

# Health Center Stories:

## *Santa Cruz Women's Health Center, CA*

This summary describes Santa Cruz Women's Health Center's (SCWHC) efforts to expand its facility, highlighting the capital project planning and financing, and estimated impact. Located in Santa Cruz, California, the health center is responding to increased demand by building a new clinic in the Live Oak neighborhood of Santa Cruz, an underserved area. This new clinic, scheduled to open in March 2014, will augment the women's health services offered by the health center's downtown location by offering primary care for men, women, and children. It will significantly increase the health center's service capacity and provide pediatric care for 1,600 low-income children currently served by Dominican Hospital.

### About Santa Cruz Woman's Health Center

Established in 1974, the Santa Cruz Women's Health Center (SCWHC) is a non-profit community health center serving Santa Cruz County residents. The health center has provided health care access for nearly 40 years, successfully making health education, preventive care, and medical services available regardless of ability to pay.

SCWHC's mission is to provide quality health services and advocate the feminist goals of social, political, and economic equality. The health center is dedicated to providing culturally appropriate and affordable medical services for the county's low-income, uninsured, and underinsured residents. Additionally, SCWHC has a demonstrated commitment to providing services to those who face barriers to care due to economic status, disability, sexual orientation, mental illness, or immigration status.

From its downtown Santa Cruz clinic location, SCWHC served 5,111 unduplicated patients and provided nearly 19,000 visits in 2012. Many of the patients are the working poor, people who work full-time for low wages and do not receive any benefits from their employers. Thirty-nine percent have no health insurance. Ninety-two percent earn 200% or below the federal poverty level (FPL). Thirty-two percent are Latino and 17% are monolingual Spanish speakers. Eleven percent of patients are currently or recently homeless.

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### **Santa Cruz Woman's Health Center Capital Project**

SCWHC has been planning an expansion to respond to growing community need and increased demand for primary care resulting from health care reform. The downtown clinic is now operating beyond its physical capacity. The 4,900 square foot clinic was designed to accommodate about 12,000 patient visits per year. In calendar year 2012, the health center provided well over 19,000 visits.

According to the Central California Alliance for Health (CCAH), the County can expect to see almost 6,000 new MediCal enrollees in 2014. Pent up demand for care by these individuals is likely to create a wave of complex patients who will require services for care that has been deferred, chronic conditions that have been left unmanaged, and additional help to address mental health, substance abuse, and other psychosocial issues. SCWHC identified the Live Oak neighborhood as an underserved area in the Santa Cruz community and in June 2012, SCWHC received a \$650,000 federal New Access Point grant to open a second clinic.

SCWHC has also been working closely with Dominican Hospital on a plan to integrate their pediatrics program into the new clinic. The hospital needs to move the program out of its current facility by the end of 2013 due to seismic and safety issues. SCWHC can more cost-effectively serve the 1,600, primarily low-income patients served by Dominican Pediatrics, which currently requires significant subsidy from the hospital. The enhanced MediCal reimbursement rate SCWHC receives as a FQHC narrows the gap between the cost of providing care and the revenue received from these visits. The coincidence of SCWHC's clinic development in Live Oak and Dominican's need to find a new clinical home for its pediatric program patients enhances the cost effectiveness and feasibility of this transition.

SCWHC will establish the Live Oak clinic at the East Cliff Village Shopping Center in 2014. Scheduled to open in March 2014, the Live Oak clinic will be a 10,000 sq. ft. family health and pediatrics center offering primary care for women, men, and children. In addition to adding services for men, the new clinic will enable SCWHC to provide services for the 1,600 low-income children currently served by the Dominican Hospital Pediatrics Clinic.

