



Cover Photos

Health centers featured on the cover [l-r, clockwise]:

1. The **Joseph P. Addabbo Family Health Center** broke ground on a new project in April 2018: a 21,000-square-foot addition to a building financed by PCDC in 2006. At full capacity, Addabbo will be able to host 97,000 visits per year to 18,900 unique patients, a quarter of whom reside in nearby New York City Housing Authority housing complexes. A workforce development program will also provide on-site job training for medical assistants, clerks, medical billers, and custodians.

2&3. PCDC began working with **Housing Works** in 2005, helping finance construction of three primary care centers. The most recent financing in 2018 — a \$4 million project to transform office space into a 7,300-square-foot outpatient health care facility — will enable 15,000 to 20,000 patient visits annually in Manhattan's Hell's Kitchen neighborhood.

4. In 2019, New Orleans-based **CrescentCare** opened doors to its new 65,000-square-foot facility, made possible through PCDC financing. The project vastly expands low- to no-cost primary care, dentistry, pediatrics, and more in a community still rebuilding after Hurricane Katrina.

5. Originally housed in the basement of a church in Harlem in 1988, **Harlem United** has become a multi-site social services and housing provider as well as a Federally Qualified Health Center, providing an array of services for New York City's underserved. Approximately \$20 million in PCDC financing has supported the construction and renovation of three Harlem United sites and the acquisition of two mobile vans.

6. **Community Health Center, Inc.**, Connecticut's largest Federally Qualified Health Center, celebrated the culmination of an ambitious project in 2019: a \$47 million expansion of three sites across the state. Made possible through PCDC financing, the new facilities span a total of 81,400 square feet and expand primary care access to an additional 16,000 low-income patients. The growth will transform an organization that began in a walk-up apartment in 1972 and now serves 140,000 patients nationwide.

7. A new \$18.2 million project will expand **Callen-Lorde Community Health Center** into Brooklyn, furthering its mission of culturally competent and accessible health care for New York City's LGBTQ community. PCDC is leading the financing for the 25,000-square-foot facility, which is projected to serve more than 15,000 additional patients and create nearly 100 full-time jobs.

Photos courtesy of the respective health centers

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Executive Summary

Launched in 1993, the Primary Care Development Corporation (PCDC) is a national nonprofit Community Development Financial Institution (CDFI) that builds, expands, and strengthens primary care, primarily in low-income, underinvested communities, to help achieve health equity.

Primary care is at the heart of health care, providing person-centered, comprehensive, quality, and cost-effective care across the life cycle. It encompasses prevention, diagnosis and treatment, care for chronic and acute illnesses, and coordination across providers and levels of care.

The U.S. health care system is undergoing monumental change, affecting providers, practices, and patients alike: mounting health care costs, a primary care provider shortage, market transformations, increased complexity of care, reimbursement challenges, and seismic shifts in technology.

Primary care providers and systems are increasingly responsible for improving health outcomes not only of individuals but of patient populations and whole communities, meeting multiple metrics of success across many payers, addressing patients' social needs, and reducing the total cost of care through cost-effective, up-front prevention and treatment. Yet primary care remains underfunded and inaccessible to many.

PCDC was formed to address exactly these challenges.

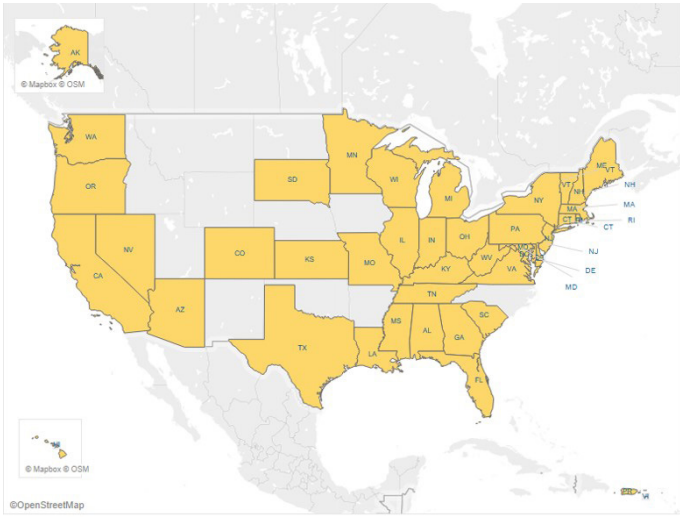
PCDC's 25-year history has demonstrated the success of strategic, coordinated, and market-specific investment of resources in collaboration with funders and policymakers. Bringing all PCDC's resources to bear on a single mission — expanding access to high-quality primary care — has yielded extraordinary results.

Over the next five years, PCDC will continue to increase capital investment and technical assistance in communities where significant needs remain. In addition to its focus on New York State, the organization will target two new geographic markets. PCDC will build out expertise and client engagements in key clinical and operational areas, identify new types of clients, and respond to emerging primary care needs nationwide.

PCDC will grow assets under management by 50% and increase revenue from strategic transformation advisory services by 5% annually.

This five-year business plan presents PCDC's strategy to maximize its impact and achieve its mission.

PCDC's Value Proposition
Delivering results through
focused expertise and
long-term commitment to
primary care



Between 1993 and 2019, PCDC supported primary care practices and providers in 37 states as well as in Washington, D.C., Puerto Rico, and the Virgin Islands.



\$1.1B

leveraged in low-income communities



3.8M

primary care visits created



\$222M

New Markets Tax Credits invested



10,630

jobs created or preserved



9,300

health care workers trained



2,800

sites assisted



490

Patient-Centered Medical Home-recognized sites



30M+

people served

1

INTRODUCTION

The Primary Care Development Corporation was born of crisis in 1993: a lack of primary care access in New York City, especially in underserved communities. People living in poor and minority communities consistently ranked lowest on health status measures, a consequence of the shortage of primary care providers, low reimbursement for primary care, insufficient access points, and a lack of capital resources in these communities.

Launching PCDC was New York City's response — a public-private partnership to invest in primary care, focused on the communities that were suffering most.

Since then, PCDC has grown into a national organization, providing capacity-building technical assistance and capital, leveraging more than \$1 billion in low-income, underinvested communities, and helping expand and improve primary care access in 37 states to date.

The results — healthier people, better health care, good jobs, community economic development, and more health providers and services in low-income neighborhoods — have changed lives and communities.

PCDC uses capital investment, technical assistance, policy analysis, and data analytics to identify communities in need, provide innovative solutions for improving primary care access and quality, and measure and increase impact.

PCDC's two complementary business teams work in concert to create the best solutions for primary care provider organizations to grow and thrive.

Capital Investment (CI) provides affordable, flexible capital resources to expand, renovate,

PCDC is a nonprofit certified Community Development Financial Institution (CDFI) that connects underserved and underinvested communities to capital and capacity building services, increasing primary care access while growing the economy and building health equity.

and construct new facilities, as well as to fund investments to support transformation efforts, integration, and expansion of services.

Performance Improvement (PI) offers strategic and customized training, technical assistance, and capacity building support to aid providers in improving operations, enhancing clinical care and outcomes, and reducing health disparities.

PCDC's policy, communications, evaluation, and finance departments support the operations and delivery of capital and advisory services; build organizational infrastructure; collaborate with stakeholders; analyze and advocate for improved primary care policies, regulation, and reimbursement; and evaluate PCDC's impact.

Bringing all its resources to bear on this mission has yielded extraordinary results over 25 years. By helping organizations become more viable and sustainable, PCDC plays a significant role in creating healthier, more equitable communities.

