

SEMO HEALTH NETWORK

From Financial Crisis to
Sustainable Success



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THE CHALLENGE: FACING FISCAL EMERGENCY

SEMO Health Network is a Federally Qualified Health Center that has been serving the Southeast Missouri Bootheel since 1979. Today, SEMO Health Network operates 13 locations offering medical, dental, OB, and behavioral health services to the community, with a mission to provide extraordinary healthcare in a way that best serves patients and encourages healthy lifestyle choices.

In 2012, SEMO faced imminent bankruptcy. Despite growing revenues, expenses were increasing at a faster rate, creating significant cash flow issues. Accounts receivable and accounts payable balances had ballooned beyond normal levels, credit sources were exhausted, and the organization struggled to make payroll and pay vendors. The situation was further complicated by a change in leadership and pending HRSA site conditions.

When SEMO's CEO was terminated, they reached out to Community Link Consulting (CLC) for emergency assistance. Joel Hughes, Founder of CLC, immediately stepped in to provide interim CEO services while also guiding the CFO through this critical period.



THE SOLUTION: STRATEGIC INTERVENTION & DECISIVE ACTION

CLC conducted a comprehensive assessment to identify the root causes of SEMO's fiscal emergency. The evaluation included analysis of current staffing and wages, a detailed review of the balance sheet and income statement, and an examination of UDS reports to understand costs per visit, collections per visit, and subsidy per visit over a three-year trending period. Growth was methodically measured by site, users, FTEs, and encounters, providing a complete financial picture.

This thorough assessment revealed multiple critical issues:

- Federal grant revenue was exhausted for the current period
- AR and AP balances had aging of over 151 days
- Financial reporting lacked necessary transparency and was generally lacking
- Board members weren't adequately educated for effective oversight
- Staff were not working at full capacity and lacked understanding of FQHC finance and compliance.
- Growth had outpaced sustainable revenue streams

Acting swiftly, CLC implemented a strategic recovery plan:

COST CATEGORY	IMPACT
Staffing	30% reduction in total staff, elimination of overtime
Accounts Receivable	Prioritized collection efforts reduced balances significantly within two months
Vendor Management	Successfully negotiated longstanding balances while maintaining current payments
Growth Management	Closed underperforming sites to pause unsustainable expansion
Financial Reporting	Developed new reports providing greater transparency
Governance	Educated board members on program requirements and committee structure

THE OUTCOME: FROM CRISIS TO SUSTAINABILITY IN 120 DAYS

Within just four months of implementing CLC's recommendations, SEMO Health Network began to recover. The organization not only survived the financial crisis but has continued to thrive, eventually reopening sites that were closed during the recovery period.

MEASURED IMPACT: LONG-TERM VALUE CREATION

- Financial Stability: Transformed from bankruptcy risk to sustainable operation
- Operational Efficiency: Achieved significant reduction in expenses through strategic downsizing
- Enhanced Accountability: Staff now fully committed to organizational success and job requirements
- Improved Governance: Board and management oversight substantially strengthened
- Transparent Reporting: New financial reports providing clear visibility into financial health
- Long-term Partnership: Built lasting relationship with the organization, supporting continued success

"We called on Community Link Consulting during a financial catastrophe. Working with our board and staff, CLC devised a financial recovery plan that has allowed us to pay down our debt significantly and start on a path to sustainability. We would simply not be in existence today without the planning, expertise, knowledge and friendship of CLC."

- Chris Jones, CEO, SEMO Health Network

We see opportunities where others see only challenges.

Contact us today to discover how CLC can transform your organization's financial health.



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