

# The Early Project Planning Phases of a Capital Development Project

---

September 14, 2023

**Beth Edwards**

Senior Director, Project Consulting  
Health Center Operations and Facilities  
Planner



[www.caplink.org](http://www.caplink.org)

**Our Vision:** Stronger health centers, actively building healthy communities

**Our Mission:** Capital Link works to strengthen community health centers—financially and operationally—in a rapidly changing marketplace. We help health centers:



Nearly  
**30 years**  
of experience

Worked with  
**50+**  
PCAs/HCCNs  
and regional  
consortia

ASSISTED **2/3rds** OF HEALTH CENTERS NATIONALLY

LEVERAGED **\$1.4 billion**

FOR **246+** HEALTH CENTER PROJECTS

TOTALING OVER **\$1.7 billion**

- Launched in 1995, nonprofit, HRSA national cooperative partner
- Offices in CA, CO, AL, and MA
- Leveraged \$1.4 billion in financing for over 246 capital projects (about 10% of current health center facility space)
  - **Direct assistance** to health centers and complementary nonprofit organizations in planning for and financing operational growth and capital needs
  - **Industry vision and leadership** in the development of strategies for organizational, facilities, operational, and financial improvements
  - **Metrics and analytical services** for measuring health center impact, evaluating financial and operating trends and promoting performance improvement



## Early

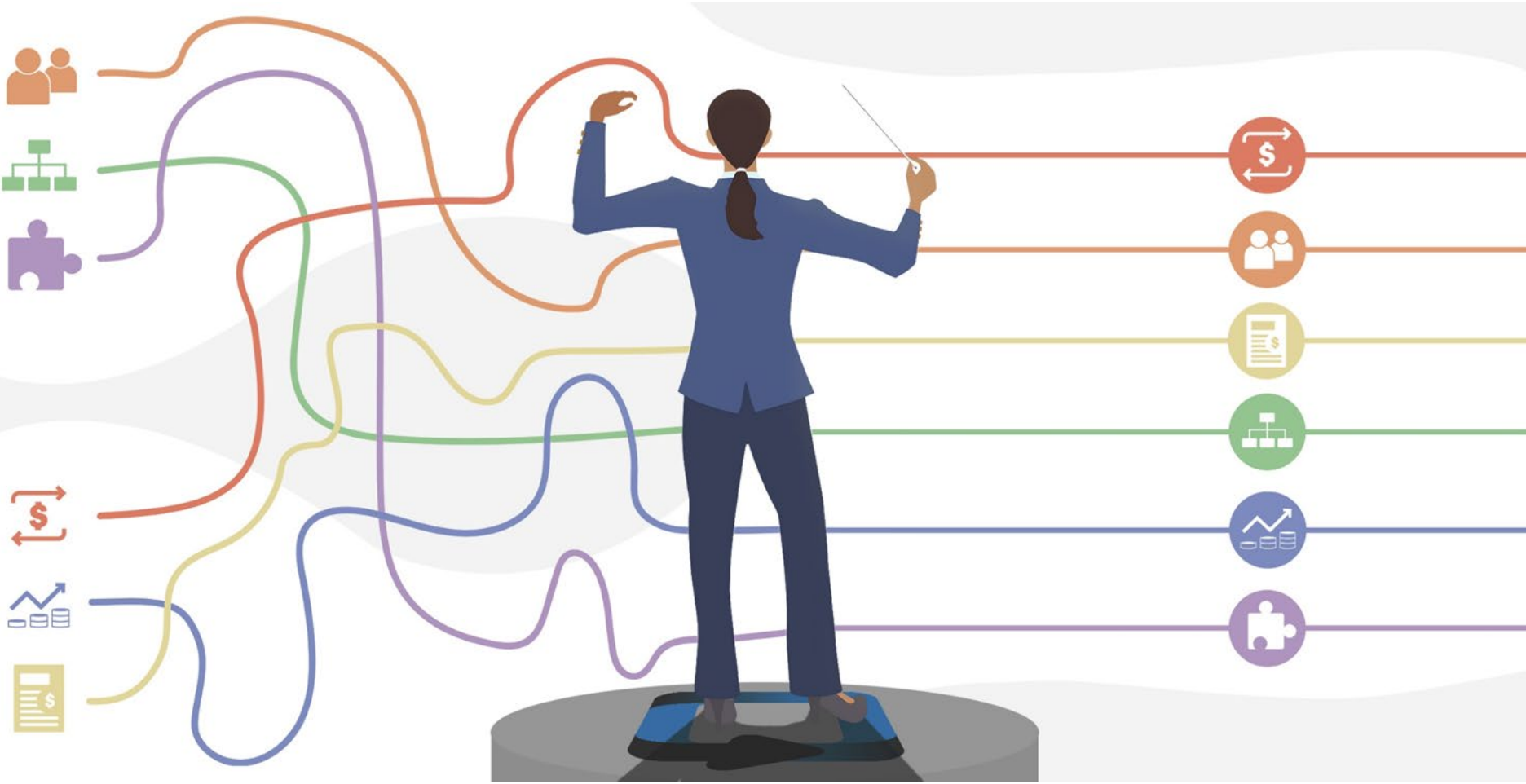
- Strategic Planning
- Market Evaluation
- Operations Assessment
- Readiness
- New Space Planning