PCDC's Beginnings

By the early 1990s, New York City's primary care landscape was bleak, with overcrowded health centers and limited primary care in poor and minority communities. Traditional banks were wary of lending money to practices that lacked solid financial footing. These and other factors imperiled public health.

With an initial \$17 million from the City, the Primary Care Development Corporation was created with a specific purpose: to finance these facilities and bring culturally competent, high-quality care to underserved communities.

Today PCDC applies its expertise nationally in all aspects of primary care, from financing to delivery, to find new and innovative ways to make the system better.



Since its launch, PCDC has played a key role in advancing health equity, assisting health providers that serve LGBTQ individuals and other underserved populations.

Pictured: PCDC leaders at the 1998 opening of Callen-Lorde Community Health Center's headquarters.

Primary care is:

- The foundation of the health care system, yielding better health outcomes, lower costs, and healthier families and communities
- First point of care
- Care that follows a person from childhood through old age
- Coordination of care across settings and providers
- Prevention, early diagnosis, and treatment

An increase of one primary care physician per 10,000 people can generate:



5.5%
fewer hospital visits



11%
fewer E.D. visits



7%
fewer surgeries

Shared principles of primary care:¹

- Person & Family Centered
- Continuous
- Comprehensive & Equitable
- Team-Based & Collaborative
- Coordinated & Integrated
- Accessible
- High Value

Impact Stories

Services for 'Anyone and Everyone' in the Gulf Coast

PCDC started working with New Orleans-based CrescentCare in 2013, first helping build health care delivery and later helping the organization obtain status as a Federally Qualified Health Center (FQHC).



The leap to becoming an FQHC was based on a need for “culturally competent, high-quality care for the LGBTQ population and anyone else in New Orleans who needed it,” said Alice Reiner, Chief Legal and Policy Officer at CrescentCare.

In 2017, PCDC provided financing for a \$10 million project: a 65,000-square-foot reimaging of CrescentCare’s spectrum of services. The newly opened facility helps expand primary care, dentistry, pediatrics, and more in a community still rebuilding after Hurricane Katrina.

“We could not have done it without the financial support of PCDC,” Reiner said. “No one else would lend us that many millions of dollars.”

Placing Patients at the Forefront of Care

The Patient-Centered Medical Home (PCMH) model improves care by transforming how primary care is organized and delivered. Through a team-based approach, PCMH ensures that patients receive appropriate care when they need it, with emphasis on respect, dignity, and compassion.² A growing body of evidence shows that the model improves outcomes and reduces health care costs.³

Since 2008, PCDC’s content experts have provided strategic leadership, practice coaching, and technical assistance to community health centers, hospital outpatient departments, private practices, AIDS service organizations, community-based organizations, and behavioral health providers across the country.

Through this assistance, nearly 500 primary care practice sites have achieved National Committee for Quality Assurance (NCQA) PCMH recognition. The result has been better health outcomes for millions of patients and improved financial viability for providers.



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PRODUCTS AND SERVICES

Through both its Capital Investment and Performance Improvement teams, PCDC serves as a trusted advisor in thoroughly assessing need and providing effective solutions. The organization's approach is defined by its:

- Extensive expertise in the primary care sector
- Strengthening of primary care infrastructure including facilities, the workforce, operations, and clinical care
- Emphasis on innovation, growth, and outcomes
- Partnerships with clients, policymakers, funders, and communities
- Responsiveness to the changing primary care policy and regulatory environment

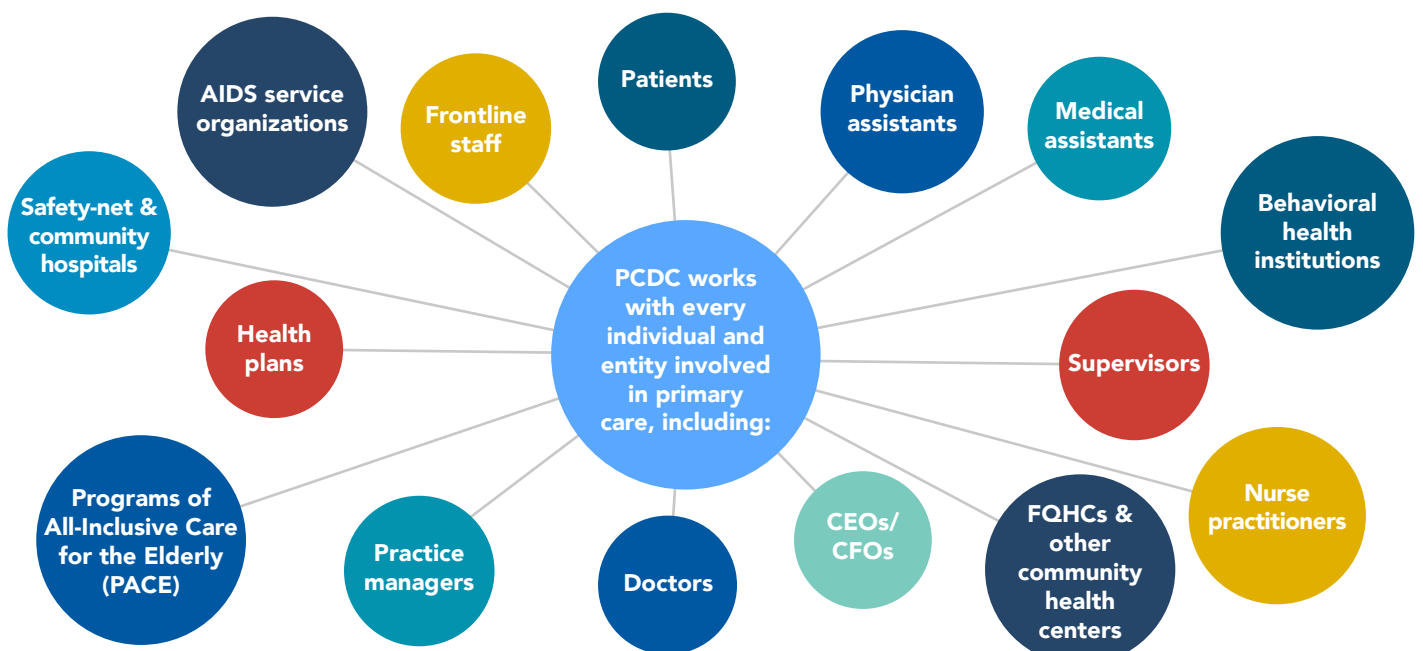
Experts in Primary Care Lending

PCDC invests in communities by:

- Providing affordable and flexible capital to improve access and capacity of primary care providers in underserved and low-income communities
- Offering strategic advice to help organizations plan and finance expansion and growth
- Delivering short- and long-term solutions to support capital projects, business transformation, and service expansion

"PCDC understood our specific needs and requirements. The new health center provides greater access to essential high-quality health services, along with new jobs for the community."

- Dean Germano, CEO
Shasta Community Health Center
Redding, CA



PCDC has financed over 170 projects in 13 states, providing direct financing and leveraging over \$1.1 billion in high-impact investments. These investments have improved access to care and services for over 1.7 million patients and created more than 10,600 high-quality jobs in the most distressed and underserved communities nationwide.

PCDC delivers tailored financial solutions, depending on the client's need, interests, and capacity to manage debt. These solutions may include loans, New Markets Tax Credits (NMTC), bond financing, and other types of investments.

