

Health Center Capital Project Plans and Funding Needs

As health reform spurs demand, are health centers prepared to increase their capacity to meet the needs of a growing patient base? Capital Link completed its 2015 capital needs assessment, requesting input from approximately 1,200 health centers nationwide. The assessment sought information on near-term facility needs and challenges, funding sources, and interest in collaborative projects addressing the social determinants of health. For detailed results, access the complete report at www.caplink.org/resources/reports.

Growth Plans

79% of health centers have plans to initiate a capital project within the next several years, most pursuing two or more projects. These plans represent **2,300 capital projects**.

Current Investment

\$4.6 billion is the estimated total cost of planned projects, which will enable health centers to:

- build almost **12 million square feet of space**
- accommodate **6,100 new providers**
- serve **5.4 million new patients** annually

Altogether this investment should allow health centers to serve a total of **27 million patients** annually.

2,300 capital projects are currently planned by health centers



Funding Sources & Challenges

Funding Sources

- 75% have a line of credit, but insufficient to meet needs
- 68% have facilities-related long-term debt, but 62% think they will need to borrow more
- 36% need growth capital, flexible debt not tied to a project
- 25% have equipment loans, but 37% may need one in the future
- 13% need to refinance

75% of health centers reported funding gaps for planned projects.

Challenges to financing facilities

- 74% securing grant funding
- 60% building sufficient equity
- 53% fundraising
- 50% not enough staff to work on project



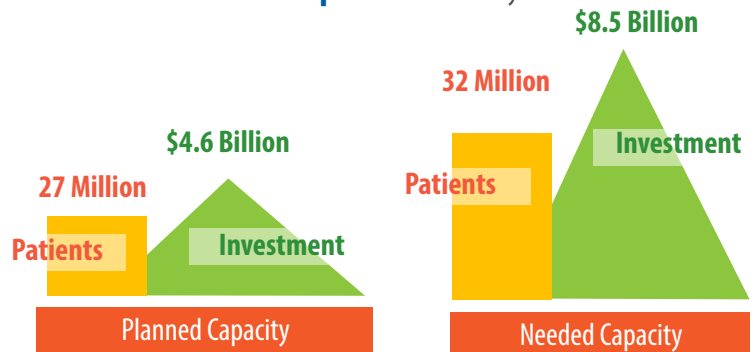
Need for Investment beyond Current Capital Plans

To serve up to **32 million patients expected** by 2020, however, health centers would need to invest nearly **\$4 billion** more than currently planned.

Needed Investment

\$8.5 billion is the total needed investment which will enable health centers to:

- construct or renovate **22 million square feet of space**
- accommodate **11,300 new providers**
- serve **10 million new patients** annually



Collaborative Projects

33% of centers are interested in co-locating or collaborating with a separate entity to address the social determinants of health.

Near-term collaborative projects reported

- 64% behavioral health
- 51% mental health provider
- 41% substance abuse/chemical dependency treatment
- 40% schools
- 35% dental
- 32% health department
- 32% pharmacy (third party)
- 28% housing
- 9% healthy foods retailer

