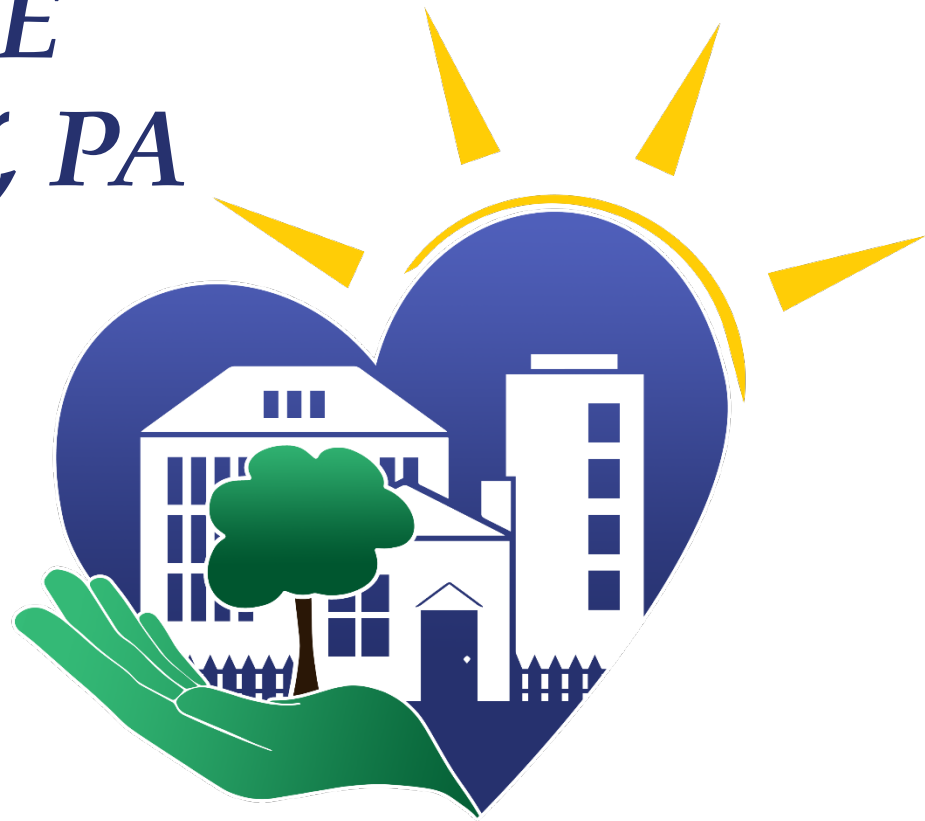


*NEIGHBORHOOD HEALTH
CENTERS OF THE
LEHIGH VALLEY, PA*



About Neighborhood Health Centers of the Lehigh Valley

- When Neighborhood Health Centers of the Lehigh Valley (NHCLV) was incorporated as a nonprofit organization in 2004, its goals were to provide a coordinated system of primary care for the uninsured and/or underinsured residents in the Lehigh Valley, PA.

About Neighborhood Health Centers of the Lehigh Valley

- The health center was founded by a group of local residents concerned about the community's obstacles in getting routine and preventive primary care services due to language and transportation barriers, and extreme poverty.

About Neighborhood Health Centers of the Lehigh Valley

- The first and only Federally Qualified Health Center (FQHC) in the area, NHCLV operates four locations in:
 - Allentown,
 - Bethlehem, and
 - Easton, PA.
- Awarded 330 program funding in 2012, NHCLV serves the majority of the area's low-income population.
- NHCLV offers a wide range of medical care including pediatrics, dental care and behavioral health services.

About Neighborhood Health Centers of the Lehigh Valley

- According to recent data of NHCLV's patients who reported their incomes:
 - 67% were at 100% below the federal poverty line,
 - 28% were between 101-200%, and
 - 5% were over 200% below.
- Two-thirds of the health center's patients are minorities, with 57% identifying as Latino/Hispanic.

