

PRIMARY HEALTH FACILITIES BUSINESS PLAN
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DENALI COMMISSION HEALTH FACILITY PROGRAM
BUSINESS PLAN INSTRUCTIONS and TEMPLATE

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**BUSINESS PLAN INSTRUCTIONS and TEMPLATE for HEALTH FACILITIES
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PART I

BUSINESS PLAN INSTRUCTIONS

Introduction

The Denali Commission Act of 1998 defines the specific purposes of the Denali Commission as follows:

- To deliver the services of the Federal Government in the most cost-effective manner practicable by reducing administrative and overhead costs.
- To provide job training and other economic development services in rural communities particularly distressed communities (many of which have a rate of unemployment that exceeds 50 percent).
- To promote rural development, provide power generation and transmission facilities, modern communication systems, water and sewer systems and other infrastructure needs.

In 1999, the Commission was granted authority by Congress to address rural Alaska health care issues. This authorized the Denali Commission to plan, construct and equip health care, nutrition and child care projects across the state. Potential projects include hospitals, health care clinics, and mental health facilities including drug and alcohol treatment centers. In 2000, the Commission identified **rural primary care facility needs** in more than 288 rural communities, and estimated the cost of needed rural primary care facilities to be \$253 million. Through its health care program, and in partnership with the U.S. Department of Health and Human Services and Alaska health providers, the Commission is working to address the infrastructure needs of communities statewide to ensure all Alaskans receive safe and reliable health care.

The Denali Commission defines essential primary care services to include the following: Basic EMS, preventive health screenings, other preventive health services, basic primary care, limited lab, pharmacy and radiology, patient case management, outreach, transportation and interpretation, community health, advanced EMS, on-site administration and support; dental, mental health and substance abuse programs.

The Business Plan is an integral part of the process for funding rural primary care facilities in Alaska. Based on the information in the Business Plan, the Commission determines whether the Applicant can support the proposed primary care services and whether the proposed project complies with Denali Commission funding policies. Specific information describing the relevant Denali Commission policies may be found on Page 6.

The purpose of the Business Plan is for the Applicant to:

1. Document the need, the level of community/regional support for the facility and the planning process that identified the need for the facility.
2. Describe the project, including cost, reasonableness, alternatives considered, location and design.
3. Identify the services to be provided and delivery system in the facility.
4. Demonstrate its financial and managerial ability to provide services and to sustain and maintain the facility.

The Applicant is encouraged to read the Business Plan instructions carefully, to respond specifically and fully to each question, and to provide the information requested.



Incomplete Business Plans will not be accepted.



Submittal Process



Before the Applicant begins preparing a Business Plan:

- Please contact the Denali Commission at 907.271.1779 to be assigned a Technical Assistance Advisor. The Business Plan can not be submitted if the Applicant does not have an assigned Technical Assistance Advisor.
- Check at <http://www.denali.gov> for your community's(ies') current distressed status.
- Read the Denali Commission policies and procedures located <http://www.denali.gov>. Be prepared to submit resolution(s) with your Business Plan stating your understanding of and commitment to the policies and procedures. A sample resolution is provided in the **Support Materials**.
- Be sure you have a completed Codes and Conditions Survey that describes the condition of your existing health facility, if applicable. A Codes and Conditions Survey or other similar written documentation of facility condition from the Denali Commission is required. Please contact the Denali Commission for assistance.
- Be sure your community has a Community Plan that specifically identifies your proposed project as a need and priority. Check <http://www.denali.gov> for a "Recommended Checklist of Items to Include in a Community Plan."
- Check at <http://www.denali.gov> or in the **Support Materials** to determine if your community is on the GAO (General Accounting Office) list of high risk erosion communities. If your community is listed, you must contact the Denali Commission before moving forward with a Business Plan. See Page 7 for further information.
- Be aware that, **before** a project will be **considered** for funding, the Applicant must have both an approved Business Plan and a Site Plan Checklist.

The Denali Commission will conduct a **pre-award review** prior to project funding. At that time, the Denali Commission will consider the Applicant's status with regards to community issues such as the potential for school closure, IRS status, and erosion; and project issues such as cost per square foot, and availability of supporting infrastructure (water, sewer, etc.) These are among the issues that may be conditions for project funding.

Assistance Available:

The Applicant should work closely with its assigned Technical Assistance Advisor for assistance in completing the Business Plan. The Technical Assistance Advisor is a valuable resource to help the Applicant prepare a document that will meet the requirements of the business plan format and increase the chances the Business Plan will receive a favorable review by the Review Committee.

The Denali Commission staff is available for consultation during the Business Plan process. Applicants are welcome to contact the Denali Commission Health Facilities Program staff:

Nancy Merriman	907.271.1779	nmerriman@denali.gov
Kathy Berzanske	907.271.5232	kberzanske@denali.gov
Adison Smith	907.271.1640	asmith@denali.gov

When the Business Plan is complete:

The Technical Assistance Advisor will conduct a pre-review screening of the Business Plan. The Technical Assistance Advisor will share with the Denali Commission any recommendations for addressing Business Plan deficiencies. The Technical Assistance Advisor will inform the Applicant of areas that need improvement.

