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Financing Rural Healthcare

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James Metz

Coordinator, Research and Technical Assistance
Council of Development Finance Agencies
Columbus, OH

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Panelists

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Financing Rural Healthcare

Infrastructure and Facility Financing

Colin J. Kalvas

Associate

Bricker & Eckler



Bricker & Eckler
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About Bricker



With offices throughout the state, Bricker & Eckler is one of Ohio's leading law firms. Bricker represents a wide variety of clients, with particular strength in the following industries:



Health Care



Energy



Public Sector



Financial Services

Financing Rural Healthcare



Types of Cost and Tools

Infrastructure:

- Tax increment financing (TIF)
- Special assessment district
- Revenues from infrastructure
- Tax abatements
- Governmental sources

Facilities:

- 501(c)(3) bonds
- Tax credit programs
- USDA programs
- HUD programs
- PACE financing

Financing Rural Healthcare



Infrastructure

- Greenfield sites
- Big infrastructure budgets
 - Water and sewer
 - Roads
 - Fiber optic / telecommunications
 - Lighting

Financing Rural Healthcare



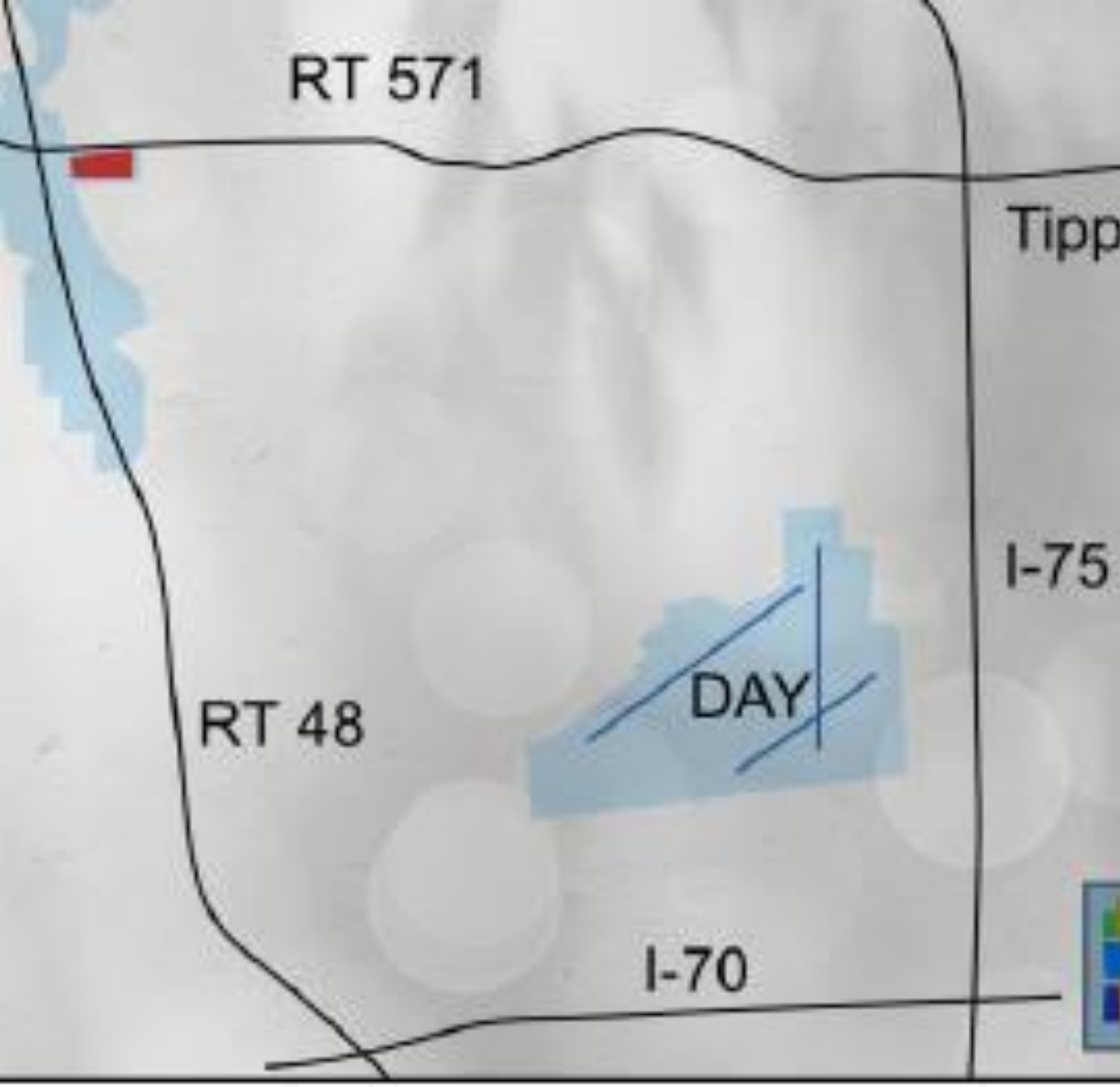
Infrastructure

Potential tools for financing:

- Tax increment financing (TIF)
- Special assessment districts or special charges
- Revenue from infrastructure (e.g. garage revenues, water and sewer rates, tap fees, etc.)
- Governmental obligations (GO)?

Stillwater Crossing





Located in West Milton, Ohio

30 miles north of Dayton, Ohio

Senior Living

60-80 total units

- Assisted living
- Independent living
- Memory care

Medical Office Buildings

5,700 square foot building for regional healthcare operator

- Includes skilled nursing

3,000 square foot primary care/dental office

Non-Healthcare

- 134 single-family homes
- Senior cottages
- Retail

Stillwater Crossing



Infrastructure Needs

- Water mains, lines, and fire hydrants
- Storm sewer main lines, manholes, catch basins, and headwalls
- Roadway underdrains
- Sanitary sewer main lines and manholes
- Excavation and embankment for streets to subgrade
- Subgrade compaction
- Concrete curbs and gutter along streets
- Roads
- Street signage
- Other miscellaneous

Stillwater Crossing



Infrastructure Financing

Warren County Port Authority

- Senior rated, credit-enhanced bond fund bonds
- Junior unrated conduit bonds

Revenues on bonds

- NCA charges
- TIF payments
- Tax abatement (not a revenue)



Financing Rural Healthcare



Facilities

Two to mention:

- 501(c)(3) financing
- PACE financing

Financing Rural Healthcare



Facilities Financing

501(c)(3)

- Tax-exempt interest
- Very low interest rates
- Must comply with IRS regulations
- Management contracts and other private use!

