

Kenai Peninsula Borough

Project Reach*

How many Alaskans will be served by the project?

10,000-24,999

Populations Served*

What populations will be served by your project? Select all that apply.

Alaska Native peoples
 Alaskans with behavioral health and substance use disorders
 Alaskans with complex care needs
 Alaskans with or at risk of chronic disease
 Children and youth
 Elders and older Alaskans
 Health care workforce
 Pregnant and postpartum women
 Rural Alaskans

Serving Rural Alaskans*

Please describe how your project will improve access, quality, or sustainability of health care for rural, remote or frontier communities.

South Peninsula Hospital (SPH) is owned by the Kenai Peninsula Borough and operated by South Peninsula Hospital, Inc., a locally governed 501(c)(3), and one of only three independent Critical Access Hospitals remaining in Alaska. SPH serves a population of 15,000 that substantially swells during the summer. The 16 communities in the SPH service area are spread across hundreds of square miles and include Alaska Native villages accessible only by boat or plane, remote Russian Old Believer communities, as well as hub and unincorporated communities. The RHTP presents rural regions like ours with the opportunity to profoundly revamp healthcare services, preparing us to serve our communities long into the future. A key part of meeting these needs now, and in the decades to come, is investing strategically in service expansion and infrastructure upgrades. This project will more than double the capacity of SPH's Infusion and Oncology facility and expand and upgrade the SPH Pharmacy. The second phase of the project will add a new service line—nuclear medicine, which has long been standard of care in radiology.

This project will enhance healthcare in Alaska's rural communities by: 1) Improving local access to infusion services for treatment of cancer, autoimmune disorders, chronic conditions, serious infections, neurological conditions and other illnesses by increasing SPH's capacity to serve patients; 2) Ensuring continued access to local care and the sustainability of that care by upgrading the SPH Pharmacy so that it meets updated national standards, guaranteeing uninterrupted patient services and avoiding costly outsourcing; and 3) Improving access to and quality of care by adding the capacity for nuclear medicine, which will provide critical diagnostic services for heart, neurology, and cancer-related conditions, addressing a 31% critical gap in care.

Transforming healthcare in Alaska's rural communities means making needed care available locally. Patients who cannot find the care they need at SPH must travel at least 150 miles round trip on a highway that is dark and icy for more than half of the year. Many patients—including the elderly and those without reliable transportation, time off from work, or childcare—cannot travel for medical appointments. This can result in

people delaying care or foregoing it entirely. This project will be a generational investment in healthcare SPH, ensuring we can meet the region's healthcare needs long into the future.

Project Overview

Project Concept Opportunity*

Briefly describe the problem or opportunity you want to address with this project.

The Kenai Peninsula population is rapidly aging. This region now has a higher percentage of seniors than Alaska overall and the nation, and projections call for continued growth of this population sector, peaking at 24% in 2030. Our aging population means that healthcare needs in our region are changing, growing, and becoming more complex. As people age, rates of cancer, cardiovascular disease, diabetes, chronic lung disease, cognitive impairment, and other illnesses. Older adults are more likely to need infusion services as well as advanced imaging and other services. At the same time, according to the latest South Peninsula Hospital Community Health Needs Assessment, cancer was the leading cause of death in the region for the period 2007- 2020, with incidence rates higher than state averages, additionally driving the increased need for cancer care and a larger suite of imaging capabilities in the region.

These challenges require proactive investment. And SPH has the organizational capacity and regional support to successfully carry out this project. Annual strategic planning shaped by results of regular, collaborate Community Health Needs Assessments drive this project, which has already been issued a State of Alaska Certificate of Need. The challenge for small hospitals like ours is securing capital to make such an investment. Once the new and expanded services are in place, we estimate an increase in revenues to offset the cost of expanded care.

Project Concept Approach*

Please describe your proposed approach to the above problem or opportunity.

This is a two-phased project. Phase 1 will focus on the Infusion and Oncology Department and the Hospital Pharmacy. Phase 2, scheduled for Year 2 of the RHTP, will focus on Nuclear Medicine.

In Year 1, this project will relocate and expand SPH's Infusion and Oncology Department, currently in a 960 square foot offsite building to 4,401 square feet of unprogrammed space within hospital walls. This project will double the number of infusion chairs, including doubling the number of chairs in a private room for added privacy and increased infection controls. The facility will have exam rooms, restrooms, a nurse's station, registration desk, a med room, a staff rest area, and ancillary support spaces. Relocation of this facility within the hospital walls will enhance patient safety and comfort, as emergency services, the hospital cafeteria, and other support facilities are located in the main building.