## Late

- Staffing
- Forecasting
- Financial Planning

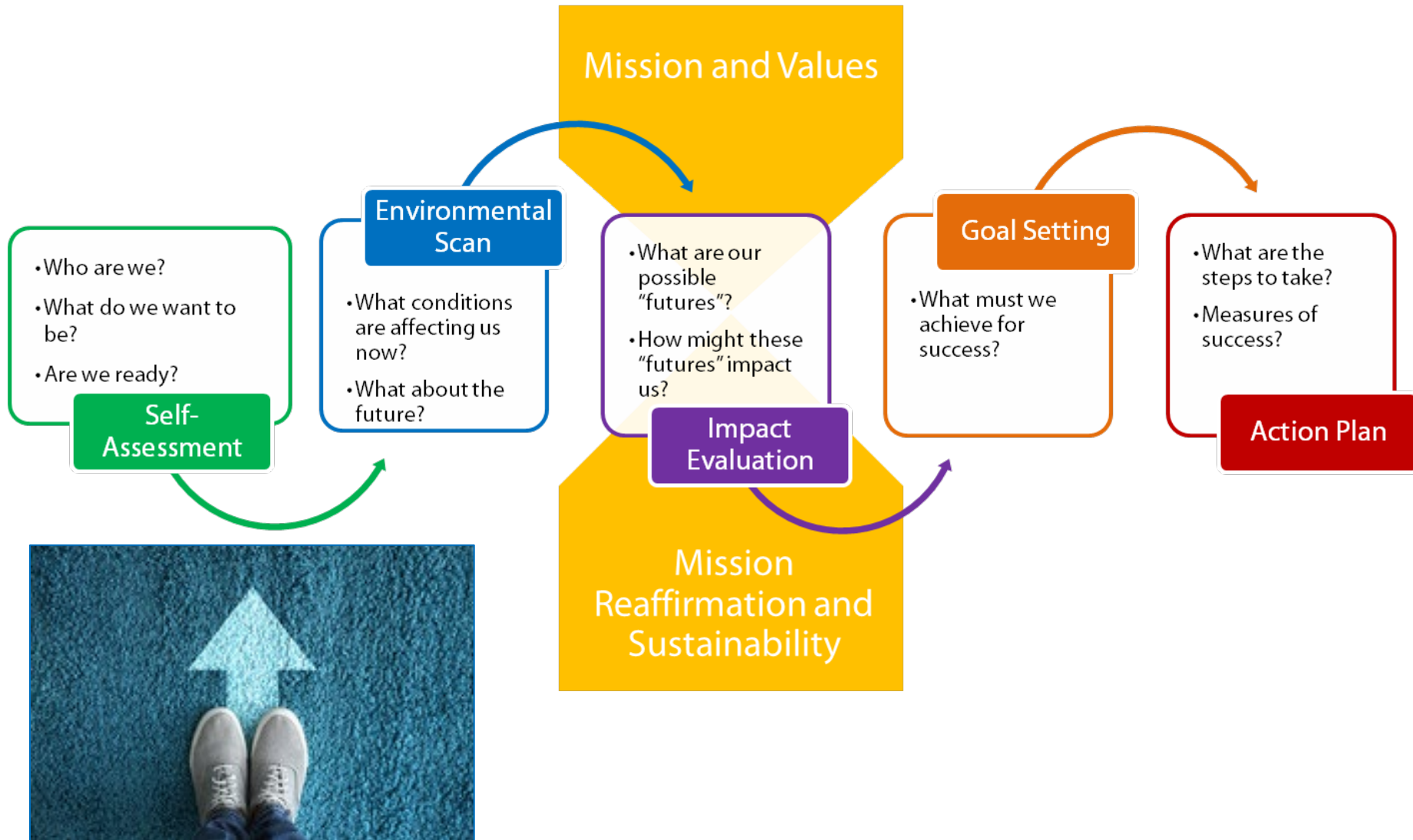
# *Strategic Planning*



“If you don’t know where you are going,  
any road will get you there.”



- Provides a guide for *everyday* decisions and *long-term* direction
- A tool to help keep pace with changes
- HRSA kindly asks of you 😊
  - The health center’s board minutes and other relevant documents confirm that the board exercises, without restriction, the following authorities, and functions:
    - Conducting long-range/strategic planning at least once every three years, which, at a minimum, addresses financial management and capital expenditure needs