PCDC's loan program is offered to clients as either standalone financing or in concert with NMTC financing. The loan program is an effective and flexible tool to satisfy clients' facility financing needs such as acquisition, construction, renovation, and permanent financing. A range of options are available and appropriate for small- to large-scale projects. Loan revenue is generated primarily in the fee income at the origination of the loan and ongoing interest income throughout the term of the loan.

In addition to facility financing, PCDC offers specific loans to address challenges identified by clients, including investments in workforce and technology necessary for health care system and payment reform. PCDC has capitalized this program in part through grants that support innovation and additional risk.

Large financing needs are typically best served through bond or NMTC financing, often coupled with traditional loan financing in collaboration with CDFI partners. This enables PCDC to manage exposure risk to one client and maximize impact across the portfolio. PCDC often collaborates with other local lenders in the respective project's geographic market — a benefit in understanding local needs and an added measure of mitigating risk during the underwriting and over the term of the loan.

PCDC's New Markets Tax Credit program is ideally suited for large-scale facility-related financing, with project costs ranging in size from \$15 million to \$50 million. PCDC has been awarded almost \$248 million in NMTC over five allocations through FY2018. Each allocation supports the development of multiple projects across the country. Loans are frequently provided as leverage debt that enables the client to maximize the NMTC subsidy benefit.

At a minimum, eligibility for PCDC's NMTC program is driven by the location of the property; all NMTC projects must be in designated low-income communities. Projects in census tracts with severe economic distress are ranked as the highest priorities for investment, ensuring that deployments of NMTC awards reach areas of greatest need and impact. PCDC reserves a portion of each award for use in a geographic area designated by the CDFI Fund as underserved by NMTC.

Capital advisory services further a project's success. PCDC provides extensive technical assistance to clients from the early stages of the planning process for growth throughout the term of the financing. The organization delivers intensive education and guidance to help clients understand specific benefits and requirements — as well as capacity for debt — so that they may best assess options and outcomes. This includes evaluating alternatives to fund clients' goals, exploring innovative business planning, and preserving financial viability and sustainability.

PCDC is a designated third-party underwriter and asset manager for loan and guaranty programs offered by private and public funders. Since 2007, PCDC has served as the lender coordinator on behalf of the federal Health Resources and Services Administration (HRSA) for its Loan Guaranty Program and, since 2017, as administrator for the New York State Community Health Care Revolving Capital Fund.

BEFORE



AFTER



Making Integrated Health a Reality

In 2019, the Institute for Community Living (ICL) opened doors to its integrated health center in East New York — just over two years after PCDC provided \$12.5 million in New Markets Tax Credit financing.

The East New York Health Hub (or, “the Hub”) brings together ICL and Community Healthcare Network — a Federally Qualified Health Center — for an integrated but independent partnership in co-located facilities. They work collaboratively to provide team-based, trauma-informed, recovery-oriented, integrated, and person-centered care.

The center boasts 44,600 square feet of space and will serve approximately 9,700 patients, a 250% increase from ICL’s previous location.

“PCDC has repeatedly proved that it has the commitment and the expertise to substantially support community behavioral health providers to improve health care delivery in underserved communities,” said David Woodlock, President and CEO of ICL.

Experts in Primary Care Transformation

PCDC provides customized consulting, training, coaching, and technical assistance that enables primary care providers to:

- **Enhance primary care service delivery to improve outcomes for individuals, patient populations, and communities**
- **Foster and facilitate care that is collaborative, coordinated, accessible, affordable, and cost-effective, and that respects patient preferences and values**
- **Strengthen operations**
- **Implement innovative models of health care delivery that improve outcomes while containing health care costs**

PCDC builds the capacity of primary care organizations and teams to provide person-centered, comprehensive, coordinated, high-quality, and cost-effective care. By partnering with providers to help them better understand their opportunities and challenges, PCDC delivers effective, tailored strategies for achieving practice goals and sustaining improvements. Annual client engagements total \$5.5 million, serving thousands of providers in more than 35 states over the past five years.

PCDC's customized approach includes training, technical assistance, and capacity building led by a team of highly skilled experts, all with primary care backgrounds and real-world experience. Services and support offerings include technical assistance, one-on-one coaching, facilitation, learning collaboratives, and group training as well as curriculum design, development, and delivery

"PCDC has proven to be an integral part of the way we train our care coordination staff. From curriculum design to executing lessons, their care and dedication have made them a pleasure to work with and learn from. We at BPHC are thrilled that this partnership has been so successful."

- Mary Morris
Director of Workforce Innovation
Bronx Partners for Healthy Communities
New York, NY

PCDC's strategic advisory services include:

- Appointment access and patient cycle time
- Workflow optimization
- Clinical quality improvement
- Performance measurement and reporting
- Compliance, certification, and accreditation
- Revenue cycle management and maximization
- Coding, billing, and fiscal sustainability
- Electronic health record optimization and data integrity

to providers, supervisors, practice managers, and frontline care staff.

PCDC creates customized plans for quality improvement, translates complicated standards into attainable tasks, and navigates transformation processes from beginning to end. Emphasis is on improved quality and better outcomes through

Callen-Lorde Community Health Center began operating as a free LGBTQ clinic in 1969, the year of Stonewall. In 1995 it began partnering with PCDC, which has since provided financing of \$22.6 million — supporting Callen-Lorde’s transformation to a full service, multi-site Federally Qualified Health Center.



strategies such as patient access to a personal physician and care team, and care coordination and information sharing between primary care, behavioral health, and specialty care providers. PCDC also prioritizes the use of performance data to identify opportunities for practice improvement and to comply with state and federal quality improvement reporting requirements.

Primary care practice operations and compliance addresses practices’ need to achieve greater efficiency and effectiveness, adopt strategies to improve operations and care delivery, and use data to track and measure improvement. Core services include supporting practices to achieve Patient-Centered Medical Home recognition — a model that improves processes, outcomes, and often provides additional revenue⁴ — as well as improving access and quality.

Clinical and population health supports comprehensive and person-centered care for entire patient populations. For primary care providers and teams, this requires clinical and operational changes to address chronic medical and behavioral health conditions through population-based and integrated care. PCDC helps providers and care teams improve patients’ health status through workforce training and evidence-based care models. Focus is on supporting care teams to develop strong relationships with their patients, engage them in their care, and coordinate the services they need. PCDC helps practices manage their electronic health record data using registries and predictive analytics to improve patient care and outcomes.

Primary care services integration is essential as payment and delivery reforms take hold, requiring accountability by providers for total cost of care and quality outcomes. Core services include integrating care for HIV prevention and mental health and substance use disorder identification, treatment,

PCDC has facilitated PCMH recognition for nearly 500 practices, yielding better health outcomes for millions of patients and improved financial viability for providers.

and referrals — among other issues — seamlessly into primary care. In addition, PCDC works with community-based organizations such as social service providers and housing organizations to help them communicate with the primary care system for better service delivery and improved community outcomes.

The State of Vermont sought PCDC training for care coordinators working with high-risk, high-need patients in a variety of settings statewide. Using a highly interactive, in-person approach, PCDC staff have since trained nurses, social workers, housing specialists, case managers, addiction specialists, and other health care professionals from 82 organizations across Vermont in care coordination and care management.



“Thank you to PCDC for an excellent training of our area’s health care staff who are involved with pre-exposure prophylaxis (PrEP) navigation. Motivational Interviewing techniques will help them better assist high-risk, HIV-negative people in deciding to begin and continue using PrEP. I hope to use PCDC-provided trainings in the future.”

