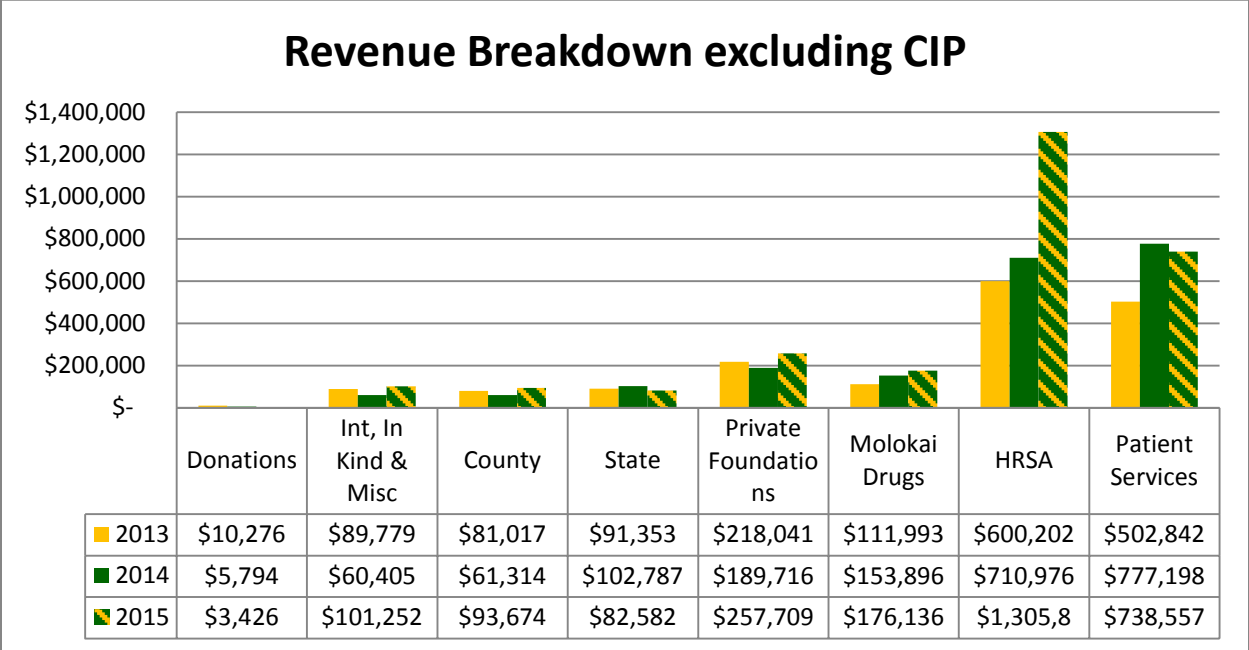
Again, the primary growth factor was our construction funding, as can be seen from the chart below:



The chart below provides a glimpse of our revenues excluding CIP. The data shows that our largest increase came from HRSA; the next largest increase was from improved Patient Service Revenues even after taking into considering the reduction of one time wrap around payments in 2014.



# Financial Analysis & Reporting - Continued

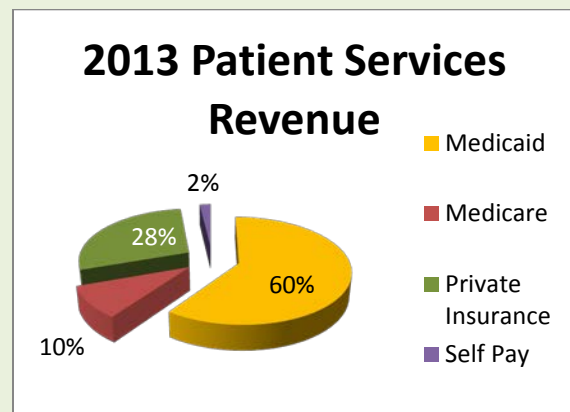
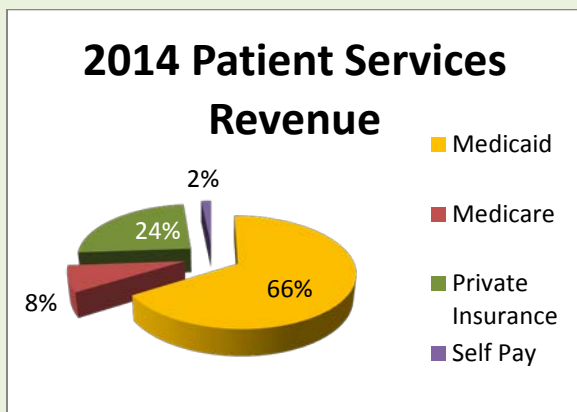
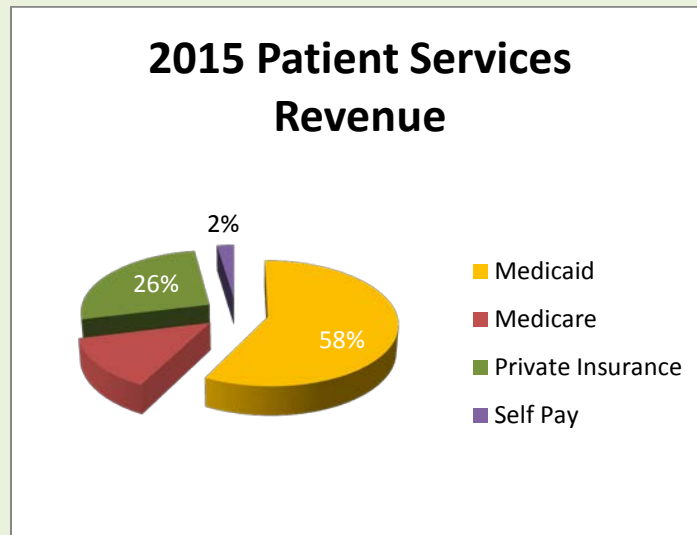


