

Celebrating OUR 45TH ANNIVERSARY



ANNUAL REPORT 2014



NEIGHBORHOOD HEALTHCARE

a californiah⁺center

ANNUAL REPORT 2014

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WANT TO GET INVOLVED?

Call Connie Burke, Director of Philanthropy at (760) 520-8365 or email her at connieb@nhcare.org. You can find a list of all our health centers with contact information and hours on our website at www.nhcare.org. "Like us" on Facebook at www.facebook.com/Neighborhoodhealthcare

Celebrating OUR 45TH ANNIVERSARY



Tracy Ream, CEO

For the past 45 years, Neighborhood Healthcare has dedicated its efforts to fulfilling our mission of providing quality health care that focuses on those most in need. We are proud to be in the forefront of improving care for our patients by embracing significant changes in how care is delivered, and I'm pleased to share our successes with you in this annual report.

As health care reform has added many patients to our already busy health centers, we are committed to measuring success not just in the number of people we see each year, but in how we change their lives and health status. I'm very proud of the clinical outcomes measures that mean our diabetic patients are healthier because of us, patients are less likely to suffer the consequences of late diagnosis of colorectal cancer, and hypertensive patients are more likely to have their blood pressure under control. In the report that follows, you will see how we continue to close the gap between national goals for quality and our own measures.

All of our work wouldn't be possible without extensive partnerships with funders, other community health centers, local hospitals, and numerous other community partners, and this report highlights some of the work we have accomplished together.

A handwritten signature of Tracy Ream in black ink.

Tracy Ream, Chief Executive Officer

The Menifee Chamber of Commerce celebrates the opening of our 10th health center with a ribbon cutting ceremony.





From left to right:
Dr. James Schultz,
Dr. Gabriel Rodarte,
Dr. Karin Schiff and
Dr. Rakesh Patel.

Four Physicians Honored as *Top Docs*

The San Diego County Medical Society has named Chief Medical Officer Dr. James Schultz a 2014 Top Doctor in Family Medicine. Additionally Dr. Rakesh Patel, Dr. Karin Schiff, and psychiatrist and family medicine physician Dr. Gabriel Rodarte have also been named Top Doctors in their field. This prestigious award is peer-selected with votes from other board-certified physicians practicing in San Diego County. Neighborhood Healthcare patients can rest assured that we provide quality care for our patients with a dedicated staff of award-winning physicians.

What Our Patients Say

Dear Candace,

Words cannot begin to describe how thankful I am to you for being there to help me in my greatest time of great need. Your willingness to see me with no appointment, and so quickly, is something I will never forget. Your kindness in taking some of the stress off my shoulders to help me find services was so very touching to me. I did not have the strength in that moment to find what I needed to find, and I cannot thank you enough for guiding me to the care I needed. Thank you for staying with me and by my side in such an emotional moment, it must have been very difficult for you, yet even in your silence you stayed and were very comforting. The compassion you showed me was a very beautiful thing I will never forget; thank you from my heart. You are truly a very kind and loving individual.

The greatest thanks, Noella

Volunteers of the Year

Congratulations to Gary and Maxine Kreitzer who were honored at the 27th Annual Volunteer Awards luncheon hosted by the North County Philanthropy Council, held on Thursday, November 6th. Gary and Maxine are quiet supporters of Neighborhood Healthcare who happen to deliver big results. Maxine has faithfully served on Neighborhood Healthcare's annual Gala committee for 16 years helping to raise over \$2 million dollars to help kids and adults get life-saving healthcare. Now Gary and Maxine are at it again—raising funds for a much needed health center in Poway. Thank you, Maxine and Gary for everything you do for Neighborhood Healthcare.



Poway Capital Campaign

Help Us Bring a Health Center to Poway—
Give Generously to Help Your Neighbors in Need

It may come as a surprise, but the Poway community is one of the few areas in San Diego County that lacks a community health center for those in need. This is especially dire, as San Diego County does not operate a county hospital and relies on private nonprofit health centers to provide primary health care.

