

Health Center Stories:

Katy Trail Community Health, MO

This summary describes how Missouri Federally Qualified Health Center Katy Trail Community Health (KTCH) planned and financed its new facility, a unique project called Harbor Village that will co-locate three social services organizations. KTCH worked with mental health provider Pathways Community Health and a partnership of Friends of the Warsaw Senior Center and Care Connection for Aging Services, which offer support services for senior citizens. The concept was to build and operate a central site for the three organizations to coordinate care and provide a variety of health and wellness services to the growing senior population of Benton County in central Missouri.

Sharing and coordinating resources resulted in fewer dollars spent and an ability to serve more people. It allowed each of the partners to leverage their resources to fund the construction of the facility and implementation of programs after construction. The location for Harbor Village is on 6.8 acres near Warsaw, the site of Katy Trail Community Health's current leased space. It is within walking distance of private medical clinics, a retail pharmacy, and community walking trails. Once the new center is complete, KTHC's current leased space in Warsaw will be vacated.

About Katy Trail Community Health

Katy Trail Community Health (KTCH) is an FQHC providing out-patient medical, dental and behavioral health services primarily to the low-income residents of a three county area of west central Missouri. KTCH currently provides services from three locations: a main clinic in Sedalia and two small satellite clinics located in Warsaw and Versailles. In 2011, KTHC provided services to 11,550 people at its sites. Katy Trail Community Health was recently recognized as a patient-centered medical home by The National Committee for Quality Assurance (NCQA), the first in the West Central Missouri area to achieve this distinction.

The Community Need for Integrated Care

Harbor Village's Harbor Village was conceived in response to a real community need that called for seamless integration of nutrition, social, primary and behavioral health services. The critical need population is adults, with an emphasis on older adults (65+). The population of Benton County, MO has grown faster than that of the rest of the state. From 2000-2005, the population grew 9.7%, due primarily to the large influx of retirees to the natural beauty of the area. Benton County has the second highest aging population of 65 and older in Missouri. The median age for residents is 45.6 compared to 37.4 for Missouri. The population growth rate is projected to slow somewhat in the next five years, but the percentage of residents 65 years old and above is expected to continue to increase to almost 30% by 2016. (Source: DemographicsNow.com). In addition, the residents of Benton County are of substantially lower income than the population of Missouri as a whole, perhaps due to the increase in seniors on fixed incomes.

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Currently, each of these partner organizations provides health care and social services at various locations to many of the same residents in Benton County. All three have identified significant numbers of residents who have been unable to access much needed health and wellness assistance, and the population in need of these services continues to grow, creating more unmet need than ever before.

The current senior center leases space of and just 1,000 square feet in an old supermarket. All meals are prepared and brought in from a senior center located 37 miles away (74 miles round trip). The maximum capacity at the current facility is 50 for congregate meals and activities are very limited due to the severe space restrictions. Now more than ever, there is demand for meals, with much of this increase being attributed to the poor state of the national economy.

The Capital Project: Harbor Village

The scope of the project is to design and build a new 24,870 square foot, one story facility that provides space for all three partners to provide services and flexible space for conversion to community meeting use. The building will house 6 medical exam rooms, 1 procedure room and 3 dental operatories for use by KTCH. In addition there will be 9 counseling rooms (plus a group meeting room) for use by Pathways. Care Connections will have an adult resource center, recreation/education areas including a computer lab and fitness center, a dining room for 200, café services and a fully equipped commercial kitchen.



A rendering of Harbor Village

For KTCH, Harbor Village represents a significant capacity expansion as the current Warsaw clinic has only 1,500 square feet of clinical space. The new medical/dental space will be substantially more efficient and will increase provider productivity, expand capacity and improve the patient's experience. Construction was started in April, 2012 and is scheduled to be completed in the spring of 2013.



