

Agency: Commerce, Community and Economic Development**Grants to Named Recipients (AS 37.05.316)****Grant Recipient: Norton Sound Health Corporation****Federal Tax ID: 920041488****Project Title:****Project Type: New Construction and Land Acquisition**

Norton Sound Health Corporation - Long Term Care Facility Replacement

State Funding Requested: \$14,000,000**House District: 39 / T**

One-Time Need

Brief Project Description:

Construct long term care facility to replace NSHC's existing Quyanna Care Center (QCC) currently located by existing hospital, in order for long term care services to Elders to remain next to the new hospital that is to be completed in November, 2012.

Funding Plan:

Total Project Cost:	\$15,470,000
Funding Already Secured:	(\$1,470,000)
FY2012 State Funding Request:	<u>(\$14,000,000)</u>
Project Deficit:	\$0

Funding Details:

2010-Norton Sound Health Corporation-\$910,000

2011-Denali Commission-\$560,000

Detailed Project Description and Justification:

Long Term Care Facility: \$11.9 million
 Requesting Funding From State Capital Budget

NSHC operates a 15 bed long term care facility, Quyanna Care Center (QCC), within the existing hospital. QCC continues to maximize the quality of life for residents living in the Bering Strait Region who have made QCC their home. Availability of long term care in the region is essential, as evidenced by the constant waiting list of Elders seeking to be admitted to QCC.

NSHC must move QCC so that it is co-located next to the New Hospital which is scheduled to be complete in November, 2012. It is not feasible to maintain QCC at its current location two miles from the New Hospital without jeopardizing quality of care for Elders in the facility.

If construction starts in 2011 and is completed in 2012 the total cost to design, construct and equip a new facility is estimated to be \$13,335,000. NSHC has contributed \$910,000 from Board Designated Assets. NSHC also has a commitment from the Denali Commission for approximately \$560,000. Accordingly, significant progress has already been made for an 18 bed long term care facility which will be attached to the New Hospital. Design is complete and will be refined as NSHC moves closer to construction. The pad for the facility has already been completed, and foundation piles

have been procured and are in Nome ready to be driven. A contractor has been selected through an RFP process.

The current funding shortfall is \$11,865,000. Capital costs per square foot for the new long term care facility will be significantly reduced by constructing it concurrent with the New Hospital. It is estimated that the baseline cost to construct a new QCC facility will increase by \$3M if construction is delayed until after the New Hospital is completed (new contractor mobilization costs and no economy of scale related to management, equipment, and other general support cost), plus \$500K for every year of delay due to inflation.

The State supports health care in the Bering Strait Region with Public Health Nursing, Medicaid, Behavioral Health, Women – Infants – Children (WIC), Community Health Aide, and other pro-grams. A 2007 study by the Pacific Health Policy Group, commissioned by the Alaska State Legislature, indicated that a statewide shift of long term care services from the private sector to the tribal healthcare system would result in savings of \$36 million over ten years. Through the 100% Federal Medical Assistance Percentages (FMAP) Program at an IHS or tribal facility, the State saves approximately \$1 million per year from the State's general fund for every year a facility is in operation.

Project Timeline:

CY 2010: Pad, Preliminary Design, Project Management, Piling Procurement: \$294,000

CY 2011: Final Design, Construction, and Project Management Contracts; plus other misc. support costs: \$12,366,000

CY 2012: FF&E Procurement: \$675,000

Entity Responsible for the Ongoing Operation and Maintenance of this Project:

Norton Sound Health Corporation

Grant Recipient Contact Information:

Name: Carol Piscoya
 Title: President/CEO
 Address: 306 W. 5th Ave. (P.O. Box 966)
 Nome, Alaska 99762
 Phone Number: (907)443-3206
 Email: cpiscoya@nshcorp.org

Has this project been through a public review process at the local level and is it a community priority? Yes No



NORTON SOUND HEALTH CORPORATION

To: Tribal Council
From: Norton Sound Health Corporation
Date: 1/3/2011
Re: Quyanna Care Center Support

We are writing to solicit your support for the new Quyanna Care Wing at the Norton Sound Hospital site. Since there appears to be no real chance that Indian Health Service (IHS) will be able to add long term care beds to the New Hospital Project, NSHC has developed their own strategy to design and construct an 18 bed QCC addition to the east end of the new hospital.