HRSA funding has increased by 84% due to the receipt of several expansion grants (Medical and Dental), our Integrated Behavioral Health Grant (a 2 year grant), and a Quality Incentive Award for high quality performance as demonstrated in our 2014 UDS report. These individual grants have now been rolled into our base, indicating that these funds will remain with us in the future. The increase in HRSA funding has also resulted in decreased dependence upon our Patient Service Revenue (which used to support much of our program expansion), and now is available to increase our Reserve as well as provide seed money for programs and operations.

Patient Service Revenues have grown as a result of our increase in the number of patients and encounters, improved collections on the part of our billing department, and increased PPS Medicaid Rate. In 2016, we are anticipating further increases in this revenue, as the Billing and Finance Departments continue to obtain training and solicit a contractor’s expertise to improve collections on aged claims. The increase in our Medicaid PPS rate was approved based upon new programs implemented since the Health Center opened – Behavioral Health and OB are the primary programs that resulted in this increased rate. Establishing a new rate actually takes several years – we submitted our petition in 2012 and in 2014 were granted the new rate, retroactive to the date of petition – 2012. As a result, effective January 1, 2015 we began receiving our new PPS rate of \$344 (original rate was \$167.52). We will undergo another Medicaid PPS rate review in the latter part of 2016 as we added Vision to our scope in 2015, and in 2016, we implemented our full fledged in-house Dental Program. The

# Financial Analysis & Reporting - Continued

construction of a new facility will also be a factor in the PPS rate review. We expect this next review to result in a further increase to our PPS rate. See graphs below.