To address this, Neighborhood Healthcare is leading a \$3 million capital campaign to build the Gold Family Health Center to bring accessible and compassionate healthcare and wellness services to Poway and the surrounding North County inland communities.

A community health center will provide a permanent safety net for our neighbors who lack insurance. By building the Gold Family Health Center, our region will champion Good Health for all. And good health translates into stable employment, happier families and nurtures the hope for a strong future.

Go to www.nhcare.org/news-blog and meet three patients who explain why having a local health center would drastically improve their lives.



Healthcare for Over 62,000 People

As a private, non-profit 501(c) 3 community health organization, we serve as a safety net for the community by providing 244,000 medical, dental and behavioral health visits to 62,428 people annually.

Founded in 1969 and incorporated in 1971, Neighborhood Healthcare is an award-winning organization that is known for excelling at its mission. As a private, non-profit 501(c)3 community health organization, we serve as a safety net for the community by providing 244,000 medical, dental and behavioral health visits to 62,428 people annually. Neighborhood Healthcare began as an all-volunteer clinic in Escondido and now has ten health centers located throughout San Diego and Riverside Counties.

Neighborhood Healthcare has consistently provided high quality care when compared to national standards. Services include medical care for all ages, prenatal care, family planning, HIV testing, dental and behavioral health services, health education, and pharmacy and lab services.

Tracy Ream, Neighborhood Healthcare's CEO, has served the organization for 28 years spearheading the expansion of the organization from a one-site health center with seven staff members to a ten site, two-county health system with more than 500 employees.



Helping Our Diabetic Patients

S. Mark Taper Foundation Grant Helps Diabetic Patients

The S. Mark Taper Foundation granted Neighborhood Healthcare \$80,000 to support medication management for nearly 500 diabetic patients including 165 retinal exams.

"We appreciate the S. Mark Taper Foundation for their generosity as this program will benefit our patients tremendously by helping them get optimal treatment and achieve positive health outcomes," said Tracy Ream, CEO of Neighborhood Healthcare.

Medication management is the monitoring of medications that a patient takes to confirm that he or she is complying with a medication regimen, while also ensuring the patient is avoiding potentially dangerous drug interactions and other complications. This is especially important for patients who take large numbers of medications to address chronic illnesses and multiple diseases.

"We have seen encouraging results. In the first two months, 19 patients have reached their goal with their blood pressure. A couple of patients were able to do this with only two visits to the team pharmacist," said Michael Scheffer, Director of Neighborhood Healthcare's Pharmacy Services. He adds "This leading edge program is resulting in fewer hospital readmissions and fewer Emergency Room visits for our patients."

What our Patients are saying about our new medication management program:

"When I first came in I was nervous, then after a few minutes with Erika and the pharmacist, I felt more comfortable.

After the visit, I knew I could control my blood pressure. They made it so easy."

"The Pharmacist and her assistant have given me a list of my drugs and when to take them. That has made things much easier."



Neighborhood Healthcare's Medication Management Team:

Erika Bazan, MA Care Coordinator; Melissa Barajas, RN, BSN, PHN Director of Population Health; Michelle Hughes, Pharm.D., BCPS Resident Pharmacist; Tomas Hernandez, MA Care Coordinator; and Michael Scheffer, RPh, MBA Director of Pharmacy Services

Overview of Neighborhood Healthcare's 10 Centers.

14% of people in
Escondido rely on
Neighborhood
Healthcare for
services.

Ray M. Dickinson
Wellness Center



425 N. Date Street
Escondido, CA

This center provides a wide variety of services, including dental care, behavioral health services, assistance with access to care, diabetes management, and administration.

Neighborhood Healthcare
~Grand Avenue~



1001 E. Grand Avenue
Escondido, CA

Our health center specializing in caring for adults, ages 50 and older.