PACE financing

- Uses special assessment on property to pay for energy efficiency and alternative energy improvements
- Healthcare facilities can be big users of energy
- Potential to pass costs on to users

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Community Facilities Programs

Jennifer Sass, Asset Risk Management Specialist

Healthcare in Rural America

According to the National Rural Health Association:

- In rural America, the hospital is often one of the largest employers in the community
- Health care in rural areas can represent up to 20 percent of the community's employment and income
- The average critical access hospital creates 170 jobs and generates \$7.1 million in salaries, wages, and benefits annually.
- Between January 2010 and January 2019, 95 rural hospitals closed, 32 of which were Critical Access Hospitals. It is estimated another 675 facilities are vulnerable and could close. This represents more than one-third of rural hospitals in our country. Even further, one in three rural hospitals are in financial risk of closure, and 41% of rural hospitals operate at a negative financial margin.

USDA Rural Development Mission

- Rural Development's mission is to create economic opportunity and improve the quality of life in rural America.
- Rural Development has an outstanding loan portfolio that exceeds \$224 billion and has over 1.3 million outstanding loans and loan guarantees
- Rural Development is prioritizing our investments in three key areas: infrastructure, partnership and innovation



Community Facilities Program Overview

- Community Facilities Programs offer fixed rate, low-cost **direct loans, loan guarantees** and **grants** to develop or improve essential public services and facilities in communities across rural America.
- These amenities help **increase the competitiveness of rural communities** in attracting and retaining businesses that provide employment and services for their residents
- These facilities **improve the basic quality of life**, and assist in the development and sustainability of rural America.



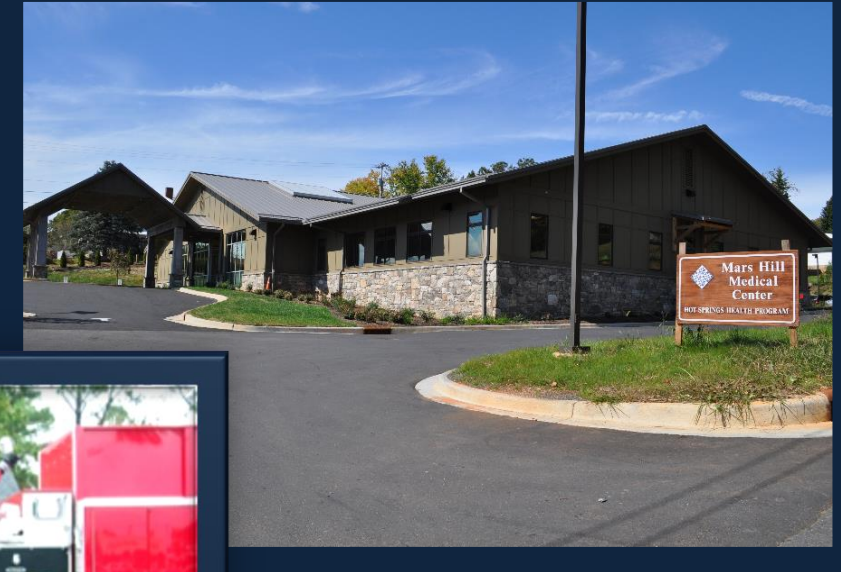
Community Facilities Overview

Essential Community Facilities

- Public Safety Facilities
- Public Buildings & Equipment
- Health Care Facilities & Equipment
- Education & Cultural Facilities
- Infrastructure

Eligible Applicants

- Public Bodies, Non Profits or Indian Tribes
- Communities less than 20,000 residents



Community Facilities Overview

Eligible Purposes

- Acquire existing real estate
- Construct, expand, renovate, or improve facilities
- Purchase vehicles and major equipment
- Associated project expenses (i.e. legal fees, interest expense)
- Refinancing when less than 50% of the total project cost



Community Facilities Overview

CF Direct Loans and Terms

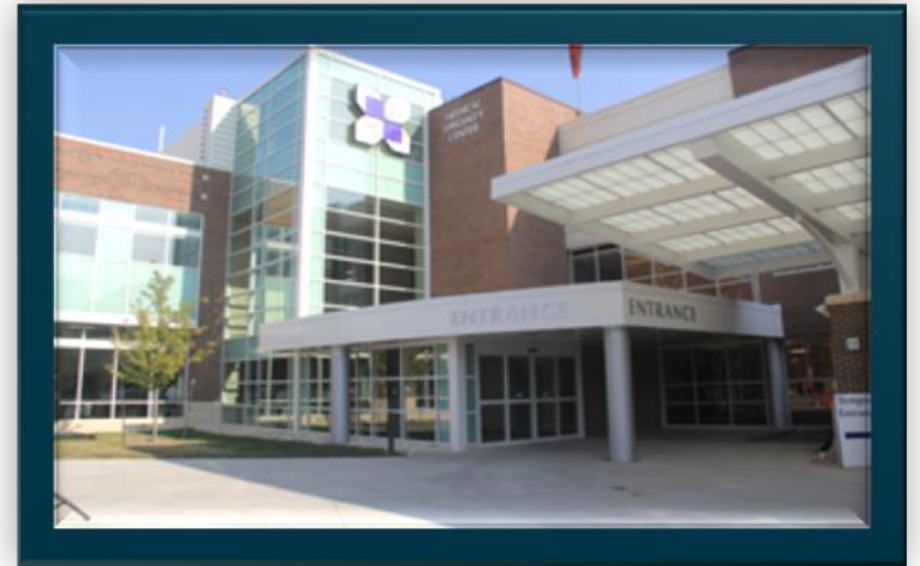
- Interest rates currently at 2.375%
- 40 year term or useful life
- Adequate security to protect the interest of the Government
- Repayment ability
- Unable to obtain other commercial credit