– James Easton, HIV/AIDS Program Coordinator, Florida Department of Health, Tallahassee, FL

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PRIMARY CARE ENVIRONMENTAL SCAN

Primary care is the foundation of a high-performing health care system — yet receives just pennies of the U.S. health care dollar.^{5,6}

High-quality, affordable primary care improves outcomes both for individuals and populations at the community level. Communities with more primary care providers have better health status,^{7,8} while those with insufficient access to primary care suffer from higher mortality rates.⁹ Family and community conditions such as poverty and lack of mobility exacerbate these challenges.

Quality outcomes for the U.S. health care system trail those of other developed countries, largely because of misaligned financial incentives and an overreliance on high-cost acute care.^{10,11}

A transformation is well underway, however. Health care delivery and payment reform aims to create a high-value system that places patients at the center of their care, focuses on prevention, ensures early diagnosis and treatment, and addresses underlying causes of illness while achieving better health outcomes at a lower cost.

To succeed, the transformed health care system needs primary care as its cornerstone. The next step is significantly more support for primary care providers and practices which — in addition to meeting their patients' daily needs — are tasked with improving outcomes for their entire patient populations, addressing social determinants of health, and reducing the total cost of care. This support requires changes in practice operations, staffing, partnerships, reimbursement, and financing.

Of the \$3 trillion spent annually on U.S. health care, only 5% goes to primary care.

- JAMA Internal Medicine, 2019

Today's health care landscape is one of continual reinvention in service delivery and payment systems as well as rapid technological change. Factors that have heightened the need for more coordinated care include a large burden of chronic disease; an epidemic of opioid dependence; a greater understanding of how behavioral and physical health intersect; an aging population; and the effects of housing, food security, and other community factors on health. As health care has become more complex and technology-enabled, its total cost has grown to more than \$3.3 trillion in the U.S.,¹² yet outcomes fall behind those of other industrialized nations.¹³

In response, primary care providers are redesigning and expanding their offices as well as addressing workflows and adding needed clinical expertise in areas such as behavioral health. This expansion and integration — a movement likely to build for years to come — requires ample capital and technical assistance. PCDC helps providers take advantage of initiatives and funding resulting from the changing health care landscape to improve patient and community outcomes.

There remains uncertainty in the federal policy environment regarding elements of the Affordable Care Act (ACA), funding for community health centers, and the CDFI Fund,¹⁴⁻¹⁶ along with the changing interest rate environment and potential revisions to the Community Reinvestment Act (CRA)¹⁶ — all of which present risks to the future availability of capital and adequate reimbursement. However, given primary care's central role in transforming the delivery and payment system toward a prevention-oriented, valued-based approach, PCDC anticipates two continued trends: expansion of primary care through new construction, renovation, and acquisition of primary care sites; and a need for capacity building service across the country and in PCDC's target geographic markets.

Affordable Capital: Despite potential interest rate volatility, affordable capital remains available from both public and private sources to fund loans at competitive terms, and enables PCDC to earn a sustainable margin. Capital sources for CDFIs such as New Markets Tax Credits¹⁷ and the CDFI Fund¹⁸ as well as other government programs designed to stimulate investment in low-income communities have been extended and appropriated. The regulatory framework of the CRA¹⁹ is still in place, and a new Opportunity Zone tax incentive program has been established, both of which promote community investment.

Primary Care Access: Nearly 25% of people in the U.S. lack a usual source of primary care.^{20, 21} Significant disparities in primary care access remain, particularly by race and ethnicity, insurance status, income, and educational attainment.

An urgent need for primary care persists:

- A shortfall of almost 50,000 primary care providers is predicted by the year 2030, based on today's growing shortage
- Less than half of children in the U.S. have a "medical home" (2016), defined as having a personal doctor or nurse, a usual source of care, and family-centered care
- 18.4% of adults report fair or poor health status (2017)
- 35.6% of adults report poor mental health status (2017)

- Kaiser Family Foundation

Provider Gap: Recruitment and retention remains a pressing issue for primary care provider organizations. Studies suggest that the United

States will see a shortage of nearly 50,000 primary care physicians in the coming decade.²² Physician assistants and nurse practitioners have become key members of the care team but their numbers remain insufficient to meet current need.

Only 8% of U.S. adults 35 and older receive all the recommended preventive primary care; 5% receive no such services at all.

- Health Affairs, 2017

Health Insurance Enrollment: Enrollment rates in both public and private plans remains stable or increased.²³ Medicaid enrollment continues to rise as more states take advantage of the CRA's Medicaid expansion²⁴ even while several states adopt work requirements and other restrictions on Medicaid enrollment.²⁵ Enrollment in ACA insurance plans continues to rise nationally.²⁶ Rates of uninsurance are beginning to increase after several years of decline; however, the primary care safety net, including Federally Qualified Health Centers, continues to receive federal and state support.

Shifts from Volume to Value: The health care market is transitioning from traditional fee-for-service payment, which links reimbursement to patient visits, to a value-based payment (VBP) approach, which links payment to quality of care, outcomes, and cost. In VBP models, providers are compensated variously through capitated arrangements and incentives for meeting certain quality standards. New payment arrangements include provider risk sharing for not meeting cost or quality targets, as well as sharing in cost savings,

due to more coordinated and efficient primary care that reduces higher-cost acute or tertiary care. Many of these payment models are still transitional and not yet fully proven or adopted; nonetheless, providers are preparing for adjustments in service delivery.

Technology: New tools promise to fundamentally change the delivery of health care, through more sophisticated health information sharing, patient monitoring, communication, telemedicine, population health management, data analytics, and predictive algorithms. In primary care, many providers — having widely adopted electronic health record systems — are now upgrading to next-generation versions and integrating additional tools. Because much of this technology is still early in development, with untested returns on investment in cost or health outcomes, up-front investment by the primary care sector has been limited to date.

Social Determinants of Health: Social determinants of health are the conditions in which people are born, grow, live, work, and age. Individual and community experiences of racism, trauma, and poverty result in disparate health outcomes by race, income, and gender. Primary care practices address the effects of these conditions through understanding the community's assets and challenges; screening and making referrals for housing, food, and other resources; addressing implicit bias within the practice; and empowering the whole health care team to address social barriers to health for every patient.

“I had diagnosed ‘abdominal pain’ when the real problem was hunger. . . I mislabeled the hopelessness of long-term unemployment as depression and the poverty that causes patients to miss pills or appointments as noncompliance. In one older patient, I mistook the inability to read for dementia.

“My medical training had not prepared me for this ambush of social circumstance. Real-life obstacles had an enormous impact on my patients’ lives...”

- Laura Gottlieb, MD
San Francisco Examiner, 2010

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CAPITAL INVESTMENT: FIVE-YEAR GOALS

GOAL: Grow assets under management to \$375 million, with loan portfolio growth of \$125 million through approximately \$140 million in loan originations, a 9% annual average increase in loan production and NMTC deployment of \$185 million over five years.

As it has for 25 years, PCDC will concentrate its lending activity to benefit low-income, underserved communities, in alignment with its CDFI status and mission.

To accomplish the projected growth, PCDC will increase annual lending activity, expand into new target geographic markets, access relationships in the target markets, serve new client types, and invest in staff. PCDC will continue serving capital needs nationally with the current complement of financing programs and products. To increase impact, PCDC will concentrate resources in three target markets by year five of the business plan: New York, California, and another to be determined.