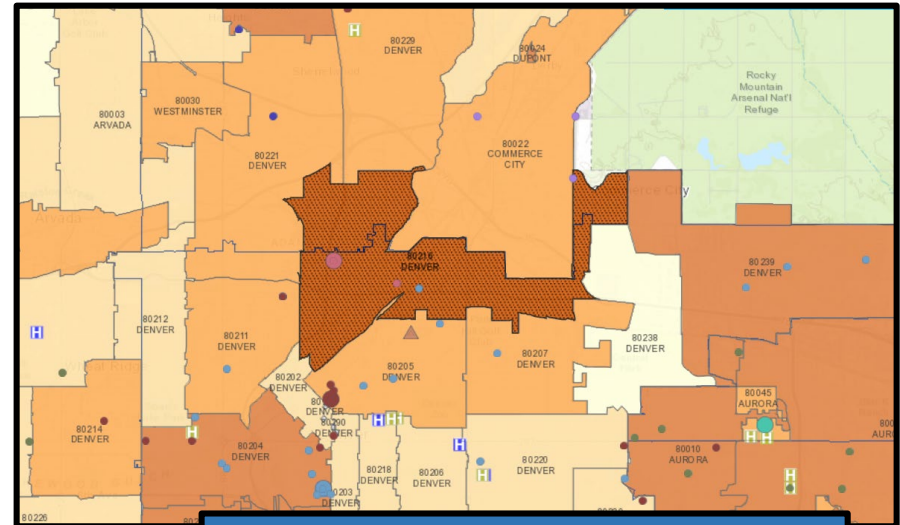
- Strategic Planning is a Board activity of long-range planning.
- The Strategic Planning Exercise is required every 3 years.
- The Board and Leadership should not just think in 3-year increments.
  - They should think 3-5 years, 5-10 years and beyond.
- This is an ongoing way to think and plan.
- Be thoughtful and strategic.

# *Evaluating Market*



# Identify and Evaluate your current service area

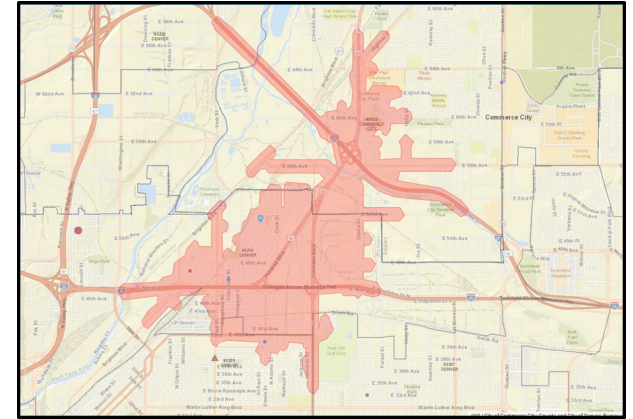
- Examine and map patient origin (*from UDS information*)
- Compare to EHB Form 5B – *each site should have the primary service area zip codes listed*
- Approximately 75% is considered Primary Service Area
- Next 10-15% is Secondary Service Area
- HRSA UDS Service Area Map and UDSMAPPER



Zip Code 80216	
Population Total 2017	12,461
Population Low-Income 2017	6,429
Health Center Patients 2018	5,923
Penetration of Total Population	47.50%
Penetration of Low-Income Population	92.3%
Health Center Count	9
Dominant Health Center	Denver Health

- Compare state, county, metropolitan areas, cities, zip codes, etc.

- Populations
- Race
- Income Ratios
- Education
- Language
- Disabilities
- General health indicators
- Transportation barriers



- Other health providers and facilities in the area
- Health Professional Shortage Areas (HPSA) and MUA/Ps
- Health Disparities
- Selected Workforce Considerations
- Geographies by census block, tract, zip code, county, state, etc.
- Veterans, SNAP, family structure, poverty, language, housing, transportation, businesses (county and zip code business patterns), disability, origins, etc.



An organization is considering increasing its low-income population market share by 20%.

*How many more patients, visits, and providers would that mean?*

# Expansion Considerations



Patient Calculation Estimates	Scenario 1	
	Driver Variables	Calculations
Market Area Patients	10,000	
Market Area General Population	75,000	13.3%
Market Area Low-Income Population	50,000	20.0%
Medical Patients	10,000	
FQHC Patient Visits	35,000	
FQHC Visits per Patient		3.50
FQHC Provider FTE	11.0	
FQHC Patient Visits		35,000
FQHC Visits per Provider FTE		3,182
Market Share of Patient Population	20.00%	
Low-Income Patient Goal		2,000
Additional FQHC Low-Income Visits		7,000
Provider FTEs Needed		2.2
Square Feet per Provider (typically 1,000 to 1,500)	1,500	
Square Feet Needed		3,300
Cost of Construction per Square Foot	\$200	
Estimated Construction Cost		\$660,000
Hard Costs - Construction		\$660,000
Furniture, Fixtures, and Equipment (FF&E)		\$141,429
Soft Costs - Architectural, Engineering, etc		\$141,429
<b>Total Estimated Cost - before land/acquisition</b>		<b>\$942,857</b>



- Evaluate service area market share
  - Total population and low-income population
  - Payer mix
- Population Projections
  - Anticipate changing demographics and their effect
- Estimating potential patients, visits, providers, capital needs





# *Current Operations*

## **Productivity**

- Visits
- Patients

## **Patient Characteristics**

- Demographics
- Special Populations

## **Financial Metrics**

- Billing & Collections

## **Operation & Utilization**

- Revenue & Cost / Patient
- Revenue & Cost / Visit
- Staffing
- Quality of Care
- Service Mix
- Utilization Growth Rates



## Financial Health

- Performance & Liquidity Measures
- Financial Growth Rates



## Operations:

- Scope of services (*HRSA EHB Form 5A*)
  - Referral patterns
- Locations and hours of operations (*HRSA EHB Form 5B*)
  - Physical space assessment
  - Status of existing buildings
  - Future growth potential
- Staffing
- Technology



## Finance:

- Working capital and/or debt capacity to improve or expand your existing space/services
- Grant availability

# *Readiness*

## Define Readiness:

- Being prepared
- Willingness to do something



- Stay Mission-Driven
  - Where are you trying to go?
  - What are you aiming to do?
  - What does that mean for your health center?