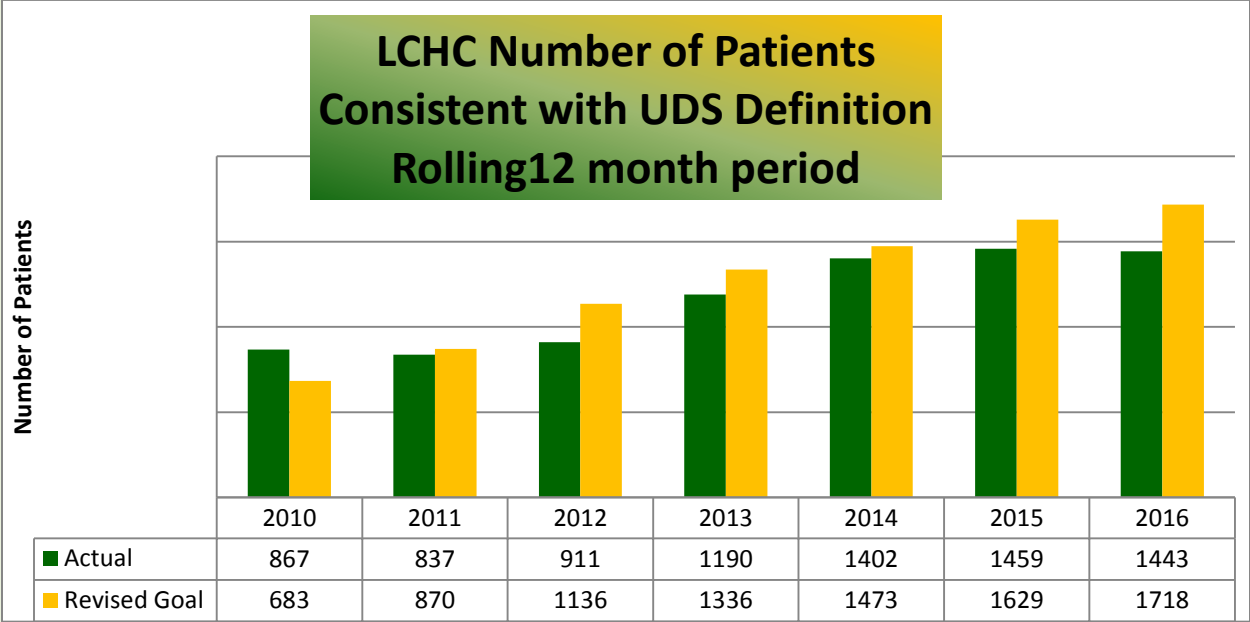
## Statistics

### Active Patients

We expect our active patient count to continue to increase, and have set our sights for an 18% increase in 2016, over our 2015 number of 1459. While our January 2016 number is a bit lower than our January

# Statistics - Continued

2015 (resulting in a 2016 rolling 12 month projection lower than 2015), we are confident that with our new dental services, expanded optometry, and move into our new facility, we will hit our goal of 1718 active patients in 2016.

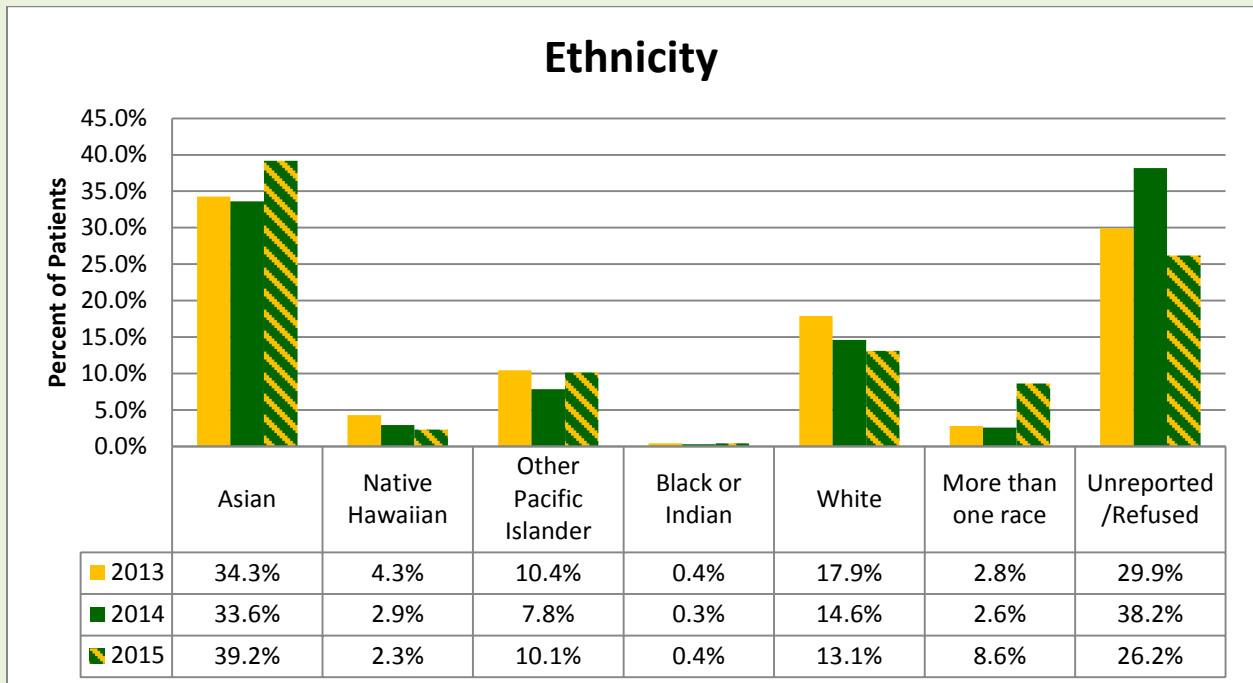
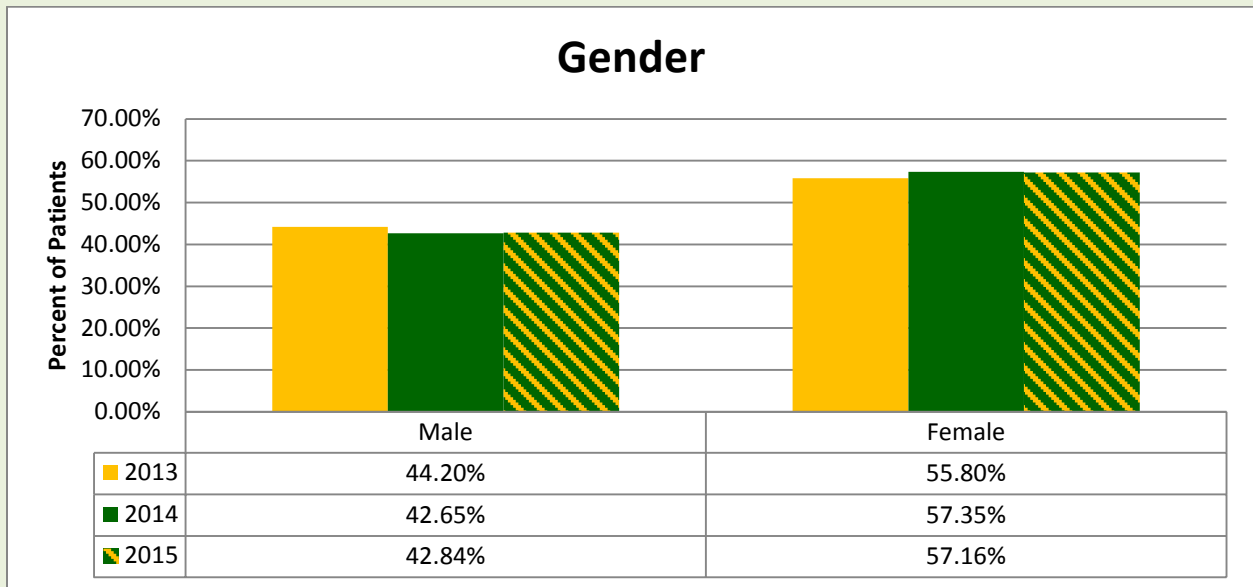