Products and Services

Loans: Over five years, PCDC will double its loan portfolio and continue pursuing opportunities to provide standalone and NMTC leverage debt as the lead lender and in partnership with other CDFIs and banks, focusing particularly on its target geographic markets. The increased size of the loan portfolio will provide the scale to reliably generate interest income, thereby improving self-sufficiency and supporting investment across the enterprise.

'People Want to Come Here'

Overlooking the San Francisco Bay, the gleaming Ravenswood Family Health Center in East Palo Alto provides comprehensive health care for a low-income population whose medical needs are often forgotten in the shadow of Silicon Valley.

Established in 2000, Ravenswood served about 13,000 patients per year out of modular buildings with limited space and services, making primary care visits difficult for patients, especially for those requiring multiple visits.

In 2012, PCDC's Performance Improvement team supported Ravenswood's successful efforts to transform itself into a fully integrated patient-centered model of care. Two years later, PCDC invested \$7.5 million in NMTC allocation and \$850,000 in bridge loan financing to help build the new \$40 million, 38,000-square-foot facility.

The new center nearly doubles Ravenswood's patient capacity and features 58 exam rooms and 13 behavioral health counseling rooms as well as laboratory, imaging and mammography services, optometry exams, and a pharmacy. "To come into a place that's not only beautiful, but where people are friendly — it changes everything for patients," said Ravenswood CEO Luisa Buada.



New York will remain a key market, with a book of business that will grow by \$40 million. PCDC will build on its capacity-building technical assistance and \$50 million in investments to date in California, with a projected additional \$25 million in loan production over five years.

NMTC: PCDC will continue to deploy NMTC, with the assumption that the organization will receive \$135 million in NMTC allocation over the five years. To maximize use and reach of each allocation, PCDC will regularly evaluate its deployment strategy for all NMTC awards, prioritizing the deployment to its target geographic markets, clients, and projects. Revenue is generated on NMTC transactions through up-front fees paid at closing and annual servicing fees payable through the seven-year compliance period.

Client Types and Portfolio Diversification: PCDC has made significant investments in Federally Qualified Health Centers, as evidenced by the current portfolio concentration of loans, bonds, and NMTC to this market. PCDC is committed to its support of FQHCs as critically important providers of primary care in low-income communities.

Strategic expansion is underway to serve other types of providers that address the comprehensive needs of patients and communities, such as the integration of primary care and behavioral health. Over the past two years, the organization has provided financing to behavioral health providers that enable delivery of mental health services, address the opioid epidemic, and integrate primary care to better serve their patient populations. It will continue to support collaborations between primary care and behavioral health providers as well as those that address social determinants of health.

Competitive Advantages

- Of the nearly 1,100 CDFIs certified across the U.S., PCDC is one of the very few dedicated to primary care
- PCDC's investment and capacity building services in the health sector are closely aligned and comprehensive
- PCDC partners with a range of organizations, including mission-driven nonprofits, consulting groups, and banks

Accordingly, PCDC will diversify its portfolio by working with additional client types and sectors, determined by the demand and need for capital by the provider organizations, their ability and capacity for debt, and the scalability, profitability, and sustainability of the line of business.

PCDC will explore other opportunities to expand primary care access, especially in rural areas, including through safety-net hospitals and other primary care provider organizations. PCDC will collaborate with hospital systems to increase their IRS-required community benefit investments, benefiting primary care delivery. In addition, PCDC will develop new programs for clients such as Programs of All-Inclusive Care for the Elderly (PACE), which provide comprehensive senior living and services; rural and tribal practices; Accountable Care Organizations and Independent Practice Associations; safety-net hospitals' affiliated primary care centers; behavioral health and integrated practices; and related sectors that address social determinants of health such as social services and supportive housing.

Capitalization

PCDC's capital sources currently include debt from Community Reinvestment Act-motivated banks; grants and loans from city and state government; and grants and NMTC from the CDFI Fund of the U.S. Treasury.

New sources of capital to supplement PCDC's current capital and bank debt will be critical to fund increased annual lending activity in target geographic markets and across the U.S. To achieve its projected growth, the organization will diversify its capital and raise funds that provide low-cost, long-term capital, facilitating competitive, affordable, flexible financing for clients; managing interest rate risk; and providing a small margin to the enterprise. The initial estimate of total capital required to fund the lending activity in the growth plan is an additional \$45 million.

PCDC has been successful in raising capital to serve the New York target geographic market. Starting with initial seed capital from New York City, PCDC has raised additional debt from banks with CRA assessment area focus in New York City, and through the establishment of a New York State Legislative appropriation of \$19.5 million, which serves as a dedicated loan fund for community-based health care providers.

With the expansion of its lending across the U.S., PCDC has pursued financing from banks with national footprints and CRA assessment areas to support its expanded lending activities beyond New York State. The organization is also focused on raising capital that provides fixed-rate protection from the uncertain interest rate environment. PCDC recently obtained a \$10 million Program Related Investment (PRI) from a national bank that provides a low interest rate, fixed for a 10-year term.

Enhancing Care for Philadelphia's Seniors

In 2019, PCDC completed financing of its first project in Philadelphia: a 28,000-square-foot center that will provide primary care services and safe, respectful living accommodations for seniors in their own community.

The \$19.8 million financing enables NewCourtland Senior Services to construct a Living Independence for the Elderly (LIFE) Center. By supplementing in-home care or assisted living with integrated, geriatrics-focused primary care, more than 90% of LIFE Center participants continue living in their communities.

NewCourtland's LIFE Center will serve over 480 low-income seniors at full capacity and provide an estimated 50 health care services per day, in addition to creating 80 new full-time jobs and 165 construction jobs.

PCDC will explore additional sources of capital for low-cost, long-term funding including PRIs from banks and foundations, debt from federal programs including the CDFI Bond Guaranty program and the Federal Home Loan Bank loan program, and the development of an impact investor note product.

The organization will obtain grants or other funding to serve as credit enhancement to mitigate risk and stimulate additional investment for launching and implementing new programs, serving new types of clients, and addressing unique needs in the new target geographic markets.

5

PERFORMANCE IMPROVEMENT: FIVE-YEAR GOALS

GOAL: Generate \$5.7 million in average annual revenue and 5% annual growth.

PCDC will build additional expertise and develop client engagements in key clinical and operational areas, expanding current products and services and launching new ones. The organization will also leverage relationships in its target markets as well as in other states, especially those that have launched recent health care reform and transformation initiatives, by:

- Building upon its existing portfolio of services and approach to delivery
- Expanding new service offerings that respond to emerging clinical and operational trends and associated capacity building needs
- Targeting programs and services to promote health equity and reduce disparities
- Continuing to secure clients and strategic partnerships nationwide

Programs and Services

PCDC will maintain and build responsive lines of services to support primary care transformation for practices and the workforce, enhancing relationships with current clients and assisting new clients to achieve:

- PCMH recognition
- Quality improvement and capacity building services that better equip primary care providers to be successful in value-based payment programs of Medicare, Medicaid, and the commercial insurance market
- Population health management, including care coordination and management
- Clinical quality improvement in evidence-based primary care prevention and clinical care

- Workforce training in evidence-based methods of care delivery

PCDC will continue to expand expertise in high-impact domains such as optimizing operations, revenue cycle maximization, and population health management; integrate and improve clinical areas such as asthma, diabetes, behavioral health, reproductive health, and geriatrics; and further the HIV prevention work that the organization has led over the last several years.

To address health equity — the interaction of social determinants of health and primary care — PCDC will create services and products that support adoption of evidence-based approaches such as trauma-informed care as well as address external social needs such as homelessness and food insecurity.