Neighborhood Healthcare
~Valley Parkway~



728 E Valley Parkway
Escondido, CA

Offers family planning and health services for women and men as well as adolescent wellness services. Our teen clinic is designed to meet unique healthcare needs of adolescents.

Neighborhood Healthcare
~Pediatrics & Prenatal~



426 N. Date Street
Escondido, CA

Our Pediatrics & Prenatal center helps to keep future generations healthy. 4,291 children and 1,523 women receive care each year at our health center built in 2006.

Neighborhood Healthcare
~Escondido~



460 E. Elm Street
Escondido, CA

Our busy health center sees 14,846 people a year in over 42,389 visits, many who are referred from Palomar Health's emergency department.

Neighborhood Healthcare
~Lakeside~



10039A Vine Street
Lakeside, CA

This small town health center provides medical and dental care for 5,440 children and adults.

Neighborhood Healthcare
~Pauma Valley~



16650 Highway 76
Pauma Valley, CA

One out of four households in the Pauma Valley/Pala area relies on us for pediatric and adult care, prenatal care, and dental care. Our providers here care for 2,286 patients in 6,855 visits.

Neighborhood Healthcare
~El Cajon~



855 E. Madison Avenue
El Cajon, CA

One out of ten households in El Cajon relies on Neighborhood Healthcare for services. Care is offered to patients of all ages and to many patients who only speak Arabic. Our providers here care for 11,386 patients in 45,249 visits.

Neighborhood Healthcare
~Temecula~



41840 Enterprise Circle North
Temecula, CA

A recent consolidation of two health centers in Temecula provides comprehensive services under one roof. Medical care for all ages (including prenatal care and education), behavioral health services, and psychiatry through telemedicine are offered to patients.

Neighborhood Healthcare
~Menifee~



26926-B Cherry Hills Blvd
Menifee, CA

Our newest health center, Neighborhood Healthcare ~ Menifee, provides primary health care services to patients of all ages.

The Gold Family Health Center
~Poway~



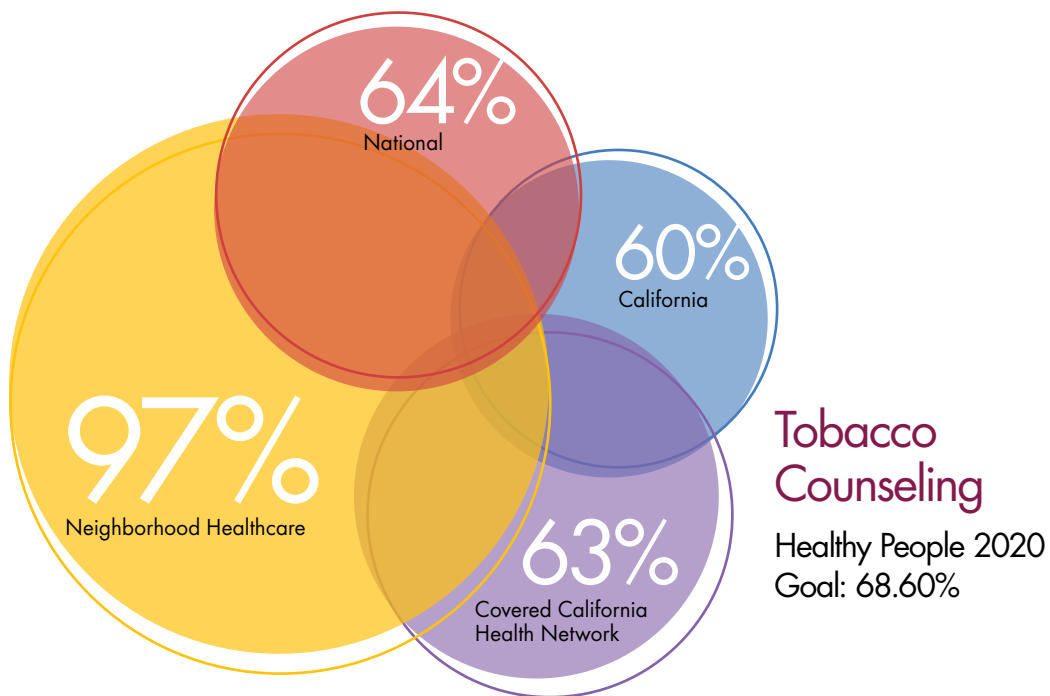
13010 Poway Road
Poway, CA

Our proposed new health center will offer healthcare to 7,500 people in Poway and surrounding areas.

