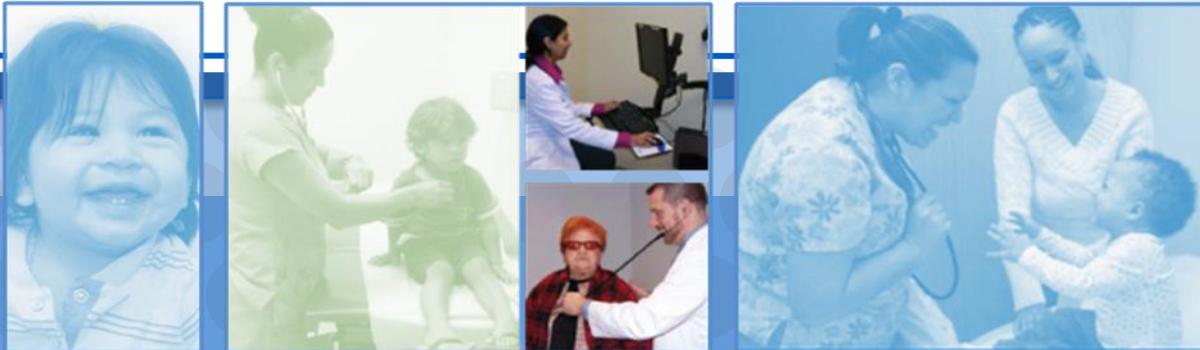


Leveraging Community Health Center Status across Central Texas



Shaping Healthy Communities.

Pete Perialas, CEO
March 2010

Mission and Model

- Every new clinic that opens under our network is in direct alignment with our mission, which is a commitment to “the energetic and steadfast pursuit of quality, accessible, and sustainable primary healthcare for Central Texas residents, focusing on the uninsured and underserved.”

A Complete Medical Home

All the services a patient might require are available through LSCC’s clinics: Pediatric, Dental, OB, and Mental Health are all available – and we are expanding Pharmacy, Geriatric services.

An Adaptive Funding Formula

LSCC has identified an adaptive funding formula that blends public healthcare dollars with investments from hospitals, charitable foundations and private donors, making it possible for any healthcare provider to serve uninsured and underserved patients.

A Mission to Partner

We fulfill our mission when we partner with others to expand access to healthcare. The LSCC formula can be adapted and configured to compliment any existing model – from nonprofit to for-profit.

Significant Benefits of the FQHC Model

- Prospective Payment System reimbursement rates for Medicaid and CHIP encounters (\$160 in FQHC model vs. \$40 in non-FQHC model, on average, in Central Texas)
- Federal Tort Claims Act coverage (the federal equivalent to an occurrence-based malpractice plan that eliminates the need for tail coverage for physicians and is provided to FQHCs at no cost)
- Direct employment of physicians in Texas
- Safe Harbors that protect arrangements between hospitals and FQHCs
- Access to Federal and State program funding exclusive to FQHCs

Additional Benefits Brought by LSCC

- All LSCC medical clinics are fully live on a CCHIT certified EMR/EPM solution (NextGen) which includes electronic claims submission and provides an “outcome-based, reimbursement ready” platform for future changes in reimbursement policies
 - New clinic sites open live on the system
- Leadership Role in the Integrated Care Collaboration
 - Health Information Exchange
 - Asthma & Diabetes Care Coordination Programs
- LSCC has a proven track record in opening sustainable primary care clinics operated with leading-edge, quality, and coordinated care models
- LSCC is a Behaviorally Enhanced Healthcare Home model (currently 19 psychiatrists & therapists integrated within primary care clinic sites)
- Established, highly-trained and scalable LSCC clinical leadership team and model capable of rapid and repeated support for new sites and services
- Comprehensive implementation of evidence-based practice/best practice models
- LSCC opened a Centralized Call Center structure for scheduling, referrals and case management activities in Sept. 2009



How We Compare

- Federal grant dollars comprise 1.5% of our budget in 2010 compared to 25-30% for health centers established 15 years ago
 - This equates to \$3.01 in federal grant dollars per medical visit in 2010
- Operating budget is 70% patient revenue, 30% grants/donations/stakeholder support (hospitals)
- LSCC's total number of patients served has increased by 132% in three years, compared to 20% for Texas health centers and 13.5% for National health centers
- We are at the 94th percentile of uncompensated care spending among national health centers
- Williamson County was recently named the Healthiest Community in Texas in the "Community Health Ranking" issued by the University of Wisconsin and RWJ Foundation. As the largest medical safety net in the county, LSCC had a significant role in this positive outcome.