Clients and Strategic Partnerships: PCDC will continue to market strategic advisory services to providers, practices, health centers, health systems, and government agencies. It will also grow its impact and pipeline of potential clients and partners by seeking partnerships and contracts with entities representing multiple providers such as health insurers, government health reform programs, and medical societies and primary care associations.

As the health system moves toward greater accountability and shared risk by primary care providers, PCDC will expand delivery of services to support risk-bearing entities such as Accountable Care Organizations, Independent Practice Associations, managed care or insurance companies, or other integrated systems of care, where PCDC's consulting work is funded through up-front investment by that entity. By facilitating improved performance and quality, PCDC will aid primary care providers to achieve better outcomes as well as shared savings — and further investment in their practices as a result.



Serving the Homeless

New York City has over 60,000 homeless residents — most of whom are unable to access critical services, including health care. Homeless individuals' first interaction with the health system is usually in the emergency room, often due to minor conditions that have deteriorated through lack of treatment.

PCDC's partnership with Project Renewal is helping offset these challenges, strengthening Patient-Centered Medical Home care delivery across the city. "Housing status should not determine who receives primary care," said Deborah Johnson Ingram, Senior Director of PCDC's Performance Improvement team.

In 2016, Johnson Ingram guided Project Renewal to attain NCQA PCMH Level 3 recognition, the highest available at the time. Today, Project Renewal's hand-off between primary care and behavioral health professionals is seamless and immediate — clients often see both in one visit. Clients are then encouraged to enroll in other services as appropriate, such as job training or addiction housing.

"Deborah's background with Federally Qualified Health Centers was integral to helping us understand how our existing programs fit into the PCMH requirements," said Allison Grolnick, MD, Chief Medical Officer of Project Renewal.

Government Systems: PCDC will continue pursuing city, county, state, and federal government-funded contracts which provide stable funding for multiple years. The organization's ongoing work with private foundations and funders will remain beneficial in securing co-funding for priority projects.

Small Practices: Forty percent of U.S. providers practice in small practice settings (five or fewer primary care providers). To expand this much-needed primary care access,²⁷ PCDC will strategically support small practices in strengthening and keeping pace with changing health care delivery and value-based payment systems as well as participating in practice transformation efforts such as PCMH. The organization will develop and implement technical assistance and training — both clinical and

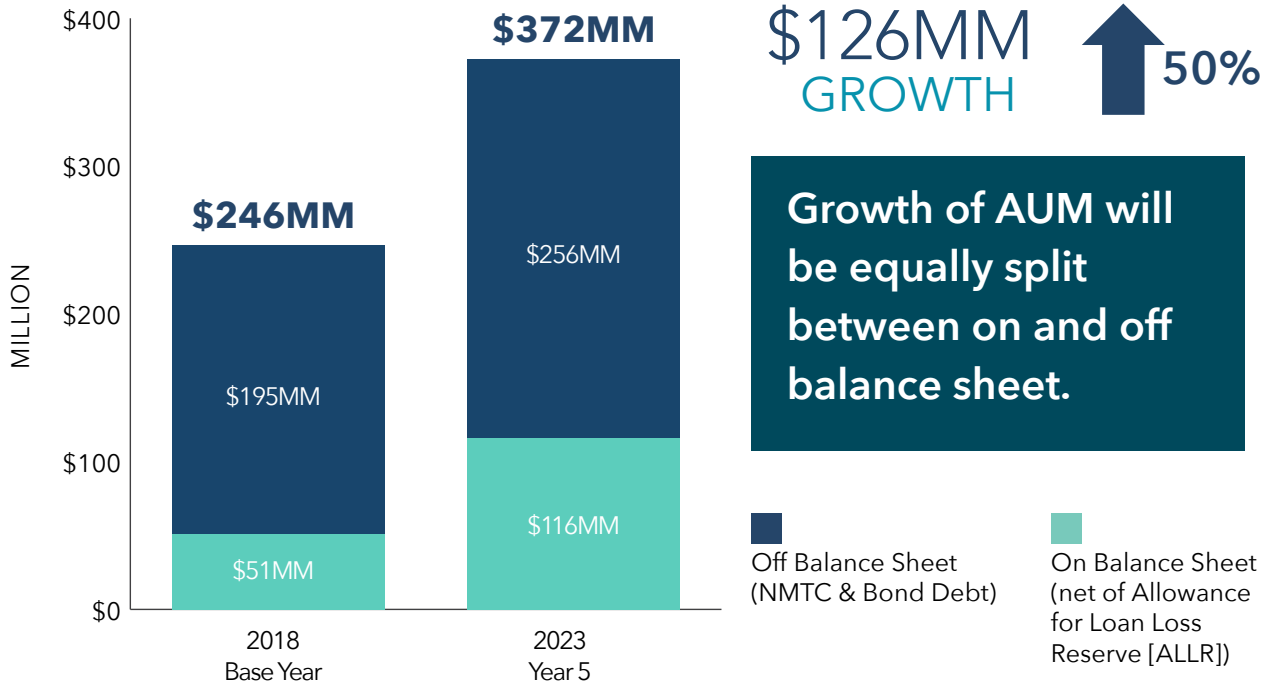
operational — to support these practices as vital sources of care in local communities.

Products, Modalities, and Approaches: PCDC will tailor existing training, coaching, and technical assistance tools to select clients, infusing capacity building work with evidence-based strategies and best-practice approaches to performance improvement. The organization will provide technical assistance and training to workforce development and program improvement by formalizing existing and creating new training institutes, toolkits, "playbooks," tools, and curricula in key topic areas.

6

FIVE-YEAR BUSINESS PROJECTIONS

Growth of Assets Under Management (AUM)

