

HEALTH CARE DIVISION
Application Tips for *Capital* Projects

ORGANIZATIONAL CAPACITY

1. What is your organization's mission?

Tips: We see “mission” as what you are trying to accomplish. It describes the overall purpose of your organization. Your mission answers the question, "Why does the organization exist?" The best mission statements are short and clear. We are especially interested in how your mission gives you concentration and focus — discouraging you from taking on projects that are not related to your mission. If your organization is very large, for example a university, please provide the mission for the overall organization as well as the mission for the most relevant subgroup — that is, the department, division, or school.

***Example:** The Neighborhood Health Center of the East (NHCE) was founded in 1988 to provide health care services to low-income persons in Davis County. Our mission is to respond to the health care needs of all with quality and respect — regardless of the ability to pay.*

2. What have you achieved in the past three years to advance your mission?

Tips: Please know we are much more interested in how many people have improved their lives than how many people have been served. We do not equate growth or volume with achievement. Focus on the tangible human gains you have created for those you serve. We are less interested in how many new programs or projects you have started and more interested in what success your participants have achieved.

***Example:** Over the last three years, we have continued our organizational and patient care success. Major achievements are as follows:*

- *Developed agreements with Community Hospital and Doctor's Hospital for specialty care services at our clinic site that were previously unavailable in Davis County.*
- *Reduced waiting times for patients from one hour to 25 minutes through implementation of a better system of patient management. This allows us to see more patients and maintain a higher level of respect for the patient's time.*

- *Implemented a best practices model of care for patients with asthma that ensures they all have a specific care plan and that parents of asthmatic children are heavily involved in teaching their children about the disease. This has reduced emergency room visits by 30% for our patients with asthma.*
- *Developed a successful fundraiser that now contributes \$10,000 annually to the scholarship fund for those patients unable to pay our \$15 co-pay.*

YOUR PROJECT

3. **Describe the project for which you seek funds. Please be specific about what will be in place that is not there now.**

Tips: We simply want to know what the improvement is — in terms of size (e.g., square footage), features, capabilities, or other attributes that apply. In some cases, the particular features of the project are critical to success. This is your chance to tell us what they are and thus make the case for the level of investment it will take.

***Example:** We propose to purchase new lab equipment to provide immediate blood glucose (HbA1c) testing and results for our patients with diabetes. Specifically, we will buy a Solo 6000 from MedQuipment, which offers us a 5% group discount through the Clinic Association of N.C.*

HbA1c indicates a patient's blood glucose control over the last 2-3 months. The American Diabetes Association recommends HbA1c as the best test to find out if a patient's blood glucose is under control over time.

This test is performed every three months for patients on insulin, during treatment changes, and when blood glucose is elevated. This test is recommended twice per year for stable patients who are not on insulin. Currently, these HbA1c tests are sent to an outside lab. We perform — and send to a lab — over 4,000 of these tests a year.

These tests will now be done in-house, with results available for the physician and patient during the same office visit. The 6000 model allows for quicker processing time than the other models and will be needed to handle the clinic's volume for testing.

4. Describe the population that will benefit from this project. How many are financially needy?

Tips: We are looking for a specific picture of the people who will be affected by this project. This may be everyone you serve if they will all use the new building or new equipment, or it may be just a portion of those people. If the capital project will only be used by some of those you serve, please give specific information about that group of people.

Any grants made by the Trust must benefit the financially needy. While other individuals may benefit from the project, grant amounts are awarded in reasonable proportion to the number of financially needy individuals who will benefit. For example, if 40% of the people who will benefit from the project are financially needy, the Trust will not fund more than 40% of the project.

It is critical that you estimate the number of financially needy individuals who are likely to benefit from your project. Common definitions of “financially needy” that are generally accepted by the Trust include: those living at or below 200% of the federal poverty level, those who are eligible for Medicaid, those who are uninsured, and those who qualify for the free/reduced school lunch program.

***Example:** There are an estimated 4,000 adults with diabetes in the county. Our patient caseload indicates that 1,500 of our 7,000 active patients have been diagnosed with diabetes. Of the 1,500 patients, 1,300 are under age 65, 1,200 are overweight or obese, and 750 are African-American. Based on our patient information, 85% of these patients live at or below 200% of poverty. The majority live in the three neighborhoods surrounding the NHCE and are African-American. 15% have Medicare; 10% have Medicaid; 10% have private insurance; and the remainder are uninsured.*

YOUR IMPACT

5. Describe the impact you will achieve once you have completed the capital project. That is, what difference will this project make for your organization and the population with whom you work?

Tips: We are looking to achieve impact with our grant funds. Impact can happen in different areas. Typical areas include efficiency (e.g., lower operating costs), effectiveness (e.g., serve more people, accomplish more organizationally), and sustainability (e.g., secure licensing, increase revenues). Please be specific in each of the areas where impact will be felt.