## Who Are Our Patients?

Who do we serve? What do we know about these individuals? We serve slightly more women than men – this is common in health care as women are more likely to seek preventive and routine care than men. We hoped that adding a male full-time provider and developing wellness-based programs more men would be attracted to sample our services. We noticed a very slight increase in male patients, however, we have more work to do in 2016, through outreach, education, and targeted screenings. See graph on following page.

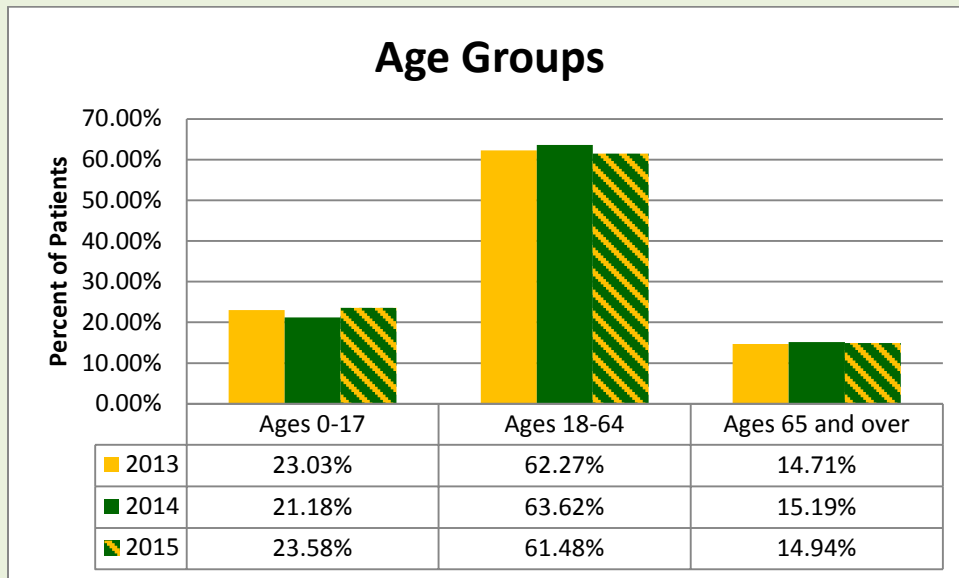
We also know that the majority of our patients are Asian, Native Hawaiian and Other Pacific Islander. And, we are pleased to see that our staff was able to capture ethnicity on more of our patients as we are showing only 26.2% as unreported/refused. It is rewarding to see our staff education on the need for this information producing results, and that they were effective in informing our patients of this data’s importance. Our education efforts will continue. See graph on the following page.

