



GraceHealth

YOUR COMMUNITY HEALTH CENTER

WE HEAL PEOPLE

HEALTHY PEOPLE, HEALTHY COMMUNITIES

ACCESS

PEOPLE

QUALITY

COMMUNITY

EXCELLING, SERVING, REACHING, HEALING

The mission of Grace Health is to show the love and share the truth of Jesus Christ to southeastern Kentucky, through access to compassionate, high quality, primary health care for the whole person.

JESUS CHRIST

Strategic Plan



Targets (3-5 years)

- 1. Organization Culture**
Patients First
- 2. Invest in People**
Start and Implement Grace "U"
- 3. Open New Locations**
South Laurel Clinic
Medical Campus
Barbourville Clinic
North Whitley Clinic
- 4. Start New Programs**
Restorative Dentistry
Optometry
- 5. Strengthen Private Insurance & Other 3rd Party Payer Contracts**

Purpose

WE HEAL PEOPLE

Vision

HEALTHY PEOPLE,
HEALTHY COMMUNITIES

Pillars to Success

- ACCESS** - Improve Access to quality health care and services
- QUALITY** - Quality yields continuous performance improvement and financial sustainability
- PEOPLE** - Attract, engage, develop, and retain the best People
- COMMUNITY** - Meet Community needs

Strategic Goals

1 Regional primary health care provider of choice

2 Expand and enhance clinic programs and services

3 Strengthen and transform financial position and sustainability

4 Advancement of Community Board of Directors

Core Values

EXCELLING

Maintaining the highest standards and achieve them by continually measuring and improving our outcomes through integrity and teamwork.

SERVING

Exceeding our patients' and/or fellow caregivers expectations for comfort and convenience

REACHING

Welcome change, encourage innovation, and continually seek better, more efficient ways to achieve our goals

HEALING

Demonstrate our commitment to world-class care by providing a caring supportive environment for our patients, patients' families, and fellow caregivers

Needs Assessment

SERVICE AREA

Counties: Bell, Clay, Knox, Laurel, Leslie, & Whitley

ECONOMIC

- Poverty rate: 33.7% is double the state and national avg
- Child poverty rate: 44.6% is more than double the state and national avg
- More than 50% of the population is NOT in the workforce

DEMOGRAPHIC

- The median age is 39.7
- 18.1% of population is school-aged children
- 15.45% of population is 65 yo+

HEALTH DISPARITIES

Diabetes, Cardiovascular disease, cancer, mental health, substance abuse, oral health, maternal health, high infant mortality rates, high adult smoking rates, including during pregnancy, obesity, health literacy/education

BARRIERS

- Income & poverty levels
- Lack of public transportation
- Low educational attainment / health literacy

ACCESS TO CARE

- Services for vulnerable populations in the service area: Primary Care (Family Practice, Internal Medicine, Women's Care, Pediatric), Mental Health & Substance Abuse, Dental

Grace Health Services

- Family Practice
- Internal Medicine
- Women's Care
- OB/GYN & MAT Program
- Pediatrics
- Behavioral Health
 - Vivitrol Program
- School Based Health
- School Based Dental
- 340b Drug Discount Program
- Pharmacy
- Telehealth Program
- Hospital Coverage
- Nursing Home Coverage
- Laboratory
- X-ray
- Outreach & Education
- Transportation Agreement
- Grace Health University

2021 Grace Health

10 Clinic Sites with Board approval of 11th site

34 School Based Clinic Sites

301 Employees

31,527 Unduplicated Patients

6 County Service Area

GRACE HEALTH SERVICE AREA



Grace Service Area:

- Clay County
- Knox County
- Leslie County
- Whitley County
- Bell County
- Laurel County

Grace Health Patient Visits

2013 served	22,156
2014 served	29,203
2015 served	56,387
2016 served	85,234
2017 served	113,010
2018 served	121,352
2019 served	125,735
2020 served	115,549 (pandemic)
2021 projected	116,229 (pandemic)

