

Roundup Memorial Healthcare/USDA Partnership Electronic Health Record

- Situation:
 - Problems
 - Manual health record with pressure to install EHR
 - Old, antiquated general ledger accounting system
 - Poor Finances – literally no capital reserves
 - Local Banks not willing to lend or lend at high rates
 - Solutions
 - Billings Clinic management assistance
 - USDA relationship
 - CMS incentive (available upon successful demonstration of meaningful use)

Roundup Memorial Healthcare/USDA Partnership Electronic Health Record

- Objective
 - Obtain bridge loan at reasonable rates to cover installation period for EHR
 - Continue loan for portion of EHR expenses not covered by CMS incentive payment
 - Obtain loan to install new accounting system

Roundup Memorial Healthcare/USDA Partnership Electronic Health Record

- Execution
 - Meetings with USDA to clarify needs and costs
 - Solicitation of commercial lenders
 - Alignment of community support
 - Hospital board
 - Hospital district
 - County commissioners
 - Submission of request to USDA
 - USDA review and approval
 - Paperwork – the job's not done until the paperwork is complete

Roundup Memorial Healthcare/USDA Partnership Electronic Health Record

- Results
 - Over \$1 million dollar project funded
 - Bridge loan to fund EHR project
 - Terms helpful to the hospital (first principle payment not due until project completion)
 - Excellent interest rate
 - Grant to further assist in purchase
 - Long term loan at excellent terms to purchase software

Roundup Memorial Healthcare/USDA Partnership Electronic Health Record

- Lessons Learned
 - USDA willing to help and has greater risk appetite than commercial lenders but project still has to make business sense
 - USDA is sincerely interested in success of rural communities – worked hard as a team to make project happen and got it done on time
 - Be prepared for forms – it is the government
 - Be prepared for more forms – SAMS.gov
 - PS: Don't let this lapse, make sure you have multiple POCs
 - Get stakeholders on board – collateral requirements
 - Pay attention to details – USDA is an excellent steward of government funds
 - CMS is slow – missed incentive payment estimate by six months

