

Healthcare Coalition Fiscal Models

One challenge facing healthcare coalitions (HCCs) is sustainability and supporting growth. With so many different HCCs and approaches to handling finances within a coalition, it can be difficult to know which model to choose. On July 20, 2017, ASPR's Technical Resources, Assistance Center, and Information Exchange (TRACIE), in collaboration with the National Healthcare Preparedness Program (NHPP), hosted a webinar featuring speakers from six HCCs across the country (VA, SD, NV, MO, CA, and WA) who use a variety of financial models to sustain their coalitions. These examples are used in the chart below to highlight some of the more commonly used fiscal models as well as examples taken from other resources (listed here). This document provides a basic overview of commonly used fiscal models and example benefits and limitations as noted by those coalitions. No one model can be standardized across the country; HCCs are just as unique as the jurisdictions they serve and communities they help protect and keep healthy. The fiscal model ideally allows for flexibility to use federal funds as well as integrate local funds when needed.

There are many types of funding opportunities available to help start and sustain HCCs. Chapter 6 of *Establishing a Healthcare Emergency Response Coalition* provides the following examples:

- Philanthropic funding
- Grant funding
- Local and state government funding
- Membership fees
- In-kind services
- Fundraising

Sample Resources (listed alphabetically):

Information used in this document were from the following resources and direct correspondence from coalitions.

ASPR TRACIE:

- [Coalition Models and Functions Topic Collection](#)
- [General Overview of Healthcare Coalitions](#)
- [Growing and Sustaining: A Discussion about Healthcare Coalition Financial Models Webinar](#)
- [Healthcare Coalition Resource Page](#)
- [Strategic Development for Building Operational Healthcare Coalitions Webinar](#)

Other Resources:

- Lee, J., Cleare, T.W., and Russell, M. (2010). [Establishing a Healthcare Emergency Response Coalition](#). Government Institutes.
- Maldin, B., Lam, C., Franco, C., et al. (2007). [Regional Approaches to Hospital Preparedness](#). *Biosecurity and Bioterrorism: Biodefense Strategy, Practice, and Science*. 5(1): 43-54.
- McElwee, J.A. (2012). [Taking A Regional Healthcare Coalition Approach To Mitigating Surge Capacity Needs Of Mass Casualty Or Pandemic Events](#). Naval Postgraduate School Thesis.
- National Association of County and City Health Officials and the Association of State and Territorial Health Officials. (2010). [Healthcare Coalition Matrix](#).
- Sonoma County, California. (2014). [Sonoma County Healthcare Coalition Governance](#).
- Pennsylvania Department of Health. [Health Care Coalition \(HCC\) Preparedness Homepage](#).
- U.S. Department of Health and Human Services, Office of the Assistant Secretary for Preparedness and Response. (n.d.). [From Hospitals to Healthcare Coalitions: Transforming Health Preparedness and Response in Our Communities](#).
- Various Authors. (2013). [Healthcare Coalition Development](#). Florida Department of Health, Governor's Hurricane Conference.
- Various Authors. (n.d.). [Healthcare Coalitions](#). National Association of County and City Health Officials and the Association of State and Territorial Health Officials.