# Statistics - Continued

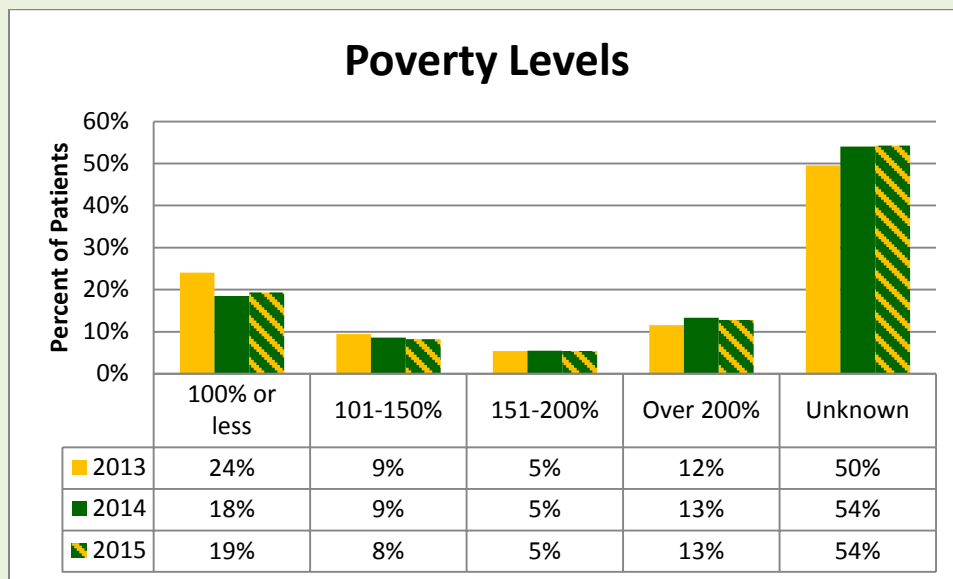


While we gained patients in the 0-17 age group (a result of our OB and school education program perhaps), we have seen a small decrease (approximately 2%) in the 18-64 age groups. In reviewing our data, it appears that the hotel closures resulted in a loss of patients in the age group most likely to be working as many of these individuals left the island for other jobs in the hotel chain, or moved off island to find work on other islands. There was less than a 1% change in the aged 65 and older patients.

# Statistics - Continued

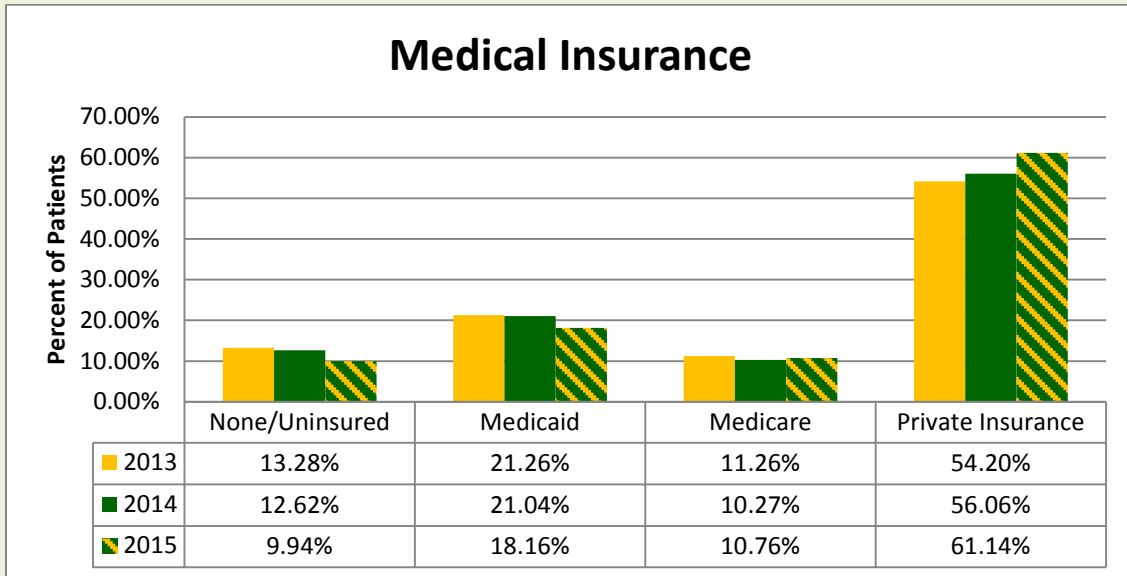


The poverty level of our patients has changed a little – with 100% or less category increasing 1% while the 101-150% poverty levels decreased by 1%. All other categories remained unchanged.



