

**ACTIVITY/MECHANISM BUDGET SUMMARY**  
 Department of Health and Human Services  
 Public Health Service - Indian Health Service  
 Indian Health Facilities - 75-0391-0-1-551  
**Health Care Facilities Construction**

Program Authorization:

Program authorized by U.S.C. 13 Snyder Act, P.L. 83-568, Transfer Act, 42 U.S.C. 2001, P.L. 94-437, Indian Health Care Improvement Act, as amended, P.L. 99-570, Omnibus Drug Bill.

	FY 1999 Actual	FY 2000 Final Appropriation	FY 2001 Estimate	Increase Or Decrease
<u>Program Output Data:</u>				
<u>Hospitals:</u>				
Ft. Defiance,AZ-Constr...	\$15,000,000	\$24,285,000	\$40,115,000 2/	+\$15,830,000
Winnebago,NE Design.....	950,000	9,714,000	12,286,000	+2,572,000
Total New/Replacement....	\$15,950,000	\$33,999,000	\$52,401,000	+\$18,402,000
<u>Outpatient Care Fac.:</u>				
King Cove, AK Constr 1/..	2,500,000	0	0	0
Polacca (Hopi),AZ-Constr.	18,100,000	0	0	0
Pinon,AZ Design.....	1,037,000	0	0	0
Parker,AZ Constr.....	2,500,000	9,714,000	7,578,000	-2,136,000
Red Mesa,AZ Design.....	0	2,000,000	0	-2,000,000
Pawnee,OK Design.....	0	0	1,745,000	+1,745,000
Total Outpatient Care Fac	\$24,137,000	\$11,714,000	\$9,323,000	-\$2,391,000
<u>Staff Quarters:</u>				
Zuni,AZ.....	0	920,000	0	-920,000
Polacca,AZ(Hopi).....	0	2,760,000	0	-2,760,000
Total Staff Quarters.....	0	\$3,680,000	0	-\$3,680,000
Small Ambulatory Grants..	0	\$0	\$2,513,000	+\$2,513,000
<u>Dental Units</u>				
Dental Units.....	\$1,000,000	\$1,000,000	\$1,000,000	+\$0
TOTAL.....	\$41,087,000	\$50,393,000	\$65,237,000	+\$14,844,000

1/ Funding was provided in the Department of Interior Appropriation and transferred to IHS for construction, telemedicine, and medical equipment.

2/ This amount includes \$4.1 million to design staff quarters which are part of the Ft. Defiance.

PURPOSE AND METHOD OF OPERATION

**FY 2000 Base**

The objectives of the Indian Health Service (IHS) Health Care Facilities Construction Program are to enhance IHS health care delivery capacity by providing for optimum availability of functional, well-maintained IHS and tribally-operated health care facilities and provide adequate staff housing at IHS health care delivery locations if no suitable housing alternative is available. The IHS capital improvement program, funded through this budget activity, is authorized to construct health care facilities and staff quarters, administer the IHS/Tribal Joint Venture Construction Program, renovate/construct Youth Regional Treatment Centers for substance abuse, provide construction grants for small ambulatory care facilities, replace/provide new dental units, and to assist non-IHS funded renovation projects.

To determine the locations where new and replacement facilities are most critically needed, the IHS has developed and is implementing comprehensive priority system methodologies for health care facilities and staff quarters construction. As needed, IHS Headquarters solicits proposals from the IHS Areas for essential staff quarters projects, replacement/new dental units, and for urgently needed new or replacement health care facilities. These proposals are evaluated and prioritized. Formal justification documents are prepared for those scoring highest. Once justified, projects are placed on the appropriate construction priority list and proposed for funding.