We are interested not only in why this capital project is necessary but also how it will help you become a stronger organization. Be specific about levels of gain where you can. For example, tell us how much your utility bills will be reduced or how much time will be saved. Our advice is to link the project to a result. For example, we are more interested in replacing a piece of equipment because the upgrade will allow for new services for patients, than simply because the current equipment is old. Capital projects that will improve the quality of health for patients will be given priority.

***Example:** Installing lab equipment for in-house HbA1c testing will have an impact on our clinic's efficiency. We currently pay our outside laboratory \$10 for each test. Our in-house cost is estimated at \$7 per test, a savings of over \$12,000 per year. This will also be a cost savings to our uninsured patients who must pay for these tests out-of-pocket.*

With the current system, test results are not available until 3-5 days following an office visit. This means that patients must return to the clinic for a follow-up appointment, which is a hardship for many, especially those without reliable transportation, or the physician must relay the information via a telephone call. Having in-house lab equipment will enable physicians to share the results with patients during the same visit. This is more convenient for both patients and our staff. It also allows for immediate feedback, which will enable physicians to make prompt treatment changes, when appropriate, and provide in-depth patient education in a more timely manner.

All of this leads to the biggest impact of all — patients will be more likely to maintain consistent control of their diabetes. The average HbA1c level for our diabetic patients is 8.4. The American Diabetes Association considers diabetes to be under control at 7.0 or less and recommends that action be taken when the results are over 8.0. We believe that regular HbA1c testing and immediate test results will effect a reduction in the average HbA1c levels to 7.6.

We also believe that physicians will be more likely to order these tests when needed because of the immediate availability of test results. Due to this change and to the growth in our patient caseload, we project that our HbA1c tests will increase by 10%. This means that more people will have access to appropriate primary care services to treat and manage their chronic illness.

TRACKING TO SUCCESS

6. **What is the timeline for your project? Define the most critical steps in design, choice, and implementation to ensure that the project is completed as specified within the proposed timeline and budget.**

Tips: The timeline should include major milestones. Tell us not only what you will do but also what you have done to date — for example, tell us if you have already purchased the land for a new facility. Milestones for the timeline might include major regulatory approvals, groundbreaking, and occupancy for construction projects. Equipment projects should include expected purchase and installation dates. Indicate what, if any, additional staff will be necessary as a result of your project.

In addition to the basic timeline, we are looking for how you will determine if the project is on track. List all of the activities that are key to successful completion of the project. This can include both concrete steps related directly to the project (e.g., selection of contractor, groundbreaking) or other issues related to the management or implementation of the project (e.g., staff buy-in, continuation of services during renovation).

***Example:** Earlier this year, we selected our equipment and vendor through a review process involving our clinical operations committee, which is composed of physicians, other clinic staff, and a representative from our business office. We will purchase the lab equipment in January. We will complete installation and staff training (provided by the vendor) during February and have the unit fully operational by the first of March.*

7. **Within one year of completion, how will you know that the capital project has had the desired impact?**

Tips: Consider the information or evidence you will use to verify whether the impact has been achieved. For example, if one impact of your project is to increase the number of individuals receiving a service, you will need clear numbers comparing those served before with those served after the completion of the project.

The Trust is more interested in the project's impact on your organization and the people you serve than in the fact that you built the building or installed the equipment. This impact is often not clear for some time after the completion of the project. Because of this delay in seeing results, the Trust generally asks for final reports on capital projects one year after completion.

***Example:** Our clinical operations committee will monitor to ensure that the new equipment is being utilized as intended. They will review the number of HbA1c tests on a monthly basis and conduct chart audits to verify that results are being discussed with patients at the same visit. They will verify that new staff are trained to use the equipment as needed. Our physicians will continue to review the HbA1c test results of individual patients while the clinical operations committee will review the aggregate results on a quarterly basis.*

ONGOING OPERATIONS

8. What ongoing effects will this project have on your organization? If this project will increase your operating expenses, how will you pay for them?

Tips: We understand that a capital project can affect your organization in many ways. For example, a larger building may lead to higher utility expenses and increased debt service. A new piece of equipment may bring higher maintenance costs. Tell us how you plan to handle these changes. We also understand that not all effects are related to greater operating expenses. For example, a capital project might increase your visibility in the community, leading to more volunteers and donors — as well as more clients — for your organization.

***Example:** We are aware that adding HbA1c testing to our current in-house lab will increase our current lab volume by about 30%. We are prepared to restructure some of the duties and schedules of our clinic support staff so they can assist the lab technician on a part-time basis as needed. Because additional lab testing may also be added through other initiatives, we will evaluate adding another lab technician in the future, using the reimbursements generated by increased volumes.*

Having in-house lab equipment will increase our expenses for supplies, but this cost should be off-set by the reimbursements collected for services provided to insured patients.