

**MEMORANDUM**

Date: October 27, 2015

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To: Dignity Health Community Economic Initiatives Subcommittee

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From: Leslie Watson, Analyst, Community Grants and Investments  
Pablo Bravo, Vice President, Community Health

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Subject: Community Investment Program Highlights: Sacramento Overview

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The following are selected highlights of the social impact of Dignity Health Investments in the Sacramento Service Area.

Sacramento County has a history of proactive approaches to tackling health care for indigent, mostly immigrant, populations in California. In an article dated June 25, 2015 in the Los Angeles Times, Sacramento made the decision to become the 12<sup>th</sup> county in the State to provide healthcare to those who have entered the country illegally.

With a burgeoning low-income population needing access to health care, Dignity Health's Mercy General Hospital, with the direct and indirect funding assistance of Community Investments, has transitioned their clinics to Federally Qualified Health Clinic (FQHC) organizations during the past several years. Below are some examples of Dignity Health Community Investments in healthcare in Sacramento:

- **CPCA Ventures (\$2,500,000 investment approved in 2012, of which \$877,070 is currently outstanding.)**

CPCA Ventures, located in Sacramento, California, manages a loan program in partnership with NCB Capital Impact that provides financing opportunities to California's community clinics and health centers that might not be able to access traditional financing sources. Dignity Health's funds were used to support this program. (The picture to the right is the Temple Health Center in Los Angeles, one of the clinics funded by CPCA Ventures in 2014.)



Over the past two decades, CPCA Ventures has helped California's community clinics and health centers double both number of sites and number of patients being served. During 2014

alone, CPCA Ventures invested over \$2.6 million in seven clinics serving 141,000 patients, 45% of whom were on MediCal, and 18% were uninsured.

- **Elica Health Centers (\$1,000,000 investment approved in 2011, of which \$750,000 is currently outstanding.)**

Formerly the Midtown Medical Center for Children and Families serving primarily underserved, multi-cultural immigrant populations, Elica came to Dignity Health for funds to help them transition into an FQHC, which they achieved in June 2012. Since then, they changed their name to Elica Health Centers and increased clinical capacity to where they now (2015) handle over 11,000 patients and 43,000 patient visits a year (up from 14,400 visits in 2011).



- **WellSpace Health (\$1,000,000 investment approved in 2010 and extended in 2015. Current outstanding is \$620,795.)**

Following an initial loan from Dignity Health for \$500,000 to assist in a merger, WellSpace Health (formerly The Effort) came to Dignity Health for additional funds to manage cash flow and implement their electronic health records. Since then, WellSpace has managed to expand their operations, in part by absorbing five of Dignity Health's Mercy Clinics. (The North Highlands Multi-Service Center to the right is one of the former Mercy Clinics taken over by WellSpace.) WellSpace currently operates 13 clinics serving over 31,500 patients through over 100,500 visits. 69% of patients are on MediCal and 28% are uninsured.



- **Peachtree Healthcare (\$600,000 investment approved in 2015 but never disbursed.)**

Peachtree Healthcare, operating previously in Yuba and Sutter counties, was approached by Mercy General Hospital to take over their clinic in the Norwood district of Sacramento in February 2015. They came to Dignity Health for a loan to assist in the acquisition and preparation for a new site location. During this process, Mercy General came through with a grant that was able to fund these needs.



With housing a major social determinant of health, Dignity Health investments in Sacramento have also focused on providing affordable housing. Two outstanding investments include:

- **Mutual Housing California (\$350,000 investment approved in 2014, of which \$100,000 is currently outstanding.)**

Mutual Housing California, a Sacramento-based affordable housing developer and provider of supportive services since 1988, used Dignity Health funds to create 61 units of affordable agricultural worker rental housing at Spring Lake, Woodland, and 208 units of affordable housing in Central Stockton.



- **Nehemiah Community Reinvestment Fund (NCRF) (2 \$500,000 investments approved in 2014 and 2015 respectively. Current outstanding totals \$1,000,000.)**

NCRF has been a borrower with Dignity Health since 2006, providing lending capital for affordable housing projects, and more recently the acquisition and refurbishment of housing to be sold at below-market interest rates to veterans and active military personnel with its Roofs for Troops program. Much of their activity is confined to the three-state area of California, Nevada and Arizona. However, with their latest Roofs for Troops program, they have branched out nationally. During 2014 alone, NCRF refurbished and sold 140 housing units and created or preserved over 2,000 jobs.

