

Health Center Stories:

Presbyterian Medical Services, NM

The following summary describes how Presbyterian Medical Services (PMS), NM planned and financed two capital projects: a 27,427 square foot medical facility to replace an existing clinic in Farmington, NM and a 2,186 square foot expansion at its Socorro, NM facility. Combined, both projects will allow PMS to serve an additional 5,000 patients and 25,000 patient visits per year.

About Presbyterian Medical Services

PMS is a Federally Qualified Health Center (FQHC) based in Santa Fe, NM. PMS operates 42 clinics in 15 counties throughout the state, providing primary care, dental, and behavioral health services. PMS also provides programs and services for childhood education, home care and hospice, developmental disabilities, residential treatment, senior care, and veterans' support.

Founded in 1969, PMS is the successor to the Presbyterian Church's medical mission work in the Southwest, which began in the early 1900's. Working collaboratively with community groups, school districts, local providers, hospitals, and governments at every level, PMS develops programs and services that meet the needs of underserved areas of New Mexico. Their mission states, "Presbyterian Medical Services designs and delivers quality, accessible integrated health, education, and human services in response to identified community needs of the multicultural people of the Southwest."

The vast majority of the patients served by PMS are classified as low-income. In 2013, PMS served 60,000 patients, the majority of which earned less than 200 percent of the Federal Poverty Level. Thirty percent of PMS patients were uninsured, and 28 percent were Medicaid recipients.

PMS' new facility in Farmington, NM.



Health Center Stories:

Presbyterian Medical Services, NM

Capital Project Description

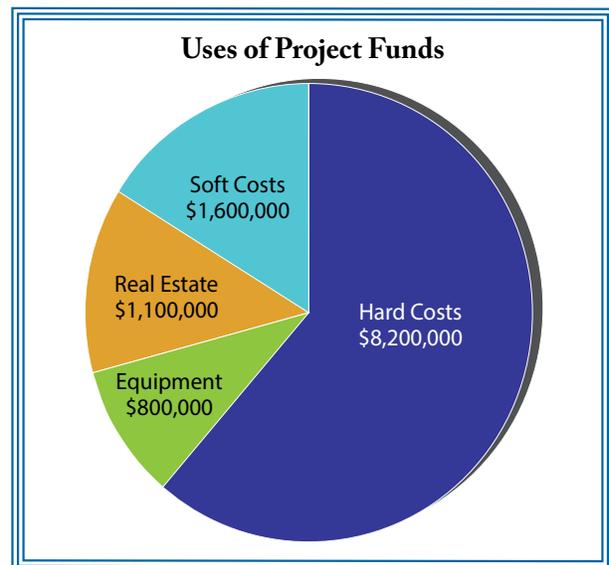
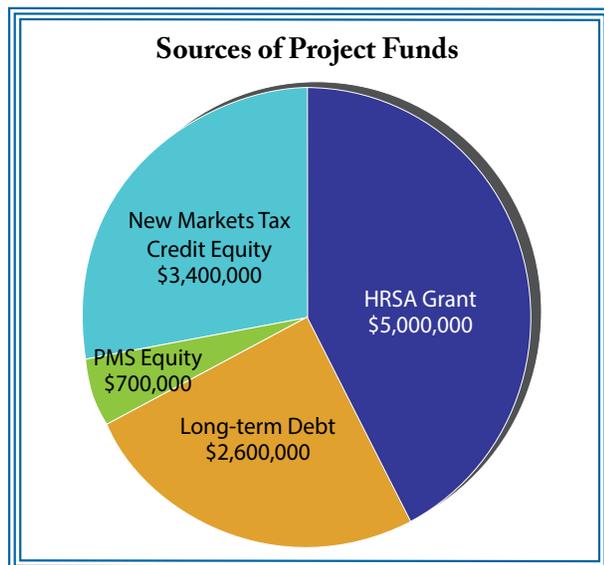
PMS' Farmington and Socorro clinics are located in federally designated Medically Underserved Areas where residents struggle with a number of socioeconomic challenges and significant barriers to health care including language, transportation, and lack of providers. According to an analysis conducted by PMS in 2013, over 74 percent of low-income residents in the six zip codes within the Farmington target service area were not seeking care at an FQHC. The city of Farmington alone contained over half of this underserved population. It is probable that some of these individuals received care from non-PMS providers accepting Medicaid, but those without insurance were likely utilizing the emergency room or not seeking care at all. A similar analysis conducted in the Socorro service area estimated that almost 60 percent of low-income residents were not receiving care from an FQHC provider.

PMS's decision to expand the Farmington and Socorro clinic facilities was based on three key needs: to respond to the growing demand for services among the area's uninsured, underinsured, and medically underserved; to co-locate and fully integrate all services; and to improve continuity of care.

The newly constructed 27,427 square foot Farmington Community Health Center was completed in November 2014. Located adjacent to the previous clinic, the state-of-the-art building now has more than double the space and contains 37 medical exam rooms, eight dental operatories, two dental hygienist work areas, five psychiatry offices, pharmacy, lab, telepsychiatry center, and health education conference room. The new clinic will allow PMS to serve an estimated 4,000 additional underserved Farmington area residents.

The Socorro Community Health Center expansion project was completed in July 2013. The 2,186 square foot addition increased the facility size by more than half, allowing PMS to serve an additional 1,000 patients.

Project Financing



Health Center Stories:

Presbyterian Medical Services, NM

PMS financed the \$11.7 million project with a combination of New Markets Tax Credit equity, long-term debt, a federal grant, and its own equity contribution. An \$11 million allocation of New Markets Tax Credits was provided by Finance New Mexico. The tax credits were purchased by Well Fargo Bank, which generated \$3.4 million of equity for the project. Wells Fargo also provided approximately \$2.6 million in long-term debt. Additional project funding included a \$5 million Capital Development-Building Capacity grant from the Health Resources Services Administration, offered through the Affordable Care Act, and \$700,000 the health center contributed to complete the capital structure.

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.

Prior to the expansion, PMS contributed approximately \$78 million annually directly to the local economy, plus additional indirect and induced economic impact of about \$51 million for an overall impact of almost \$129 million. By 2020, the direct economic impact is estimated to be about \$87 million and the indirect and induced impact at \$56 million, for a total economic impact of approximately \$143 million.

With the expansion of services being offered, the project is anticipated to add approximately 30 permanent Full-Time Equivalent employees by 2020. The chart below shows the additional impact of PMS' expansion on the community.

	2013 (prior to project start)	2020 (projected)
Number of Patients Served	60,000	65,000
Number of Patient Visits	250,000	275,000
Total Operating Revenue	\$78,440,000	\$87,280,000
Total Expenses	\$77,860,000	\$86,640,000
Permanent Direct Employment	1,100	1,130
Indirect and Induced Employment	443	493
Total Economic Impact (Direct, Indirect, and Induced)	\$128,400,000	\$142,900,000

This publication was supported by Grant/Cooperative Agreement Number U30CS09741 from the Health Resources and Services Administration, Bureau of Primary Health Care (HRSA/BPHC). The contents of this publication are solely the responsibility of the author(s) and do not necessarily represent the official views of HRSA/BPHC.