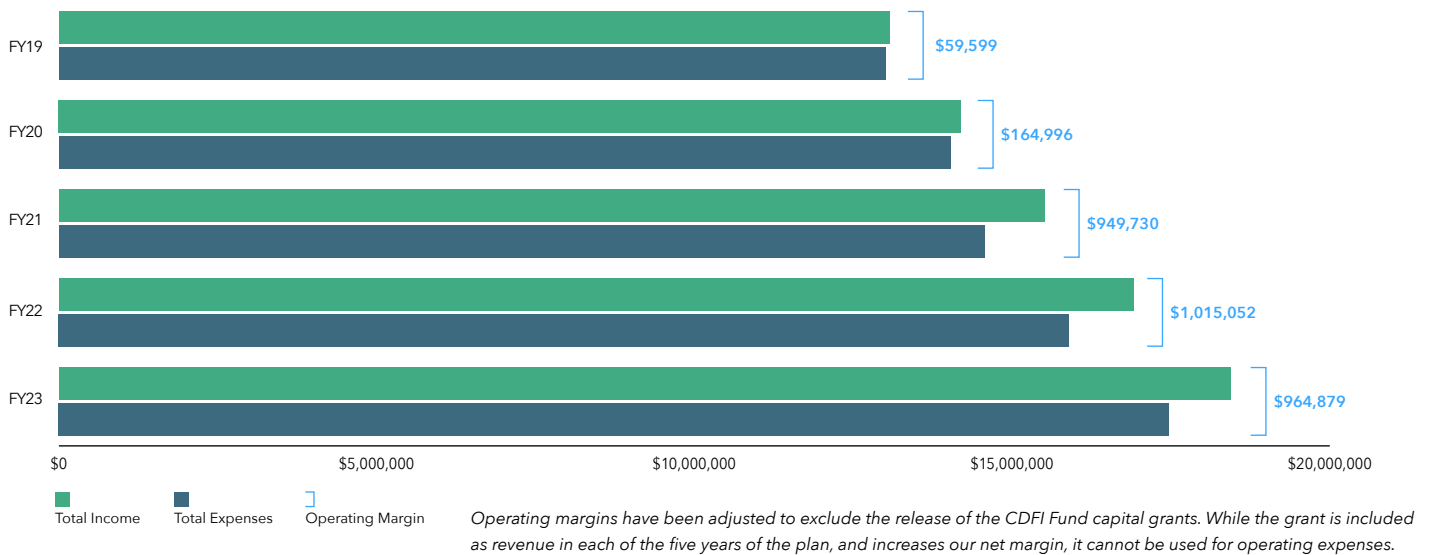


Annual Deployment Goals

	2019 Year 1	2020 Year 2	2021 Year 3	2022 Year 4	2023 Year 5
AUM - Opening Balance - net of ALLR	\$246,175,427	\$266,770,794	\$294,362,364	\$340,916,003	\$356,081,913
Annual Deployment (including NMTC)	\$52,500,000	\$59,750,000	\$66,750,000	\$70,750,000	\$72,750,000
Annual Repayments on Debt (including Bond)	\$(31,904,633)	\$(32,158,429)	\$(20,196,362)	\$(55,584,090)	\$(56,502,979)
AUM - Closing Balance - net of ALLR	\$266,770,794	\$294,362,364	\$340,916,003	\$356,081,913	\$372,328,934

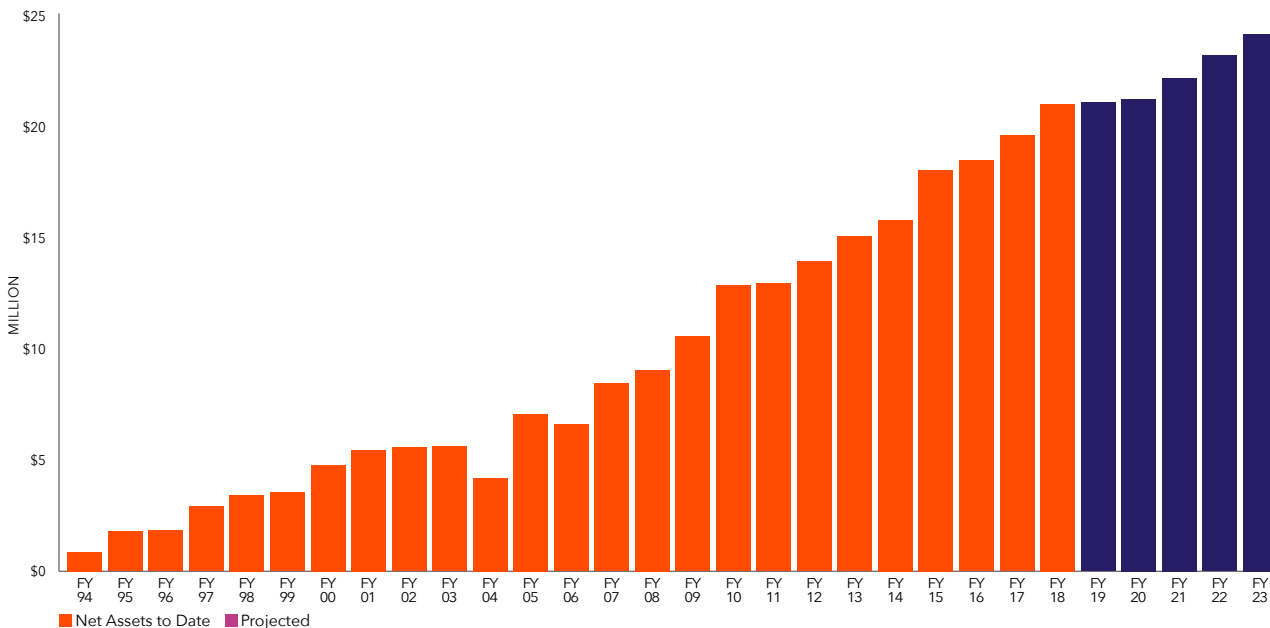
Deployment goals average 9% growth year over year.

Projected Operating Margin



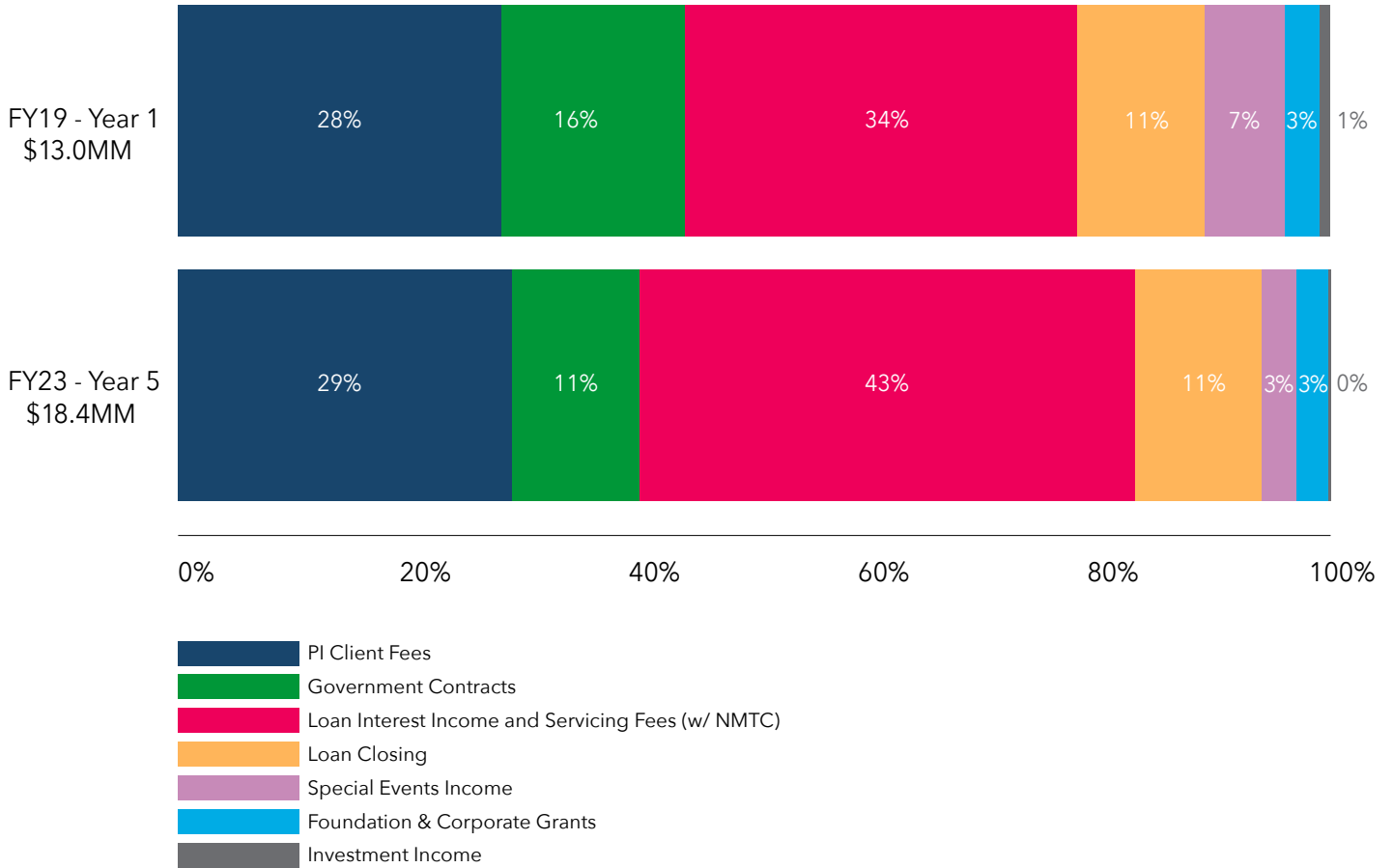
PCDC will invest operating margins in Years 1 & 2 to expand its business, resulting in break-even budgets.