# Why do you want to grow?

Unmet need?

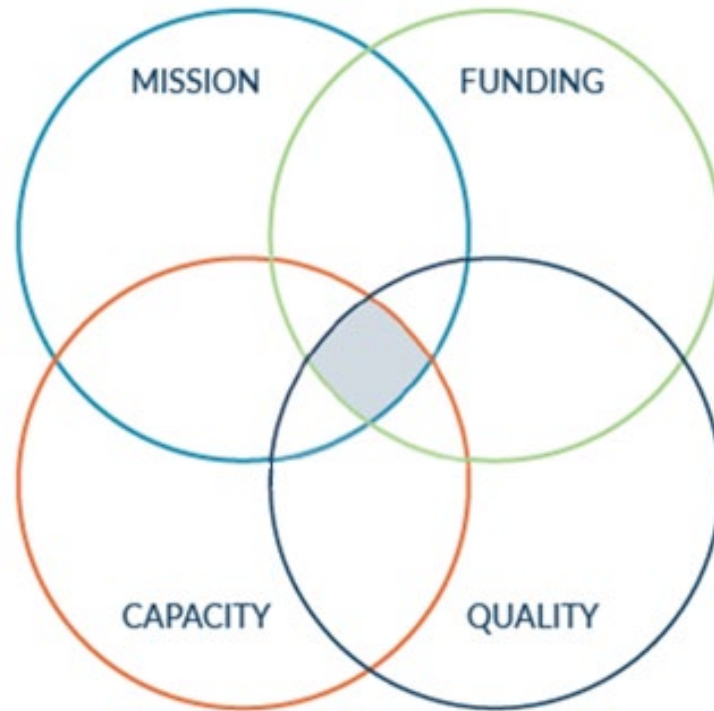
Patient access?

Adding a service line?





- Mission, Vision, and Values
- Funding, Revenue
- Capacity
- Quality



# *New Space Planning*

- Establish your goals for:

- Growth
- Expansion
- Renovations

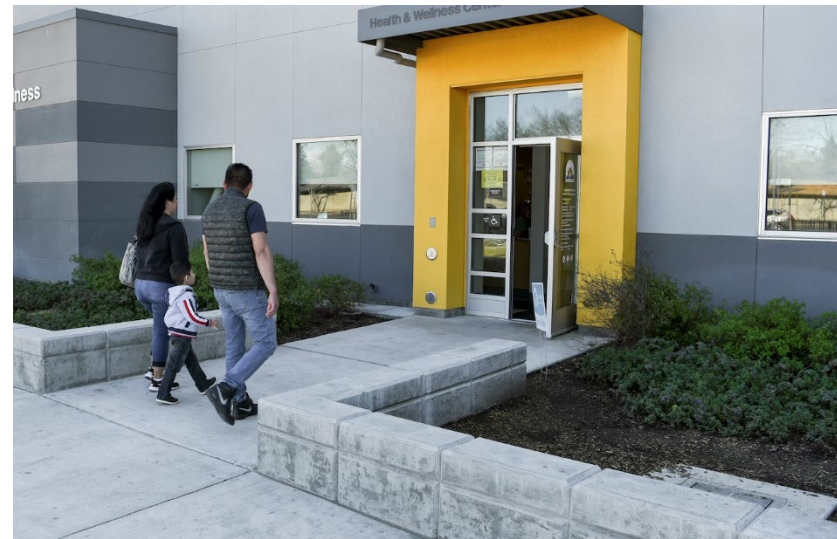
Know what services impact other services in the organization