2014 Clinical Performance Measures

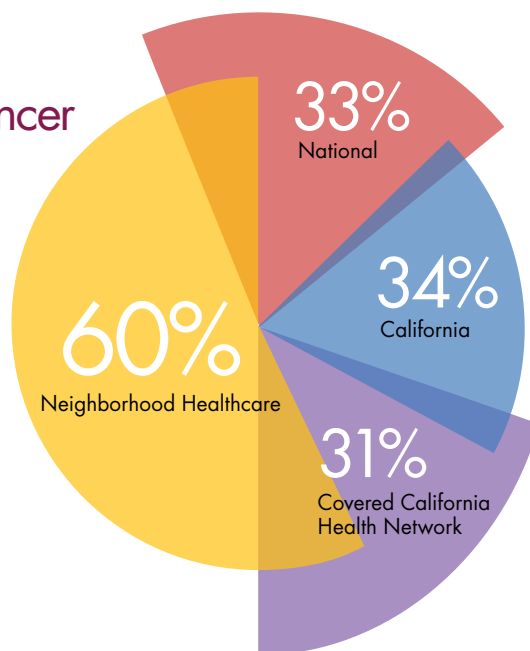


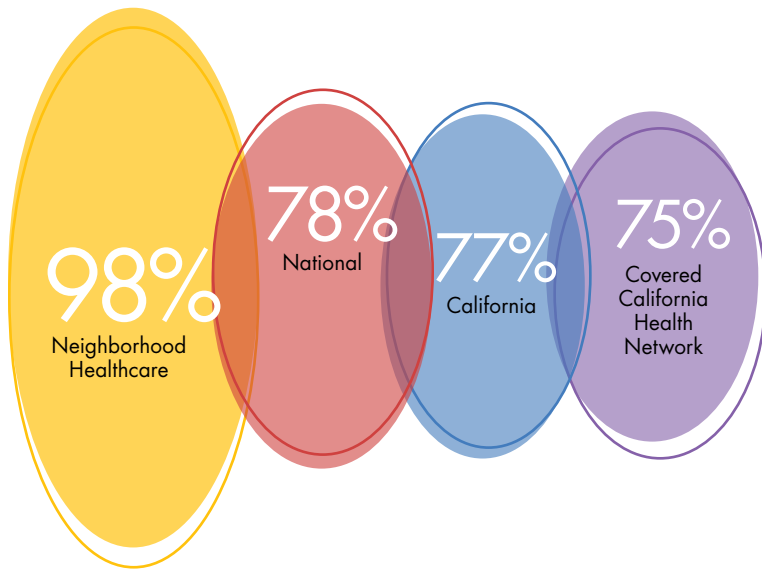
cover dozens of healthcare issues and track quality of care for our patients. Please see a few examples of how Neighborhood Healthcare is measuring up.