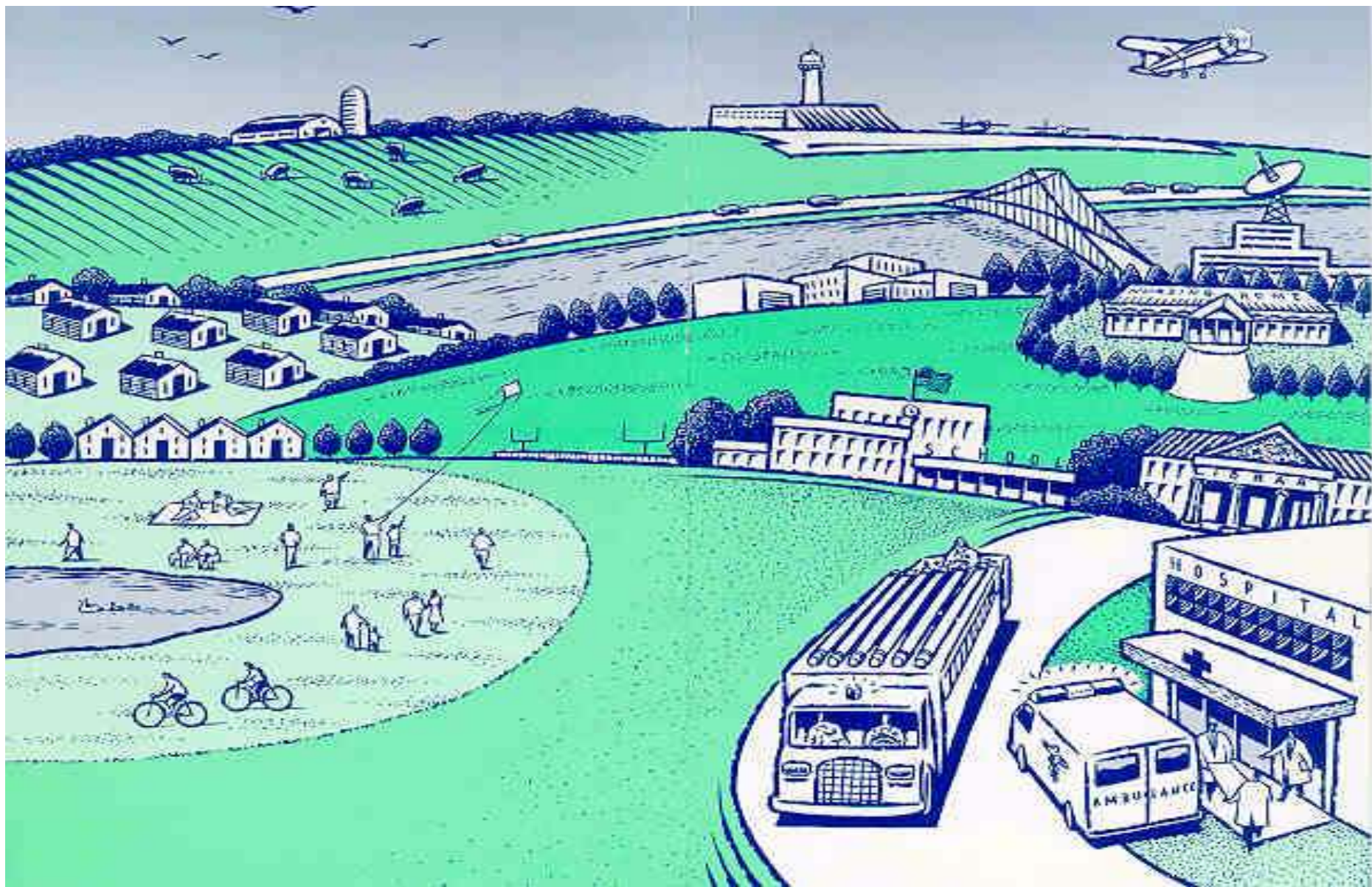
Community Facilities

FINANCE THE DEVELOPMENT AND IMPROVEMENT OF ESSENTIAL PUBLIC FACILITIES THAT SERVE RURAL AREAS AND ARE FOR PUBLIC USE

ANY FACILITY NEEDED FOR THE ORDERLY DEVELOPMENT OF A RURAL COMMUNITY.

MEDICAL CLINICS, FIRE STATIONS, FIRE TRUCKS, ASSISTED LIVING FACILITIES, ROADS, BRIDGES, ETC.

**USDA Rural Development – Montana
Rural Housing Service**



Community Facilities

Funding Available:

Guaranteed Loans

Direct Loans

Grants

Base Entity Eligibility

- Public Bodies - City, Town, County, District, etc.
- Non-Profit Corporations (BROAD BASED LOCAL CONTROL)
- Federally Recognized Indian Tribes
- Under 20,000 population

CF Guaranteed Loans

Loans are made by a bank or other lender and guaranteed against loss by the USDA Rural Development

Loans are made at lenders normal and customary rates and terms.

Guarantee (max =90%) allows lenders to make loans that they other-wise could not make.

Cannot guarantee loans secured by tax-exempt obligations

Bank can sell Guaranteed loan on the secondary market- Farmer Mac II

Base Loan Eligibility

Loan Interest Rates Through June 30, 2016 : 2.875%
Population is under 20,000

Max. Loan Term Life of the security up to 40 years

Debt coverage 110% / positive cash flow

Other Credit - Not eligible if project can be funded by
commercial credit or use of a Guaranteed Loan

Base Grant Eligibility

- Not able to fund from own resources
- Not able to fund from use of a loan
- Only the amount needed to make the project feasible – (needs test)
- Max grant amount \$50K

Maximum Grant Amount

- 75% When MHI of the area served is equal to or below \$28,654 and the Population is under 5,000
- 55% When MHI of the area served is equal to or below \$33,429 and the Population is under 12,000
- 35% When MHI of the area served is equal to or below \$38,205 and the Population is under 20,000
- 15% When MHI of the area served is equal to or below \$42,981 and the Population is under 20,000

FY 2012

3 Guaranteed Loans = \$ 21,400,000

12 Direct Loans = \$ 46,106,800

12 Grants * = \$ 1,282,556

20 Projects Total = \$ 68,789,356

* Tribal College = \$951,936 RCDI Grants = \$200,000 Regular + Eii = \$130,620

FY 2013

0 Guaranteed Loans = \$ 0

5 Direct Loans = \$ 6,551,000

12 Grants * = \$ 1,004,368

18 Projects Total = \$ 7,555,358

* Tribal College = \$878,843 Regular + EII = \$125,525

FY 2014

0 Guaranteed Loans = \$ 0

1 Direct Loans = \$2,290,000

10 Grants * = \$ 1,224,829

11 Projects Total = \$ 4,124,107

* (Tribal College 7 grants for = \$1,015,812) Regular + EII = \$56,525, RDCI \$152,492