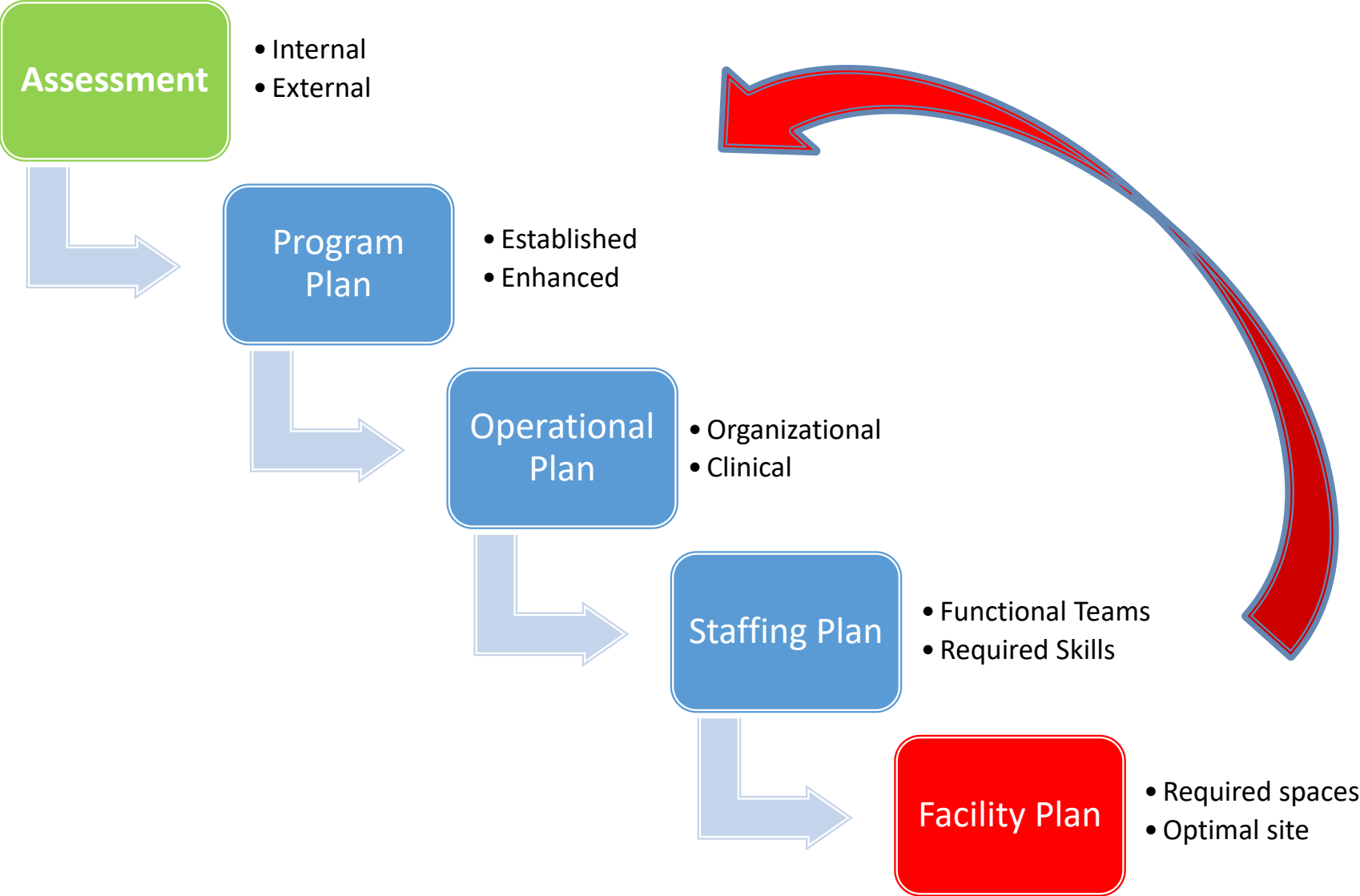
- What does your current space look like?
- Where are the areas you can improve?
  - Walk the walk of a patient
  - Evaluate flow



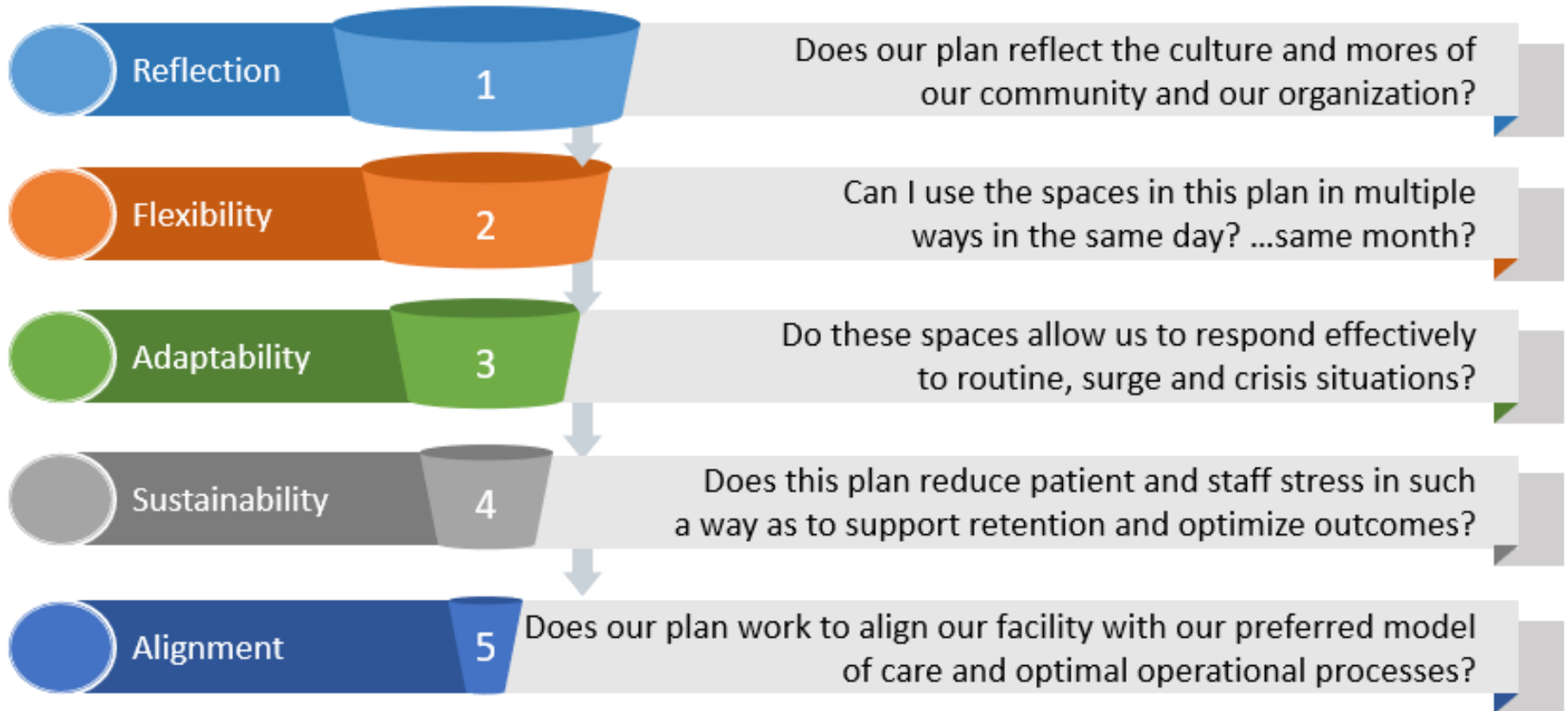
## What hinders your staff from doing more with what they currently have?



