

Health Center Stories:

Community Health and Social Services Center, Inc., MI

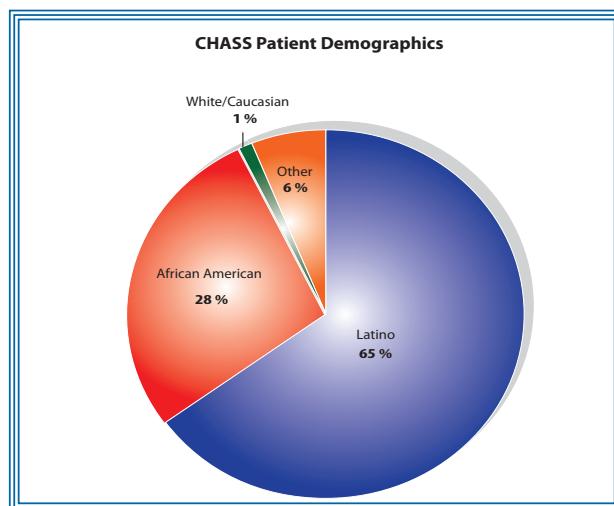
This summary describes how Community Health and Social Services Center, Inc. (CHASS) planned and financed its expansion project, highlighting the capital project structure, financing and impact. Capital Link worked with CHASS throughout the planning of its capital project and developed this “health center story” to assist other health centers. Located in Detroit, Michigan, CHASS completed its new Southwest Center and Administrative Headquarters in 2012, a 48,000 square foot facility that tripled clinical operations.

The health center initiated the project in response to increased demand for its services. Total number of patients is expected to increase 93% by 2018, while total visits are expected to more than double. Expanding enabled the health center to fulfill its vision of providing a patient-centered medical home for its community, reducing wait times, offering a comfortable environment and increasing the number of patients served. It is hoped that improved operational efficiencies and a revised reimbursement model will also ensure CHASS’s long-term sustainability.

About CHASS

CHASS was established in 1970 as a well baby clinic through the efforts of community residents and has grown into a multi-site Federally Qualified Health Center offering comprehensive primary care and wellness services, including dental and mental health services, to the uninsured and underinsured of southwest Detroit. Specialty care is provided through a unique arrangement with Henry Ford Health System, a world-renowned medical provider, which offers outpatient services on the same sliding scale set by CHASS, often discounted up to 90%.

CHASS is regarded as a national model for the delivery of health care to urban populations with services specifically designed to meet the needs of Detroit’s multi-cultural community. Currently, CHASS patients are predominantly Latino. 45% of all patients are best served in language other than English. Women and children are by far the largest segment of the population served by CHASS.



In 2009, prior to the capital project, CHASS had an annual operating budget of just over \$5.7 million. Medical and dental services were provided to over 13,800 unduplicated patients, just fewer than 46,800 prescriptions (an average of 150 scripts per day) were filled at substantially discounted rates, and more than 600 healthy babies were born to CHASS families (27% of all births at HFHS Main Campus). CHASS’ payer mix was 83% uninsured, 13% Medicaid and 4% private insurance or Medicare.

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The Capital Project

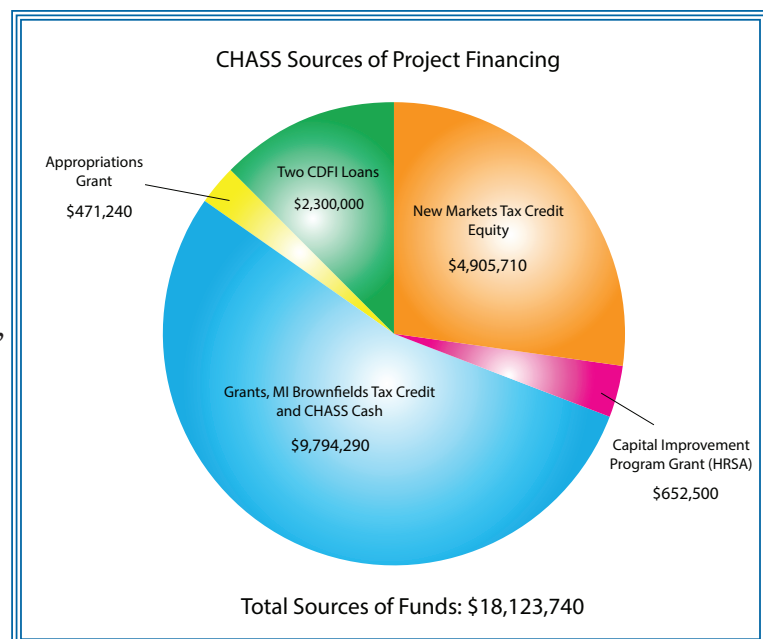
The 48,000 square foot new medical complex replaced a cramped 15,000 square foot former auto dealership on West Fort Street and Junction, the health center's original facility. Four medical pods, totaling 8,300 square feet of medical clinic space, now support 24 examination rooms and four procedure rooms. Six dental operatories, Pharmacy services, lab and WIC, all located on the first floor, complement the medical services area. The "green" design features an outdoor healing garden with flower beds and public art as well as a vegetable garden to enhance nutritional and agri-education initiatives. The increased capacity allowed CHASS to eliminate a two-month waiting list for new patients and implement important wellness, prevention and intervention programs for vulnerable populations.



An exterior view of CHASS's new facility.

Project Funding/Financing

The \$18 million capital project was funded using a wide variety of sources that ultimately resulted in only \$2.3 million of the total financing needing to be repaid or refinanced in full. Sources of funds included a successful capital campaign generating over \$8 million in grants, health center cash, a state of Michigan Brownfields Tax Credit, a HRSA Capital Improvement Program (CIP) grant, a federal appropriations grant, loans from two Community Development Financial Institutions (CDFIs) and a New Markets Tax Credit transaction that leveraged nearly \$5 million in investor equity.



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Impact

The added space meant the health center could increase staff capacity by adding 50 full-time employees, doubling the number of individuals, children and families it can serve and providing education and support for the community at large. CHASS increased the number of healthcare providers, thereby reducing the physician-to-patient ratio, and 190 temporary construction jobs were created. Historical and projected figures illustrating the positive impact of the capital project on the community are provided from detailed financial forecasts and an economic impact analysis completed as part of the project.

	2010 (prior to project start)	2016 (projected)
Number of Patients Served	18,000	33,704
Number of Patient Visits	37,628	78,798
Total Operating Revenue	\$5,810,073	\$11,018,889
Permanent Direct Employment	73	107
Total Economic Impact	\$10,155,616	\$17,611,599