Growth in Unrestricted Net Assets



PCDC has averaged unrestricted net assets growth of 14% per year since its first year. The organization projects a modest 3% return on average over the next five years.

Projected Revenue Streams



For the purposes of this chart, the CDFI Fund capital grants were removed from presentation as they are not part of operating revenue streams.

PCDC's revenues grow 41% from \$13MM to \$18MM over the five years. Lending revenues grow substantially more, comprising 43% of overall revenues by FY23. Government contracts and special event income are expected to stay flat and thus are a smaller percentage of overall revenues.

7

LEADERSHIP AND DEPARTMENTS

Leadership

Louise Cohen, MPH - Chief Executive Officer



Louise Cohen is responsible for PCDC's strategic direction and overall operations. Prior to assuming leadership in 2015, Cohen was Vice President for Public Health Programs at Public Health Solutions in New York City, where she oversaw a variety of

programs to improve community health through food access and nutrition, women's reproductive health, tobacco control, and child development. She held successive leadership positions at the New York City Department of Health and Mental Hygiene (DOHMH) from 1998-2011, including as Deputy Commissioner of the Division of Health Care Access and Improvement. Among her accomplishments was the development and execution of Take Care New York, New York City's first comprehensive health policy agenda.

Michael Rosen - Chief Financial Officer/Chief Operating Officer



Michael Rosen is responsible for PCDC's financial and administrative operations, including investments, compliance, and risk management, as well as developing and implementing strategic directions with the CEO, Board of Directors,

and the leadership team. Rosen joined PCDC in 2006, bringing 20 years of experience in nonprofit finance, operations, management information systems, and administration. Previously, he served as Chief Financial Officer to Louise Wise Services, the Fund for the City of New York, and the Citizen's Committee for New York City. In addition, he has served as an advisor to nonprofits on various operational and financial issues and been a volunteer at several nonprofit organizations.

Anne Dyjak - Managing Director, Capital Investment



Anne Dyjak is responsible for the establishment and implementation of PCDC's strategy for increasing the access to capital in communities to achieve health equity. Dyjak oversees all facets of PCDC's national lending practice, including program

development, capitalization, business development, credit, and risk management. She joined PCDC in 2014 following a 30-year career in financial services, most recently with Nonprofit Finance Fund (NFF), where she was Chief Investment Officer, Chief Credit Officer, and Vice President. Prior to joining NFF, she was the Northeast region Chief Operations Officer for the Special Asset division at Wachovia Bank, where she was responsible for the oversight of a \$600 million portfolio of commercial business and commercial real estate loans.

Departments

In addition to community investment and capacity building expertise, PCDC's staff bring vast experience in policy, communications, evaluation, and finance — all in support of expanding primary care. By recruiting, hiring, and retaining those with a shared focus and mission, PCDC yields comprehensive insight into the sector's needs.

This single emphasis means that all the organization's activities — analyzing health data, advocating on Capitol Hill, promoting policy initiatives, and managing PCDC's investments — are dedicated to improving primary care at large.

Policy and Advocacy

The Policy and Advocacy department works with providers, policymakers, industry leaders, and other advocates to advance policies that increase access to quality primary care, improve health outcomes, reduce costs, and achieve greater health equity. The department brings extensive insight into the health care policy environment and marketplace, regularly providing guidance and expertise at local, state, and federal levels through public testimony, public colloquiums, meetings with policymakers, and white papers on key policy issues. Advocacy efforts include working to secure the proper role and resources for primary care such as adequate reimbursement, increased availability of capital and technical assistance resources, and workforce training and support.

Communications

The Communications department is comprised of professionals with expertise in media, social media, advertising, marketing, branding, graphic design, writing/editing, and technology. The department oversees PCDC's website (pcdc.org), secures media

PCDC's Core Values and Competency Expectations

- Organizational stewardship (vision, strategic thinking/action, business development)
- Cooperation and teamwork
- Accountability and responsibility
- Communication
- Productivity
- Customer service
- Management and supervision
- Impact

coverage, sets data and digital strategy, tracks metrics and analytics, and manages requests for services. It is responsible for implementing and integrating business intelligence platforms, including Salesforce and learning management systems, that support PCDC's growth and the evolving needs of clients. It also designs and produces targeted marketing and program materials, including digital media, newsletters, presentations, posters, graphics, program announcements, reports, and other publications, to impart PCDC's mission clearly and persuasively.

Evaluation and Analytics

Established in 2017, the Evaluation and Analytics department gauges PCDC's impact, researches population health outcomes, and leads PCDC's efforts to adopt data-driven approaches to outcomes measurement and evaluation. The department is responsible for evaluating PCDC's

work; establishing metrics for process, impact, and outcome measures; and devising data analysis methods and tools to assess longitudinal impact on population health. The department also oversees applied research efforts that inform PCDC's work and advance knowledge on primary care access at local, state, and federal levels. This includes developing and executing evaluation frameworks, aggregating appropriate data, and reporting to PCDC's Board of Directors, executive and leadership teams, staff, investors, and other stakeholders.

Finance and Administration

The Finance department is responsible for the fiscal functions of PCDC, ensuring compliance with all applicable regulations and generally accepted accounting practices, and assuring timely and accurate reporting of financial information to stakeholders including the Board of Directors, executive and leadership teams, staff, auditors, and investors. The department maintains a financial reporting system, monitoring performance against operating plans and budgets, interpreting and reporting on PCDC's financial condition and financial operating results, and forecasting and modeling scenarios for PCDC's future sustainability and success. The department also manages PCDC's investments, considering risk and liquidity requirements, and oversees its capital draws, ensuring the appropriate mix of debt and internal funding to support the organization's strategic goals and planned growth.

The Administration department sets strategic human resource and administrative direction, supporting and sustaining a progressive, dynamic, and collaborative organizational culture.

Board of Directors

PCDC's knowledgeable and committed Board of Directors represents key disciplines and the communities that PCDC serves, including primary care clinicians, FQHCs, community development, impact investing, community services, and health policy. Board members serve three-year terms and may be re-elected for a total of three terms; meetings take place quarterly.

The Board is composed of sub-committees — Executive, Governance, Audit and Finance, Performance Improvement, and Policy — which meet quarterly; a Loan sub-committee meets monthly. The committees hold robust discussion about key issues and investments, make final decisions on loans and NMTC deals, approve budgets and significant expenditures, hire and evaluate the CEO, and oversee compliance and key staff salary decisions. A New Markets Tax Credit Advisory Committee, convened semi-annually to assess PCDC's NMTC portfolio, includes representation from community development experts throughout the U.S.



PCDC's 2019 Primary Care Summit, titled "Closing the Behavioral Health Integration Gap," brought together New York State leaders to discuss integration policy efforts.

8

ENDNOTES

Endnotes

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