Colorectal Cancer Screening

CDC/ACS 2018
Goal: 80%



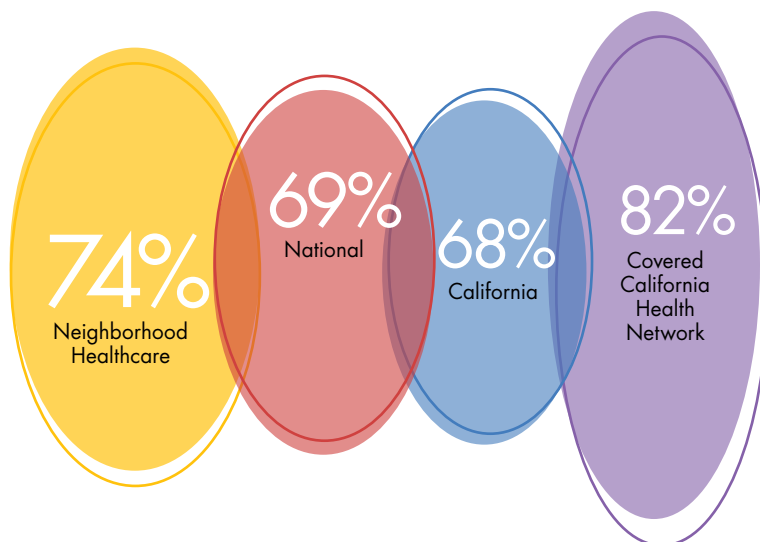
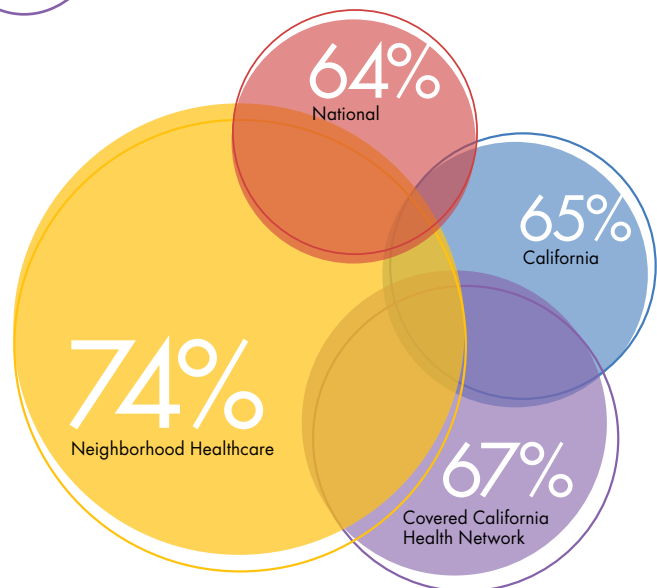


Asthma Treatment Plan

Goal: 95%

Number of Hypertension Patients with Controlled Blood Pressure

Healthy People 2020
Goal: 61.20%



Number of Diabetic Patients with a1c <=9

Healthy People 2020
Goal: 85.40%



Celebrating OUR 45TH ANNIVERSARY

QUALITY HEALTHCARE FOR
OUR NEIGHBORS IN NEED

1969

- ♦ Dr. Oliver Thomas and Escondido Volunteers Open First Clinic

1970s

- ♦ Nonprofit Status Granted
- ♦ Volunteer Dental Services Added
- ♦ New Building Allows More Patients to Get Care
- ♦ Auxiliary Created to Help Raise Funds and Friends



Go to www.nhcare.org/mission-and-vision to watch our 45 year video





1980s

- ◆ Prenatal Care Grows Helping Moms and Babies
- ◆ New CEO, Tracy Ream
- ◆ First Fulltime Physician
- ◆ Open on Saturdays
- ◆ Offer Care to HIV Patients



1990s

- ◆ 5 New Clinics Open: Temecula, Pauma Valley, Lakeside, El Cajon and La Mesa
- ◆ HIV and Migrant Outreach Expands
- ◆ Project Dulce Program Educates Diabetic Patients
- ◆ First Pace Setter Gala





2000 to present

- ♦ Valley Dairyman Ernest J. Allen's Bequest helps to Create Agency Endowment
- ♦ Named a Federally Qualified Health Center
- ♦ Dickinson Foundation and Community help Fund New Wellness Center
- ♦ First 5 Funding Brings New Prenatal/ Pediatric Center to serve 7,500
- ♦ El Cajon Health Center Expands to Meet Growing Needs
- ♦ Dental Services for Children Expands to three Health Centers
- ♦ Behavioral Healthcare Services are integrated into Primary Care
- ♦ New Temecula, Menifee and Valley Parkway health centers open





Pace Setter

Save the Date

**17th Annual Pace Setter Gala
Saturday, June 6, 2015**

Orfila Vineyards, Escondido ♦ 5:30-9:00 pm

Please join us to celebrate the life-changing and life-saving care we offer to 62,000 patients every year. This year, Pace Setter proceeds will help fund our future health center in Poway. Proceeds will be matched by a generous donor.

