

Health Center Stories:

Harbor Health Services, Inc., MA

The following summary describes how Harbor Health Services, Inc. (HHSI) in MA planned and financed the purchase and renovation of a new facility to house a second location of its Elder Service Plan, which is a Program of All-inclusive Care for the Elderly (PACE).

About HHSI

Harbor Health Services, Inc. (HHSI) is a non-profit community health agency based in Mattapan, MA, serving the residents of the eastern Massachusetts, including the metropolitan Boston area, the South Shore, and Cape Cod. HHSI provides community-based programs and health education, dental services, elder services, financial counseling and enrollment, social and interpreter services, and health services. HHSI operates five Federally Qualified Health Centers (FQHCs) throughout the region. HHSI also administers an Elder Service Plan (ESP), located in Mattapan, MA, which is a PACE program. PACE provides a comprehensive package of services to help enable elders to successfully remain in their homes rather than receive care in a nursing home. Financing for PACE is capped, which allows providers to deliver all services participants need rather than limit them to those reimbursable under Medicare and Medicaid fee-for-service plans. There are approximately 120 PACE programs across the nation, and fewer than 10 are run by FQHCs.

The majority of the patients served by HHSI are classified as low-income. In 2015, HHSI served nearly 27,791 patients, 88 percent of which earned less than 200 percent of the Federal Poverty Level. Twenty percent of HHSI patients were uninsured, and 39 percent were Medicaid recipients.



August 2016 groundbreaking ceremony and interior view of HHSI's renovation of a new PACE facility in Brockton, MA.

Health Center Stories:

Harbor Health Services, Inc., MA

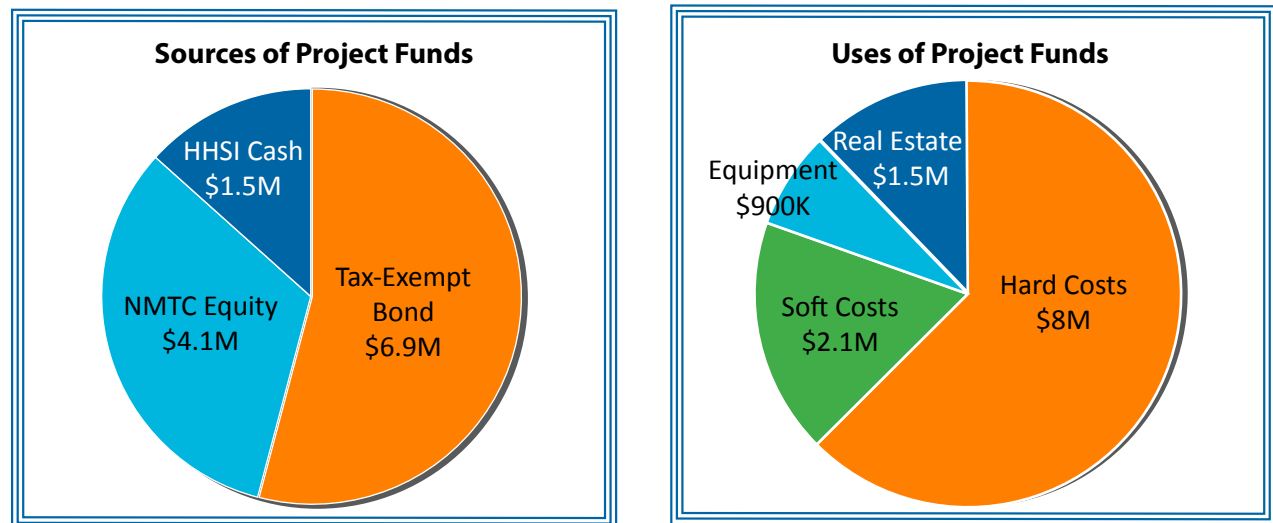
Capital Project Description

HHSI's Mattapan PACE has been extremely successful but has reached its maximum capacity of 450 enrollees. In August 2016, HHSI broke ground on a purchased property in Brockton, MA, which will be the future home of the organization's second PACE facility. The existing building, a former synagogue, is being renovated and will house a medical facility and day center serving the needs of frail elders in the greater Brockton area.

Upon completion in mid-2017, the Brockton PACE will have a capacity to serve up to 450 elderly area residents, accommodating up to 125 elders per day. Once fully staffed, Brockton PACE will provide full-time employment for approximately 38 FTEs. Some of the elders currently utilizing the Mattapan PACE will likely transition to the Brockton location, which will allow for additional capacity in Mattapan.

Project Financing

HHSI financed the approximately \$12.5 million project utilizing a New Markets Tax Credit (NMTC) structure. Two Community Development Entities, Capital Link's affiliate Community Health Center Capital Fund and Mass Development, each provided HHSI with \$6.1 million in NMTC allocations and US Bank purchased the credits generating \$4.1 million of equity capital for the project. Other sources of funding included \$6.9 million in long-term debt provided by Citizens Bank as a direct purchase of tax exempt bonds issued by MassDevelopment and HHSI's own cash investment of \$1.5 million. The capital project sources and uses of funds are illustrated in the charts below.



While the Brockton PACE project site is not located in a NMTC eligible low-income census tract, it is located in a tract with a median family income at 94.6% of the state or Metropolitan Statistical Area family income. This is above the 80% minimum required for standard NMTC eligibility but below the maximum 120% required for a Targeted Population transaction. Additionally, the PACE component of HHSI qualifies as a Qualified Active Low-Income Community Businesses (QALICB) based on the Targeted Population guidelines and regulations issued by the US Department of the Treasury and IRS.

Health Center Stories:

Harbor Health Services, Inc., MA

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.

As shown in the chart below, HHSI's current direct contribution into the local economy is almost \$65 million annually, plus an additional indirect and induced economic impact of \$45 million for an overall impact of almost \$110 million. By 2020, the direct economic impact is projected to be \$99 million and the indirect and induced impact to be \$70 million, for a total economic impact of \$169 million. With the expansion of services being offered, the project is also anticipated to create 191 direct, indirect, and induced permanent full-time equivalent (FTE) jobs in the local community by 2020.

2016 Operations			2020 Operations		
	Economic Impact	Employment (# of FTEs)		Economic Impact	Employment (# of FTEs)
Direct	\$64,649,889	436		\$99,432,134	474
Indirect	\$13,682,725	81		\$21,044,160	124
Induced	\$31,645,651	203		\$48,671,308	313
Total	\$109,978,265	720		\$169,147,602	911

This publication was supported by the Health Resources and Services Administration (HRSA) of the U.S. Department of Health and Human Services (HHS) under cooperative agreement number U30CS09741, Training and Technical Assistance National Cooperative Agreement (NCA) for \$850,000 with 0% of the total NCA project financed with non-federal sources. This information or content and conclusions are those of the author and should not be construed as the official position or policy of, nor should any endorsements be inferred by HRSA, HHS, or the U.S. Government.