Community Facilities Overview

CF Guarantee Rates, Terms and Fees

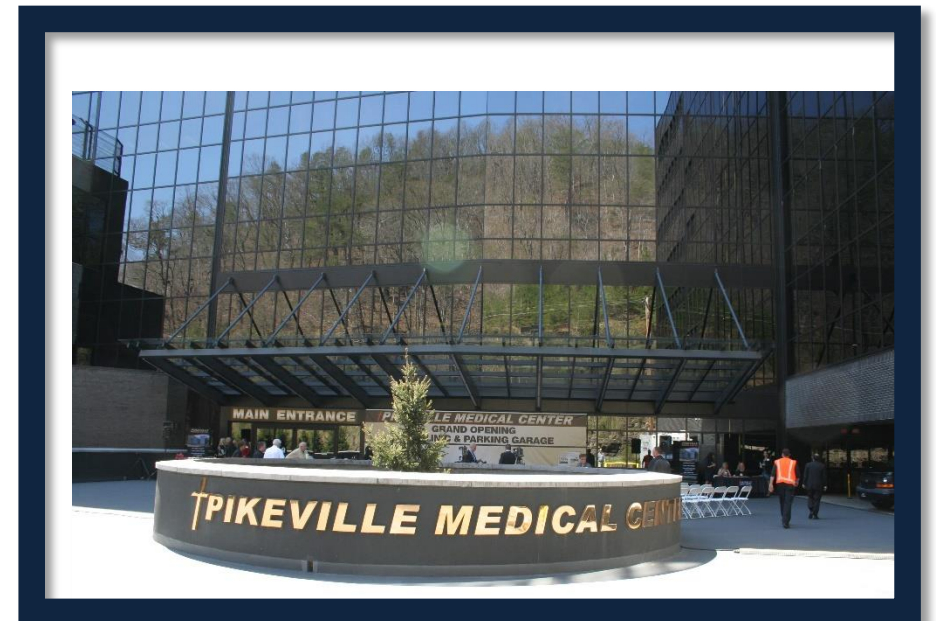
- Lender driven process
- Interest rate set by lender (fixed or variable)
- Term set by lender (max 40 year term or useful life)
- Adequate security to protect the interest of the Government
- Lender must be unable to make loan without guarantee
- Up to a 90% guarantee on any loss
- Up front fee of 1.50% fee payable upon issuance of Loan Note Guarantee, and 0.50% annual renewal fee



Community Facilities Overview

One Rule for RD Guarantee Loan Programs

- New Rule will provide consistency between RD's guar programs (RBS, WEP, and CF)
- CF will make its Direct and Guaranteed loan programs consistent to extent possible
- Adding a priority scoring system
- Adding an annual renewal fee
- Issuing the Loan Note Guarantee prior to construction



Community Facilities Overview

Other Community Facilities Programs

CF Grants – Regular, Economic Impact Initiative (EII) & Tribal College

- Limited funds available for the most needy communities
- Same eligible purpose as direct loans and guarantees

Rural Community Development Initiative Grants (RCDI)

- Technical assistance for capacity building

Technical Assistance & Training Grants (TAT)

- For the benefit of developing an essential community facility

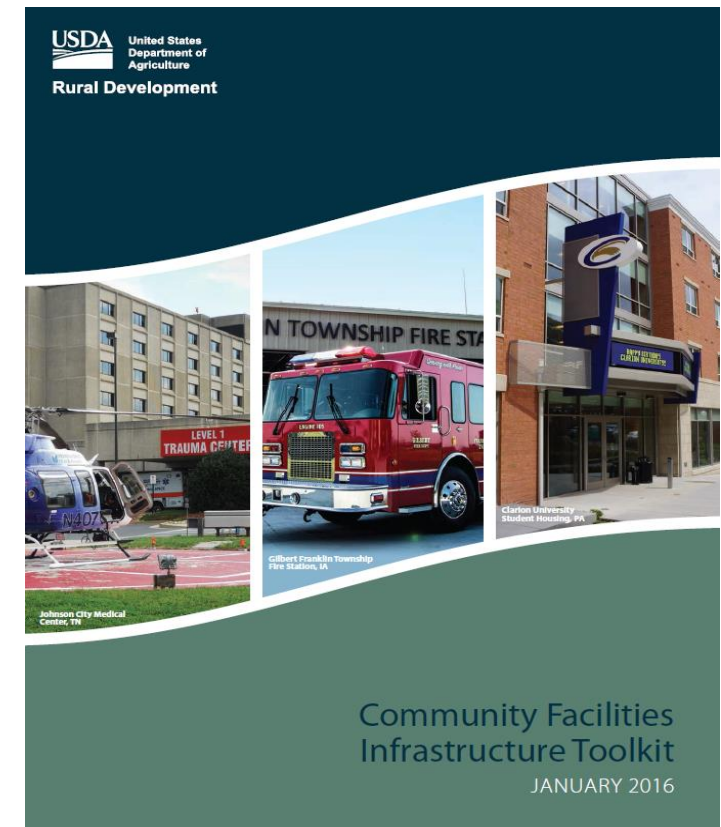
Community Facilities Program FY 20 Appropriations

- Community Facilities Direct Loans:
\$2.8 Billion
- Community Facility Guaranteed Loans:
\$500 Million (\$175 Million can fund
projects exceeding 20,000 population NTE 50,000)
- Community Facility Regular Grants:
\$30 Million
- RCDI: \$6.5 Million
- Tribal College Grants: \$5 Million
- TAT Grants: \$1.5 Million
- Strategic Economic Community
Development (SECD) 10% set aside
- Persistent Poverty areas 10% set aside

Get Connected

Community Infrastructure Tool Kit

- Applicable to various industries
- Includes best practices and lessons learned when developing infrastructure projects
- Marketing resource to expand the USDA's investment foot print in Rural America
- Educational resource for applicants that can be used to undertake and expedite new projects or advance delayed projects



Community Facilities Direct Loan Program Guidance Book for Applicants

Community Facilities Direct Loan Program Guidance Book for Applicants is a step by step guide to help applicants apply for a Community Facilities Direct loan.

This guide book outlines the application process, financial feasibility requirements, construction and closing of an essential community facility for small towns and rural areas.