Grace Health HRSA Loan Guarantee Projects

- Successfully applied and obtained two HRSA Loan Guarantees on two different capital projects (both under the new program application)
 - Grace Health Women's Care Facility Alteration/Renovation Project
 - Total Project ~\$3 Million (HRSA Loan Guarantee on \$1,725,000)
 - Grace Health Medical Campus Facility Alteration/Renovation Project
 - Total Project ~\$29 Million (HRSA Loan Guarantee on \$13,000,000)
 - Project included New Market Tax Credit (NMTC) Program Subsidization/Leveraging
 - HRSA Approved the loan guarantee of \$13 Million on an UPPER TIER SOURCE LOAN that was leveraged by NMTC's
 - Great Opportunity to have a NMTC source loan guaranteed by HRSA

The image shows the exterior of a modern medical building. The main sign is illuminated and features a blue cross icon to the left of the text. The building has a light-colored facade with a dark grey base and large glass windows. A prominent white pillar is on the right. The foreground includes a paved walkway, young trees, and landscaping with rocks and plants. The sky is blue with some clouds.

 GraceHealth
WOMEN'S CARE

Grace Health Women's Care Alteration/Renovation Project

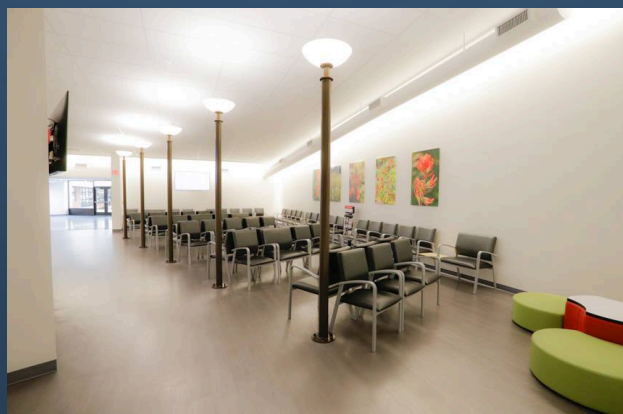
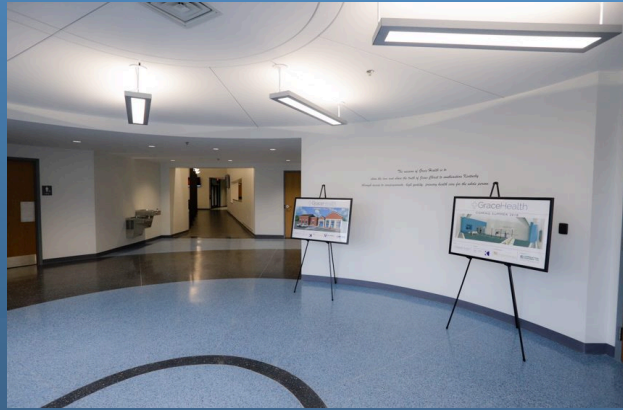
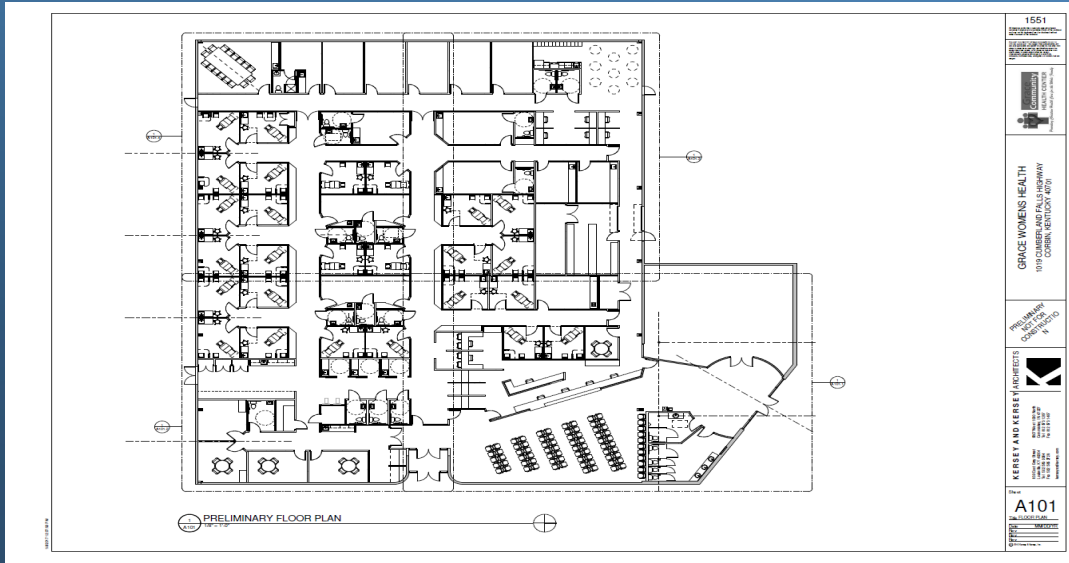
- Total Project ~\$3 Million (HRSA Loan Guarantee on \$1,725,000)
 - 19,000 sq. ft. (from ~9,000 sq. ft.)
 - Abundant level parking
 - 26 dedicated exam rooms + 2 dedicated procedure rooms
 - 3 dedicated Ultrasound rooms, (GE Volusons: 1-E8, 2-E6, 2-P8)
 - Services Added On-Site
 - Fetal Non-Stress Test (dedicated room with 2 Stations)
 - Behavioral Health (dedicated counseling rooms)
 - Medically Assisted Treatment (MAT) Program
 - Over 1,000 deliveries for the 2nd consecutive year and the only time in this market's history. Even during a pandemic, the number of Grace Health Women's Care patient visits exceeded the budget in 2020. This was all done with 4 OB/GYN Physician providers and 3.25 APC's.
 - New Facility Helped Recruitment Efforts (recently added 2 OBGYN's)