Construction progress to date

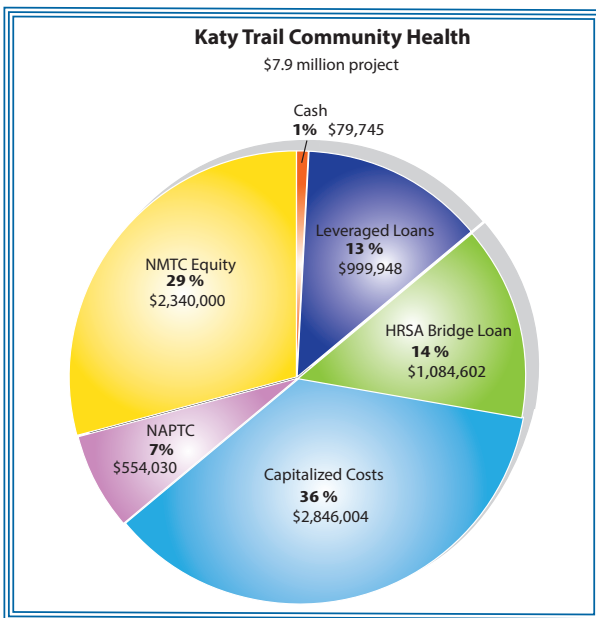
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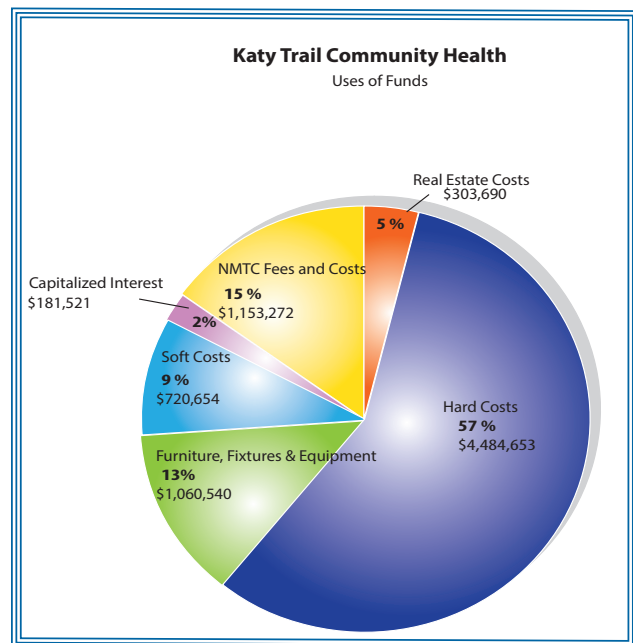
Project Funding/Financing

The \$7.9 million project was creatively funded with important contributions from each of the partners. Funding sources included: a federal capital grant from the Health Resources and Services Administration, KTCH cash equity raised from Neighborhood Assistance Program (NAP) tax credits, cash and in-kind (land) contributions to KTCH from its partners from their NAP proceeds, a long-term bank loan and New Markets Tax Credit (NMTC) equity.

The key element of this financing plan is the use of a leveraged New Markets Tax Credit (NMTC) transaction that will, at the end of the seven-year tax credit period, boost KTCH's total project equity. The NMTC structure helped to reduce project debt. It is the intent of the partners that KTCH own the land and building at the end of the New Markets Tax Credit period and the other cooperating entities will pay monthly rent to KTCH for the space utilized.



The sources of funds for the capital project are shown in this chart to the left, while the uses of funds are shown below.



Community and Economic Impacts

The project will create 29 construction jobs and up to 77 new permanent positions at the health center. After completion, the project will allow the health center to serve an additional 9,000 patients through an additional 25,000 annual visits.

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Community and Economic Impacts (continued)

The charts below show the impact of KTCH's expansion on the community.

	2011 (1 year prior to project start)	2016 expanded operations (5 years after project start)
Number of Patients Served	13,679	22,748
Number of Patient Visits	33,256	59,075
Patient Revenues	\$3,432,530	\$7,461,242
Total Operating Revenue	\$5,429,233	\$9,330,368
Total Operating Expenditure	\$5,533,532	\$8,844,748
Direct Employment (FTEs)	67	92
Additional Jobs	25	34
Total Economic Impact	\$7,829,300	\$12,246,661

2012 Capital Project	
Total Project Cost	\$7,884,851
Direct Employment	77
Construction Jobs	29
Total Economic Impact	\$10,625,852

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