Current Clinics Opened in Partnership with Hospitals and Other Investors

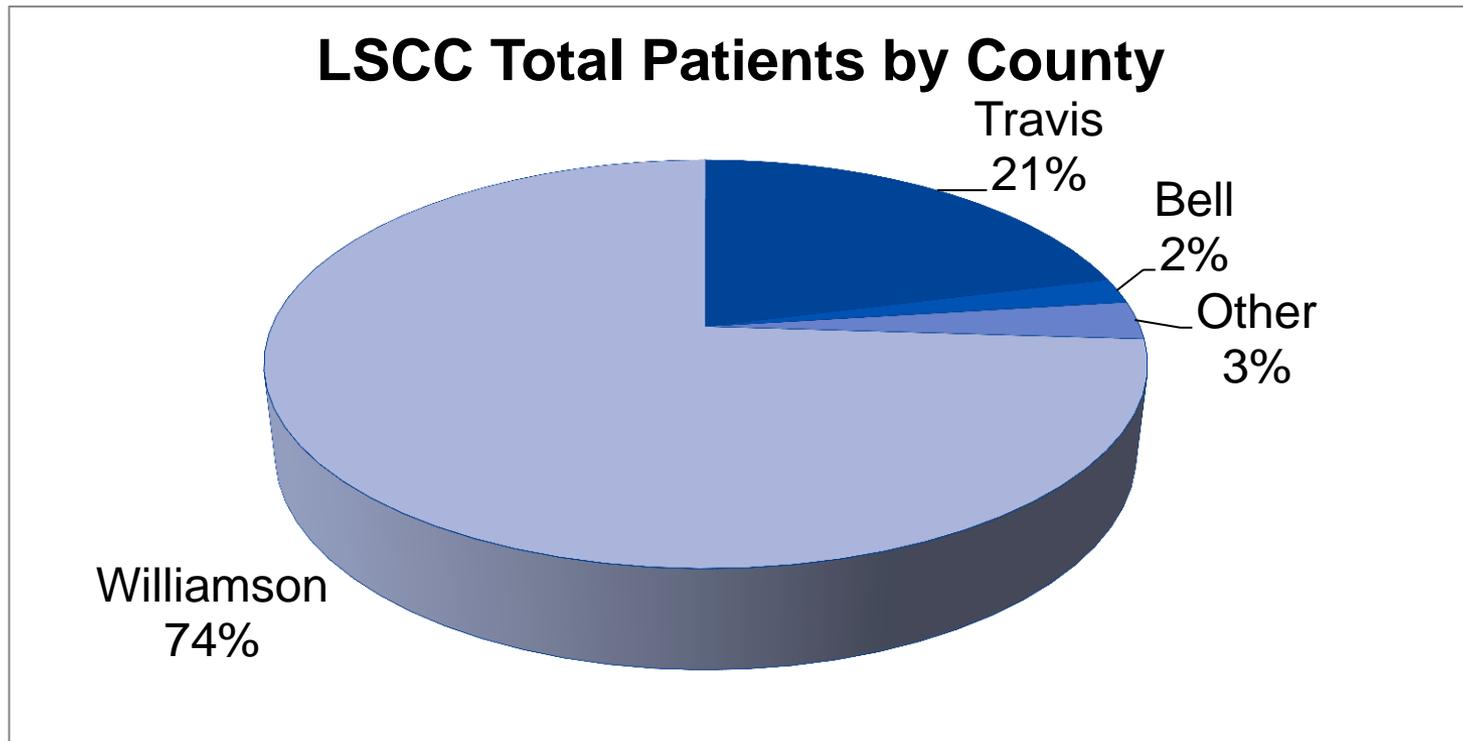
- LSCC OB/GYN in Round Rock—St. David's Round Rock
- A.W. Grimes Medical Center—Seton Medical Center Williamson
 - Family medicine
- Ben White Health Clinic—St. David's South Austin
 - ER Diversion “Access” clinic; primarily serves chronically ill adults who have not had access to a medical home in 10+ years
 - On average, 25% of the patient visits each month are from hospital referrals
- Belton Pediatrics—Scott & White
- Seton/LSCC Clinics at TAMU
 - Family medicine, pediatrics, adolescent, OB/GYN, behavioral health, senior, Class A Pharmacy
 - Seton sponsored, LSCC clinics
- Lake Aire Medical Center—Georgetown Health Foundation
 - Family medicine, pediatrics, behavioral health, senior, Class A pharmacy