<https://www.rd.usda.gov/programs-services/all-programs/community-facilities-programs>



Community Facilities
Direct Loan Program
Guidance Book
for Applicants

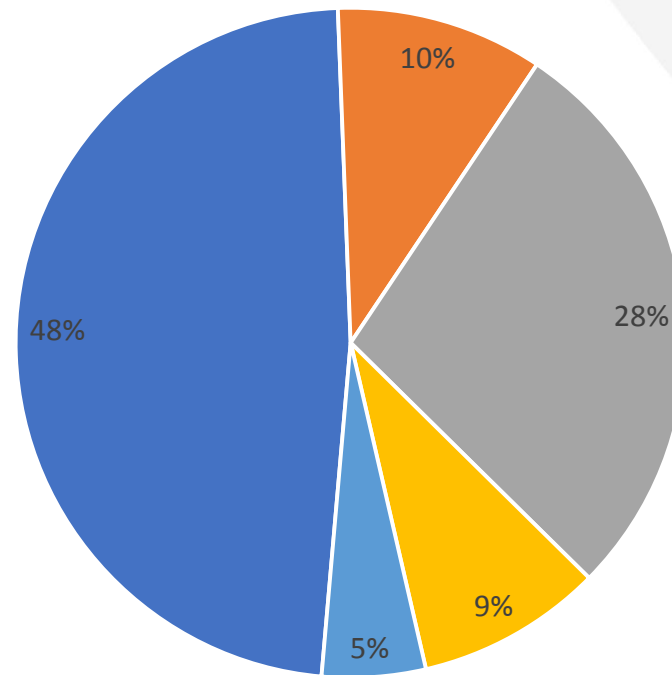
Together, America Prospers

Community Facilities Program Investments

Outstanding Principal Balance by Sector (Total \$10.9 Billion)

Healthcare Represents 48% of CF Unpaid Principal Balance

Total # of Community Facilities: 10,480



■ Healthcare

■ Public Buildings & Improvements

■ Education & Cultural

■ Public Safety

■ Other

Community Facilities Healthcare Investments

CF HEALTH CARE PORTFOLIO

Direct Loan Only

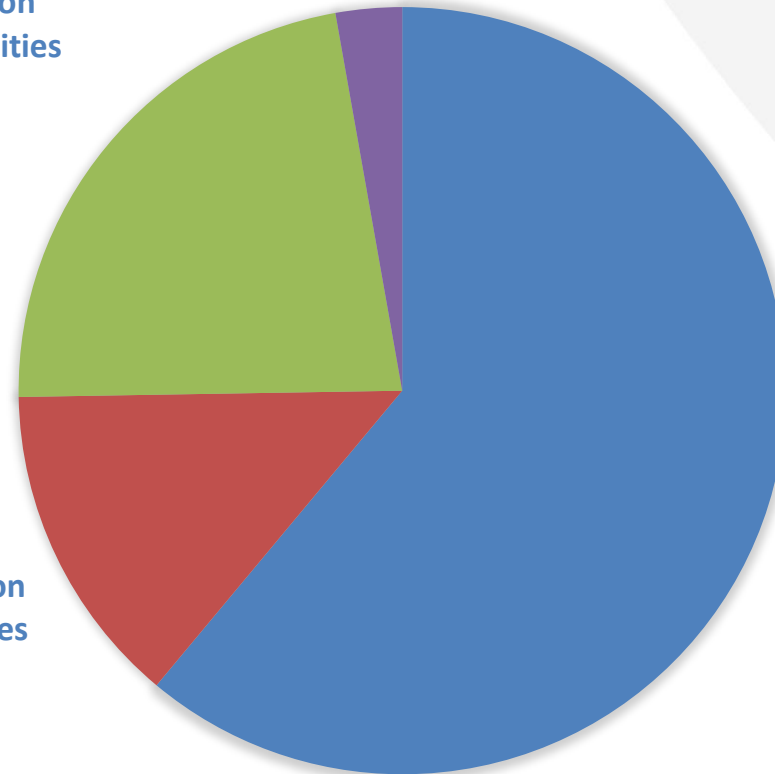
Long Term Care
\$1 Billion
395 Facilities
22%

Other
\$130 Million
92 Facilities
3%

Total \$4.7 Billion

1,593 Facilities

Cinics
\$639 Million
489 Facilities
14%



Hospitals
\$2.9 Billion
617 Facilities
61%

As of June 1, 2020

Success Stories

Hoke Healthcare, LLC (Raeford, NC):

Direct loan request of \$30,000,000 and guarantee request for \$27,311,000 with BB&T.

Funds will be used to construct a new 41-bed Acute Care Hospital constructed on an 11.28 acre site and will serve all of Hoke County. The facility will be approximately 137,000 sq. ft. on three floors and will contain two operating rooms, four birthing suites, 16-bay emergency department, imaging, cardiopulmonary units, 41 patient rooms, laboratory and pathology, inpatient pharmacy, kitchen/cafeteria, and administrative and support areas.

Upon completion the facility will provide approximately 300 jobs including support service staff, physicians, technicians, and nursing staff.



Success Stories

The Community Health Center of Southeast Kansas Inc.

Received a \$2.8 million loan to construct a 14,000-square-foot health clinic that will house medical, dental and behavioral health services, a pharmacy, and support services. The new facility, in Iola, will enable the center to expand services, hire more staff and care for more patients. More than 13,000 residents will benefit.



Success Stories

Community Health Centers of the Central Coast (Templeton, CA):

Community Health Centers of the Central Coast's (CHCCC) clinic supports the county's regional strategic plan that has identified health care as a primary cluster for economic development. This project was an excellent candidate for SECD set-aside funds. CHCCC received a total of \$16.2 million to construct a replacement health clinic in Templeton, California. Over \$8.1 million in direct loan funds were combined with an \$8.1 million guaranteed loan originated by Dougherty Mortgage, LLC. CHCCC also contributed a significant portion to the project. This joint funding effort equates to more than 60 percent leverage on a \$20.8 million project. This 25,700 sq. ft. health clinic will double available space and expand services for much needed primary care, pediatrics, women's health, internal medicine, dental, behavioral health and chiropractic care in the region.