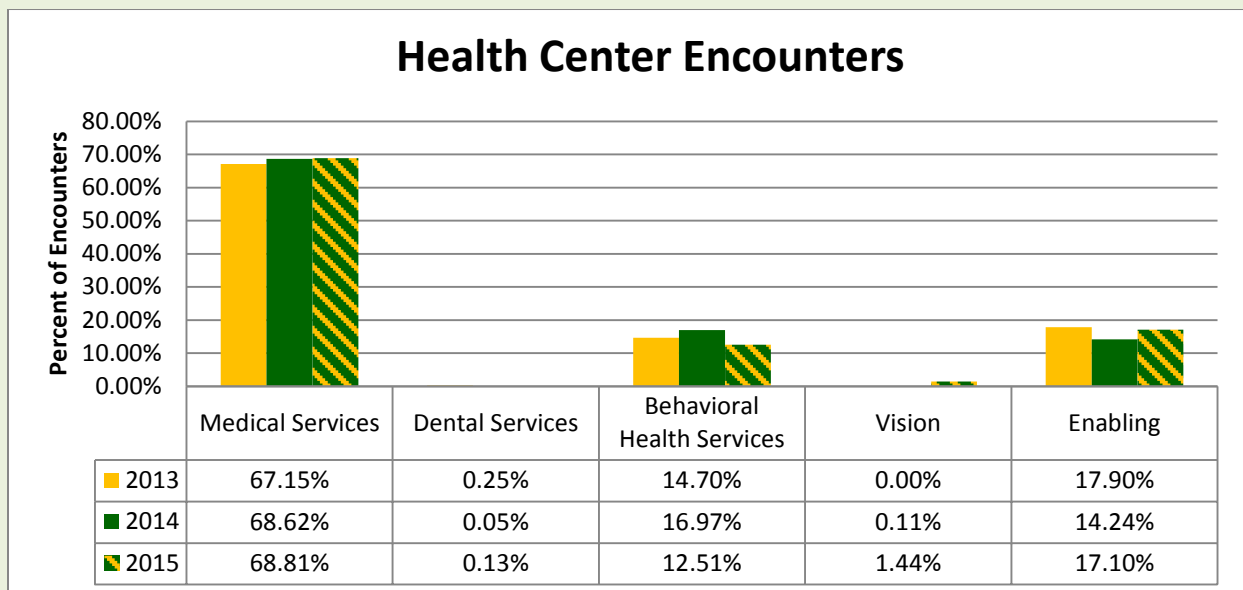
Fewer of our patients are uninsured on Medicaid in 2015 than in 2014, while more are insured with private insurance. This is most likely due to more individuals qualifying for insurance through their employer. In looking at both our poverty levels and medical insurance we see an interesting phenomenon: Even though more patients appear to have gained employment (as seen from the increase in private insurance), there appears to be no change in wealth.

# Statistics - Continued



## Encounters

Our encounters in general increased, with the exception of Behavioral Health (BH). This program has struggled with the loss of Serenity Chambers leaving only one BH provider to see all our patients while also studying for her license exam. We have had to constrain her patient schedule. Most recently we implemented an in-take program with the UH Department of Psychiatry, which has given some relief to our provider while still providing timely service to our ever increasing demand for BH services. In addition, Dr. Chambers will be returning to our island and starting full-time with LCHC in April 2016.



# Statistics - Continued

## Reserve

Our reserve balance at the end of 2015 was \$264,388, which was higher than the required NMTC reserve of \$250,000. We are currently projecting a reserve of \$609,874 by 2021. According to HRSA, an FQHC should have a reserve sufficient to cover 6 months of expenses; however, LCHC would prefer to have a reserve equal to one year's worth of expenses (approximately \$1.3 million in 2015 to \$1.6 million by 2021) – knowing that it would be difficult to recover quickly from a significant loss of funds due to the remote nature of our island and number of low-to-middle income patients.