Current Operations

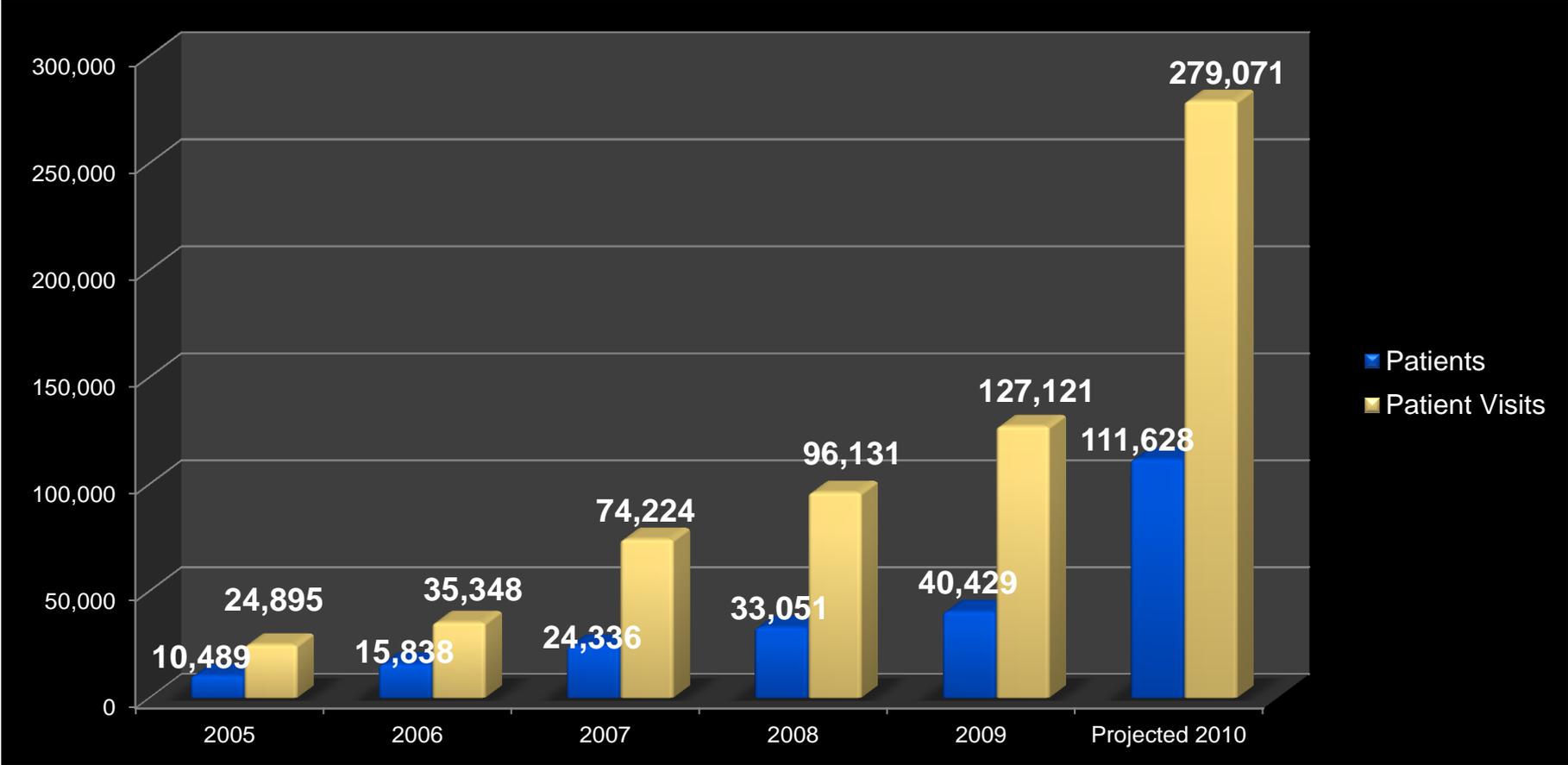
- 17 total clinic sites in Central Texas, with 15 located in Williamson, 1 in Travis, and 1 in Bell, connected by a state-of-the-art electronic medical record system
- 337 employees
- \$50M budget
- Services provided:
 - Adult & Pediatric primary medical care
 - Psychiatry & psychotherapy for adults and children
 - Comprehensive OB/GYN
 - Dentistry for adults and children
 - Chronic disease prevention & disease management
 - Wellness Classes