Success Stories

Hospital Service District of West Feliciana Parish (St. Francisville, Louisiana):

Existing 23-bed critical access hospital built in the 1970s lacked handicap accessibility, space for modern medical equipment and technology for today's health care needs.

53,000 sq. foot replacement facility with 12 in-patient beds, a fully equipped emergency room with new imaging, MRI machine, CT scanner and X-ray machine.

\$8 million guarantee with Midfirst Bank, Oklahoma City, Oklahoma, a \$17,575,000 CF direct loan and \$2.2 million of applicant contribution.

The hospital district employs approximately 120 FTEs and provides needed medical care to an area designated in 2014 as a special emphasis targeted medically underserved parish.



USDA is a strong partner to communities in addressing the opioid epidemic



“As we focus on solutions to build prosperity in rural America, the devastating impact that the opioid epidemic has had on many small towns and rural places cannot be overlooked.”

- *Sonny Perdue, Secretary of Agriculture*

Prioritizing projects that help combat substance use disorders

Rural Development also encourages applications that will support the Administration's goal to combat substance use disorders, including opioid misuse, in high-risk rural communities by strengthening the capacity to address prevention, treatment and/or recovery.

- CF program awarded a \$13,200 grant to support a comprehensive statewide effort in Tennessee called the "Prescription for Success Program" to purchase and locate steel bins for disposal of unused prescription drugs – keeping them off the street.
- CF approved a \$9.3 million low-interest loan to build a treatment center known as "The Campus" in Nevada and Placer counties in California that includes clean and sober transitional housing.
- CF awarded a \$5 million direct loan, leveraged with a \$1.3 million guaranteed loan to the North Lakes Community Clinic in WI to expand its Heroin and Opiate Prevention and Education program

Access to Healthcare is a necessity, not an amenity, for any community to prosper.





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Business and Industry (B&I) CARES Act Program



Agenda

- I. B&I Program Overview
- II. B&I CARES Act Program Overview
- III. Application Process
- IV. Resources
- V. Q & A and wrap-up

Business & Industry (B&I) Guaranteed Loan Program

- Helping rural businesses access private capital since 1972.
- Typical loan purposes include the purchase and development of land and buildings, equipment, machinery and supplies.
- Rural Healthcare Facilities Eligible

B&I CARES Act Program Modifications

Loan proceeds limited to working capital purposes only.



B&I Guaranteed Loan Program

Eligible Borrowers include:

- For-profit businesses.
- Nonprofits.
- Cooperatives.
- Federally-recognized Tribes.
- Public bodies.



B&I Guaranteed Loan Program: Eligible Lenders

Lenders need the legal authority, financial strength and sufficient experience to operate a successful lending program.

Pre-approved lenders include:

- Federal or state-chartered banks.
- Savings and loans.
- Farm credit banks.
- Credit unions.

B&I CARES Act Program Overview



B&I CARES Act Program Implementation

- Appropriated \$20.5M in program level; supporting up to \$1B in lending authority
- Available until expended, not to exceed September 30, 2021
- Interim Final Rule published on May 22, 2020
- Notice of Funding Availability published on May 22, 2020

B&I CARES Act Program: Different than the (Regular) B&I Program



Limited Loan Purposes: Working Capital Loans Only!

❖ *Includes: Payroll Costs, Healthcare Benefits, Salaries, Principal and Interest Payments, Rent/Leases, Utilities, Inventory and Supplies*



**Loans have a 90% Guarantee,
2% Guarantee Fee**



**New Eligible Purposes:
Expanded to Include Ag Production**



**Modified Terms:
Repayment Up to 10 Years
Deferrals – Principal up to 3 Years
Interest up to 1 year**



Capital & Equity Requirements



**Collateral Discounting by the
Lender is not Required**



**Maximum Loan Amount:
\$25 million**

B&I CARES Act Program Provides:

- Increased maximum repayment term to 10 years.
- Loan principal payments may be deferred for up to 3 years from the loan closing. Interest payments may be deferred for up to one year from loan closing.
- Eligible loan purposes include payroll costs, healthcare benefits, salaries, principal and interest payments, rent/leases, utilities, inventory and supplies.

B&I CARES Act Program Provisions

- 90% guarantee percentage for all loans
- 2% guarantee fee paid at loan closing
- 0.5% annual renewal fee
(50 bps)





B&I CARES Act Program: Eligibility

- Eligible B&I borrowers are defined in 7 CFR 4279.108 – Healthcare facilities are eligible
- Agricultural producers are eligible borrowers, with conditions
- Any B&I CARES Act Program borrowers must have been in operation on February 15, 2020

B&I CARES Act Program: Eligible Loan Purposes

- Working capital loans only.
- Loan must be to cover costs to prevent, prepare and respond to the coronavirus pandemic.
- Loans for working capital to support agricultural production, including independent agricultural production, are eligible if the applicant's loan request exceeds Farm Service Agency (FSA) guaranteed loan authority or the applicant's request is otherwise ineligible for FSA loans.

B&I CARES Act Program: Eligible Uses

- Wages, salaries, sales commissions to employees, group healthcare benefits, and other employee benefits;
- Administrative expenses and administrative service contracts;
- Property insurance, hazard insurance, and other business insurance;
- Principal and interest payments on existing loans during the pandemic recovery, excluding any owner/stockholder debt or related-party debts;
- Rent, payments on leases, and routine maintenance;

B&I CARES Act Program: Eligible Uses (continued)

- Taxes and utilities;
- Business inventory;
- Ag production expenses including inventory, feed, seed, fertilizer and chemicals, livestock (excluding livestock for breeding) and supplies;
- Marketing, shipping, and other expenses incurred through normal business operations or such additional expenses due to the national COVID-19 Public Health Emergency; and
- Loan costs and essential loan-related expenses.