Online ticket sales start April 1, 2015
at www.nhcare.org/pace-setter-registration-2015

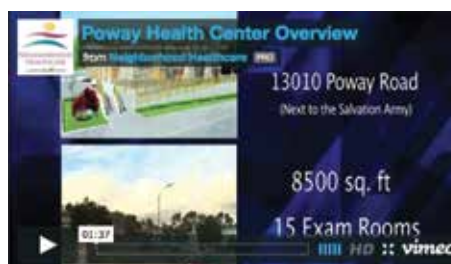
Tickets are \$150 each.

Special thank you to our title sponsor: BioMed Realty.



Thank you in advance for your generous sponsorships.
For more information, please call Connie Burke,
Director of Philanthropy at (760) 520-8365 or
email her at connieb@nhcare.org.

Visit www.nhcare.org/financial-information/funding-received-fiscal-year-2013-2014 to see a list of Neighborhood Healthcare donors.



Top left: As part of our Reach Out and Read program, doctors and nurses give children a book at each well child exam to promote early literacy and school readiness.

To learn more about our future Poway health center, watch a short video at www.nhcare.org/news-blog/

Growth & Vision of the Future

The financial information contained in this annual report represents a condensed version of the Fiscal Year 2014 audited financial statements. A complete set of the audited financial statements, with accompanying notes and report of independent accountant, is available at Neighborhood Healthcare's administrative offices.

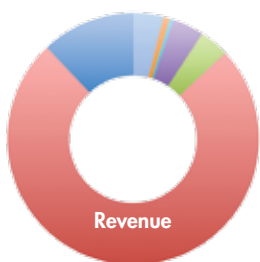
Fiscal Year 2014



- Medical (83.4%)
- Dental (9.1%)
- Behavioral Health (7.5%)
- Inpatient (0.0%)



- Uninsured (12.5%)
- Medi-Cal (64.3%)
- Medicare (7.5%)
- Public Programs (14.6%)
- Private Insurance (1.1%)



- Federal, State and Local Grants (12.0%)
- 3rd Party Reimbursement (74.9%)
- Community Program Grants & Contracts (3.8%)
- Patient Fees (4.0%)
- Private Insurance (0.5%)
- Donations (0.9%)
- Other (3.9%)

Growth (5-Year Trend)

FY	Annual Visits	Total Expenses	Total Assets	Total Net Assets
2010	268,814	33,867,514	27,498,573	19,893,742
2011	248,008	35,660,146	30,246,390	20,435,969
2012	281,196	38,468,862	29,270,539	21,517,948
2013	279,786	41,422,504	32,360,693	24,074,908
2014	243,774	39,146,009	36,615,092	29,158,591

Visits by Program

FY	Medical	Dental	Behavioral Health	Inpatient	TOTAL
2011	168,972	18,733	12,448	47,855	248,008
2012	197,800	19,285	15,172	48,939	281,196
2013	197,535	22,734	17,734	41,783	279,786
2014	203,316	22,113	18,345	-	243,774

Visits by Payor (5-Year Trend)

FY	Uninsured	Medi-Cal	Medicare	Public Insurance	Private Insurance	TOTAL
2010	43,510	118,572	36,290	54,969	15,473	268,814
2011	41,087	107,574	36,552	47,960	14,835	248,008
2012	41,216	131,367	37,292	53,248	18,073	281,196
2013	38,550	130,528	33,696	60,719	16,293	279,786
2014	30,385	156,683	18,268	35,568	2,869	243,774