Quick Facts

- When the IHS approved the New Hospital Project in 2006 they did not have the authority to construct long term care facilities.
- The elders will have to travel 2 miles to the new hospital for appointments and to access the ER department and transport will require an ambulance.
- The vision is to provide a state-of-the-art facility that is culturally appropriate, with a comfortable, family friendly atmosphere.
- And the views from the new QCC will be breathtaking, which should help remind the elders of home as they look out on the sea and the tundra from their windows.
- The plan includes eighteen (18) private rooms and bathroom for each resident.
- Transporting elders for routine appointments, such as eye care, dental, or special procedures will pose a safety risk as they must be moved outside in the inclement weather.
- Unnecessary transferring and moving of frail elders from bed to vehicle, to exam room and back to the facility is stressful and very dangerous.
- Operating two facilities with the same level of staff spread between both facilities will jeopardize care.

Community members and Elder Advocates are encouraged to contact Senator Donny Olson, who is a member of the Senate Finance Committee. NSHC has requested that the State of Alaska include funds necessary to complete this important project for the entire Bering Strait region in the FY2012 Capital Budget. There is precedent for State funding; \$18.5M was included in last year's capital budget for Long Term Care projects in Kotzebue and Bethel. Please contact Senator Donny Olson and support our elders.

Contact:

Senator Donny Olson
State Capitol Room 508
Juneau AK, 99801.

Telephone: **1-800-597-3707**

E-mail: Senator_Donny_Olson@legis.state.ak.us

Long Term Care Project

line	Phase and Item	Budget	Basis / Notes
1	Planning, Design & Pre-construction Phase		
2	Land Purchase	0	in kind contribution by NSHC
3	Environmental Documentation, Survey, Replat	5,000	no survey or replat required
4	Programming & Schematic Design	140,000	Kumin proposal
5	Final Design	617,102	6.5% of line 13
6	Contractor Pre-construction Services	50,000	\$10,000/mo for 5 months
7	Preliminary Sitework	379,504	actual June 2010 pad costs; structural piles already on site (excess from hospital project); install 30 piles @ \$3,500/pile based on hospital STG contract; purchase, ship and install 30 thermoprobes
8	FF&E Planning	50,000	includes technology systems and equipment
9	Project Management	126,000	\$14,000/mo for 9 months
10	Contingency	104,661	10% of lines 5, 6, 7
11	SubTotal	\$1,472,266	
12	Construction Phase		
13	Prime Construction Contract	\$9,493,875	13,500 sf @ \$703.25/sf (actual new hospital costs);
14	Bonds and Insurance	in above	GMP delivery model
15	Permit and Plan Review Fees	75,951	0.8% of line 13
16	Construction Phase Design Services	94,939	1.0% of line 13
17	Testing and Special Inspections	31,050	13,500 sf @ \$2.30/sf based on new hospital project costs
18	FF&E	675,000	13,500 sf @ \$50.00/sf based on Maniilaq LTC project
19	Artwork	100,000	based on Maniilaq LTC project
20	Project Management	302,000	\$14,000/mo for 18 months + FF&E procurement assistance
21	Contingency	949,388	10% of line 13
22	SubTotal	11,722,202	
23	Other Costs		
24	Commissioning	47,250	13,500 sf @ \$3.50/sf based on new hospital project costs
25	Legal, Travel, Printing, and Misc.	94,939	1.0% of line 13
26	SubTotal	\$142,189	

Total \$13,336,657

Rounded Total **\$13,335,000**

FUNDING

NSHC Board Discretionary Account Funds	\$910,000
Denali Commission	\$560,000
Subtotal	\$1,470,000
State Grant Request	\$11,865,000
Total	\$13,335,000



04 February 2011

Senator Donald Olson
State Capitol, Room 508
Juneau, AK 99801

Dear Senator Olson:

On behalf of ASRC, I am writing to you in support of the Norton Sound Health Corporation's (NSHC) hospital project in Nome. ASRC appreciates your continued support of efforts to improve the lives of those in your district and throughout the state. As the NSHC moves ahead with its new 150,000 square foot hospital, we have become aware of a critical capital project that could greatly benefit from your leadership.