B&I CARES Act Program: Ineligible Loan Purposes

- Business acquisitions
- Purchase of land, buildings, equipment, construction and other capital expenses
- Refinancing, unless such debt refinancing is for debts incurred subsequent to February 15, 2020 for eligible purposes
- § 4279.117 Ineligible purposes and entity types



B&I CARES Act Program: Maximum Loan Amount

- Loans to one borrower (including the guaranteed and unguaranteed portions, the outstanding principal and interest balance of any existing B&I guaranteed loans, and the new loan request) cannot exceed \$25 million.
- Loan shall be based on a cash flow analysis and must not be greater than the amount needed to cure problems caused by the COVID-19 emergency so that the business is reestablished on a successful basis.

B&I CARES Act Program: Maximum Loan Amount (continued)

- The maximum loan amount of the B&I CARES Act Program Loan for working capital purposes may not exceed 12 times the borrower's total average monthly costs of eligible working capital loan purposes less the total amount of any SBA PPP loans or other Federal emergency assistance received.
- Borrowers receiving B&I CARES Act Program Loans in an amount less than the maximum eligible loan amount in accordance with the above paragraph, may apply for subsequent loans under this section not to exceed the maximum loan amount.



B&I CARES Act Program: Repayment Terms

Multiple Draws Required

- Loan proceeds must be disbursed through multiple draws on an as-needed monthly basis.

10 Year Maximum

- Notwithstanding the provisions of § 4279.126, the maximum allowable repayment term of loans for working capital purposes is 10 years.

Up to 1 year Principal and Interest Deferral

- Loan repayment may defer principal payments or principal and interest payments for a period up to 12 months from loan origination

Extended Principal Deferrals

- May extend deferral of principal payments up to a total of three years with a maximum repayment term of 10 years from loan origination.

B&I CARES Act Program: Collateral Requirements

- Loans must be adequately secured.
- Collateral discounting by the lender is not required for B&I CARES Act Program Loans for working capital purposes.
- The value of the collateral (fair market value) must be equal to or greater than the loan amount.

B&I CARES Act Program: Appraisal Guidelines

- Appraisals of real estate and chattel collateral are required when the amount of the loan exceeds \$1,000,000, unless the chattel is newly acquired equipment and the value is supported by a bill of sale.
- Notwithstanding the provisions of § 4279.144, the Agency will accept appraisals older than 1 year but completed within 2 years of the application date.
- Lenders may provide an updated appraisal in lieu of a new complete appraisal when the original appraisal is more than 2 years old.
- During the COVID-19 pandemic, an interior or on-site inspection of the collateral is not required under certain circumstances.

B&I CARES Act Program: Capital and Equity Requirements

- 10 percent balance sheet equity;
- Balance sheet equity that includes owner-contributed capital of 10 percent or more of total fixed assets; or,
- The business must invest other funds into the project equal to 10 percent or more of total eligible project costs.



B&I CARES Act Program: Application Information



B&I CARES Act Program Application Requirements

- Loans for working capital are classified as categorical exclusions for purposes of the Agency's environmental requirements
- A draft loan agreement is not required at the time of application
- A business plan or feasibility study is not required
- Lenders may substitute and rely on the borrower's tax returns when financial statements prepared in accordance with GAAP are not available from the borrower
- Agricultural producers' financial records must meet the industry's standard accounting practices
- We encourage the use of § 4279.161(c), simplified applications, for loan applications of \$600,000 and less.

B&I CARES Act Program Processes and Procedures

- Applications are received and processed in the RD State Office
- Funds will be maintained in a National Reserve account
- The Agency will consider applications in the order they are received
- Toward the end of the funding period the Agency will assign priority points for the limited remaining funds, and for this purpose the Agency will compare an application to other pending applications that are competing for funding in accordance with 7 CFR 4279.166.

B&I CARES Act Program Processes and Procedures (continued)

- The aggregate total amount of loans for agricultural production will initially be limited to 50% of the total amount of program level of the B&I CARES Act Program, approximately \$475,500,000.
- The Agency may publish future notices in the Federal Register revising the limitation of the amount of funding made available for loans for agricultural production to align with the demand for these loans.



B&I CARES Act Program: Combined Applications

A lender or borrower may combine applications for a B&I CARES Act Program loan for working capital with an application for the standard B&I Guaranteed Loan Program using appropriated fiscal year funds.

The provisions of the B&I CARES Act Loan Program section do not apply to applications for B&I appropriated fiscal year funds.

Resources, Links, and Contacts



B&I CARES Act Program Resources and Links

- Regulation
 - <https://www.govinfo.gov/content/pkg/FR-2020-05-22/pdf/2020-11242.pdf>
- Notice of Funding Availability
 - <https://www.govinfo.gov/content/pkg/FR-2020-05-22/pdf/2020-11243.pdf>
- Fact Sheet
- Web Site:
 - <https://www.rd.usda.gov/programs-services/business-and-industry-cares-act-program>

Other Links and B&I Contacts

- State Office Contacts:
 - <https://www.rd.usda.gov/contact-us/state-offices>
- USDA Coronavirus Resources:
 - <https://www.usda.gov/coronavirus>
- Point of Contact:
 - Jeff Hudson, Business Loan and Grant Analyst Jeff.Hudson@usda.gov

Q & A

Wrap-up



USDA is an equal opportunity provider, employer, and lender.



Mackenzie Ledet

Director
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Mackenzie Ledet is involved in Stonehenge Capital's economic development initiative where she primarily manages the firm's relationships at the local, state and national levels to support and promote state and federal capital access programs.

Prior to joining Stonehenge, Ms. Ledet was an attorney, litigator and registered lobbyist with the Baton Rouge firm of Baker, Donelson, Bearman, Caldwell & Berkowitz. Her legal practice focused on a wide variety of corporate matters, including commercial litigation, healthcare litigation and regulatory matters.

Before embarking on her accomplished litigation career, Ms. Ledet served on the staff of Congressman Charles Boustany, Jr., MD. Ms. Ledet received her joint JD and diploma in Civil Law from the Paul M. Hebert Law School at Louisiana State University.

NMTC - FUNDING RURAL HEALTHCARE



Most rural community health centers lack access to financing from mainstream financial institutions due to perceived **risk associated with the variable and short-term nature of the funding**, as well as the **often-limited value of the facility as collateral**



NMTCs fill financing gaps – typically 20-28% of a project's cost.