Revenue

FY	TOTAL	Government	Patient Services	Non-Government Grants & Contracts
2010	36,913,364	4,183,124	23,193,088	4,168,278
2011	35,532,840	3,577,303	23,165,340	4,874,891
2012	39,514,743	2,854,473	26,985,962	4,391,683
2013	43,270,119	3,736,414	30,403,294	4,653,827
2014	43,111,081	5,190,614	32,307,247	1,638,269

FY	Patient Fees	Private Insurance	Contributions	Other
2010	1,766,687	1,951,840	1,391,703	258,644
2011	1,544,454	1,548,371	385,419	437,062
2012	2,118,401	1,682,305	267,360	1,214,558
2013	2,175,194	1,465,023	202,973	633,394
2014	1,737,891	204,315	363,697	1,669,048

Statement of Financial Position

June 30, 2014 and 2013

Assets	2014	2013
Current Assets	17,210,414	14,739,917
Property and Equipment	17,834,872	16,278,554
Board Designated Endowment	1,569,806	1,342,222
TOTAL ASSETS:	36,615,092	32,360,693
Liabilities & Net Assets		
Liabilities:		
Current Liabilities	3,482,221	4,040,821
Long Term Debt	3,974,280	4,244,964
TOTAL LIABILITIES:	7,456,501	8,285,785
Net Assets:		
Unrestricted	29,158,591	24,074,908
Temporarily Restricted		
TOTAL NET ASSETS:	29,158,591	24,074,908
TOTAL LIABILITIES & NET ASSETS:	36,615,092	32,360,693

Financial Growth

Growth in Assets from 2010 - 2014					
	6/30/14	6/30/13	6/30/12	6/30/11	6/30/10
Total Assets	\$36,615,092	\$32,360,693	\$29,270,539	\$30,246,390	\$27,498,573
Net Assets	\$29,158,591	\$24,074,908	\$21,517,948	\$20,435,969	\$19,893,742

Statement of Activities

For the Years Ended June 30, 2014 and 2013

Revenue And Other Support	2014	2013
Patient and third party revenues, net	35,368,064	34,043,512
Grant Revenue	6,828,883	8,390,241
Donations	363,697	202,973
Other	550,437	633,394
TOTAL SUPPORT AND REVENUE:	43,111,081	43,270,120
Expenses		
Personnel	29,518,318	32,080,692
Contract Services	2,357,375	2,800,530
Supplies	2,496,951	2,471,191
Communications	347,324	362,253
Equipment	1,136,486	690,724
Occupancy	1,290,279	1,262,674
Insurance	152,874	152,724
Depreciation and amortization	812,208	704,482
Other expenses	1,034,194	897,234
TOTAL EXPENSES:	39,146,009	41,422,504

Annual Patient Visits: Growth

	2014	2013
Patient Service Fees	30,385	38,550
Medi-Cal (Fee for service and Managed Care)	156,683	130,528
Medicare	18,268	33,696
Public Insurance	35,569	60,719
Private Insurance	2,869	16,293
TOTAL PATIENT VISITS:	243,774	279,786

"Financial results for Fiscal Year 2014 were strong as net assets grew by more than \$5,000,000 and healthcare reform took shape. This resulted in a 21% decrease in uninsured visits that shifted to visits covered by local health plans. Outpatient visits increased by 2% for a total of 244,000 outpatient visits provided during the year. With net assets of over \$29,000,000, Neighborhood Healthcare is in a strong position to implement payment reform. This will shift our focus from managing patients to managing populations with the goal of enhancing the patient experience, improving health outcomes, and reducing overall cost. "

– Lisa Daigle,
Chief Financial Officer



Thanks to Delta Dental Community Care Foundation's funding, Neighborhood Healthcare held numerous free dental clinics helping our uninsured adults, uninsured teens and uninsured children. Thanks for making our patients smile Delta Dental Community Care Foundation!

2014

BY THE NUMBERS

Providing affordable and compassionate healthcare for 45 years to our neighbors most in need.

