

Community Health Center Financial Perspectives

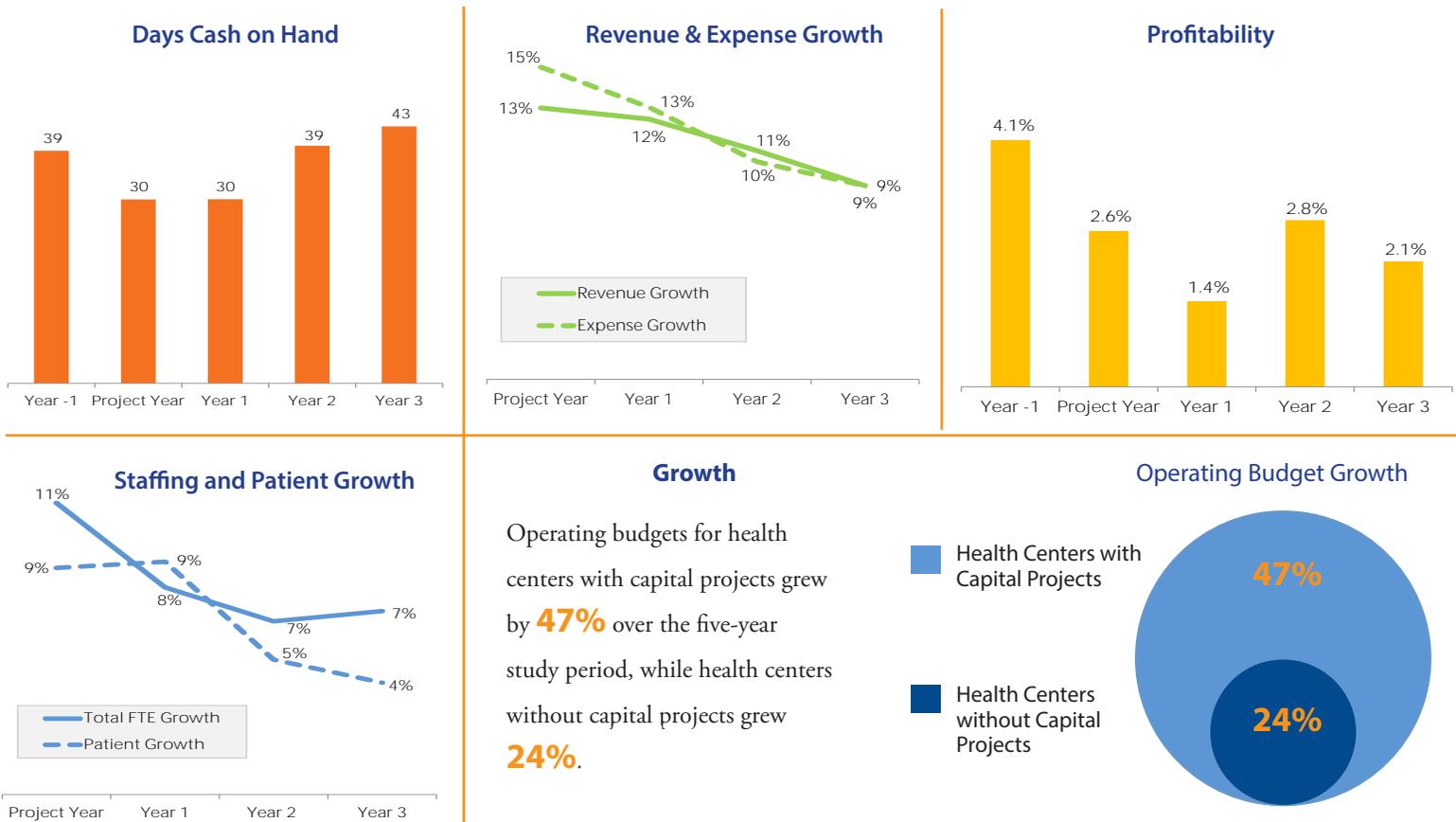
Impact of Capital Projects on Health Centers

Capital Link and its lending affiliate, Community Health Center Capital Fund (Capital Fund), recently completed the second in a series of resources sponsored by Citi Foundation. This issue examines the impacts of capital projects on health center financial performance and operations, and is based on a study of 176 health centers, 118 of which completed capital projects between 2004 and 2008. This infographic illustrates key findings for the typical, median health center taking on a capital project. The complete report is available at www.caplink.org/resources/reports.

Capital Project Timeline Highlights



Financial and Operational Analysis for The Median Health Center Completing a Capital Project



Capital Project Risks and Rewards



- ✗ Capital projects exacerbated existing financial and operational weaknesses, as measured by operating margin, working capital growth, and days cash on hand.
- ✗ Health centers that add provider staff too late after project completion (i.e. not until year 1) run the risk of failing to optimize post-project revenue.

- ✓ Capital projects enhanced health centers with strong operating models.
- ✓ Health Centers with capital projects experienced an improved payer mix through greater growth in Medicaid patients.
- ✓ Capital projects preserved medical provider productivity despite the decline sector-wide.
- ✓ Health centers with capital projects were able to broaden and deepen patient care as indicated by an increase in visits per user.

Access the full report at: caplink.org/resources/reports

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