Public and philanthropic dollars, commercial debt, and sponsor equity can be blended with NMTCs to complete a project's funding package

NMTC - FUNDING RURAL HEALTHCARE

**2003-
2018**

Between 2003-2018, NMTC financed **169 rural healthcare facilities and 145 rural healthcare projects** for a total of 314 rural healthcare investments since the program's inception

2018

A more recent snapshot: in 2018 alone, NMTC financed **14 rural healthcare facilities and 10 rural healthcare projects** for a total of 24 rural healthcare investments

- *Healthcare facility: primary purpose is healthcare (hospital, stand-alone clinic, etc.)*
- *Healthcare project: healthcare not its primary purpose (a mixed-use project that includes a health clinic, for example)*

NMTC - FUNDING RURAL HEALTHCARE

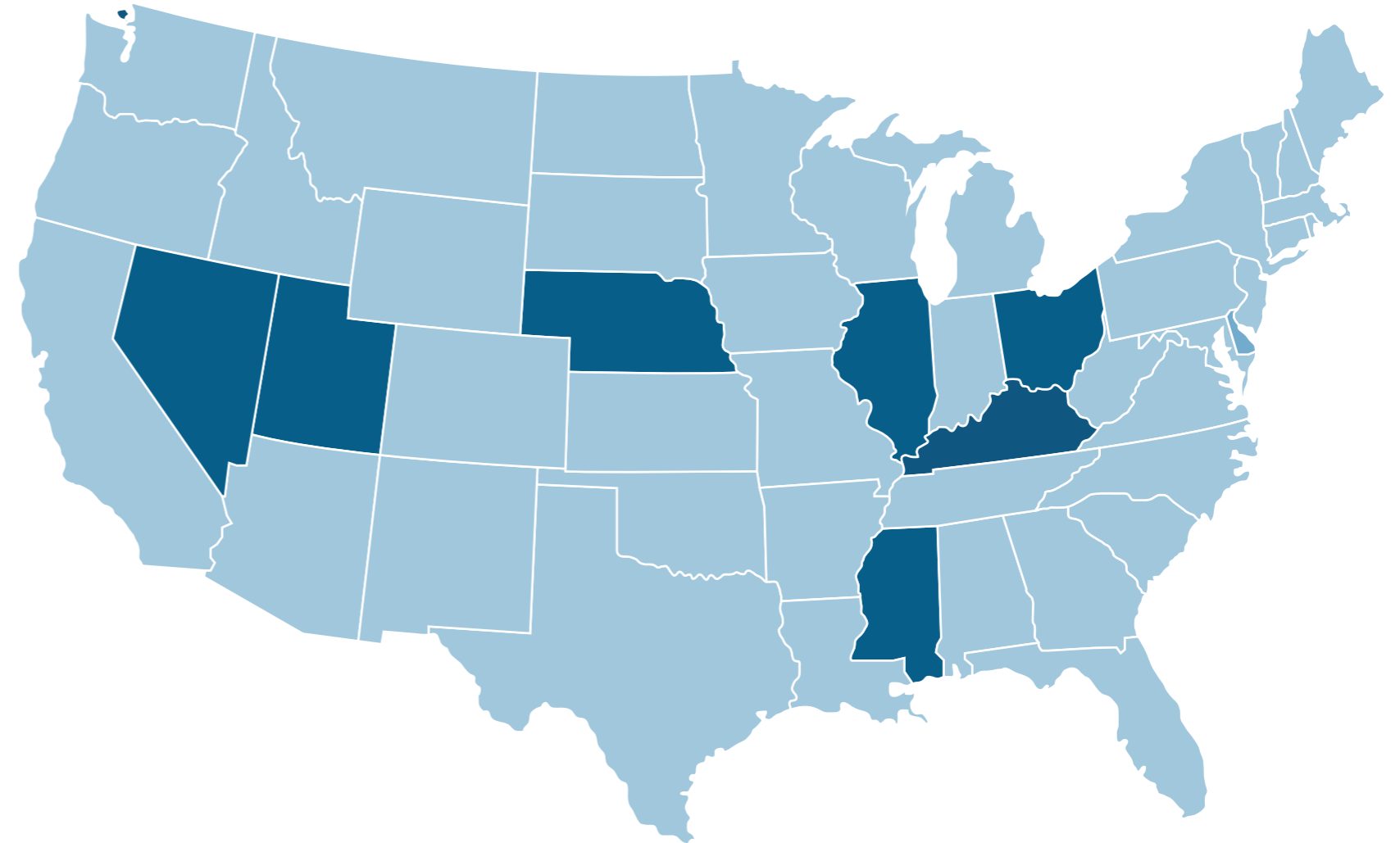
HOW DOES A RURAL HEALTHCARE FACILITY OR PROJECT ACCESS NMTC FINANCING?

- Located in a low-income census tract or severely distressed area
- 20-30% of any allocation of NMTCs shall be invested in rural low-income census tracts
- Find a Community Development Entity with Federal NMTC allocation
 - \$3.5 billion in allocation to be awarded Summer 2020
 - \$5 billion in allocation awarded in 2021
- State New Markets Tax Credit Programs

NMTC - FUNDING RURAL HEALTHCARE

STATE NMTC PROGRAMS

- Nebraska
- Nevada
- Ohio
- Kentucky
- Illinois
- Mississippi
- Utah





Mark Scheffel serves as a senior vice president for Advantage Capital. Given his experience as both a legislator and practicing attorney, Mr. Scheffel plays an important role in helping the firm's clients navigate the challenges presented by state governments.

With over 25 years of professional experience in business and public service, Mr. Scheffel most recently served as the Senate Majority Leader in the Colorado State Senate, representing State Senate District 4 as the second highest-ranking Republican in the chamber. A member of the Colorado Senate since 2008, he has dedicated his career in public service championing both small businesses and Colorado's taxpayers, leading legislative efforts to help small businesses grow and expand and provide more transparency in state government for taxpayers. Mr. Scheffel has worked as a practicing business and tax attorney since 1989, starting his own firm, Reid and Scheffel, P.C. in 1993. He has represented individual, corporate, and governmental entity clients in tax, business, and regulatory matters.

Mr. Scheffel received his J.D. from John Marshall School of Law, his LL.M. degree in taxation from New York University's School of Law and his bachelor's degree in finance from the University of Denver.