About Our Patients

- Our clinics serve approximately **8,450 patients per month**
- On average, **19% of patients seen each month are new to LSCC**
 - Primarily new adult and pediatric medical patients



Growth Trends



Performance

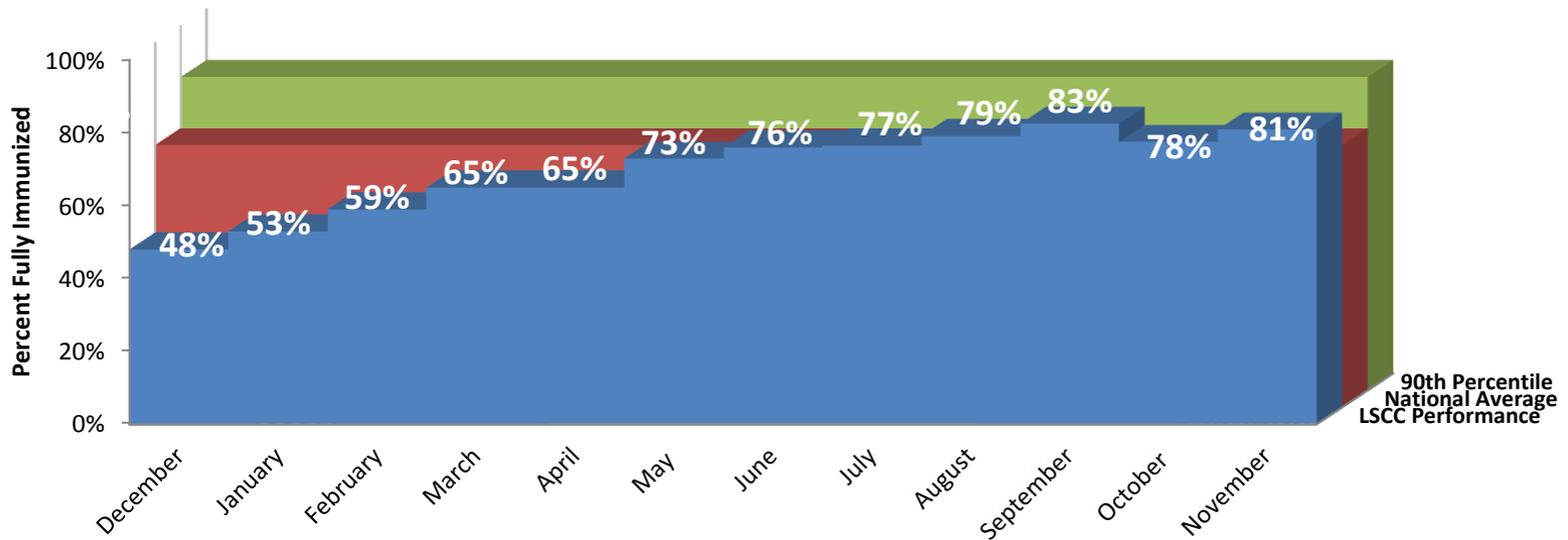
	2005	2006	2007	2008	2009	2010 Projection
Total Patient Visits	24,895	35,348	74,224	96,131	127,121	279,071
Total Clinics	4	6	8	9	17*	25*
Total Operating Budget	\$5.4 M	\$5.7 M	\$10.5 M	\$14.4 M	\$25 M	\$50 M
Federal Grant	\$650,000	\$643,500	\$651,500	\$651,500	\$747,100**	\$747,100
Non-operating Revenue (Grants/Donations)	\$512,446	\$1,166,593	\$2,087,875	\$3,700,000	\$4,500,000	\$7,284,000
Total Uncompensated Care	\$818,160	\$1,119,360	\$2,364,960	\$4,000,000	\$5,300,000	\$12.8M

*Two of these sites are clinical hubs, totaling 75,000 square feet of new clinical space.