**A rendering of the  
Live Oak clinic currently  
under construction.**



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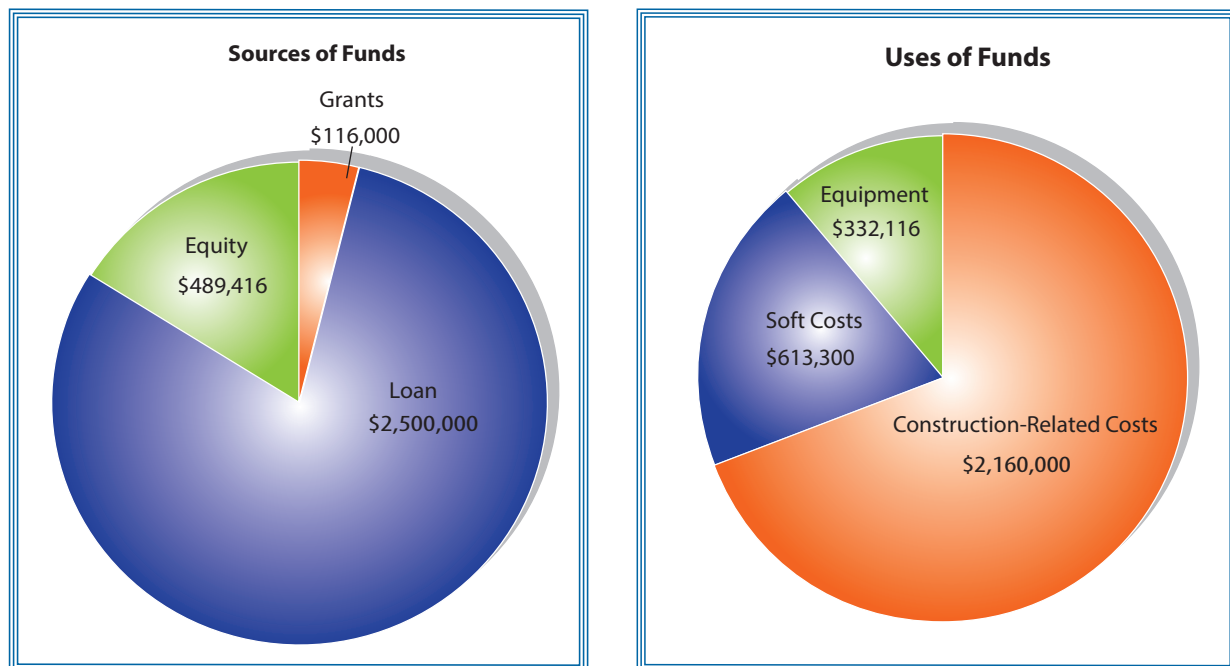
### Santa Cruz Woman's Health Center Capital Project (continued)

The careful planning for welcoming pediatric services at SCWHC, along with substantial financial assistance by Dominican Hospital, the Palo Alto Medical Foundation, and Sutter Medical and Surgery Center for the new clinic shows a mutual, continued investment in children's health and will enable SCWHC to grow the pediatrics program. SCWHC estimates that as many as 5,000 children could be provided with health services at their Live Oak clinic within the next 10 years.

### Project Funding

SCWHC is funding the \$3.1 million capital project budget using a combination of debt, grant support, and organizational equity. The \$2.5 million loan from Dignity Health has been structured with a five-year term, a 30-year amortization, and a 4% fixed interest rate.

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



In addition to the \$2.5 million received from Dignity Health to finance 81% of the capital project budget, Dominican Hospital has pledged \$1.5 million over the next five years to ensure adequate operating support for the SCWHC pediatrics program.

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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 from local purchases. Induced benefits occur from spending resulting from new household income as all local industries grow.

Prior to the planned expansion, SCWHC contributed over \$3.2 million annually directly to the local economy, plus additional indirect and induced economic impact of approximately \$1.9 million. After completion of the project, the direct economic impact is estimated to be over \$6.3 million annually, a \$3.1 million increase. Additional indirect and induced economic impact is expected to be over \$3.7 million annually by 2016.

This project is anticipated add approximately 17 permanent Full-Time Equivalent (FTE) employees by 2016 with the expansion of services being offered. The chart below shows the impact of SCWHC’s expansion on the community.

	2012 (prior to project start)	2016 (projected)
Number of Patients Served	5,111	9,571
Number of Patient Visits	19,632	33,500
Total Operating Revenue	\$4,472,640	\$6,520,590
Total Expenses	\$3,236,596	\$6,329,621
Permanent Direct Employment	36.66	53.26
Indirect and Induced Employment	14.2	27.8
Total Economic Impact (Direct, Indirect and Induced)	\$5,128,765	\$10,030,025

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