# From Assessment to Plan: Respect the Order of the Process



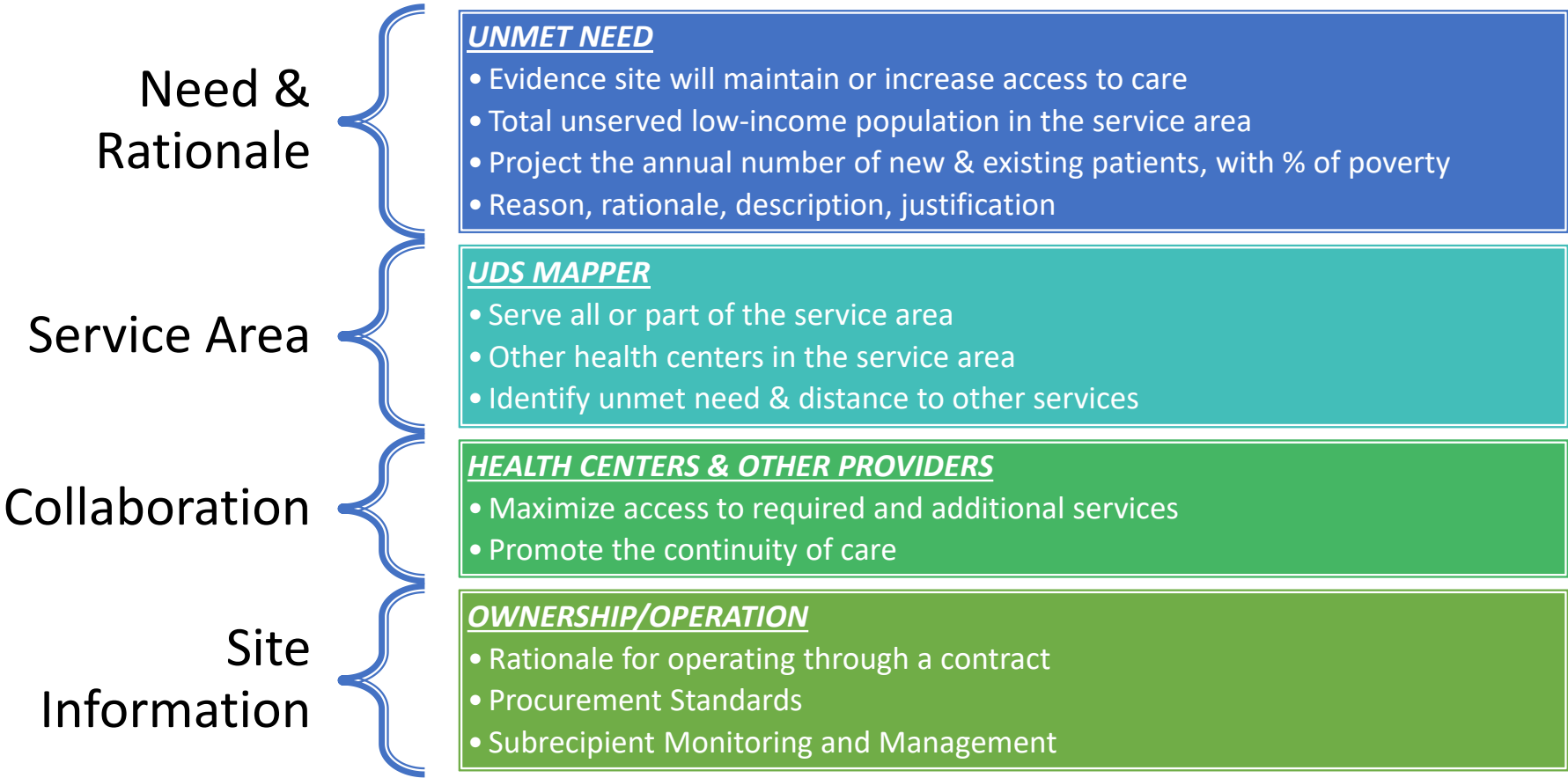
# Decision-Making Filters: Choose Best over Good