Grace Health Women's Care Alteration/Renovation Project

- Closing Process Experience
 - 80% HRSA Loan Guarantee provided better interest rates and longer terms
 - Leased Space (Leasehold Improvements)
 - Leasehold Mortgage (Recommendation: discuss with landlord)
 - Collateral Considerations
 - Collateralizing existing facilities built with Federal Funds
 - Recommendation: Removal of Notice of Federal Interest (NFI) in EHB ASAP
 - Match HRSA LGP Audit Reporting Requirement to CHC's Financial Audit Timeline
- HRSA LGP Application & Approval (5-7 Months)
 - Find a Lender/Financing Partner (Lender's Commitment Letter)
 - Comparable to Capital Project Grant Applications
 - Recommendation: Grant Team and/or Consultants
 - Create a Business Plan-Tell your CHC's Story and Vision
 - Financial Projections-CHC Summary and Project Facility Broken Out
 - Be prepared to support any assumptions made in projections

Grace Health Women's Care Alteration/Renovation Project

- HRSA Third Party (PCDC) Due Diligence
 - Application Questions will be provided by PCDC for preparation of a site visit, where they meet with Lender and Senior Management (including Board of Directors-not all have to participate)
 - Make sure your Lender is prepared to qualify the loan and provide monitoring/reporting requirements
 - Loan to Value (LTV) Analysis and Covenants are very important to HRSA
 - From our Application Questions, prepare to discuss the following;
 - Senior Management changes (past, present, and future)
 - Projections and assumptions in detail
 - Recommendations:
 - Provide a general cash flow statement
 - The more detail in the assumptions the better
 - Utilize source data i.e. UDS, FQHC Surveys, MGMA, etc.
 - Provider recruitment (past, present, and future)
 - 340B Program, if applicable
 - Federal and State



