

Health Center Stories:

Family Health Centers, WA

This project summary describes how Family Health Centers (FHC) planned and financed the construction of its new main clinic facility in Omak, WA. Completed in July 2014, the 19,793 square foot facility more than doubles the number of exam and procedure rooms, helping the FHC system expand capacity to serve more than 97,000 patient visits per year by 2017.

About Family Health Centers

Family Health Centers (FHC) is a Federally Qualified Health Center (FQHC) providing outpatient adult and pediatric medical, dental, obstetrics, lab, pharmacy, outreach, and WIC (Women, Infants & Children) services to the residents of North Central Washington's Okanogan County. Incorporated in 1985, FHC has been an important part of the community for close to 30 years and is the only Joint Commission accredited health care provider in the county. FHC has grown from one doctor with a small support staff to a comprehensive health care system with clinics in Omak, Okanogan, Brewster, Oroville, Tonasket, and Bridgeport, and another opening soon in Twisp. Each health center is as unique as the town in which it is located, but all share the same mission: to provide access to high-quality, affordable health care services regardless of race, income, or insurance status in order to help strengthen the area's health care delivery system.

FHC is a necessary resource in the area, serving more than 30 percent of the residents of Okanogan county, where poverty is nearly double the state rate. In 2013, FHC served 14,394 patients. Thirty-three percent of adult patients had no health insurance and 41% percent were Medicaid/CHIP recipients. Ninety-four percent earned 200 percent or below the federal poverty level.

**A rendering of FHC's
new main clinic in
Omak, WA.**



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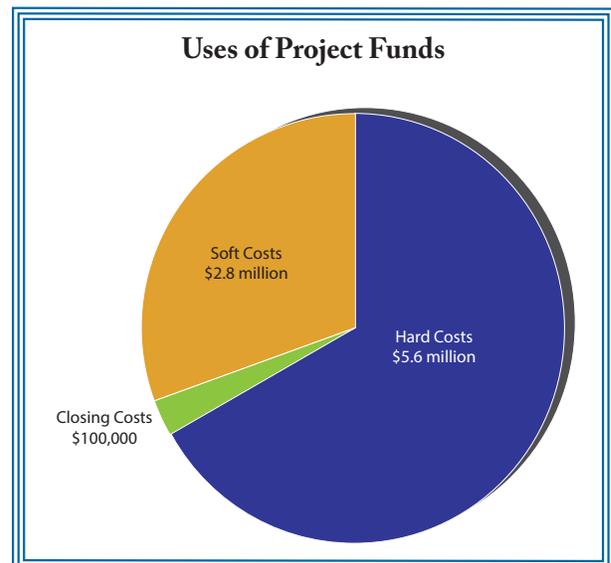
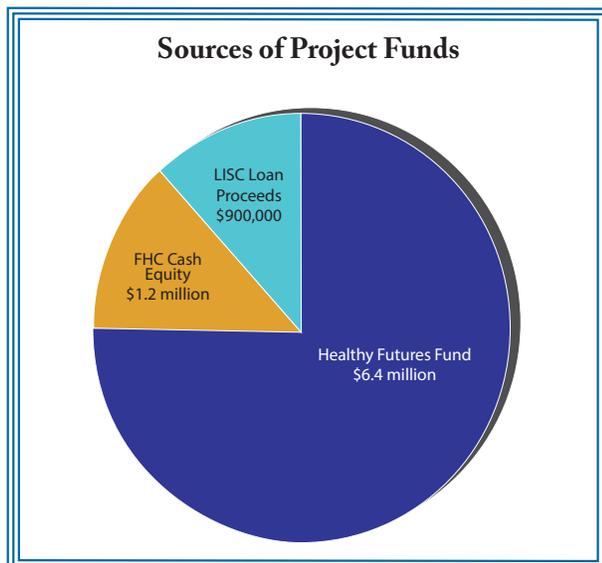
Capital Project Description

FHC engaged in this capital project to address a significant capacity expansion need. Unlike many other rural areas in the country, the population of Okanogan County has been growing since 1980. The poverty rate in the market area is higher than the state as a whole, and there is a substantially higher percentage of migrant workers as a result of the employment opportunities in the commercial fruit industry's local orchards and packing plants. These population and poverty rates are projected to continue into the foreseeable future.

FHC's former main clinic, located in Okanogan, occupied five outdated buildings with a combined square footage of just 5,250 square feet. The new main clinic facility is located in the nearby town of Omak and is 19,793 square-feet, housing 24 medical exam rooms and four procedure rooms. The five-acre site includes 166 parking spaces, a city bus stop, and pedestrian access to specialist and diagnostic services at Confluence Health – Omak Clinic and behavioral health and substance abuse treatment services at Okanogan Behavioral Healthcare, which are both located across the street. The project employed sustainable design practices including skylights, automatic lighting, efficiency-rated HVAC, and landscaping and storm drainage to reduce and/or eliminate adverse environmental impacts. There is also space on the property to accommodate a dental clinic facility in the future. This capital project has both increased FHC's capacity and created an attractive and efficient primary care delivery site.

Project Financing

FHC financed the majority of the \$8.5 million project utilizing a \$6.4 million loan from the Healthy Futures Fund (HFF) — a first-of-its-kind collaboration cofounded by Local Initiatives Support Corporation (LISC), The Kresge Foundation, and Morgan Stanley to support accessible health care and affordable housing in low-income communities. A HFF loan is unique in that it provides access to New Markets Tax Credits for smaller sized expansion projects, and offers significantly lower transaction costs and forgiveness of a portion of the debt after four years. Other sources of financing included a \$900,000 LISC subordinated loan and \$1.2 million in FHC cash equity. The project's sources and uses of funds are illustrated below.



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Impact

Capital Link uses an integrated economic modeling and planning tool called IMPLAN (IMpact analysis for PLANning) to assess the multiplier effect of each health center's business operations, job creation, and likely future growth. Economic activity can be calculated in terms of direct, indirect, and induced impact. Direct benefits flow from expanded operations, new facilities, and hiring. Indirect benefits come from local purchases. Induced benefits occur from spending resulting from new household income as all local industries grow.

Prior to the expansion, FHC contributed approximately \$10.1 million annually directly to the local economy, plus additional indirect and induced economic impact of about \$5.2 million for an overall impact of over \$15.3 million. By 2017, the direct economic impact is estimated to be just under \$14.8 million and the indirect and induced impact at around \$7.7 million, for a total economic impact of slightly over \$22.5 million.

With the expansion of services being offered, the project is anticipated to add approximately 36 permanent Full-Time Equivalent employees by 2017. The chart below shows the additional impact of FHC's expansion on the community.

	2012 (prior to project start)	2017 (projected)
Number of Patients Served	12,547	22,739
Number of Patient Visits	53,701	97,323
Total Operating Revenue	\$10,247,963	\$14,925,987
Total Expenses	\$10,083,129	\$14,784,110
Permanent Direct Employment	120	156
Indirect and Induced Employment	46	67
Total Economic Impact (Direct, Indirect, and Induced)	\$15,346,987	\$22,502,097

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