In addition, the SPH Pharmacy will be relocated to 1,437 square feet of unprogrammed space adjacent to the new Infusion and Oncology Department, more than doubling its size. The renovated Pharmacy will include two compounding rooms with dedicated compounding hoods that meet USP requirements. A biological safety cabinet will allow for the safe storage and handling of hazardous drugs, and a separate Pharmacy-dedicated air handling system will enable the facility to meet certification requirements. Staff workflow and security (including for pharmaceutical deliveries), will be improved in the new location. Co-location with the Infusion

and Oncology Department will streamline delivery of medications and avoid outdoor transport of sensitive pharmaceuticals.

The design process for this project is complete. SPH and the Kenai Peninsula Borough, which owns the hospital facility, are ready to move into the bidding phase. Construction is estimated to be completed in 12 months.

This project addresses RHTP Initiative #2, Health Care Access, with the aim of expanding and sustaining essential health services in rural Alaska. While this project represents an extraordinary advance in the healthcare capacity for the region, the SPH footprint will not change. All of the structural and framing elements in the building are already in place to make this project a success. This project will carry out strategic reprogramming of existing space to meet project goals.

Project Concept Preliminary Outcomes*

What change would you expect to see if this project is successful and on what timescale?

Immediately upon project completion:

1. Access to infusion services at SPH will be doubled.
2. SPH Pharmacy will in compliance with USP Chapter 797 and 800 standards.
3. Expanded healthcare services available locally to RHTP target populations, including seniors, Alaska Natives, dual-eligible Medicare/Medicaid members, individuals with behavioral health and substance use disorders, and patients with or at risk for chronic and complex conditions.

Within 12 months of project completion:

1. 2,500 infusion visits anticipated during the first year of operations.
2. Medication process safety metrics show measurable improvement (e.g., 40% reduction in medication errors--literature says 43 – 75%*).
3. Pharmacy staff safety metrics show measurable improvement.
4. Pharmacy personnel report safer and more efficient workflows in staff surveys.
5. 100% of Pharmacy staff will be trained in alignment with national standards, including sterile compounding procedures, helping to increase the overall capacity of Alaska's rural healthcare workforce.
6. Five new healthcare jobs will be created the first year and annually as a result of this project (this is based on an economic analysis of this project conducted by the UAA Center for Economic Development).

12 – 36 months:

1. Annual 12 – 15% annual growth in infusion volumes.
2. Infusion infrastructure needs met through 2035.
3. 100% Pharmacy avoidance of non-compliance fines, service interruption, and expensive outsourcing.
4. Five additional healthcare jobs created annually tied to this project.
5. Upon launch of the second phase of this project, southern Kenai Peninsula residents will have access to nuclear medicine locally for the first time, eliminating the need for costly and time-consuming travel and closing a 31% gap in care. Estimates based on state-wide nuclear medicine utilization indicate that during the first year after launch of the services, scan volumes will be 245, with growth in parallel with population growth during successive years.

*Hui-Ning Tu et al., "Reducing Medication Errors by Adopting Automatic Dispensing Cabinets in Critical Care Units," *Journal of Medical Systems* 47(1), DOI:10.1007/s10916-023-01953-0.

Project Concept Sustainability*

How will the change initiated by this project persist after the project ends?

Transforming healthcare on the southern Kenai Peninsula means preparing our healthcare institutions for optimal performance and readiness to meet the aging population wave that will crest in the next ten years. Put simply, infusion services at SPH are not sustainable WITHOUT this project. Current facilities are so constraining, patients are moved into free patient rooms in Acute Care if necessary, and staff run medications outside between the hospital and Infusion Center. The waiting area is, essentially a chair pulled up to the admissions desk; and, most critically, chemotherapy patients are sharing a bathroom with staff and other patients, which presents a risk of chemo contamination. This ambitious infrastructure upgrade has sustainability built in as increased revenues will support the cost of new services. First year revenues for the infusion clinic are projected to generate \$1.8M. Five years after project completion, anticipated growth in revenues is anticipated to be \$2.58M. The revenue increases from expanded infusion capacity will defray costs, ensuring project sustainability. Pharmacy upgrades are also instrumental in sustainability of pharmacy operations. This facility is currently out of compliance with national standards. The upgrades included in this project will enable continued operations of the hospital Pharmacy.

Project Concept Key Risks or Uncertainties*

What potential risks do you anticipate, and what is your plan to mitigate them?

Any project in rural Alaska is vulnerable to supply chain issues, delivery delays, weather or natural disaster interruptions, and other challenges related to getting materials and expertise to remote locations. SPH is cognizant of the need to secure early procurement of long-lead equipment and supplies and will be working with an experienced commercial contractor to meet project targets.

Workforce shortages pose another challenge. Recruiting pharmacy, nursing, CNA/MA, and support staff in rural Alaska can be difficult. Early workforce planning, hiring from within, tuition support, relocation incentives, telehealth partnerships, and cross-training existing staff can mitigate this risk.