#### Health Care Facilities Construction Program

During FY 1990, in consultation with the tribes, the IHS revised its Health Facilities Construction Priority System (HFCPS) methodology. The HFCPS ranks proposals using factors reflecting the total amount of space needed; age and condition of the existing facility, if any; degree of the isolation of population to be served in the proposed facility; and availability of alternate health care resources. There are three phases to the HFCPS. During FY 1991, Phase I of the methodology was applied to 149 IHS Area-generated proposals to construct new or replacement health care facilities. Based on the Phase I result, the IHS proceeded with Phase II of the methodology, using a more detailed analysis of the 28 highest ranked proposals. During FY 1992, the IHS consulted with tribes about incorporating additional flexibility into the HFCPS in order to give consideration to new concepts, such as low acuity beds in health centers, as directed by the Congress in the FY 1992 Conference Report on IHS appropriations. Few tribes urged that IHS make changes to the HFCPS. In FY 1993, 23 of the 28 proposals considered in Phase II were advanced to Phase III. IHS Area Offices were asked to develop Program Justification Documents (PJDs) for each of the 23 proposed facilities. As PJDs are approved, projects are added to the Health Facilities Construction Priority Lists.

The IHS has two processes for reviewing the staff housing needs. Under the Quarters Construction Priority System methodology, the IHS reviews the need for additional quarters at all existing health care facilities. Phases I and II of this methodology were last applied in 1991. As the Program Justification Document for Quarters (PJDQ) are completed for these projects, they are added to the Quarters Construction Priority List. The second process responds to the Department of Health and Human Service

office of the Inspector General report of April 17, 1990, regarding needed improvements for planning and construction of IHS staff housing. The IHS began reviewing the need for quarters at each location where new or replacement health care facilities are being planned. Where quarters are required, IHS completes a PJDQ as a part of the PJD for the health care facility and the quarters need is included with facilities construction project on the Health Care Facilities Construction Priority List. The Department of the Interior and Related Agencies Appropriations Act for FY 1991 (P.L. 101-512) authorized and partially funded a "joint venture demonstration program to equip, supply, operate, and maintain up to three health centers." These health centers were to be "selected on a competitive basis from those tribal applicants agreeing to provide an appropriate facility for use as a health center for a minimum of 20 years, under a no cost lease." The costs of facility construction are borne by participating tribes. The IHS is responsible for all costs associated with staffing, equipping, and operating the facilities. This authority was redesignated as Section 818(e) and further amended by the 1992 amendments to Public Law 94-437, the Indian Health Care Improvement Act (IHCIA).

The IHS is authorized to construct Youth Regional Treatment Centers (YRTC's) by section 704 of the IHCIA, P.L. 94-437, as amended. A YRTC is to be constructed in each IHS Area except that two each are to be constructed in California and Alaska to provide substance abuse treatment to Indian youth.

The IHS is authorized to award construction grants to tribes or tribal organizations by section 306 of the IHCIA, P.L. 94-437, as amended. Grants may be awarded only to tribes operating non-IHS outpatient facilities under P.L. 93-638 contracts. These are referred to as Small Ambulatory Care Facility Construction Grants.

The IHS is authorized to accept renovations and modernizations of any Service facility through non-IHS funded sources and to assist by providing equipment and personnel by section 305 of the IHCIA, P.L. 94-437, as amended.

Appropriations for IHS in FY 1994-2000 included funding to replace and build new dental units.

Funding levels for the last 5 fiscal years follows:

<u>Year</u>	<u>Funding</u>
1996	\$12,297,000
1997	\$14,500,000
1998	\$14,400,000
1999	\$41,087,000
2000	\$50,393,000

#### Accomplishments

- (1) For the Fort Defiance, Arizona, replacement hospital project, the appropriated \$15,000,000 was used to update the previously completed

design and allowed construction of the replacement hospital portion of the project to start in September 1999.

- (2) For the Winnebago, Nebraska, replacement hospital project, the appropriated \$950,000 was used to complete the design in December 1999. The project is ready for construction to commence using funds appropriated in FY 2000.
- (3) For the new Hopi Health Center in Polacca, Arizona, the \$18,100,000 appropriated was used towards completing construction of the health care facility, which is scheduled to be completed in FY 2000; and for the start of staff quarters renovation.
- (4) The \$2,500,000 appropriated for the replacement Parker Health Center, Parker, Arizona, was used to commence construction in June 1999. Using funds appropriated in FY 2000, construction will continue.
- (5) The \$1,037,000 appropriated for the new Pinon Health Center, Pinon, Arizona, was used towards completing the design of the health care facility. The design is scheduled to be completed in FY 2000.
- (6) The \$1,000,000 appropriated for the dental units construction program was added to funds previously appropriated and allowed three additional dental units to be processed for design and construction.
- (7) For King Cove, Alaska health center project, \$2,500,000 was provided in the Department of Interior appropriation and transferred to the IHS for design and construction. Indian Health Service is working with the Eastern Aleutian Tribe, however, land and funding issues may delay completion of this project.