The Applicant completes the final version of its Business Plan addressing any comments received and sends one **complete** copy to the Applicant’s Technical Assistance Advisor for a final screening and signature. The Technical Assistance Advisor will return the copy with signature to the Applicant.

Alert: Do not make the required number of copies of your Business Plan until you have completed the above process.

The Applicant sends the Business Plan and the required copies to the Denali Commission. Further details about the number of copies may be found under Instructions, Page 11. The Denali Commission will distribute the Plan to the Review Committee for consideration.

Deadlines:

Deadlines for submittal of Business Plans will be available from the Denali Commission or your Technical Assistance Advisor. The published deadlines will include a date for submitting the Business Plan for the pre-review screening. Within seven (7) days of that date, the Applicant will be notified whether the Business Plan is ready to be submitted for review.

The Review:

The Review Committee consists of a panel of 3-5 Technical Assistance Advisors. A Technical Assistance Advisor will not be part of the review process if he or she has been involved in providing technical assistance for that particular Business Plan prior to submittal.

The Review Committee determines whether the information presented in the Business Plan meets the criteria of the Denali Commission policies, including soundness and feasibility of project, need, evidence of community planning, realistic cost, Applicant's capacity, and project sustainability. The Committee prepares comments about the Business Plan and forwards its recommendations to the Denali Commission. The Denali Commission will make a determination regarding the Business Plan and contact the Applicant.

A REMINDER TO APPLICANTS:

- Applicants should understand that an approved Business Plan does not guarantee funding.
- The Applicant must complete the Site Plan Checklist as well as the Business Plan before it is eligible to move to the Design and Construction Phase.
- If construction is not started within two years of Business Plan approval, the Business Plan must be updated before construction funds will be awarded.
- Should your project move forward, the Denali Commission pre-award checklist process will require updated cost estimate information and added cost share match, if applicable, prior to Construction funding.
- The maximum amount of funding from the Denali Commission for your project is subject to receipt of federal appropriations. Should your project be funded, the final funding amount from the Denali Commission may be lower due to lack of available funding. In such cases, additional cost share match may be required of the Applicant.

The Denali Commission reserves the right to prioritize project funding based on criteria set after this business plan template was developed. This may include changing population trends, cost escalations, lack of available funding or other circumstances.

Denali Commission Policies and Other Issues to Consider Before Business Plan Submittal

Policies:

The Denali Commission has adopted policies to assist in defining its funding objectives. These policies should be reviewed by Applicants to ensure their proposed project meets the criteria of the policies and is relevant to Denali Commission policy objectives.

Denali Commission policies are located at <http://www.denali.gov>.

All applicants must have the appropriate resolutions to acknowledge their responsibility to comply with the Denali Commission policies. Sample resolutions are located at www.denali.gov or may be found in Part III, Support Materials. It is the applicant's responsibility to review the policies on the Denali Commission's website and to ensure understanding and adherence to their policies in your agency's endorsed resolutions. The policies are:

Investment Policy of the Denali Commission
Private Enterprise Policy of the Denali Commission
Sustainability Policy of the Denali Commission
Open Door Policy of the Denali Commission

Relevant Issues:

High Risk Erosion Communities

The Applicant should review the list issued by the GAO (General Accounting Office) showing Alaska communities that are considered high risk due to erosion. The list of communities may be found at <http://www.denali.gov> or in Part III, Support Materials of the Business Plan Instructions and Template. If the Applicant's community is on the list, it must obtain a determination from the Denali Commission about proceeding with the funding process.

The Applicant's assigned Technical Assistance Advisor may provide guidance in preparing information to submit to the Denali Commission, which should include a summary of the situation, relocation plans, and a timeline.

Small Communities

In 2008, the Commission determined that a better approach was needed to meet facility needs in small communities (population <100). Challenges facing these communities in building new clinics include sustainability, changes in demographics, high costs of construction, and uncertainty about the community's future economy. In 2008, the Health Facilities Program placed a hold on all new planning projects in communities with populations of <100 until new

criteria are developed. Communities that are already in the planning or design process will be handled on a case-by-case basis. Please contact the Denali Commission directly with questions about the status of a specific community. It is planned that an improved, more affordable clinic option for small communities will be available in 2009.

Multi-Use Facility

Non-clinic (per the definition of primary care on Page 1) space such as multi-use space, will not be allowable for funding under the primary care facility program. One hundred percent (100%) of the funds for any multi-use space must be funded by the Applicant.

Distressed Community Criteria

In an effort to ensure Federal funding provided to the Denali Commission is distributed to communities with the most need, the Commission adopted a Distressed Community Criteria. Each Applicant should check its community status on the yearly issued Distressed Community Criteria. Whether or not the Applicant's community is listed, will determine the percentage of funding available through the Denali Commission, either 50% or 80%.