Additionally, as a community institution owned by the Kenai Peninsula Borough, public process is built into all major initiatives—a strength and uncertainty of large, community-based projects. We are meeting regularly with the KPB to keep our planning efforts on track.

Finally, facility projects can disrupt operations. Because this project is taking place in unprogrammed space, there will be no interruptions in patient care, although there might be inconveniences for staff or noise disruptions. SPH has already started preparing the unfinished space for renovation. And the hospital will clearly communicate with providers and patients about possible noise or other issues.

Project Partnerships*

Do you have key partners identified for this project?

Yes, all partners are on board and ready to participate.

Partnership Details

Partnership Details*

Above you indicated that you will be working with key partners to complete this work. If those partnerships are established, please list your anticipated partners. If you still need to recruit partners, please describe your

partnership needs.

The Kenai Peninsula Borough will serve as project manager, and they are onboard with this role. Together, we are ready to launch this project swiftly to make it a success.

Readiness & Scope Snapshot

Stage of Development*

Please assess the current stage of your proposed project. Your answer does not commit your LOI to a specific funding pathway but rather informs understanding of the project's development stage.

RHTP funding is available for all pathways.

Concept Formation: The project is taking shape, but key elements are still being developed. Scope, partners, budget and workplan details have not yet been established. Funding at this stage would support refining the project concept, early coordination, and building administrative readiness to prepare for a full project application.

Defined Approach: The project has a defined approach that aligns with RHTP goals. The scope and deliverables are partially defined, there is a general sense of the budget, partners have been identified, and roles are generally understood. Some administrative, staffing, and evaluation infrastructure capacity is in place. Early thought has been given to long-term sustainability and scalability. Funding at this stage supports critical planning efforts to strengthen and refine a detailed project workplan to prepare for implementation.

Ready to Launch: The project has a complete plan aligned with RHTP goals, with clear scope, objectives, budget, milestones, and deliverables. Partners are committed, roles and responsibilities are clearly defined, and staffing, resources, and infrastructure are in place. The approach is supported by data collection, evaluation, and monitoring systems. Project sustainability is built into the design. Funding at this stage supports immediate execution of projects that advance rural health transformation goals.

Ready to Launch

RHTP Initiative Areas*

RHTP funding supports projects aligned with Alaska's six RHTP initiatives. Funded projects may work across more than one initiative. Based on your current project approach, select all that apply.

Health Care Access
Healthy Communities
Strengthen Workforce

RHTP Allowable Uses*

RHTP projects must align with and advance Alaska's goals and six RHTP initiatives and strengthen access, quality, coordination, and sustainability of health care, particularly in rural and remote communities. Federal law allows RHTP funds to be used for the activities listed below in support of these initiatives. Based on your current project concept, select all that may apply. (Note: for more information on the RHTP allowable uses, see the Alaska Department of Health RHTP webpage).

Appropriate care availability

Capital expenditures and infrastructure
Prevention and chronic disease
Workforce

Estimated Project Duration*

Based on your project concept, how long do you anticipate needing to complete the proposed work?

2 years

Project Duration*

Please explain if your project has multiple phases, dependencies, or other nuances to the project duration.

Phase I of this project is standalone, and will take 12 months. Phase II will take an additional 12 months and can be carried out independently of Phase I.

Estimated Funding Range for First Year of Funding*

While RHTP is a five-year initiative, funding will be awarded annually. For the project scope you outlined, what resources do you anticipate needing for this funding round's project period?

Over \$5M

Future Funding Needs*

Please describe future funding needs for this project (beyond this project period). If you are unsure of future funding needs, please indicate that below. If you do not have funding needs beyond this project period, please write "N/A."

Phase I budget: \$7,220,966
Phase II budget: \$4,803,791

Potential Support Needs*

In addition to grant awards, RHTP will include opportunities for grantee learning and support. To gauge potential offerings, what potential support might you be interested in?

None at this time

Acknowledgements & Certifications

Acknowledgements & Certifications*

I understand that submission of this Registration & LOI does not guarantee funding and may result in an invitation to submit a Full Proposal, a request for refinement, or deferral to a future cycle.

I certify that:

- No funds received under this award will be used for lobbying activities.
- I will not attempt to influence government officials on decisions related to this award or other legislative or administrative matters using awarded funds.
- Awarded funds will not be used for religious proselytizing or activities intended to promote or discourage adherence to a particular religious faith.

Yes

This project is supported by the Centers for Medicare & Medicaid Services (CMS) of the U.S. Department of Health and Human Services (HHS) as part of a financial assistance award totaling \$272,174,855.72 million, pending approval of revised budget, with 100 percent funded by CMS/HHS. The contents are those of the author(s) and do not necessarily represent the official views of, nor an endorsement, by CMS/HHS, or the U.S. Government.

File Attachment Summary

Applicant File Uploads

No files were uploaded