#### Performance Measures

The following performance indicator is included in the IHS 2001 Annual Performance Plan and is primarily dependent upon the activities funded within this budget line item for achievement. These indicators are sentinel indicators representative of some of the more significant health problems affecting AI/AN.

Indicator 31: Improve critically needed access to health care services by providing the following physical infrastructure:

Ft. Defiance, AZ Hospital	Continue construction of the replacement hospital and start design of the staff quarters.
Winnebago, NE Hospital	Continue construction of the replacement hospital.
Parker, AZ Health Center	Continue construction of the replacement health center.
Pawnee, OK Health Center	Start design of the replacement health center.
Small Ambulatory Construction Grants	Provide construction grants to tribes/tribal organizations.
Dental Units	Provide dental units based on priority needs.

The progress on these projects at the end of FY 2001 will be reported.

#### RATIONALE FOR BUDGET REQUEST

**TOTAL REQUEST** -- The request of \$65,237,000 is a net increase of \$14,844,000 over the FY 2000 Appropriation of \$50,393,000. The amount requested includes the following:

**Fort Defiance Hospital, Fort Defiance, AZ:   +\$40,115,000**

Funds in this request will be for replacement of the hospital portion of the project (\$38,715,000) and to design the additional staff quarters portion of the project (\$1,400,000).

This project is located in the Navajo Nation, Fort Defiance, Arizona. The proposed replacement IHS health care facility will provide a comprehensive health care program, having limited inpatient services for gynecological and general ambulatory surgery, obstetrical, pediatric, intensive care, labor and delivery, and for adolescent psychiatric nursing; plus a full range of non-specialty ambulatory care, community health, dental, and associated support services. The acute care program will have 36 beds, which consists of 12 for medical/surgical, 8 for pediatrics, 12 for obstetrical and 4 for ICU/CCU. An additional, 20 beds will be used by the adolescent psychiatric nursing unit. The project includes new staff quarters, consisting of 8 replacements for existing unsuitable units and 148 additional units. The number of staff quarters units will increase from 89 to 237 units, which will provide adequate housing to support an increased staffing level. The use of the existing housing site will continue and the new housing will be located next to the replacement hospital.

The existing main hospital building, being an historical structure that was constructed in 1938, cannot be altered. Even though renovations were made in 1972 and 1977, the current 49-bed hospital, which has been converted from the original 136-bed unit, is functionally inadequate to support the health care needs of the user population. Patient care and support services are provided currently in limited spaces in the main building and eight additional separate buildings. There is no room on the present site for additional construction and the adjacent land is not available. Therefore, the only option is to provide a replacement facility on a new site.

**Winnebago Hospital, Winnebago, NE:       +\$12,286,000**

Funds in this request will be used to continue construction of the project to replace the existing Winnebago hospital.

The replacement IHS health care facility will incorporate all inpatient, birthing center, diagnostic, ambulatory, community health, administrative, and support services into one structure. It will consist of 9 162 gross square meters (GSM) of new space and 1 505 GSM of renovated space in the existing facility for the expanded Drug Dependency Unit (DDU) program. Remaining temporary and permanent structure on the site will be demolished. The replacement facility will be constructed adjacent to the existing hospital to support the DDU. Accessibility will be enhanced for pedestrian, public, service, and emergency vehicle traffic.

The existing IHS hospital in Winnebago, Nebraska, which was built in 1932, cannot support the needs of the service population. The original hospital was constructed as a 40-bed, full-service inpatient facility with surgery, labor/delivery, and ambulatory services. The original planned functions of the other permanent structures were as a garage, garage/warehouse, and a quarters/apartment unit. The temporary buildings were designed with minimum space allowances for offices and for outpatient exam rooms and an emergency/urgent care room.