The project includes an 18 to 20 bed long-term care wing that would be attached to the new Norton Sound Regional Hospital, as well as a free-standing 8 to 10 unit assisted living facility. The new long-term care facility would replace the Quyanna Care Center (QCC), which is located at the current hospital. The problem is that the old facility, which is always full and has a waiting list, will not be sustainable at its current location when the new hospital opens its doors.

We believe the relocation project is vital to providing elders in the region with quality long-term care, and must be built concurrently with the new hospital project. With the legislature's assistance, NSHC's goal of completing the new facility by the end of 2012 so all hospital programs and QCC residents can be moved at the same time is attainable.

While the Norton Sound Health Corporation and Denali Commission have already committed funds to the project, we would greatly appreciate your assistance in helping to raise the remaining state funds, necessary to keep construction of the new QCC on track for this year. NSHC is asking for is \$11,865,000 in 2011, and \$7,475,000 in 2012.

Thank you for your consideration and best wishes for a productive legislative session.

Sincerely,
ARCTIC SLOPE REGIONAL CORPORATION

A handwritten signature in blue ink, appearing to read 'Tara M. Sweeney', is written over the typed name.

Tara M. Sweeney
Senior Vice President of External Affairs

cc: Carol Piscoya, President and CEO, NSHC
Emily Hughes, Chair, NSHC
Senator Lyman Hoffman
Representative Neal Foster

Long Term Care Project

line	Phase and Item	Budget	Basis / Notes
1	Planning, Design & Pre-construction Phase		
2	Land Purchase	0	in kind contribution by NSHC
3	Environmental Documentation, Survey, Replat	4,000	no survey or replat required
4	Programming & Schematic Design	140,000	Kumin proposal
5	Final Design	702,000	6.0% of line 12
6	Contractor Pre-construction Services	42,000	SKW NTP #1
7	Preliminary Sitework	214,504	actual June 2010 pad costs; purchase and ship 30 thermoprobes
8	FF&E Planning	25,000	includes technology systems and equipment
9	Project Management	126,000	\$14,000/mo for 9 months
10	SubTotal	\$1,253,504	
11	Construction Phase		
12	Prime Construction Contract	\$11,700,000	GMP delivery model; budget based on 4 March estimate from SKW Eskimos, Inc. and ongoing value engineering
13	Bonds and Insurance	in above	
14	Permit and Plan Review Fees	93,600	0.8% of line 12
15	Construction Phase Design Services	117,000	1.0% of line 12
16	Testing and Special Inspections	38,065	16,550 sf @ \$2.30/sf based on new hospital project costs
17	FF&E	600,000	Preliminary 14 March 2011 estimate
18	Artwork	25,000	
19	Project Management	302,000	\$14,000/mo for 18 months + FF&E procurement assistance
20	Contingency	1,170,000	10% of line 12
21	SubTotal	14,045,665	
22	Other Costs		
23	Commissioning	57,925	16,550 sf @ \$3.50/sf based on new hospital project costs
24	Legal, Travel, Printing, and Misc.	117,000	1.0% of line 12
25	SubTotal	\$174,925	

Total \$15,474,094

Rounded Total **\$15,470,000**

FUNDING

NSHC Board Discretionary Account Funds	\$910,000
Denali Commission	\$560,000
Subtotal	\$1,470,000
State Grant Request	\$14,000,000
Total	\$15,470,000