About Neighborhood Health Centers of the Lehigh Valley

- Alternative access to care within the Lehigh Valley is limited, with the exception of the care offered by two large hospitals in this area.
- Health disparities in the service area include low birth weight, teen pregnancies, heart disease, cancer, suicide, and diabetes.
- In recent years, the area has seen a growth in Medicare and Medicaid-eligible individuals and more people living under 200 percent of the federal poverty limits.

Capital Project Description

- To better meet the expanding needs of the communities it serves, NHCLV has embarked on two capital projects to expand current stand-alone sites in Allentown and Bethlehem, PA.



- *The current NHCLV Allentown site, before the renovation and expansion project.*

ALLENTOWN



- For its Allentown, PA renovation, NHCLV will renovate and expand the first floor of an existing 14,200-square-foot retail space into a health center site.
- The construction will add 15 medical exam/ consulting rooms and three behavioral health offices, along with two procedure rooms, one group education room, two triage rooms, a larger pharmacy, a dental suite and offices for case management, care management, a call center, and support services for the health center staff.

BETHLEHEM

- This project will renovate and expand a 10,000-square-foot vacant factory building into a 23,000-square-foot clinic site. Services at this location will include physical exams, preventative screening and vaccines, STD testing and treatment, care coordination, mental health counseling, psychiatry, pharmacy, dental clinic, and group health classes.



- This site will also include 10 additional medical exam/consultation rooms, two behavioral health offices, one group visit room/consult room suite, one triage room, a larger dental suite than at the health center's Hamilton, PA location, and offices for case management, care management, billing, administration, and other support services for the staff.

Project Financing

- Funding for this \$4 million project was provided by Capital Link affiliate Community Health Center Capital Fund (Capital Fund), which committed to a loan of \$1,170,000, as well as
- Community First Fund, which committed to a loan of \$955,000, and a
- HRSA Grant of \$1,100,000 and an
- NHCLV cash equity contribution of \$775,000.
- Capital Fund is seeking a Loan Guarantee from HRSA for the total amount of the combined loans by the two lenders of \$2.125 million.

Impact

Sources of Project Funds	
Capital Fund Loan	\$1.17M
Community First Fund Loan	\$955K
HRSA Grant	\$1.1M
NHCLV Cash Equity Contribution	\$775K
Total	\$4M

Uses of Project Funds	
Construction	\$2.3M
Soft Costs	\$906K
Furniture, Fixtures and Equipment	\$592K
Contingency	\$202K
Total	\$4M

Impact

- By performing leasehold improvements to its locations in Allentown and Bethlehem to renovate a retail space and an unused vacant factory (respectively), these projects will expand medical, dental, and behavioral health services within this health center's service area.
- Due to its current size limitations, NHCLV's Allentown site patients often wait four to six weeks for an appointment. The new site will allow the center to provide access for more members of the community.
- In staffing the new facility, the health center is focused on hiring from within the downtown Allentown neighborhood as an economic driver, which is also part of NHCLV's mission as a federally qualified health center.

Impact

- When completed and fully operational, this project will expand services and increase its volume of care.
- The number of patients annually is projected to increase by 5,900 from FY2019 to nearly 11,000 in FY2023.
- Number of visits is projected to increase to 36,000 in FY2023, from 24,000 in FY2019.
- Total clinical space is projected to increase to 50,000 square feet from 24,000 square feet (cumulative for both existing sites) and
- the number of full-time equivalent employees (FTEs) is expected to increase to 120 FTEs upon stabilization from 78 FTE in FY2019.