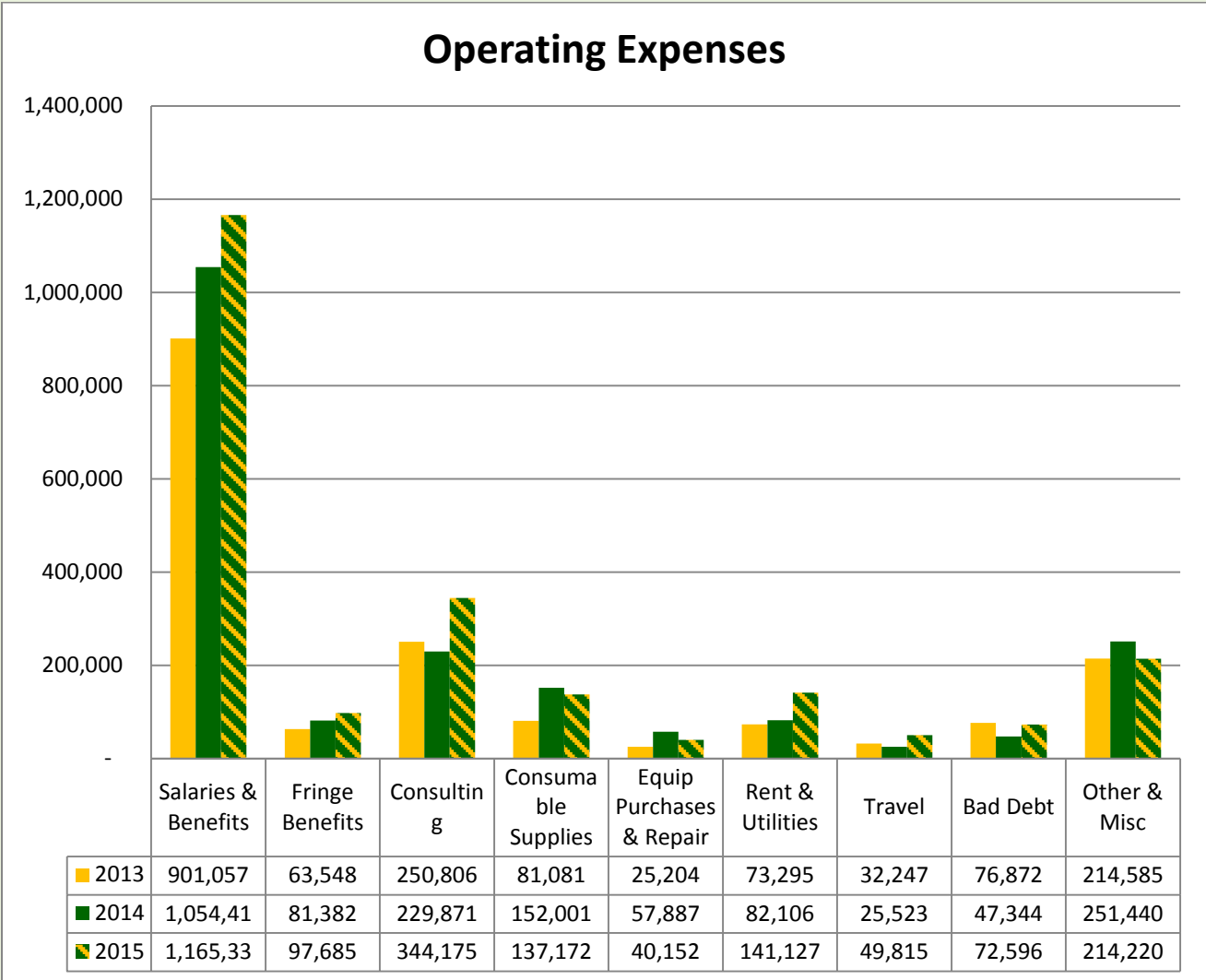
## Ratios

Financial Measures	Target	Dec-15	Sep-15	2014	
<b>Financial Health</b>					
1	Days Cash in Hand	>30-45 Days	64.64	50.06	117.76
2	Days in All Receivables	<60 Days	17.23	18.32	23.82
3	Days Net Patient A/R	<60 Days	56.05	49.59	51.37
4	Current Ratio	>1.25	2.4	2.5	3.5
<b>Financial Operations</b>					
5	Net Patient Rev per Patient	\$447	\$506	\$865	\$664
6	Operating Rev per Patient	\$696	\$1,786	\$1,524	\$1,471
7	Operating Exp per Patient	\$668	\$1,497	\$1,441	\$1,326
8	Net Patient Rev per Visit	\$112	\$123	\$138	\$168
9	Operating Rev per Visit	\$167	\$432	\$243	\$373
10	Operating Exp per Visit	\$164	\$171	\$229	\$336
<b>Patient &amp; Encounters</b>					
	Number of Patients	1,629	1,459	1,428	1,402
	Number of Visits	5,820	6,028	4,485	5,533