Patients
62,428

Children
(12 and under)
15,364

Outpatient visits/day
994

Outpatient visits/year
244,000

Employees
520

Licensed Medical,
Dental, and Behavioral
Healthcare staff
130

Neighborhood
Healthcare Physicians
who are board
certified eligible:
100%

Grant Funding Received Fiscal Year 2013/2014

DATE	Title/Summary	Funding Source	Location	Amount Received
Jul 2013	Free Community Dental Clinics	Delta Dental	All	\$10,000.00
Jul 2013	Outreach and Enrollment (Expanded O&R to respond to health care reform)	U.S. Health and Human Services Department	All	\$382,448.00
Aug 2013	Title X	California Family Health Council	All	\$148,510.00
Nov 2013	New Access Point -- Menifee	U.S. Health and Human Services Department	All	\$1,300,000.00
Nov 2013	Community Clinic Core Support	Blue Shield of California	All	\$17,000.00
Dec 2013	Care Transitions (Patient Kiosks)	Kaiser Permanente San Diego	All	\$18,750.00
Dec 2013	Teens Take Care	Palomar Pomerado Health (PPH); Community Action Committee	All	\$200.00
Dec 2013	Diabetes Population Management	CVS NACHC (National Assoc. of Community Health Centers)	All	\$40,000.00
Jan 2014	Temecula Capital Support	Harry and Jeanette Weinberg Foundation	Temecula	\$300,000.00
Feb 2014	Vision Screener	CECO (San Diego County Employees Charitable Organization)	Escondido	\$6,890.00
Feb 2014	Health Center Funding	U.S. Health and Human Services Department	All	\$2,378,446.00
Mar 2014	Building Systems of Care	CCI Innovations	All	\$12,000.00
		TOTAL		\$4,614,244.00

Grant Funding

Continues To Help Us Move Forward

Neighborhood Healthcare has been fortunate in its ongoing success at securing grant funding that supports continuous efforts at improving the quality and value of patient care provided. Significant progress has been made in improving clinical outcomes for colon cancer screening with a generous donation of FIT tests. Chronic disease management for hypertension and diabetes is becoming more comprehensive with the addition of Pharmacist-led medication management thanks to generous funding from the S. Mark Taper Foundation, the Kaiser Community Benefit Fund, and UCSD.

Neighborhood Healthcare has been at the forefront of the national movement to integrate behavioral health services into the community health center primary care setting having established this model in 2007. We believe behavioral health is critical to maintaining overall health and therefore are continuing to develop and optimize our behavioral health services so that they are available to everyone in our community that needs them. Supplemental funding from the U.S. Department of Health and Human Services, Health Resources and Services Administration is allowing us to strengthen behavioral health integration to facilitate community outreach and mental health promotion, as well as long-term monitoring and management of affected individuals.

Behavioral Health Consultants are located in the primary care health centers where they support the patients' care team and are available for immediate consultation when needed. These therapists are part of the treatment team assisting in screening for behavioral health issues like depression or substance abuse and providing behavioral change interventions for conditions like diabetes or obesity that require significant behavioral change to improve.

Our work does not end in the health center. Neighborhood Healthcare is committed to providing our community with information, education and increased access to services. Our dedicated Community Outreach Workers deliver vital health care information at various community venues. As Certified Enrollment Counselors, they have assisted thousands of residents in enrolling in health insurance through Covered California. Free dental clinics supported by Delta Dental provide care for those who would otherwise not receive treatment.

We thank our supporters for their contributions and partnership in helping us achieve our mission.

Vision Statement

Neighborhood Healthcare will be a provider of choice in the community, an innovative leader in clinical outcomes, and an advocate for the uninsured.

Mission Statement

Neighborhood Healthcare is committed to providing quality health care and promoting wellness to everyone in our communities, focusing on those most in need.



NEIGHBORHOOD HEALTHCARE

a california *health** center

www.nhcare.org