Impact

	FY 2020 Pre-Project	FY 2023 Projected
Number of Patients Served	5,887	10,562
Number of Patient Visits	23,997	35,754
Permanent Direct Employment	78	120



Transaction Structure

- Application process with Community First Fund.
 - Uploaded docs to portal
 - Current financials
 - Projections
 - Project Descriptions
- Application process with Capital Fund.
- Project site visit by Community First and Capital Fund
- Received Lender commitment letter
- HRSA Loan Guarantee application process.
- PCDC review of application for HRSA.
 - NHCLV Senior Leadership meeting with William O'Brien at PCDC.
 - NHCLV BOD meeting with William O'Brien at PCDC.
 - PCDC recommendation to HRSA
- HRSA Commitment letter.
- Attorney review of loan documents.
- Loan set to close in next few weeks.

HRSA LGP Application Experience/Process

- Overall, the process went as expected. Mary Lou Ojeda was very proactive and responsive to our needs and questions. She reached out to us as soon as she was aware of our need to apply for the guarantee and supplied us with a list of all the items needed for the application.
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- The process took longer than we hoped for but the delays in process were really on our end. We had some unique issues to our agency to work through.
- The only suggestion I would have to other FQHCs would be to attend the webinars conducted by Capital Link. They were extremely informative on what to expect and what information will be requested.

Experience with PCDC

- The experience with the PCDC was a very positive one. We worked with William O'Brien through this process and it went very smoothly.
- He met with the Senior Leadership Team and Board of Directors separately. He supplied a list of questions ahead of time for each group, which allowed everyone to come prepared to the meetings.
- See next slides for the questions he asked during the meetings.

NHCLV Executive Management Questions

- Discuss how Covid-19 has impacted organization to date?
- Describe the process for deciding to expand/relocate sites. Why are both projects being done simultaneously?
- Both projects: any updated modifications due to Covid-19?
- Both projects: what is the expected net increase in patient/visits? Reference is made to current Bethlehem site serving 83 out of 32,000 LIP in city. Target goal?
- Allentown: services described include physical exams, care management for patients with chronic illness, birth control, pregnancy tests and prenatal care, preventive screening & vaccines, STD testing & treatment, care coordination, mental health counseling, psychiatry, pharmacy, dental clinic and group health classes. Are any services new?
- Bethlehem: Dental services is unclear: dental services are referenced as a “Phase 2” project; are they being supported by this financing?
- Referenced: NHCLV will gain an additional 25 integrated medical/behavioral health exam/consult room, five dedicated behavioral health rooms, two group visit rooms, two procedure rooms, eight dental bays, two pharmacies and care management, case management offices. Is this through both sites or just Bethlehem?
- Hamilton site: referenced an existing daycare facility adjacent to site. Does the site present any opportunity or obstacle to center?
- Both sites: What dental services will be provided, if any? Reference is made to dental services being offered through a van from local hospital. Is dental offered at Bethlehem site?
- Will substance abuse treatment be offered at either/both sites?
- Please discuss the Controller position v. CFO: is there a contract CFO or is Controller most senior financial staff member? How are financial systems evaluated? How are financial constraints/projections incorporated into growth plans at Executive level?

NHCLV Board Questions

- How has Covid-19 impacted the region and the health center?
- What are the key healthcare priorities of NHCLV and what are chief obstacles?
- How does this project address both?
- Market need: NHCLV serves 83 of 32,000 LIP in Bethlehem: does this project address this? Is it enough?
- What was the process for deciding to expand/relocate the two sites?
- Was there discussion about commencing two projects simultaneously?
- Discuss role of Controller v. CFO: how are financial priorities and controls monitored? How are financial priorities incorporated into long-term plans?
- How would you describe the organization's financial performance? What changes made? Has the current growth strategy changed due to either historical performance or Covid-19?
- Are all Board members community representatives?
- Is the Board familiar with the anticipated growth reflected in the projections? Were there discussions about visit growth and expense management?
- Several Board members' terms set to expire in 2021; what are renewing/replacing members? Any plans to expand Board representation?
- Finance committee consists of 3 people: what are backgrounds of other members (besides Chair)?
- Project costs have increased 17% to \$4MM. Any Board discussion about appropriate level of expenses for leased space?