

Health Center Stories: *Wake Health Services, NC*

The following summary describes how Wake Health Services (Wake Health) in NC planned and financed the construction of a new 35,000 square foot medical facility and the renovation of an existing site. Due to be completed in the fall of 2015, the projects will allow Wake Health to serve an additional 10,000 patients per year.

About Wake Health

Wake Health is a Federally Qualified Health Center (FQHC) based in Raleigh, NC, which is located in Wake County. Since its founding in 1972, the organization has grown to five medical practices, two of which are located in Raleigh and three located in the communities of Apex, Fuquay-Varina, and Louisburg. Wake Health also provides services one day a week at the County's South Wilmington Outreach Center for homeless men. Wake Health provides a full range of primary care, dental, and behavioral health services as well as other programs and services including nutrition counseling, diabetes education, support services, pharmacy, and a Health Care for the Homeless Program.

Wake Health Services was formed with a key purpose to address the primary health care needs of the citizens of Wake County who did not have access to care. Wake Health's mission is "to deliver quality, compassionate primary health care – every patient, every time – in response to the needs of our communities." In the summer of 2015, the organization will transition to a new name, Advance Community Health, to reflect the expanded offerings and transformation of the organization.

In 2013, Wake Health served over 16,500 patients, the vast majority of which earned less than 200 percent of the Federal Poverty Level. Twenty-seven percent of adult patient served were uninsured and 43 percent were Medicaid recipients.

**A rendering of
the new facility in
Southeast Raleigh,
currently under
construction.**



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Capital Project Description

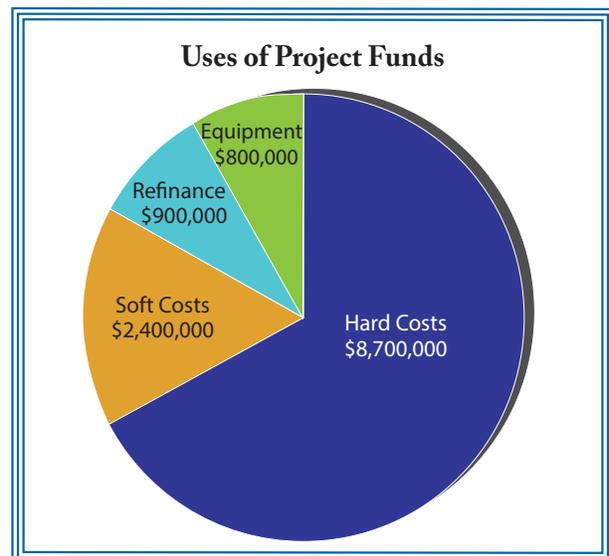
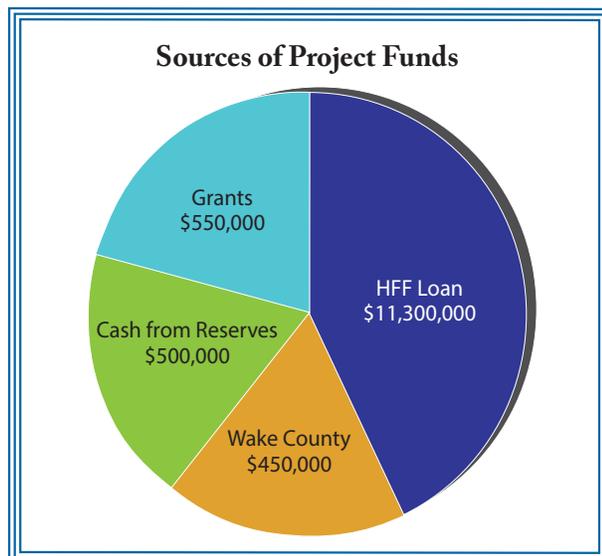
Wake Health's target population struggles with a number of significant barriers to accessing health care, including a lack of providers, financial challenges, and transportation barriers. Wake Health identified over 95,000 low-income residents within its target service area who are not currently seen by an FQHC and are likely to have few other options for care, as Wake Health is one of the only providers in the area that accepts uninsured patients.

In order to meet unmet demand, optimize the use of its existing facilities, and consolidate its services into one location, Wake Health embarked on a capital project to construct a new 35,000 square-foot state-of-the-art clinical facility adjacent to the existing Rock Quarry Road Family Medicine site. The new facility, which is due to be completed in the fall of 2015, will accommodate four practices currently located in separate buildings, pharmacy services, dental services, community meeting space, and the Rex Senior Health Center.

As a part of this project, Wake Health is also repurposing the existing 9,500 square-foot Rock Quarry building to accommodate the organization's administrative functions, which are currently housed in its leased New Bern Ridge facility, saving the organization over \$360,000 in rent and other expenses.

Project Financing

Wake Health financed the approximately \$12.8 million project using an \$11.3 million Healthy Futures Fund loan, which includes New Markets Tax Credit allocation provided by Morgan Stanley and Capital Impact Partners. Additional project funding sources include grants, cash from reserves, and a \$450,000 challenge grant from Wake County with a 1:1 match requirement, which along with capital campaign proceeds is bridged by a \$900,000 loan from Mercy Loan Fund.



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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, Wake Health contributed over \$9.6 million annually directly to the local economy, plus additional indirect and induced economic impact of about \$7.4 million for an overall impact of \$17 million. By 2020, the direct economic impact is estimated to be almost \$13.6 million and the indirect and induced impact at around \$10.2 million, for a total economic impact of over \$23.8 million.

With the expansion of services being offered, the project is anticipated to add 38 permanent Full-Time Equivalent employees by 2020. The chart below shows the additional impact of Wake Health's expansion on the community.

	2009 (prior to project start)	2020 (projected)
Number of Patients Served	16,554	26,204
Number of Patient Visits	49,774	79,300
Total Operating Revenue	\$9,773,591	\$14,250,581
Total Expenses	\$9,665,050	\$13,569,361
Permanent Direct Employment	111	149
Indirect and Induced Employment	56	79
Total Economic Impact (Direct, Indirect, and Induced)	\$16,975,164	\$23,832,481

This project 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.