Grace Health Medical Campus - Corbin, KY



Grace Health Medical Campus - Corbin, KY



Grace Health Medical Campus - Corbin, KY



Grace Health Medical Campus

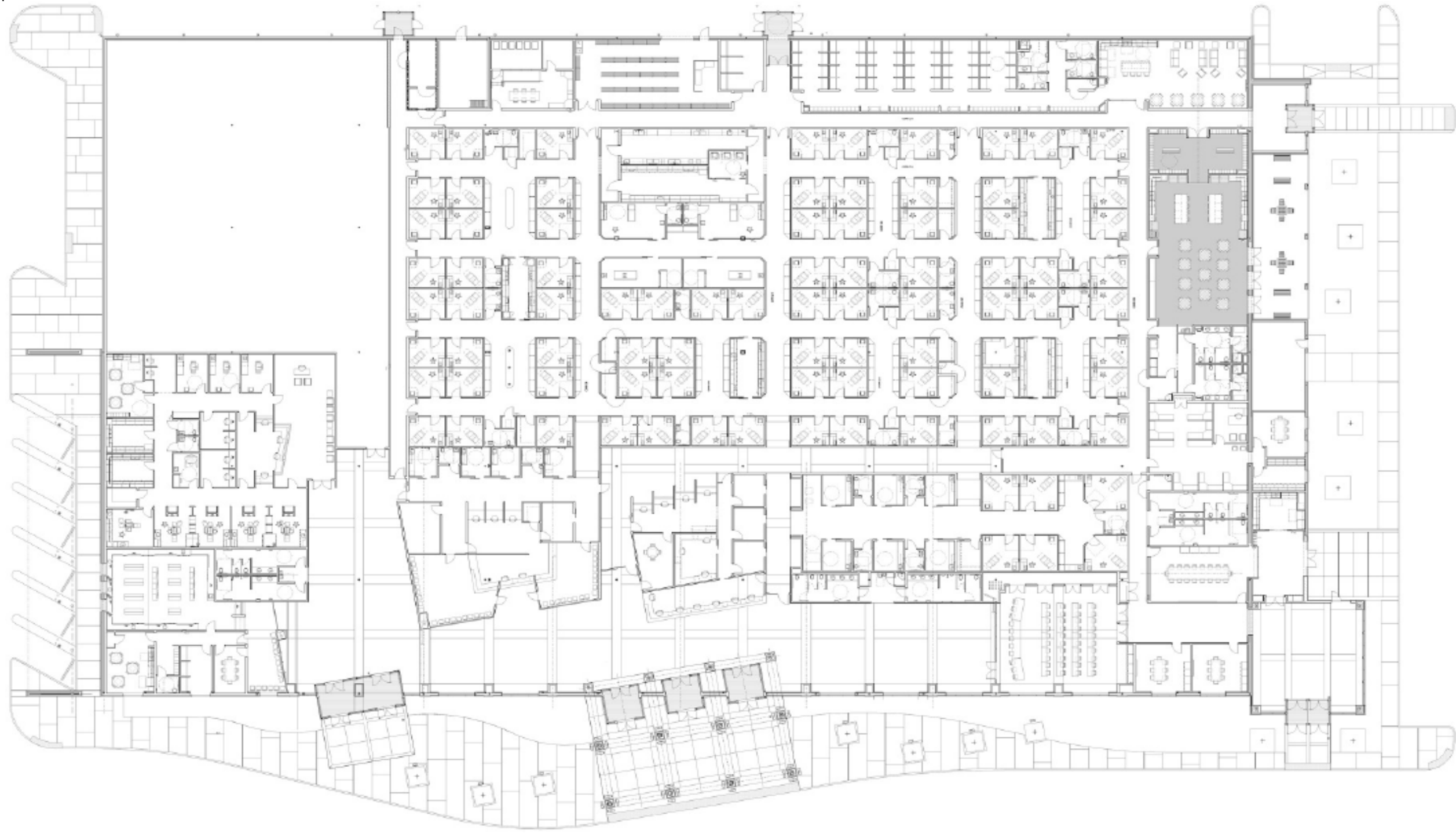
- Total Project Budget ~\$29 Million (HRSA Loan Guarantee on \$13,000,000)
 - HRSA Approved the loan guarantee of \$13 Million on an UPPER TIER SOURCE LOAN that was leveraged by NMTC's
 - 4 Local Clinic Locations Combined to 1 Medical Campus
 - ~88,000 sq. ft. (~2 acres under roof)
 - Total of 10 acres
 - 350 parking spaces
 - 30,000 AADT (2007)
 - full range of health care services to include family and internal medicine, pediatrics, behavioral health, dental, optometry, case management, a full-service pharmacy (with a 340B discount program), laboratory and x-ray services, as well as outreach and health education.
 - ~75,000 Patient Visits in 3-5 Year Projections

