

Health Center Stories:

Cassopolis Family Clinic Network, MI

This summary describes Cassopolis Family Clinic Network's (CFCN's) expansion efforts highlighting the capital project planning, financing, and estimated impact. CFCN responded to an increase in demand by building a new 30,000 square foot medical facility to replace its original flagship clinic site, expanding its capacity by over 20,000 square feet. The project is scheduled to be completed in the fall of 2014.

About Cassopolis Family Clinic Network

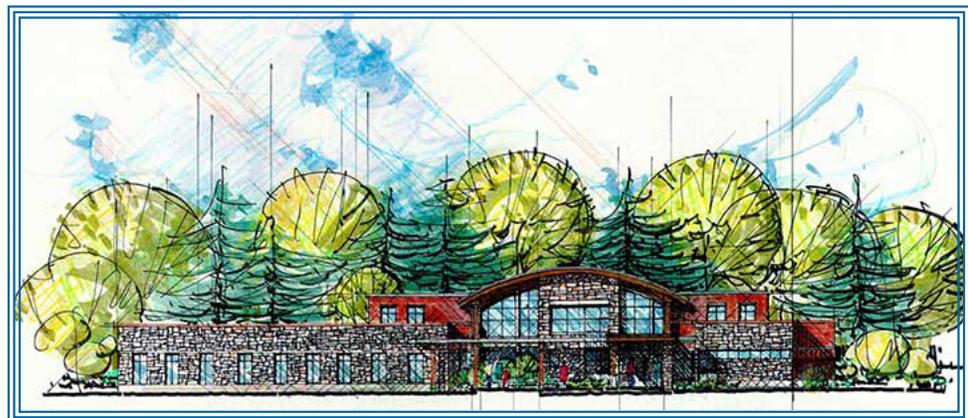
CFCN is a Federally Qualified Health Center (FQHC) providing medical, dental, behavioral health, obstetrics and gynecology (OB/GYN), and family support services to the residents of Cass and southeast Berrien counties in southwest Michigan. The main medical clinic in Cassopolis opened operations in 1964 and a second clinic in Niles, MI opened in 2007. In 2009, CFCN expanded its scope by designating the Niles location as an OB/GYN clinic exclusively serving Medicaid patients and the uninsured. CFCN is one of the few medical practices in the area that will accept Medicare and Medicaid patients. They also offer a sliding fee scale for those who are uninsured. The mission of CFCN is to provide necessary, compassionate health care to the communities it serves, and to strive to meet patients' unique health needs in linguistically and culturally competent ways.

In 2012 CFCN served 8,730 patients. Twenty-one percent of adult patients had no health insurance and 39 percent were Medicaid/CHIP recipients. Ninety-two percent earned 200 percent or below the federal poverty level (FPL).

Capital Project Description

CFCN's decision to expand the Cassopolis clinic is based on the lack of sufficient space to operate efficiently and support the anticipated population growth in the county, as well as the increase in demand for primary care resulting from health care reform. Unlike many rural areas, Cass County's population is projected to grow by seven percent over the next five years.

A rendering of CFCN's Cassopolis clinic currently under construction.



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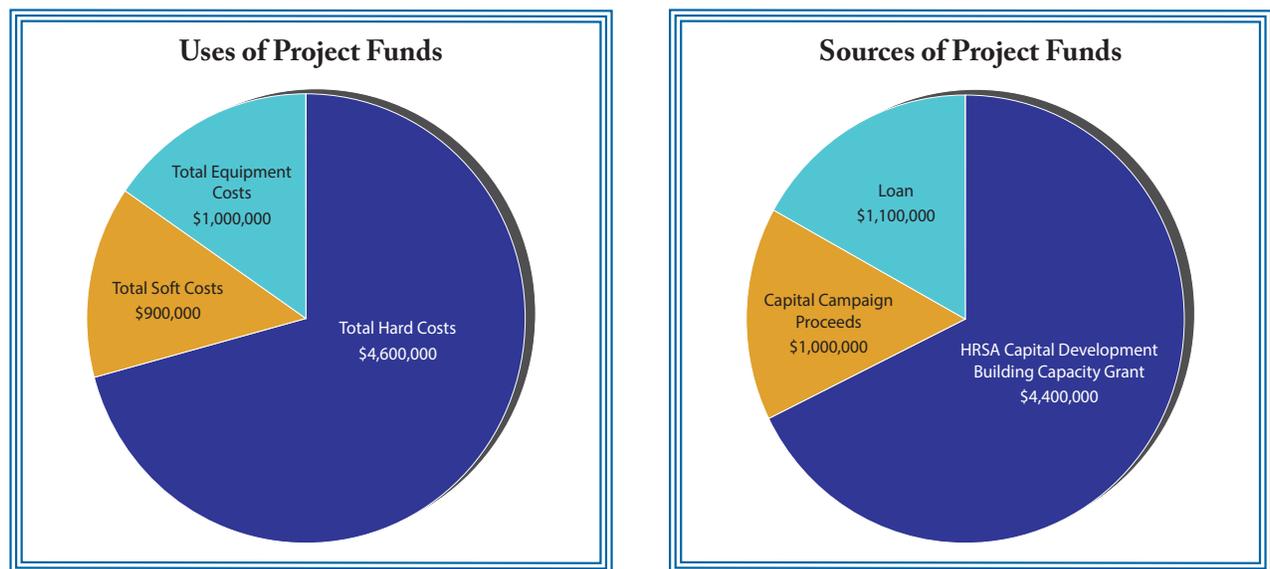
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The scope of the project is to replace CFCN's existing 9,400 square-foot clinic in Cassopolis with a new 30,000 square-foot, state-of-the-art medical facility. Upon completion in fall 2014, the structure will house 24 medical exam rooms, two procedure rooms, a seven chair dental wing, and a full-service pharmacy featuring a drive-up window. The plans also include 3,500 square feet of unfinished space to accommodate a potential expansion in the future. The new two-story facility will be built just a few blocks away from the existing facility, ensuring continuity of care as CFCN relocates.

Project Financing

CFCN is financing the estimated \$6.5 million project utilizing a \$1.1 million United States Department of Agriculture direct or guaranteed loan with a 3.5 percent interest rate and a 20-year term, \$4.4 million Capital Development-Building Capacity Grant from the Health Resources and Services Administration, and an impressive \$1 million in capital campaign proceeds, all raised from the local community.

The capital project sources and uses of funds are illustrated below:



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.

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Prior to the expansion, CFCN contributed \$4.1 million annually directly to the local economy, plus additional indirect and induced economic impact of \$1.5 million for an overall impact of \$5.6. By 2017, the direct economic impact is estimated at \$5.9 and the indirect and induced impact at \$2 million, for a total economic impact of \$7.9 million.

With the expansion of services being offered, the project is anticipated to add approximately 13 permanent Full-Time Equivalent employees by 2017. The chart below shows the additional impact of CFCN's expansion on the community.

| | 2011 (prior to project start) | 2017 (projected) |
|---|----------------------------------|---------------------|
| Number of Patients Served | 8,544 | 15,357 |
| Number of Patient Visits | 27,714 | 38,086 |
| Total Operating Revenue | \$4,636,70 | \$6,198,940 |
| Total Expenses | \$4,070,106 | \$5,882,782 |
| Permanent Direct Employment | 38 | 51 |
| Indirect and Induced Employment | 15 | 17 |
| Total Economic Impact (Direct, Indirect and Induced) | \$5,586,594 | \$7,887,605 |

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