Creating Pathways through Financial Coaching

Treating Patient Financial Issues Can Help Federally Qualified Health Centers Better Reach Underserved Communities

Wealth is health. That phrase has traveled widely in the healthcare universe in the past decade. Now more than ever, the federal government is putting muscle behind that idea.

When the Centers for Medicare and Medicaid Services (CMS) released the **Final Physician Fee Schedule** for the following year in late 2023, the "Final Rule" delivered a clear message: treating social determinants of health (SDOH) is considered vital to providing medical care to at-risk and underserved populations.

CMS is unequivocal in supporting expanded SDOH care

In its statement released alongside the Final Rule, CMS stated its intention to pay separately for Community Health Integration, SDOH Risk Assessment, and Principal Illness Navigation services. Further clarifying its position, CMS wrote:

> *Community Health Integration (CHI) and Principal Illness Navigation (PIN) services involve a person-centered assessment to better understand the patient's life story, care coordination, contextualizing health education, building patient self-advocacy skills, health system navigation, facilitating behavioral change, providing social and emotional support, and facilitating access to community-based social services to address unmet social determinations of health (SDOH) needs. Community Health Integration services are to address unmet SDOH needs that affect the diagnosis and treatment of the patient's medical problems…*
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> *CMS is further clarifying that the community health workers, care navigators, peer support specialists, and other such auxiliary personnel providing these services may be employed by community-based organizations (CBOs) as long as there is the requisite supervision by the billing practitioner for these services, similar to other care management services. Access to these services should help contribute to reduced health care disparities in underserved populations with Medicare.*

With this approach, CMS has opened an opportunity for Federally Qualified Health Centers (FQHCs) to work with CBOs to better compete in a suddenly highly competitive field.

It's a time of ongoing challenges for FQHCs

With Medicaid expanding recently, FQHCs are facing powerful competition from big retail players and well-funded startups. Combining this emerging dynamic with the end of COVID-19 Public Health Emergency (PHE) funding means many FQHCs face an existential threat. To survive, FQHCs will need to increase their outreach to potential patients and strengthen their relationship with existing patients.

Financial literacy is a social determinant of health

The five main categories of social determinants of health have been commonly agreed upon to be:

- **Economic stability**
- **Education access and quality**
- **Health care access and quality**
- **Neighborhood and built environment**
- **Social and community context**

The deleterious effects of financial insecurity are multi-faceted. Stress over money has been shown in many research papers to have a corrosive impact on wellness, but the complicating factors don't stop there. Under-resourced individuals and families may miss appointments or fail to schedule them due to a lack of affordable transportation options, schedules packed with work from multiple jobs, or other factors. They may feel like it's pointless to seek care if they don't believe they could afford prescriptions or other costs of treatment.

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FQHCs aren't achieving as many patient engagements as they could be

A **2022 Gallup Poll** revealed that 38% of Americans said they or a family member had foregone medical treatments due to the cost. It takes no great leap of the imagination to speculate that this number is much higher for the population FQHCs serve.

Among clients who overcome concerns about the cost of their medical care, missed appointments have a sizeable negative impact on the bottom line of FQHCs. A **2022 study of a large FQHC in Texas** found an average revenue per patient engagement of $129. With various studies showing appointment no-show rates as high as 50% for FQHCs, the effects of low appointment attendance on organizations already struggling to maintain business viability can't be ignored.

A **2022 Creighton University study** of low-income single mothers found that participation in a financial coaching program reduced the proportion of subjects avoiding medical care due to finances from 49% to 33%. This speaks to the power of financial empowerment resources in building affinity for - and a feeling of responsibility to - a healthcare provider.

Financial coaching is key to economic stability

Multiple studies conducted by the Consumer Financial Protection Bureau (CFPB) have proven the effectiveness of financial education and counseling in increasing economic stability for populations struggling to attain solid footing with their finances. A **2021 study by the CFPB** analyzing coaching results for over 23,000 veterans and under-resourced people stated unequivocally that "financial coaching is associated with increases in clients' financial capability."

An **earlier CFPB study** saw coaching increase savings by an average of $1,187, raised credit scores by 21 points, and reduced debt by $10,644 for low- and moderate-income recipients of money guidance.

Prosperity Now, a national nonprofit focused on creating greater economic opportunity for low-income families, believes that **"many of the social determinants of health can be addressed through financial capability services—services like financial coaching, free tax filing assistance and credit counseling—which work to alleviate many of the financial stressors that contribute to poor physical and mental health."**

Financial counseling and coaching can help with appointment adherence

A 2023 study by pediatrician Dr. Adam Schickedanz of UCLA demonstrated financial coaching's ability to help improve appointment attendance among low-income patients. Parents who received guidance through a financial empowerment program were 20% more likely to make all their child's preventive care visits and 25% more likely to stay current on their vaccines.

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These numbers are backed up by **results shared by Rising Sun Health Center**, an FQHC in Philadelphia that partnered with a local nonprofit to provide money coaching to its patients. In a two-year study involving over 300 clients, those who received financial guidance had better outcomes in health, savings and sticking to their health care plans.

Financially marginalized communities want financial guidance

There is substantial evidence to demonstrate that low-income populations have a desire to receive help with their financial situation.