KANSAS - NMTC FINANCED RURAL HEALTH CENTER

ROOKS COUNTY HEALTH CENTER (RCH)



LOCATION

Plainville, KS

BUSINESS TYPE

Rural Hospital

NMTC'S

\$3.1 million

TOTAL PROJECT COST

\$9.2 million

PERMANENT JOBS CREATED

17

Since opening in 2008, the volume of inpatient and outpatient services increased by 295%

First phase of expansion is complete — nuclear medical suite with new MRI

Second phase of expansion is under construction -- will integrate Physical Therapy, Occupational Therapy, Cardiac Rehab and Speech Therapy into one location to alleviate HIPPA privacy issues and lessen patients risks to contagious disease or infection

NMTC investment allowed the second phase construction to begin immediately after the first phase was complete — without the need to raise any additional funds through their existing capital campaign

KANSAS - NMTC FINANCED RURAL HOSPITAL

SMITH COUNTY MEMORIAL HOSPITAL



LOCATION

Smith Center, KS

BUSINESS TYPE

Rural Hospital

NMTC'S

\$6.8 million

TOTAL PROJECT COST

\$29.3 million

JOBS CREATED

10

JOBS RETAINED

130

CONSTRUCTION JOBS

100

Smith County Memorial Hospital (SCMH) has been a staple in this Kansas community for nearly 70 years, providing a wide variety of healthcare services in a Medically Underserved Area

80 percent of the county voted to construct a new hospital to replace the outdated facility

NMTC funding helped support the construction of a new 61,698 square foot hospital including in-patient beds, a long-term care unit, a surgery suite, outpatient clinic services, an ER, labor and delivery, and space for outpatient procedures and therapy and rehabilitation services

The hospital's prior programming and outreach programs have continued, including a scholarship program covering education costs for potential nursing, lab and radiology staff in exchange for full-time employment commitments after graduation

LOUISIANA - NMTC FINANCED RURAL HOSPITAL

MOREHOUSE GENERAL HOSPITAL



LOCATION

Bastrop, LA

BUSINESS TYPE

Rural Hospital

NMTC'S

\$3.7 million

TOTAL PROJECT COST

\$12.5 million

JOBS CREATED

132

JOBS RETAINED

62

Morehouse General, the only hospital within 30 miles, was on the verge of closing in 2008 due to unsustainable debt and outdated equipment

A healthcare crisis for Morehouse and its surrounding parishes was averted when the NMTC program came to the rescue, preventing the hospital's closure and financing the renovation of the ER as well as the purchase of radiology and other medical equipment

The federal investment realized a 3.5x ROI (return on investment) based on taxes generated by direct jobs - \$13.09 million in direct federal tax revenues at a cost of \$3.7 million to federal government and \$3.2 million in direct state income taxes collected

ALABAMA - NMTC FINANCED RURAL HOSPITAL

MONROE COUNTY HOSPITAL



LOCATION

Monroeville, AL

BUSINESS TYPE

Rural Hospital

NMTC'S

\$2.34 million

TOTAL PROJECT COST

\$6.3 million

JOBS CREATED

21

The Monroe County Hospital (MCH) is the only hospital serving rural Monroe County and Wilcox County, the poorest county in the state

A NMTC-financed construction loan enabled a renovation of the oncology department, doubling the number of treatment spaces, as well as an expansion of the ER

Before the NMTC investment was made, the ER was stressed with 2,286 annual visits per bed, well above the national average of 1,500 visits per bed

Without this facility, residents would have to drive more than 50 miles for emergency care and over 90 miles for outpatient chemotherapy

Nearly 20% of patients are covered by Medicaid, 28% of patients carry no insurance, and 47% live in a low-income community

SOUTH DAKOTA - NMTC FINANCED COMMUNITY HEALTH CENTER

COMMUNITY HEALTH CENTER OF THE BLACK HILLS



LOCATION

Rapid City, SD

BUSINESS TYPE

Rural Health Center

NMTC'S

\$2.4 million

TOTAL PROJECT COST

\$8.8 million

JOBS CREATED

16

CONSTRUCTION JOBS

60

FTE JOBS RETAINED

70

NMTC helped finance the expansion and modernization of a FQHC (Federally Qualified Health Center) in a medically underserved area

The expansion allowed the Center to accommodate 3,200 additional patients annually

Medical, dental and behavioral health services are now centralized in a 38,000 square foot facility

The Health Center offers a sliding fee scale in one of the nation's poorest counties

MISSISSIPPI – NMTC FINANCED RURAL MEDICAL CENTER

WINSTON MEDICAL CENTER



LOCATION

Louisville, MS

BUSINESS TYPE

Medical Center

NMTC'S

\$17.3 million

TOTAL PROJECT COST

\$44.5 million

PERMANENT JOBS CREATED

60

CONSTRUCTION JOBS

300

Destroyed in 2014 by an F-4 tornado, Winston Medical Center was forced to continue operations in tent-based facilities

A NMTC investment helped reopen the facility and provide important healthcare services to this low-income community

The new building includes long-term care and rehabilitation facilities, as well as a new medical office building, and services 28,000 patients

Half of all employees live within the WMC service area, reducing commuting times and providing the opportunity for people to live and work in the same community

MISSISSIPPI – NMTC FINANCED RURAL MEDICAL CENTER

BAPTIST MEDICAL CENTER - LEAKE



LOCATION

Carthage, MS

BUSINESS TYPE

Critical Access Hospital

NMTC'S

\$8.5 million

TOTAL PROJECT COST

\$29.7 million

FTE JOBS CREATED/RETAINED

131

CONSTRUCTION JOBS

275

NMTC financed the new construction of a 54,690 square foot medical facility in rural Carthage (pop. 4,600) to serve over 5,000 low-income persons annually

The NMTC investment resulted in an expanded overnight facility, 5 new physicians, 15 new support staff and the retention of 111 high-skilled medical technicians

Located in a Persistent Poverty County and a Medically Underserved Area, an Appalachian Regional Commission (ARC) service area and a census tract with a poverty rate of 31.1%

New facility provided advanced care options that residents previously had to travel 70 miles away to access

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