Strive for Success - 5 Things You Can Do Now to Help Achieve Sustainability

Actionable Strategies for FQHCs

We know that Federally Qualified Health Centers (FQHCs) play a vital role in delivering comprehensive care to underserved communities, yet we are currently faced with unique financial and operational challenges. There is uncertainty around Medicaid funding, grant funding, 340B program changes, and much more. All of these do a great job of keeping us up at night! Sustainability is not just a buzzword—it's an imperative for ensuring long-term mission fulfillment and organizational stability. For FQHCs, the pathway to success often hinges on proactive leadership and strategic decision-making. Here are five key actions you can take now to strengthen your FQHC's sustainability.

1. Revenue Cycle Optimization

A high-performing revenue cycle is often the backbone of financial sustainability for an FQHC. Begin by conducting a thorough assessment of your entire billing process—from patient registration and eligibility verification to claims submission and denial management. Pinpoint bottlenecks that delay payment and implement best practices on timely claims filing, staff training and cross-training, and automated tools for tracking outstanding balances. Consider investing in modern revenue cycle management software to potentially streamline workflows, reduce errors, and increase collections. A focus on clean claims and efficient follow-up can significantly boost cash flow and ensure resources are available for patient care and growth initiatives.

2. Ensuring Payor Contracts Are Updated and Renegotiated

Payor contracts should not be static documents—they should be living agreements that reflect current market realities and your FQHC's evolving needs. It is important to regularly review and update contracts with private insurers, Medicaid, and Medicare Advantage plans. CFOs should work closely with their legal team to identify outdated reimbursement rates, restrictive terms, and opportunities for value-based enhancements.

> One critical strategy is negotiating for Medicare Advantage wrap-around payments, which help offset the gap between standard reimbursement and actual service costs.

Proactive renegotiation ensures your center is fairly compensated, protects against unfavorable terms, and positions the FQHC for future success as the payor landscape evolves.

3. Measuring Provider Productivity and Letting Metrics Drive Conversations

Data-driven decision making is essential for optimizing clinical operations. Establish clear, relevant productivity metrics for providers—such as patient visits per day guided by complexity of visits and other factors, panel size, and quality outcomes. Use these metrics as the foundation for regular performance reviews and organizational planning. Transparency is key: share data with providers, encourage open dialogue about barriers to productivity, and celebrate successes. Let the numbers guide conversations about resource allocation, scheduling, and support needs. When metrics drive discussions, you create a culture of accountability and continuous improvement, which ultimately enhances both financial health and patient outcomes.

4. Achieving Optimum Staffing Levels

There are many FQHCs that are coming to the realization that their staffing levels are less than optimum. During the COVID-19 pandemic, many FQHCs increased their staff size using COVID grant dollars to augment their staffing. Those grant monies have now been discontinued and FQHC management teams are scrambling to either find other revenue sources to cover those personnel costs or are realizing they need to get leaner. But, while overstaffing jeopardizes financial sustainability, understaffing can lead to burnout and compromised care. Staffing is both an art and a science for FQHC leaders. Conduct regular analyses of patient volumes, appointment wait times, and provider schedules to determine the ideal mix of clinical and administrative staff. Utilize workforce management tools to forecast demand and adjust staffing models in real time. Engage with team members to understand workload challenges and gather feedback on process improvements. By achieving optimum staffing levels, you ensure high-quality care delivery, operational efficiency, and a healthy work environment, all of which are essential for long-term success.

5. Attracting Medicare Patients

As the population ages, attracting and retaining Medicare beneficiaries is increasingly important for FQHCs. An FQHC is a great place for a Medicare patient to receive health care services with their multiple service lines in one location and other special advantages for Medicare beneficiaries such as the lack of a deductible for most FQHC services. It is important to develop targeted outreach initiatives, such as educational seminars, community partnerships, and digital marketing campaigns, to raise awareness about your services among seniors. Ensure your center is easily accessible and inviting—physically and virtually—and offers programs tailored to the needs of older adults. It is also important to work with care coordinators to facilitate seamless enrollment and navigation of benefits. By positioning your center as a trusted provider for Medicare patients, you not only diversify your revenue streams but also expand your impact within the community.

Conclusion

Sustainability for FQHCs is often built on a foundation of strategic leadership and operational excellence. By optimizing your revenue cycle, renegotiating payor contracts, leveraging productivity metrics, fine-tuning staffing levels, and attracting Medicare patients, FQHCs can drive meaningful change and help ensure their organizations thrive in this dynamic environment. The time to act is now—embrace these five strategies and increase your chances of leading your center toward a sustainable, impactful future.

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