**Increase due to stimulus funding and will continue in future years

Clinical Quality Indicators

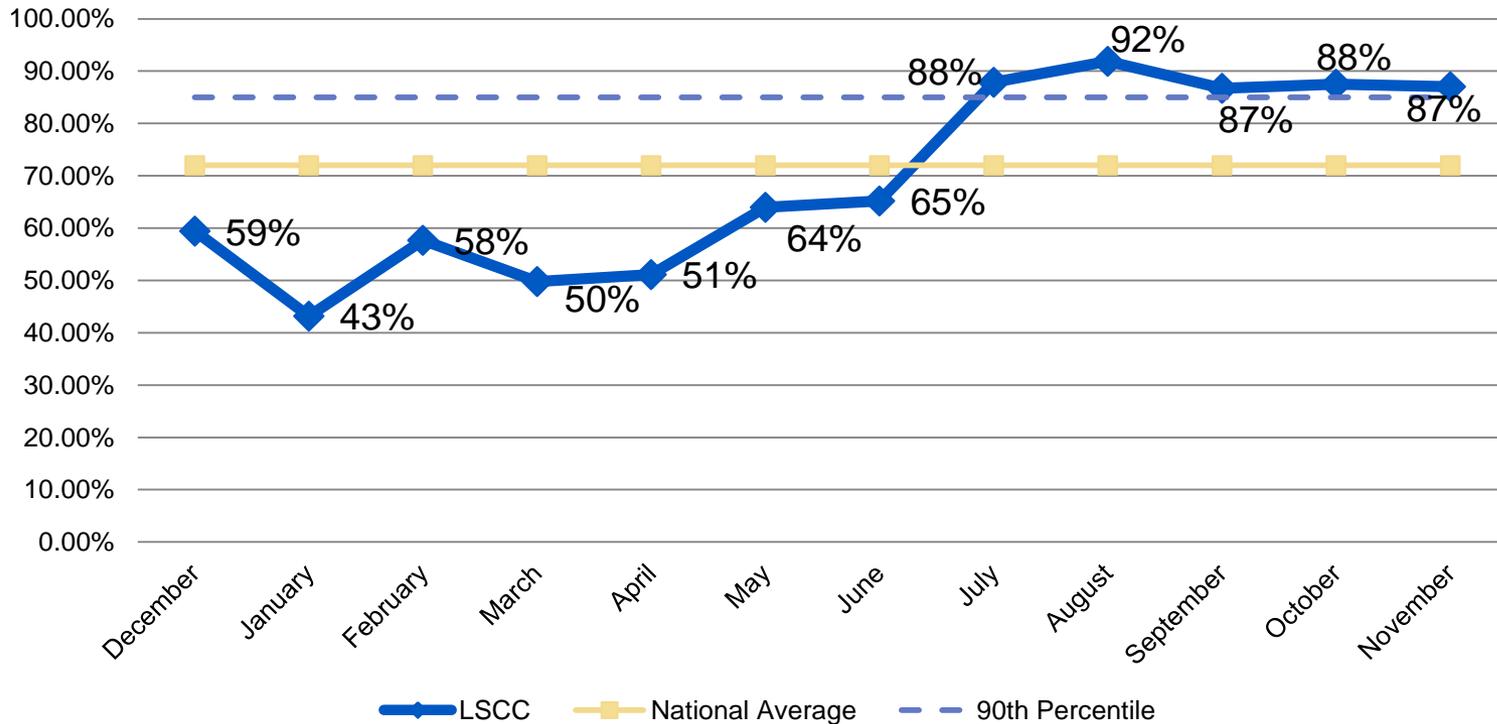
Childhood Immunizations (24-35 months old)



FY 2009

Defined as 4 or more doses of DTaP, 3 or more doses of poliovirus vaccine, 1 or more doses of any MMR, 3 or more doses of Hib, 3 or more doses of HepB, 1 or more doses of varicella vaccine, and 1 or more doses of PCV for patients aged 24-35 months

Well Child Checks (1-6 years old)



Defined as at least one well child visit in the past 12 months for pediatric patients 1 to 6 years old with more than 1 visit to an LSCC clinic.

