



YUKON-KUSKOKWIM HEALTH CORPORATION

"Working Together to Achieve Excellent Health"

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USDA LOAN ADVANCES YKHC HEALTH CARE IMPROVEMENT PROJECT

Low interest \$165 million loan commitment secures major financing component for hospital renovation and clinic expansion portion of Paul John Calicaraq patient care improvement initiative.

--**BETHEL AK, October 8, 2015**—The US Dept. of Agriculture (USDA) has entered into a letter of commitment for a low interest loan of \$165 million to the Yukon-Kuskokwim Health Corp.

Last year, the Indian Health Service (IHS) ranked YKHC's application under the Joint Venture Construction Program as number one out of 37 across the country. The agreement is that YKHC will pay for the construction and IHS will pay for increased staffing and operations.

The USDA loan is one part of a three-part financing package for the project. YKHC is currently working to secure additional funds with two other financing partners, the Alaska Municipal Bond Bank Authority and the Alaska Industrial Development & Export Authority.

"YKHC is excited and thankful for this opportunity to partner with the United States Department of Agriculture and Indian Health Service to improve health care in the Yukon-Kuskokwim Delta," said YKHC President/CEO Dan Winkelman. "We are currently engaging all 50-plus communities within our service area in the facility's planning process in order to ensure we develop a customer-centered facility that incorporates the region's Yup'ik, Cup'ik and Athabascan cultures. The renovated hospital, new primary care clinic and additional providers will dramatically improve access, quality, customer satisfaction and the health of the residents of Southwest Alaska."

YKHC has already begun planning for the renovations and construction, as well as the integrated team approach to providing patient care that is at the heart of the new program, according to Winkelman. Architects Bettisworth North of Fairbanks, Jones & Jones of Seattle and ZGF of Portland have made a number of trips to the region to not only survey the site, but also learn more about the region's diverse people and geography, in order to incorporate elements of the native cultures into the design of the facilities.

"USDA Rural Development is very proud to be part of this significant investment in the Y-K Delta," said Jim Nordlund, Alaska State Director of Rural Development for USDA. "This is a very large loan for our agency so we gave it considerable scrutiny and found it to be an excellent investment for four primary reasons. First, the need is great and it fits the mission of our agency to promote the health of rural residents. Second, the financing plan is solid with significant contributions from the Alaska Industrial Development and Export Authority, the Alaska Municipal Bond Bank Authority, cash from YKHC and substantial revenue streams. Third, we were impressed with YKHC's competent management team including finance, construction and operations. Finally,



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the Indian Health Service commitment to fund staffing for the new facilities will create hundreds of new jobs and foster further economic development in the region. It was very hard to find a reason to not move forward with this loan.”

The YKHC Board of Directors named this initiative the Dr. Paul John Calricaraq Project (PJCP) in honor of the late founding board member Paul John.

"It will be more than just a new building. We are merging Paul John's inspirational teachings and stories of traditional ways of healthy living with national best practice models to provide health care services more efficiently and with a customer-centered approach," Winkelman said. "The renovations and construction, along with the increased staffing will enable us to deploy a new model of care that integrates various service lines into one comprehensive system of care delivery. Behavioral health, pharmacy, diabetes, travel, case management and other service lines will join the primary care teams to become one system that treats the whole patient.

For further questions, please contact:

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