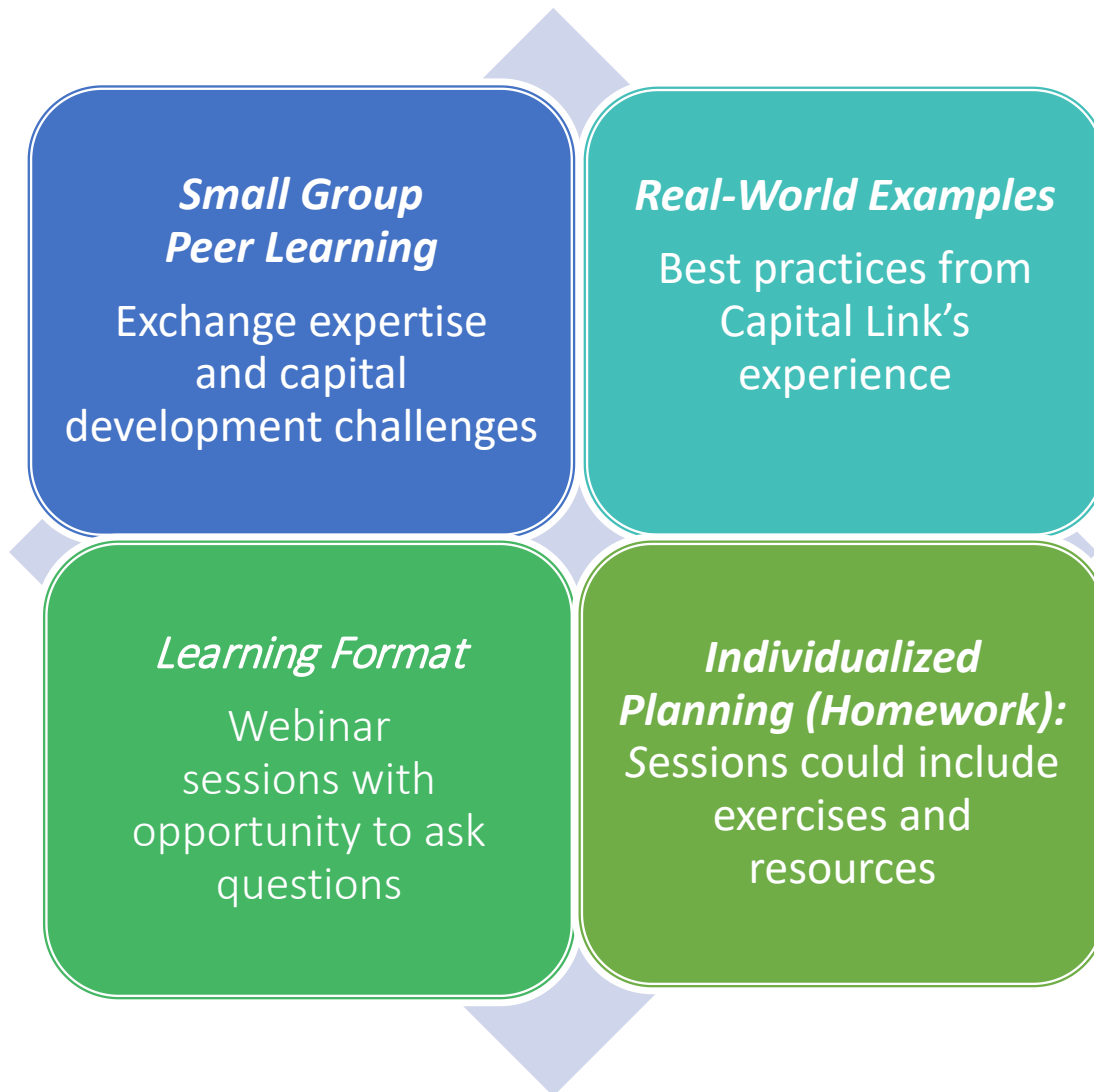




# *Next Steps*



Sign up for our Learning Collaborative to dig deeper into each stage of the process.



- For **ALL** community health centers
- **No cost** to participants.
- Interactive learning sessions will provide practical direction and tools for **strategic planning, market assessment and scenario planning, and evaluating operations capacity**
- One-hour learning sessions **between September and October 2023.**
- Conducted virtually.
- **Organizational participation** – no one person is expected to participate in all sessions; teamwork is encouraged.