| Fiduciary Agent | Background/ General Information | Example Jurisdictions |
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| State Hospital Association | <ul style="list-style-type: none"> ▪ Hospital association acts as fiduciary agent, convener, and/or facilitator. ▪ In Missouri (MO), there are five unique coalitions; however, guidance, plans, purchases, and regional assets (communication, surge, COOP) are standardized. ▪ In MO, this model includes 3.75 staff for coalition support. However, local leaders own the process, build their systems based on standardized guidance, and are prepared to support one another during response. | <ul style="list-style-type: none"> ▪ Missouri Hospital Association ▪ Hospital and Healthcare Association of Pennsylvania in partnership with the Pennsylvania Department of Health (NOTE: The Financial Planning Team falls under the Hospital Association of Pennsylvania Partnership) |
| Local Health Department | <ul style="list-style-type: none"> ▪ The LHD serves as the fiscal agent for the Washoe County Health District (Nevada)/ Inter-Hospital Coordinating Council (IHCC). It includes 46 participating agencies and supports over 230 licensed healthcare and partner agencies. Coalition leadership provides input and final approval of budget. A coalition subcommittee approves all expenditures and scope of work; collects at least 10% of indirect costs for grant management (total); and budgets are presented to and approved by the coalition. ▪ In Utah, each coalition has between .5 to 1.25 FTE as HCC coordination staff; in addition, HPP funds go towards regional funds for cache, training, and exercises. The HCC membership determines the priorities and use of regional shared fund. ▪ In Utah, this model is used for the following reasons: <ul style="list-style-type: none"> ○ LHD maintains a strong role in ESF-8 within jurisdictions. ○ LHD hosted HCC staff can provide support to LHD Emergency Response Coordinator (PHEP) in assisting with medical coordination in jurisdictional command centers. ○ The experience of LHDs with the long-standing CDC PHEP grant processes allowed for an easier transition into management of HPP grants. ○ Utah emphasizes using local people to serve local agencies, and to take advantage of existing relationships. ▪ In Sonoma County (CA), support includes part-time staff from the LHD, EMS agency, and accounting staff using HPP funds. Additional financial and staff support for coalition activities includes providing in-kind personnel from participating healthcare organizations. ▪ Example limitations may include: the HCC is unable to receive donations, difficulty ensuring clear internal process to account for administration buy-in, and having slow bureaucratic processes. | <ul style="list-style-type: none"> ▪ Washoe County Health District (NV)/ Inter-Hospital Coordinating Council ▪ Utah (7 coalitions all hosted by LHDs) ▪ Texas (2 of 22 coalitions are hosted by LHDs) ▪ Sonoma County Healthcare Coalition |
| Hospital | <ul style="list-style-type: none"> ▪ In South Dakota (SD), there is a statewide HCC comprised of four regional coalitions, which plan for and respond to medical surge events. They are overseen by a Governing Board (provides information in preparing annual budget, reviewing regional planning financial information/spending, and makes decisions on behalf of membership for the HPP grant and other funds available to the SD Healthcare Coalition). ▪ Within each planning region there is an executive committee that provides leadership for the region and oversight grant expenditures. ▪ Fiduciary agent has responsibility for: monitoring grant requirements and compliance, reporting expenditures as required, and expending regional funds as directed by the executive committee (“bank”). Up to 10% of grant funds may be allocated to the coalition fiduciary as an administrative fee for managing grant funds. | <ul style="list-style-type: none"> ▪ South Dakota- Regions 1 (Regional health System), 2 (Prairie Lakes Health System), and 3 (Avera Sacred Heart) |
| 501(c)3 | <ul style="list-style-type: none"> ▪ The Northwest Healthcare Response Network (NWHRN) in WA subcontracts all HPP funding directly with the State Department of Health. Staff are employed by NWHRN (14.35 FTE), and money is focused on personnel for planning and trainings and exercises. ▪ The NWHRN does not currently require LHDs to contribute funds, since their membership dues structure was developed for healthcare partners. They may revisit in the future and next priorities include refining their model for government run healthcare partners (e.g., VA, DOD hospitals, public mental health hospitals) and developing a member model for affiliates such as private sector partners (e.g. suppliers). ▪ The Healthcare Emergency Response Coalition (HERC) in Palm Beach County, FL uses multiple funding streams, such as membership dues, vendor presentations, publications, foundational support, and in-kind support. ▪ In Texas, 20 of 22 HCCs (which are based on the state trauma regions) are 501(c)3 and have an established membership charter, by-laws, etc. All 22 HCCs are funded annually by the Texas Department of State Health Services (TX DSHS). <ul style="list-style-type: none"> ○ Approximately 70-80% of TX HPP federal funding award is awarded to the TX HCCs via contract sub-awards. ○ TX HCCs provide TX DSHS with recommendations for statewide HCC funding allocation formulas. ○ TX HCC lead/host agencies are selected through a competitive RFP. ○ TX followed this model in order to manage 22 regional contracts as opposed to contracting with each hospital and participating healthcare entity. HPP funds cannot be allocated without a written and executed sub-award/sub-contract agreement. ▪ Example benefits may include: independent governance, led by healthcare in collaboration with public health and other partners; more “neutral” and able to be adaptive to healthcare needs beyond jurisdictional boundaries; mission and business purpose is for larger community benefit, not just grant requirements; has the greatest flexibility to pursue diverse revenue sources; and has some flexibility in hiring and procurement processes. ▪ Example limitations may include: startup costs can be significant depending on coalition size/budget; must implement and manage all internal systems (IT, HR, Legal, etc.); must maintain sufficient cash on hand to cover expenses and maintain financial health as a small business; significant time and resources needed to generate and manage new revenue; and additional funding comes with expectations and priorities that do not always align with grant priorities. | <ul style="list-style-type: none"> ▪ Northwest Healthcare Response Network (WA) ▪ Northern Virginia Hospital Alliance (VA) ▪ Healthcare Emergency Response Coalition (HERC) of Palm Beach County (FL) ▪ Texas (20 of 22 coalitions are 501(c)3) |

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| Emergency Medical Services | <ul style="list-style-type: none"> ▪ Administered through EMS agency (state or local) ▪ Supported by agency staff. ▪ Convenes advisory committee comprised of representatives from hospitals and other healthcare organizations and agencies that are integral in medical response to events/emergencies. ▪ Advisory committee provides organization and emergency management expertise. ▪ For the Los Angeles County HCC, coalition members that receive funding enter into a formal agreement with the county to include receivables and deliverables and participation in coalition activities. Members that do not receive direct funding sign a commitment to participate. The county charges 10% indirect rate for all administrative services which includes finance, contracts and grants, and other administration costs. ▪ Example limitations may include: slow bureaucratic processes with no latitude for adjustments and less flexibility; financial staff unfamiliar with grant requirements and deadlines; procurement, contract and hiring challenges; and the inability to receive donations. | <ul style="list-style-type: none"> ▪ Los Angeles County HCC (CA) ▪ South Dakota- Region 3 (Minnehaha County) |
| Mixed Model | <ul style="list-style-type: none"> ▪ In Virginia, there are three models in place: 501(c)3, fiscal agent, and consolidation by State Hospital Association. They have found this to be beneficial in the following ways: <ul style="list-style-type: none"> ○ By partnering with existing systems, overhead is kept low. ○ Fiscal agents allow HCC to operate as separate entity, without having to run organizational infrastructure. <ul style="list-style-type: none"> ▪ Partnering with Virginia Department of Health (VDH) EMS Councils allows for consistency between VDH funded regional entities, and leverages existing and new partnerships. ○ Significant Autonomy of Coalitions. ○ Public/private partnerships are encouraged. ○ Fiscal independence promotes a healthy coalition and increases engagement. ▪ VDH employs stringent financial controls to ensure money is used appropriately in partnerships and the state has a very low overhead (<5% of total HPP funding). | <ul style="list-style-type: none"> ▪ Virginia Department of Health |