Chronic Disease Management Programs—Asthma

- In June 2009, LSCC expanded upon a highly successful Asthma program created by Seton using ICC data to identify patients who visited the ER or were admitted to the hospital for a preventable asthma-related condition
 - To date, 115 LSCC patients have been served by the program
- Case managers visit the patients' homes, provide education including how to identify asthma triggers
- The pilot program was shown to reduce asthma-related ER visits by 40%, in-patient hospitalizations by 95%, and created an ROI of \$5.50 for every \$1 invested in the program

Clinical Quality Indicators

	Average OB Appointments per Delivered Patient
2 nd Qtr 2009	11.24
3 rd Qtr 2009	10.68
4 th Qtr 2009	11.02
1 st Qtr 2010	11.57

- Average number of women who come back for their post-partum visit 88%
- Average number of babies delivered by a LSCC OB who now have LSCC as their Pediatric medical home = 71%

Clinical Quality Indicators

	Benchmark	LSCC	Williamson County	Texas
Low Birth Weight 1500-2499 grams	$\leq 5.0\%$	5.0%	6.6%	8.4%
Very Low Birth Weight <1500 grams	$< 0.9\%$	0.3%	1.1%	1.5%

- LSCC is 20% better than the Williamson County low birth weight average which is 6.6%
- LSCC is 72% better than the Williamson County very low birth weight average which is 1.1%
- Benchmarks are from Healthy People 2010

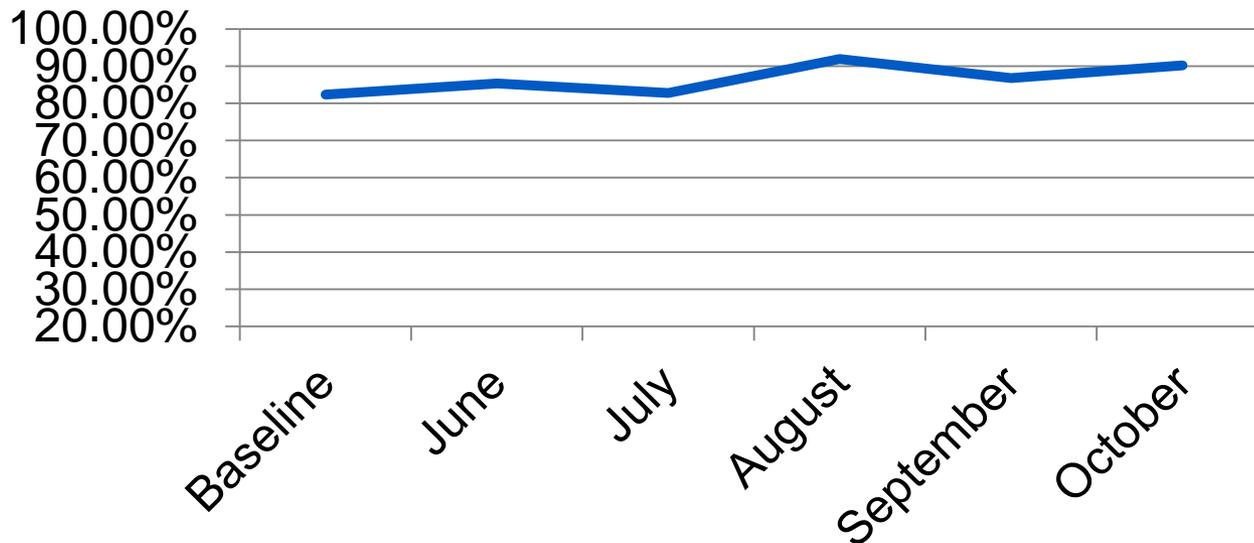
Clinical Quality Indicators

	Benchmark	LSCC	Williamson County	Texas
Pre-term birth (< 37 weeks gestation)	≤7.6%	11.0%	12.0%	13.7%

- Average gestational age
 - LSCC = 38.9 weeks
 - National = 37.2 weeks



Number of DM Patients with One HgbA1c (12 Months)



In 2009, we provided a complete medical home to 1,765 diabetic patients. In 2010, we are launching comprehensive diabetic care coordination program with a dietician and RN Diabetic Case Manager in 2010.



QUESTIONS?