**Strategic Planning**



**Market Assessment**



**Evaluating Your Operations & Readiness**



**Planning for Facility Development**



## **1. *Submit Application by September 22, 2023***

## **2. Strategic Planning**

September 26, 2023, at 1-2 pm ET

## **3. Market Assessment**

October 3, 2023, at 1-2 pm ET

## **4. Evaluating Your Operations and Readiness**

October 10, 2023, at 1-2 pm ET

## **5. Planning for Facility Development**

October 17, 2023, at 1-2 pm ET

*\*All webinars and most referenced tools and resources will be available [online](#)*



Any  
Questions

**Capital Link Publications** (informational publications and fact sheets, toolkits and guides, and industry research reports):

<https://caplink.org/publications>

**Capital Link Newsletter:** <https://caplink.org/resources/newsletter>

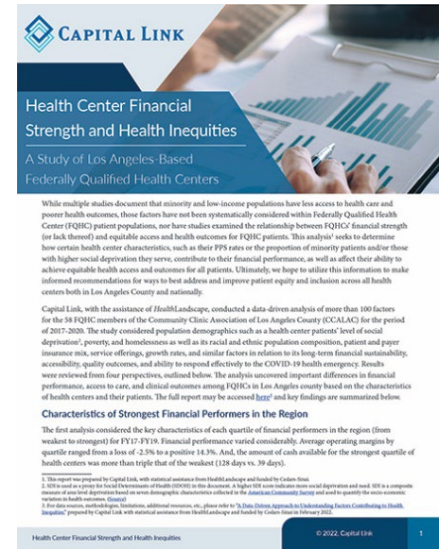
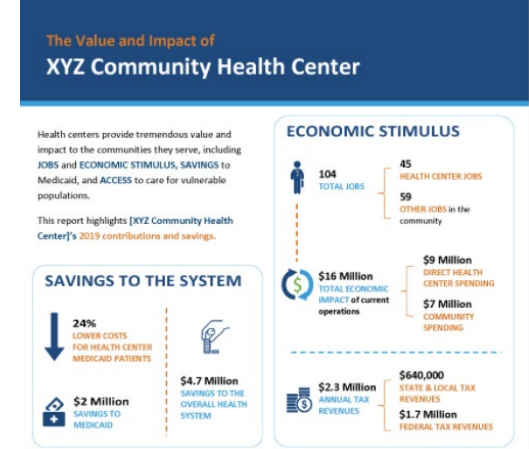
**Capital Link Blog:** <https://caplink.org/blog>

**Webinar Recordings:** <https://caplink.org/resources/webinar-recordings>

**Health Center Resources Clearinghouse:**

<https://www.healthcenterinfo.org/>

**COVID-19 Resources:** <https://caplink.org/covid-19>



- **Performance Evaluation Profile (PEP)** - Newly updated and redesigned with 2021 [HRSA UDS data](#), Capital Link's Performance Evaluation Profile (PEP) is a diagnostic tool for health centers and PCAs to examine financial health, productivity, utilization, and staffing.
- **Value & Impact Analysis** – These infographic reports visually tell the story of your health center in terms of economic impact, savings to Medicaid, pandemic response, and care for vulnerable populations.
- **Growth Feasibility Assessment (GFA)** - This customized report features a debt capacity sensitivity analysis; dashboards of key financial, productivity, and operational performance measures benchmarked against peer results over multiple years; and summaries of notable findings of key performance trends and next steps.
- **Cost Comparison Snapshot** – This resource provides health centers with multi-year trends on medical cost of care metrics and performance measures, illustrating how your health center's specific costs compare to peer groups and highlighting areas for further examination.
- **Market Assessment (MAP)** - Using a combination of narrative, charts, and maps, Capital Link's Market Assessment Process (MAP) analyzes a health center's market in geographic, demographic, and economic terms.
- **Patient Profile and Health Equity Analysis** – This customized report examines select health center patient population characteristics and clinical outcome performance measures by race and ethnicity.

- **Capital Project Planning** - Capital Link offers assistance to health centers in developing the rationale, justification, and business and finance plan necessary to complete a successful facilities expansion or renovation project.
- **Financing Assistance** – Capital Link provides a broad range of financing assistance for health centers looking to raise capital and structure loans for expansion projects. Our experienced Advisory Services team can help determine the best combination of funding options utilizing term sheet negotiations, financial projections, and modeling.
- **Strategic Planning Facilitation** – We assist health centers in creating a dynamic and relevant strategic plan, helping to assess market needs, prioritize goals and objectives, and develop action plans.
- **Operations and Facilities Planning** - Through remote technical assistance, Capital Link's Operations and Facilities Planning services facilitate the work of health center teams in translating strategic program objectives into sustainable operations within functional spaces.
- **PCA/HCCN Programs and Services** - We offer a variety of data products, tools, and programs to assist PCA and HCCN health center members with improving performance, articulating value, measuring impact, and planning for growth.



## **Beth Edwards, MSN, RN, CNL, CPNP-PC, EDAC**

Director, Project Consultants

Health Center Operations & Facilities Planner

251-293-2731

[bedwards@caplink.org](mailto:bedwards@caplink.org)

Visit us online: [www.caplink.org](http://www.caplink.org)

- Learn more about our products and services
- Download our free publications and resources
- Register for upcoming webinars
- Sign up for our newsletter and email updates
- Check out our blog