FY 2015 YTD

1- Guaranteed Loans = \$ 1,150,000 (\$0)

1- Direct Loans = \$ 9,950,000 (\$19,706,750)

7 -Tribal College Grants= \$ 980,870 (\$0)

5-Grants = \$ 174,762 (\$176,800)

14 Projects \$12,399,632

FY 2016 Allocation / YTD

Guaranteed Loans	= \$ (\$0)	(4,545,000)
Direct Loans	= \$13,308,355	(\$15,097,500)
Tribal College Grants	= \$ (\$0)	(\$0)
Grants	= <u>\$ 282,000</u>	(\$102,530)
Total	= \$13,590,355	\$19,745,030

Special Initiatives



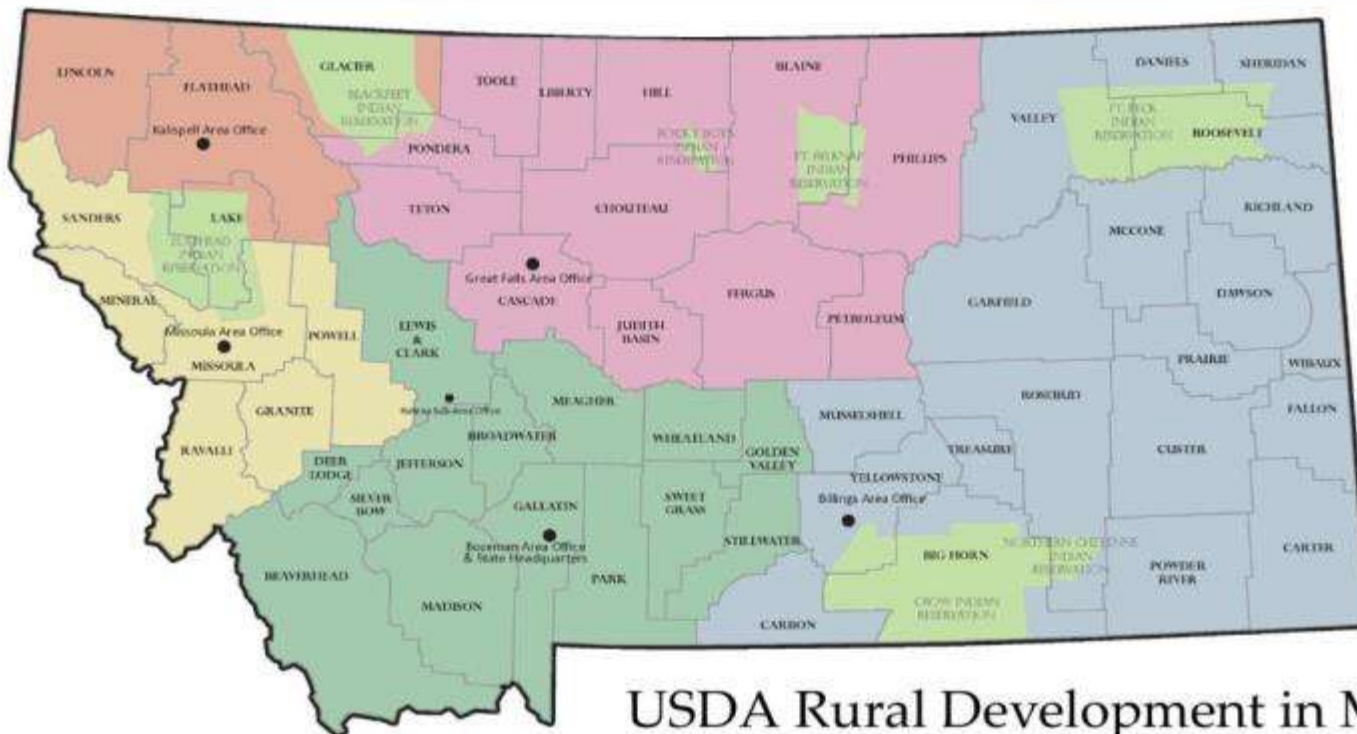
Mental Illness
Treatment Centers

Medical Records (HIT)