Grace Health Medical Campus

- Closing Process Experience
 - NMTC Transaction Related Collateral Considerations
 - In order to facilitate the NMTC financing, the health center (the project Sponsor) will establish an affiliated 501c3 Qualified Active Low-Income Community Businesses (QALICB), which will own and complete the project, and the health center will transfer and assign all of its rights to the QALICB. Health Center will enter into a ground lease with the QALICB, with the QALICB as the landlord. Health Center will operate the subject property.
 - The loan shall be secured by the following, in addition to such other security required by the Bank in its discretion and in compliance with the NMTC financing: A leasehold mortgage on the Master Lease between the Health Center and the QALICB and a collateral assignment of any potential sub-leases entered into by the Health Center. This shall be a first priority leasehold mortgage lien, together with an assignment of rents, leases and profits arising therefrom, subject only to such easements and restrictions as are approved by the Bank prior to closing.
 - Collateral Assignment of Health Center's interest in the Leverage Loan, subject to necessary forbearances required by the NMTC financing structure. The Leverage Loan will be secured by a pledge of the membership interests of the Sub-CDE(s) held by the Investment Fund, which would be 99.99% of each Sub-CDE. Each Sub-CDE's principal asset will be in the "QLICI Loans" made by each Sub-CDE to the QALICB. The QLICI Loans (and thus indirectly the Leverage Loan) will likely be secured by a Leasehold Mortgage (Ground Lease) of the QALICB, an Assignment of Rents and Leases and a blanket lien on the remaining assets of the QALICB.
 - Other Collateral Considerations
 - Collateralizing existing facilities built with Federal Funds
 - Recommendation: Removal of Notice of Federal Interest (NFI) in EHB
 - FF&E utilized to furnish the facility
- HRSA LGP Application & Approval (3-4 Months)
 - Recommendations:
 - Research/review HRSA LGP pre-application
 - Address the EID Checklist and all Environmental requirements early in the application process

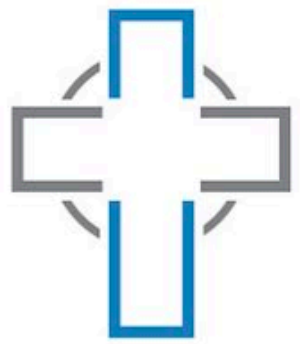
Grace Health Medical Campus

- HRSA Third Party (PCDC) Due Diligence
 - From our Application Questions, prepare to discuss the following;
 - Senior Management changes (past, present, and future)
 - Projections and assumptions in detail
 - Cash flows
 - Existing debt service
 - Provider recruitment (past, present, and future)
 - Employee recruitment/retention (past, present, and future)
 - COVID Response & Recent Awarded Federal Funding
 - PPP Loan Status, if applicable
 - 340B Program, if applicable
 - Project Details
 - Experience of Owner Representatives, Architect, Contractor
 - Project Budget/Plan & Cost Review
 - Permitting
 - FF&E
 - BOD's questions regarding role and main concerns regarding the project



Grace Health Medical Campus - Corbin, KY





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