Research conducted in 2019 at Harbor-UCLA Medical Center found that of the participants in a study of over 100 Medicaid-insured or -eligible patients at a safety net women's health clinic, 64% expressed interest in receiving assistance with their financial lives. Of the surveyed, 57% identified as Hispanic/Latinx while 20% listen themselves as Black/African American. This is but one of several research projects to reveal similar sentiments.

FQHCs are perfectly positioned to be agents of financial empowerment and can build trust by doing it

Because of the nature of the populations they serve, FQHCs already have an intake and assessment process for patients. According to the nonprofit Advocates for Community Health, "Federally qualified health centers…are in a unique position to reduce the social risks that many of their patients experience, including food insecurity, housing instability, and limited access to transportation and healthcare."

With both the National Association of Community Health Centers and the Centers for Medicare and Medicaid Services providing screening tools for social determinants of health, the process of identifying those in need of financial coaching should require minimal procedural build-out.

It's very likely the low-resource individuals served by FQHCs don't know where to look for the financial guidance they desperately need. By utilizing what has come to be known as a Medical-Financial Partnership (MFP), FQHCs can make a referral to a highly skilled financial coach who can provide essential financial help. A financial coach can help with:

- **Accessing public benefits**
- **Utilizing affordable and sustainable mainstream financial products**
- **Connecting with money-savings services and practices**
- **Meeting financial obligations in a timely manner**
- **Dealing with past-due or collections debts, including medical bills**

- **Establishing credit**
- **Securing housing**
- **Decreasing food insecurity**
- **Paying for transportation**
- **Saving for emergencies**
- **Budgeting for medical care and other necessities**
- **Uncovering employment opportunities**
- **Identifying educational programs for increasing earning potential**
- **Understanding tax benefits, like the Earned Income Tax Credit**
- **Learning about insurance options**

With a simple referral, FQHC staff can forever be linked in a patient's mind with potentially life-changing financial assistance. Given that mistrust of healthcare providers has been a persistent theme for marginalized communities in our country, this easy step can build a trusting relationship that results not only in more frequent engagements with that individual, but invaluable word-of-mouth marketing.

Boston Medical Center's celebrated **StreetCred financial empowerment program** is just one example of an effort that has achieved tremendous penetration in its service community of low-income and largely BIPOC patients. Since 2016, StreetCred has worked with over 6,000 families in the Boston area to improve their financial health, and with it, their physical wellbeing.

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With MFPs currently numbering at least 30 in the United States, word is spreading of their power as a force multiplier in outreach and patient retention. They've been shown to turn apprehension and wariness into affinity and reliance. **Medical billing company Coronis Health** believes that "When community members see trusted professionals interacting positively in their neighborhoods, it can remove the alienation people may feel."

Patient financial wellness makes business sense

Financial empowerment training for low-resource patients can be billed by FQHC to Medicaid of HRSA funding, meaning the justification for such care expansion need not be limited to greater appointment attendance or more positive health outcomes.

"Total funding in the US to fight unequal access to medical care has eclipsed $24 billion"

That isn't the only good news for FQHCs looking to give their patients a leg up in achieving holistic health through financial guidance. Total funding in the US to fight unequal access to medical care has eclipsed $24 billion according to a **2023 report by The Chartis Group**.

Financial coach can create outreach opportunities

With recent data pointing to FQHCs achieving a **14% penetration rate** of potential patients in the geographic areas they cover, there are significant untapped markets available. Given the above-referenced studies demonstrating the demand for healthcare providers to offer financial wellness and the outreach success already achieved by MFPs, it seems a natural conclusion that providing money coaching as a wellness value-add could present a shrewd business decision for many FQHCs.

As discussed, there is a significant trust hurdle for FQHCs to overcome with many of the low-income people they might provide with healthcare services to. Additionally, many people simply feel they can't afford to treat their medical issues. Creating a marketing campaign to emphasize the financial benefits that can come with working with an FQHC providing money coaching could help greatly in removing these barriers to care.

It's easy to envision a huge impactful for ads demonstrating how much in real dollars an FQHC was able to benefit the bottom line of a patient, especially in communities where every last bit of cash is essential. A message of "Think you can't afford to get healthcare? Maybe you can't afford not to get it" could truly raise an FQHC's profile for the populations it's desiring to serve.

MFPs can also create an organic way for healthcare providers to raise their profile in a community through events featuring free financial check-ups. While people might be hesitant to discuss health issues with someone they just met at a public event, they might be more receptive to going over a checklist of benefits and other money-saving programs with a professional money coach provided by their local health center.

More research is needed in the area to better understand the efficacy of FQHC marketing efforts centered on the economic wellbeing of patients. However, given the early successes of MFPs in generating positive outreach, efforts in this area appear worthy of further exploration.

Financial wellness care is a critical service for FQHCs going forward

Research by PwC forecasts a $1 trillion shift away from traditional healthcare providers over the next five year. There's no question that in this environment, FQHCs absolutely must find ways to build stronger and more numerous relationships in the communities they were created to serve.

Providing only traditional medical care seems destined to leave FQHCs at the mercy of big new healthcare providers with the resources to offer superior convenience and quickness of care. While it surely isn't the only solutions for FQHCs to expand their reach, aggressively treating core financial problems that lead to poor health outcomes and then leveraging positive results to attract previously untouched consumers might just be essential to FQHCs remaining viable.

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