Community Planning

Community planning is an integral part of the Applicant's proposed project. All Applicants are required to provide a document substantiating the planning process that includes the proposed health facility project. The Applicant's community planning process should show that all relevant community entities met and discussed the community needs and options to meet those needs, and that there is consensus as to which organization will submit a health care facility proposal to the Denali Commission. The community plan should clearly illustrate that the proposed project is a priority and necessity for the community.

The Denali Commission website contains community planning resources which may be of assistance to the Applicant. Resources include "A Recommended Checklist of Items to Include in Community Plan" and "Community Strategic Plan Guide and Forms."

Site Control

The Applicant must complete a Site Plan Checklist before the proposed project may be considered for funding. The Site Plan Checklist includes providing documentation of property ownership where the facility will be located. Such documentation may be a long term lease or property deed. Other required documents include: site plan, soil test data, community mapping and cost estimate information for facilities located more than 150 feet from existing utility hook-ups. Please contact the Denali Commission for more information on the Site Plan Checklist.

Instructions

1. Number all pages. A Table of Contents is required.
2. Label all attachments as indicated in the Business Plan Template Narrative.
3. Use index tab dividers with labels to identify each attachment.
4. Include all attachments in the format and order requested.
5. Complete the Facility and Health Care Revenue and Expense Budget spreadsheets as appropriate. Follow the instructions provided.
6. Use the Denali Commission Clinic Space Guidelines per the following chart:

<i>Population</i>	<i>20-99*</i>	<i>100-500</i>	<i>501-750</i>	<i>750+</i>
<i>Primary Care</i>	<i>TBD**</i>	<i>2,000SF</i>	<i>2,500SF</i>	<i>user defined</i>
<i>Dedicated Dental*</i>	<i>0</i>	<i>360</i>	<i>360</i>	<i>user defined</i>
<i>Dedicated Behavioral Health*</i>	<i>0</i>	<i>220</i>	<i>320</i>	<i>user defined</i>
<i>Health Clinic Size</i>	<i>TBD**</i>	<i>2,580SF</i>	<i>3,180SF</i>	<i>user defined</i>

Communities with populations of less than 20 are not eligible at this time.

* Contact the Denali Commission if your facility will be serving a community population of less than 100 people.

** To Be Determined

Check the Denali Commission website for updated policies regarding funding above the minimum space guidelines for Small Clinics and funding limitation on maximum space for Large Clinics.

Contact your Technical Assistance Advisor or the Denali Commission if:

- Your community has a population less than 750, but has on-site mid-level providers or physicians. You may be eligible for additional space.
- Your proposed facility will serve multiple communities with differing distressed status.



The Applicant must request a space justification from the Denali Commission before submitting the Business Plan if:

- The Applicant is not using the facility design prototype recommended by the Denali Commission, including another design or modification of the prototype.
- The Applicant has a population above 750.
- The Denali Commission will review and provide an approved space justification letter, if appropriate.
- This letter must be included in the Business Plan as an Attachment.

7. Complete an Open Door Policy Resolution. An Open Door Policy Resolution is required from the Applicant and/or health care facility service provider and operator. This resolution states that the health care facility will be open to all who seek service and can pay for service. A sample resolution may be found at <http://www.denali.gov> or is located in the Part III, Support Materials of the Business Plan Instructions and Template.
8. Complete a resolution indicating the Applicant's understanding of and commitment to the Denali Commission policies and procedures as referenced on Pages 6-8. A sample resolution is located in Part III, Support Materials of the Business Plan Instructions and Template.
9. Complete Financial Commitment Resolutions. Financial Commitment Resolution(s) are required from the Applicant and/or health care facility service provider and operator. This Resolution shows proof of the commitment of the Applicant and/or partners to providing necessary funds for the health facility. Sample Resolutions may be found at <http://www.denali.gov> or are located in Part III, Support Materials of the Business Plan Instructions and Template.
10. Include documentation of land value as cost share, if applicable. The value of land may be used as cost share **IF** the land is owned by the Applicant. The Applicant must obtain an independent valuation of the land value and include this documentation in the Attachments where indicated.
11. Include documentation of site improvement values as cost share, if applicable. The value of site improvements to the facility site may be used as cost share. The Applicant must provide documentation of the value of the site improvements, including extension of utilities, site clearing, imported sand and gravel and parking lots. Include this documentation in the Attachments where indicated.

12. Send a complete copy of the final Business Plan to the Applicant's assigned Technical Assistance Advisor for pre-review screening **BEFORE** submitting it to the Denali Commission.
13. When final approval to submit is received, submit four copies plus the original, **unbound**. For projects with a population over 750 people, submit five copies plus the original, **unbound**. Large binder clips or rubber bands should be used to keep pages in order.
14. Do not include the introductory and instruction pages (Pages 1 to 10) with your Business Plan submittal.



The Applicant should not make all the required copies until the Technical Assistance Advisor has signed off on the Business Plan. Your Advisor will direct the Applicant where to send all the required copies.