

## NEWPORT MENTAL HEALTH

### Responding to a cash flow crisis that threatened crucial services

#### THE MOMENT:

Thousands of people in the Rhode Island area rely on the services of Newport Mental Health every day. But in 2016, Medicaid, the Center's primary funding source, suddenly changed its reimbursement system—delaying payments for months.

This massive overhaul in Medicaid's payment process put a huge strain on the organization's cash flow. Not only did that threaten the financial stability of Newport Mental Health itself, but also of its eight community mental health programs.

*"We're a public service. If someone is suicidal, we have to be there. We have 24-hour emergency services and same-day walk-in service. We simply couldn't afford not to continue delivering services... even though we weren't being paid for them."*

—Jamie Lehane, Newport Mental Health

#### THE RESPONSE:

Webster met with Jamie Lehane, President and CEO of Newport Mental Health, to better understand his challenges. Together they reviewed all aspects of the business. They determined that, despite receivables falling behind by months, the business was fundamentally strong.

So Webster assembled a team of specialists to tailor a plan to help Newport Mental Health regain their financial footing.



Jamie Lehane, President & CEO

#### CLIENT BACKGROUND:

Jamie Lehane, President & CEO  
Newport Mental Health  
Webster client: 4 years

**Type of business:** A nonprofit that serves children, adolescents, families, and adults challenged by mental illness, substance abuse or stress

**Location:** Middletown, Rhode Island

**What mattered most:** To prevent a dramatic overhaul in the timing of Medicaid payments from forcing Newport Mental Health to reduce or even suspend crucial services

**The Webster response:** A comprehensive cash flow stabilization solution to help them get through the payment lag and an improved cash management system for maximizing cash flow efficiency moving forward



### THE RESPONSE: (CONT.)

To address both the short- and long-term financial needs of the organization, Webster provided:

- **A time note** to get them through the payment lag
- **Flexible access to cash** through a Webster Business Line of Credit
- **More affordable mortgage payments** through a new Webster Term Mortgage Loan
- **An improved cash management system** to help them better predict and respond to future fluctuations in cash flow
- **Secure and efficient reconciling of paper checks** through the Automatic Clearing House Electronic Payment System

### THE RESULTS:

Today, Newport Mental Health has regained their fiscal strength—to the point where they are growing their service lines. They have even opened Horizon Pharmacy, specializing in psychiatric medications. Over the past two years, this start-up has grown to be a \$10 million business serving more than 1,000 customers.

Newport Mental Health is also bringing in new mental health partners, with plans to expand services into assisted living and skilled nursing facilities.

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*“We provide an invaluable resource to the community, helping thousands of people every year. But in a moment, it all could have come to an end. Webster stood by us so that we could continue to stand by our community.”*

—Jamie Lehane, Newport Mental Health

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Watch his story and others at [WebsterMoments.com](http://WebsterMoments.com)

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