Libraries/School

20/20/2016

StrikeForce



USDA Rural Development in Montana

Bozeman Area Office

2229 Boot Hill Court
Bozeman, MT 59715
ofc: (406) 585-2530
fax: (406) 585-2537

Helena Sub-Area Office

790 Colleen Street
Helena, MT 59601
ofc: (406) 449-5000 Ext. 4
fax: (406) 449-5008

State Headquarters, Bozeman - (406) 585-2580
www.rurdev.usda.gov/mt

Billings Area Office

1629 Avenue D - Suite A6
Billings, MT 59102
ofc: (406) 657-6297 Ext. 4
fax: (406) 657-6294

Great Falls Area Office

12 3rd Street NW - Suite 300
Great Falls, MT 59404
ofc: (406) 727-7580 Ext. 4
fax: (866) 574-1071

Kalispell Area Office

450 Corporate Drive - Suite 111
Kalispell, MT 59901
ofc: (406) 756-2005 Ext. 4
fax: (406) 756-2018

Missoula Area Office

3550 Mullan Road - Suite 106
Missoula, MT 59808
ofc: (406) 829-3395 Ext. 4
fax: (406) 829-3437

The Distance Learning and Telemedicine (DLT) Grant Program Purpose and Definitions

DLT Grants are not just a way to obtain educational technology or medical equipment. **The focus is on using the unique capabilities of telecommunications to connect rural areas to each other and to the world, thus overcoming the effects of remoteness and low population density.**

Distance learning means a curriculum delivered via telecommunications and stresses the connection of students and teachers at remote sites.

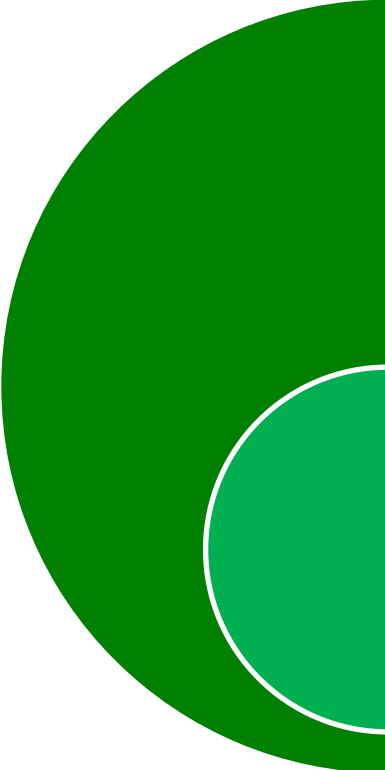
Telemedicine means the delivery of health care from medical professionals at one site to patients at other sites via telecommunications. Telemedicine shows benefit to rural residents either in reduced travel or improved access to services.

The DLT Grant Program

Typical Projects

- Distance Learning:
 - Video-conferencing is the most common for distance learning including distance learning services to schools, colleges, universities and other institutions
Including bridges, servers, cameras, projectors, etc.
- Telemedicine:
 - Visiting nurse links from patient homes to health professionals elsewhere
 - Tele-radiology
 - Tele-dentistry
 - Tele-psychiatry
 - Tele-pharmacy
 - Virtual ICU
- Projects can be a combination of distance learning and telemedicine (e.g. medical services and medical education)

DLT Grant Program Eligible Applicants



Corporation or a partnership; tribal nation or organization a state or local unit of government; a consortium; or other legal entity. For or not-for profit able to contract with the US Government. No individuals or sole-proprietorships.

Operate a rural community facility or deliver DLT services to entities that operate a rural community facility or to residents of rural areas at rates calculated to ensure that the benefit of the financial assistance passes through to such entities or to residents of rural areas.

The DLT Grant Program

Eligible Equipment

- This list is not exhaustive and does not convey automatic eligibility. To be eligible in full, items must be primarily for DLT eligible purposes.
 - Audio and video equipment
 - Computer hardware and software
 - Computer network components
 - Terminal equipment
 - Data terminal equipment
 - Interactive audio/video equipment
 - OEM or OEM-authorized warranties on eligible equipment up to the 3-year life of the grant
 - Inside wiring

The DLT Grant Program

Ineligible Costs

Grant funds
cannot be used
to purchase:

- Salaries and benefits of awardee
- Administrative expenses (overhead)
- Telecommunications transmission equipment
- Recurring costs, including telecommunications
- Medical equipment
- Equipment owned by telecom provider (LECs, CLECs, etc.)
- Duplication of facilities
- Costs incurred before the application deadline