Due primarily to accreditation criteria and lack of support space, the original planned services have been scaled down to the current 30-bed capacity with 12 beds dedicated to the DDU. Four departments (Community Health Services, Dental Services, Property and Supply, and Facilities Management) are located outside the hospital proper, in buildings on or near the hospital campus. The existing hospital and other buildings are not of adequate size to house the proposed health care program. Scattered existing structures and lack of adequate space within existing buildings, compromise interdepartmental relationships.

**Parker Health Center, Parker, AZ:       +\$7,578,000**

Funds in this request will be used to complete construction of the replacement health center at Parker, Arizona.

The IHS and the Colorado River Indian Tribes have agreed that the Colorado River Indian Reservation needs a new ambulatory health care facility. The proposed new health center will replace the existing IHS hospital. The project includes a new health center that will provide space to support a major comprehensive, preventive, curative, and rehabilitative health service program to meet the health needs of the Colorado River Indian Service Unit population.

A 6 702 square meter replacement health center will be constructed on the existing site, which will enhance the adequacy, access, timeliness, and continuity of a modern health care delivery program. The Colorado River Indian Tribe is designing and constructing the health care facility under a Public Law 93-638 contract.

There were major concerns with the size and condition of the existing health care facility and the inability to support a modern health care delivery program. The existing hospital, constructed in 1930, is a one-story masonry bearing wall structure with a wood framed roof. Eight wood framed additions have been made to the facility from 1955 to 1985. Many support functions are located in other buildings. There are 11 IHS buildings, comprising 2 839 gross square meters which house the current programs.

A 1987 survey was conducted to determine the deficiencies of the health care facilities, their physical condition, and code compliance. The engineering report identified deficiencies that would cost over \$2,600,000 to correct excluding design and contingency fees. The correction of the noted deficiencies would not alleviate the problems with the functional

relationships of the programs caused by the scattered existing structures and lack of adequate space within the existing buildings.

**Pawnee Health Center, Pawnee, OK: +\$1,745,000**

Funds in this request will be used to design the proposed replacement Pawnee Health Center in Pawnee, OK.

The proposed new replacement IHS health center will provide a full range of ambulatory care and community health services to meet the health needs for the residents of the Pawnee Service Area. It will be a more efficient facility, which will enhance the adequacy, access, timeliness, and continuity of a modern health care delivery program, and will be located out of the flood zone.

The IHS and the Pawnee Tribe of Oklahoma have agreed that the existing health center is inadequate to provide a modern health delivery program. The facility, in its present condition, does not comply with current American Institute of Architects "Guidelines for Construction and Equipment of Hospital and Medical Facilities," life safety codes, and barrier-free design standards. There are major concerns with the size and condition of the existing health care facilities and their inability to support a modern health care delivery program. The existing concrete frame and cut stone masonry facility was constructed in 1928 and served as a hospital for the Pawnee Tribe. The hospital was later converted to a health center. From 1936 to 1974, six other structures were constructed to provide support functions to the health center. All seven structures, which house functions such as health care delivery, administration, supply and maintenance, and telephone, are subject to flooding. This factor, plus the physical layout, age, physical plant deficiencies, cost to renovate, and cost of asbestos abatement, underscore the need to provide a replacement health care facility.

**Small Ambulatory Care Facility Construction Grants Program: +\$2,513,000**

Funds in this request will be used to award the first grants in the Small Ambulatory Care Facility Construction Grants Program. Authorized under section 306 of the Indian Health Care Improvement Act, Public Law 94-437.

This program allows for the providing of small health care facilities, which cannot compete in the IHS Health Facilities Construction Priority System (HFCPS). Following Department of Health and Human Services grants policy and regulations, projects will be selected from grant applications meeting the program requirements. Project grants will be for the construction, expansion or modernization of non-IHS owned small tribal ambulatory health care facilities located apart from a hospital. The selected projects will not be a part of the IHS HCFPS.

**Dental Units: +\$1,000,000**

The \$1,000,000 will provide three needed dental units justified during the prioritization process. Projects will be funded based on an established priority system. Dental units range from three-chair to five-chair operatories.