# Statistics - Continued

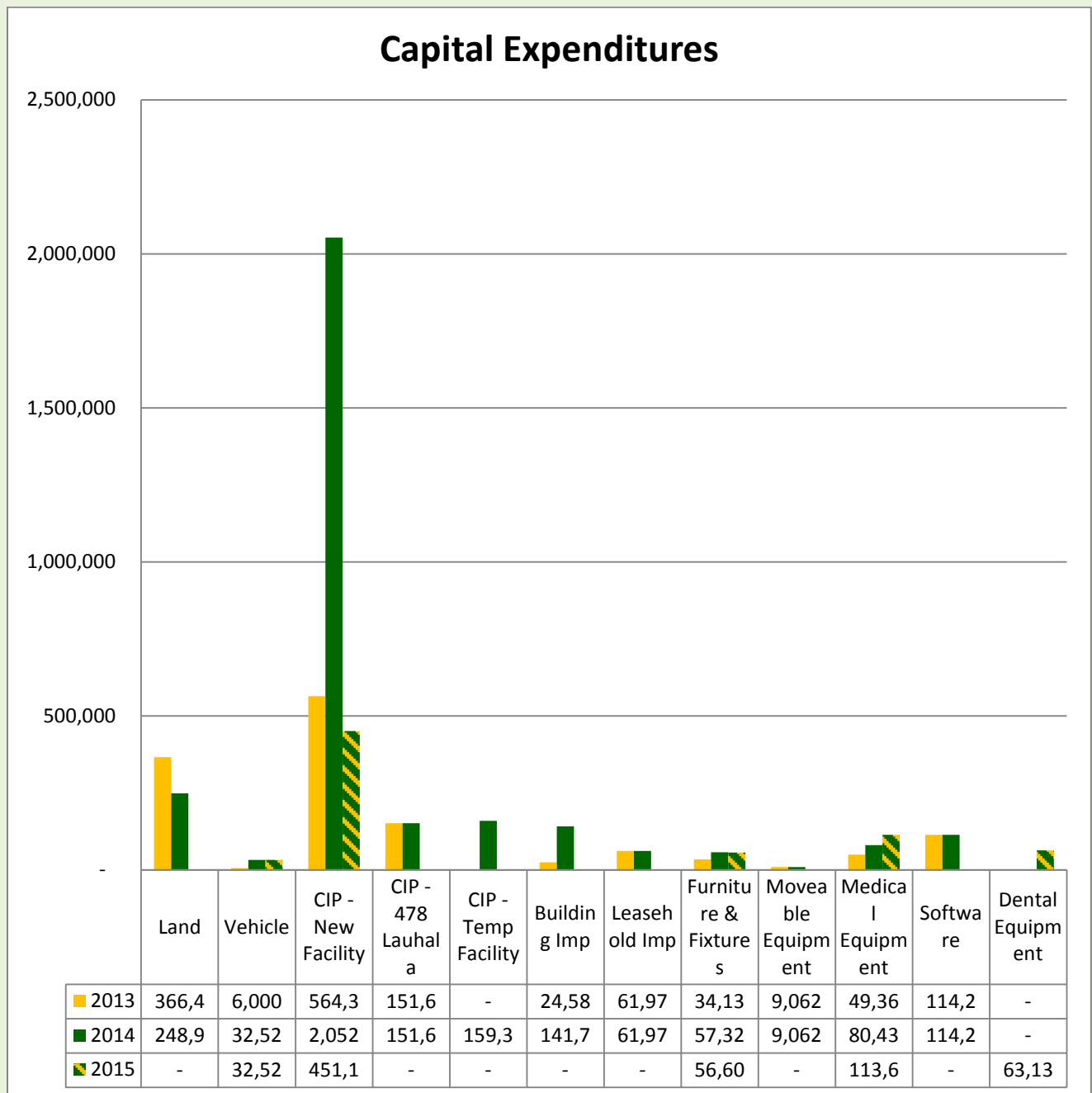
## Operating and Capital Expenditures

The following two charts provide detail regarding operating and capital expenditures for the past three years. As true for most health centers, our primary operating expenditure is salary and benefits, with consultants the next largest single expenditure category. Consultants include contractors such as Maui Optix, contracted dentists, UCERA (contracted psychiatrists), and Integration Technology, as well as Legal, Audit, and Revenue Cycle consultants. Clearly, our primary capital expense for 2013-2015 is the construction of our new facility.





# Statistics - Continued



# Conclusion

The past year was filled with many great accomplishments, and 2016 promises to be another eventful year: we anticipate the stabilization of our new Dental Program, continued patient growth, increased fitness and wellness classes, increased integration of services with behavioral health, expansion of health education, and development and implementation of new, high quality programs never seen before on our island.

Of course, we also anticipate continue road blocks that we will need to navigate: shortage of space (yes, even with our new 6,800 square foot building we are already short of space!), housing issues for staff that we might hire who are new to the community, uncertain economic future for our island so heavily dependent upon the decisions of the island's owner, potential changes to the reimbursement landscape, on and on...

However, we will continue to stay focused on our patients, listening to their needs, and seizing opportunities in the community, state and federal level. We will continue to do what is right for the aina, maintain an healthy environment and facility. We look forward to an exciting future.



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