The DLT Grant Program

Scoring

Scoring:
230 Points
possible in
8 scoring
categories:

- Rurality (population density) – 45 points
- National School Lunch Program (economic need) – 35 points
- Leveraging (matching funds) – 35 points
- USDA-designated Empowerment Zones – 10 points
- Additional National School Lunch Program – 10 points
- Need for Services and Project Benefits – 45 points
- Innovativeness – 15 points
- Cost Effectiveness – 35 points

Contact Information

Telecommunications Program

1400 Independence Ave.

Washington, DC 20250

<http://www.rurdev.usda.gov/RUSTelecomPrograms.html>

Telecommunications Program Staff:

Shawn Arner

DAAT, Loan Origination Division, 202-720-0800

shawn.arners@wdc.usda.gov

Ken Kuchno

DAAT, Policy Division, 202-690-4673

kenneth.kuchno@wdc.usda.gov

General Field Representative:

Kim Jacobs

kim.jacobs@wdc.usda.gov

Office: 307-754-9000

Cell: 307-254-0910

Health Information Technology

Guaranteed Community Facility Loan from:
American Federal Savings Bank to

Monida Healthcare Network Resources, Dillon Mt.

The project coordinated digitized licenses, servicing and training to 65 recipient facilities including:

St. Luke Hospital- Ronan; Barrett Hospital & Health Center –Dillon ; Clark Fork Valley Hospital - Plains; Granite County Hospital – Philipsburg; Mineral County Hospital – Superior and Powell County Hospital in Deer Lodge.

Critical Access Hospital Replacement



Community Hospital of Anaconda

Guaranteed Loan

Rocky Mountain Bank	\$10,000,000
USDA Direct Loan	<u>\$ 9,543,000</u>
Total	\$19,543,000

Interim Financing by Glacier Bank- Butte, MT

In Parity with First Montana Bank

Livingston Healthcare



Livingston Healthcare

Guaranteed Loan

First Interstate Bank	\$10,000,000
Community funds	\$ 4,000,000
USDA Direct Loan	<u>\$26,000,000</u>
Total	<u>\$40,000,000</u>

USDA Direct Equipment Loan \$ 3,500,000

Interim Financing by Raymond James - Kentucky

Beartooth Billings Clinic



Beartooth Billings Clinic

Guaranteed Loan

First Interstate Bank	\$13,775,000
Community funds	\$ 2,452,000
USDA Direct Loan	<u>\$ 6,000,000</u>
Total	\$22,227,000

Interim Financing by Raymond James - Kentucky

Clinic Replacement



Rosebud Community Hospital INC.

Coal Board Grant	\$ 400,000
CDBG ED Grant	\$ 400,000
REDLEG (Range Telephone)	\$ 200,000
Community funds	\$ 100,000
USDA Direct Loan	<u>\$ 2,160,000</u>
Total	\$ 3,260,000

Interim Financing by Stockman Bank

Roundup Memorial Healthcare/USDA Partnership CT Scanner Replacement Project

– Issue

- Outdated CT scanner (2-slice);
- Equipment did not have capacity to meet local demand for scans;
- Financial position not strong enough to obtain reasonable rates and terms from commercial lender

– Need

- Updated CT Scanner to meet current demands
- Non-commercial funding

Roundup Memorial Healthcare/USDA Partnership CT Scanner Replacement Project

- Solution
 - ❖ Applied to Helmsley Trust For Grant Funds
 - ❖ Applied to USDA for Loan and Grant Combo
 - ❖ Determined a new 64-slice scanner would meet current demand

Roundup Memorial Healthcare/USDA Partnership CT Scanner Replacement Project

- TIPS for Successful Application
 - ✓ Good Communication;
 - ✓ Timely response!
- The Project Administrator asked questions and was quick to respond to RD's comments and concerns.
- PAR was completed and concurred in by RD. RD was ready to fund the project. Because the Hospital was quick to inform RD of the need to re-do the budget, do to better data during design, RD was able to accommodate their requests.

Roundup Memorial Healthcare/USDA Partnership CT Scanner Replacement Project

Outcome -

Helmsley Trust	\$ 400,000
Applicant Contribution	\$ 24,482
USDA Direct Loan	\$ 407,900
USDA Direct Grant	\$ <u>50,000</u>
Total	\$ 882,400

Roundup Memorial Healthcare/USDA Partnership
CT Scanner Replacement Project

QUESTIONS