INDIAN HEALTH FACILITIES  
CONSTRUCTED SINCE FY 1980

	Year <u>Completed</u>	Total <u>Appropriated</u>
<u>Hospitals:</u>		
Bethel, AK	1980	\$34,100,000
Ada, OK	1980	\$14,374,000
Cherokee, NC	1981	\$10,341,000
Red Lake, MN	1981	\$9,566,000
Chinle, AZ	1982	\$19,758,000
Tahlequah, OK	1983	\$21,334,000
Browning, MT	1985	\$15,086,000
Kanakanak, AK	1987	\$16,578,000
Crownpoint, NM	1987	\$17,734,000
Sacaton, AZ	1988	\$15,765,000
Rosebud, SD	1989	\$20,000,000
Pine Ridge, SD	1993	\$27,090,000
Shiprock, NM	1995	\$51,558,000
Crow Agency, MT	1995	\$23,091,000
Kotzebue, AK	1995	\$62,483,000
Anchorage, AK	1997	\$167,915,000
Talihina, OK	1999	*
Subtotal		\$526,773,000
 <u>Health Centers:</u>		
Cibecue, AZ	1980	\$750,000
Lodge Grass, MT	1982	\$1,485,000
Inscription House, AZ	1983	\$3,890,000
Ft. Duchesne, UT	1984	\$2,220,000
Tsaile, AZ	1984	\$3,856,000
Huerfano, NM	1984	\$3,304,000
Ft. Thompson, SD	1988	\$3,449,000
Wolf Point, MT	1990	\$3,654,000
Kyle, SD	1990	\$3,209,000
Toppenish, WA	1990	\$9,350,000
Ft. Hall, ID	1990	\$6,002,000
Sallisaw, OK	1992	\$4,265,000
Puyallup, WA	1993	\$8,472,000
Taos, NM	1993	\$5,765,000
Wagner, SD	1993	\$6,119,000
Belcourt, ND (OPD)	1994	\$19,449,000
Tohatchi, NM	1995	\$9,279,000
Stilwell, OK	1995	\$7,663,000
Ft. Belknap, MT		\$18,885,000
Hays, MT	1997	
Harlem, MT	1998	
White Earth, MN	1998	\$13,462,000
Lame Deer, MT	1999	\$14,100,000
Subtotal		\$148,628,000

\* Funded and constructed by the Choctaw Tribe.



Indian Health Facilities  
Constructed Since FY 1980

	<u>Year Completed</u>	<u>Total Appropriated</u>
<u>Personnel Quarters:</u>		
Chinle & Inscription		
House, AZ (Design)		\$336,000
Inscription House, AZ (21)	1982	\$1,764,000
Chinle, AZ (161)	1983	\$12,236,000
Huerfano, NM (9)	1983	1/
Ft. Duchesne, UT (9)	1984	1/
Crownpoint, NM (36)	1984	\$3,352,000
Tsaile, AZ (23)	1985	\$2,141,000
Ft. Thompson, SD (13)	1985	\$1,279,000
Kanakanak, AK (17)	1986	\$4,133,000
Browning, MT (26)	1987	\$2,470,000
Kyle, SD (24)	1987	\$1,615,000
Supai, AZ (2)	1990	\$246,000
Rosebud, SD (29 of 66)	1990	\$7,345,000
Neah Bay, WA (4)	1991	\$472,000
Dulce, NM (4)	1993	\$515,000
Barrow, AK (29)	1993	\$18,183,000
Rosebud, SD (remaining 37 units)	1993	\$7,695,000
Pine Ridge, SD (45)	1993	\$9,517,000
Kotzebue, AK (50)	1993	\$26,155,000
Belcourt, ND (21)	1997	\$3,912,000
Subtotal		<u>\$103,366,000</u>
<u>Youth Regional Treatment Centers:</u>		
Alaska - Fairbanks, AK	1993	\$1,466,000
Alaska - Mt. Edgecumbe, AK	1994	\$866,000
Phoenix - Sacaton, AZ	1994	\$2,357,000
Portland - Spokane, WA	1996	\$7,343,000
Aberdeen - Chief Gall, SD	1996	\$5,373,000
Subtotal		<u>\$17,405,000</u>
<u>Joint Venture Demonstration Projects:</u>		
Warm Springs, OR	1993	\$959,000
Poteau, OK	1994	\$700,000
Subtotal		<u>\$1,659,000</u>
GRAND TOTAL		\$797,831,000

1/ Funds reprogrammed from Chinle and Inscription House