



Vision

A Native Community that enjoys physical, mental, emotional and spiritual wellness.

Mission

Working together with the Native Community to achieve wellness through health and related services.

Customer-Owners

Serving over 70,000 Alaska Native and American Indian People

Community Served

Anchorage Service Unit and 55 Tribes to Include:

	Anchorage
Matanuska	Susitna Borough
Chickaloon	McGrath
Eklutna	Newhalen
Igiugig	Ninilchik
Iliamna	Seldovia
Kenaitze	St. Paul Island
Knik	Tyonek
Kokhanok	

Services Offered

Over 90 Community-Based Programs Including:

- Medical
- Behavioral
- Dental
- Co-Manage the Alaska Native Medical Center

Board of Directors

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Cook Inlet Region, Inc.

June 25, 2025

The Honorable Representative Jeff Hurd
Chairman

Subcommittee on Indian and Insular Affairs
Committee on Natural Resources
1324 Longworth House Office Building
Washington, D.C. 20515

Re: Responses to questions from Rep. Westerman

Dear Chairman Hurd,

Thank you for the opportunity to answer additional committee questions from Rep. Westerman related to H.R. 3620, introduced by Rep. Nick Begich, the *Southcentral Foundation Land Transfer Act of 2025*. This legislation will help to meet Southcentral Foundation's (SCF) Vision of a Native Community that enjoys physical, mental, emotional and spiritual wellness. SCF clinicians work together with more than 70,000 Alaska Native and American Indian people on their journeys of health and wellness.

At the Quiana Clubhouse (QCH), SCF clinicians work with over a hundred customer-owners (SCF's term for Alaska Native and American Indian patients who are the center of the organization's system of care—as they are both the customers of that care and the owners of their health care system) with severe and persistent mental health challenges. Transferring the land surrounding the current QCH will allow for further expansion of this life-changing program.

1. The Southcentral Foundation has expressed its intention to construct a modern behavioral health facility if the land transfer in H.R. 3620 takes place. Once ownership is transferred, what are the plans for renovating the Quiana Clubhouse?

The current QCH buildings total about 6,446 square feet across the three structures. The new facility, which has been planned to around the 10% design threshold, is slated to contain over 40,000 square feet. The new facility will house two specialty behavioral health programs, QCH and Intensive Case Management (ICM), and an integrated primary care clinic. The cost to build this new facility on the site is estimated to be \$60 million. The current buildings will be utilized until the new facility opens its doors, and then the old facilities' locations will be converted to parking.

a. Elaborate more on the benefits this facility would have for Alaska Natives in your area?

The current plan is to expand the programmatic space for QCH and co-locate SCF's ICM program. Both ICM and QCH work with similar populations, though in different clinical and operational models. QCH is a day program that assists customer-owners with regular individual and group therapy sessions, case management as well as medication management for mental health challenges in a structured nurturing environment. The ICM program focuses more on initial outreach to customer-owners

who are often unhoused and living on the streets throughout the Anchorage area. The clinical planning suggests that a customer-owner could more readily move from the ICM program into QCH if the services are co-located, leading to better health outcomes for hundreds of customer-owners with behavioral health challenges.

b. How does Southcentral Foundation plan to pay for renovations and the expanded operations of Qujana Clubhouse, should this bill be enacted?

SCF currently plans to pay for the majority of reconstruction of QCH through organizational reserves supplemented with some grant funding and donations.

SCF conducts rigorous pro forma evaluations of new or expanded programs to ensure financial sustainability of both the program and the organization for generations to come. The expanded program offerings of both QCH and ICM will become financially sustainable over the first three years, and this continues the sustainable trajectory both programs have operated on in their separate locations. The current payer-mix for both programs relies on Medicaid funding and the Medicaid encounter rate. Additionally, for the integrated primary care clinic, Medicare is often the primary payer due to the number of customer-owners in the program who are disabled due to illness and are eligible for that coverage.

In addition to budgetary sustainability, SCF's personnel planning is also conducted in an incremental fashion, with additional employees added over time as the programs scale up to better meet community need.

2. The Qujana Clubhouse has achieved 100% housing for its treated population that suffers from severe mental illness. How did you achieve such a high housing rate?

Qujana Clubhouse has successfully achieved 100% housing placement for customer-owners who are receiving treatment. This success is due to a comprehensive approach that includes:

- Team-based intensive case management: Case managers work closely with each customer-owner.
- Expertise in public resources and SCF assets: Employees have a deep understanding of available support systems.
- Strong, trust-based therapeutic relationships: Clinicians and other employees build strong connections with customer-owners.

Case managers collaborate with every assisted living/supportive housing facility and their staff in Alaska. This allows them to understand their operations and ensure each customer-owner's unique needs, preferences, and circumstances are met, leading to the most suitable housing placement.

Many customer-owners are Medicaid and Medicare beneficiaries, which helps them access assisted living and supported housing options.

This foundation of trust and a personalized approach enables employees to advocate for customer-owners. Qujana Clubhouse is dedicated to walking along with customer-owners on their health care journeys and recognizes there are challenges each may face, offer guidance,

and provide consistent support.

3. What are the current conditions of the Qujana Clubhouse?

Two of the three buildings have been on the site for more than 50 years. The physical condition of these buildings is fair given their age. SCF has maintained the buildings and constructed minor improvements since the operation of the site was approved for SCF use in 1999. Southcentral Foundation has maintained them, but they would be considered at most Class C type space, given their age and dated major electrical and mechanical systems. The third building is a manufactured facility placed on the site in 2012 by SCF, which is in better condition, but it is not a conventional medical office building.

Although the facilities are in fair condition structurally, given their age and construction type, the delivery of clinical and therapy services at QCH is significantly diminished due to the limitations in square footage available and the inappropriate building interior layouts. Services are currently fragmented over the three separate facilities and cause customer-owners and employees to travel between buildings throughout the day during inclement weather, which can be as many as 6-9 months of the year. Through land ownership, SCF will be afforded the ability to redevelop the site with a cold-climate appropriate, centralized facility to maximize square footage, to co-locate program spaces appropriately, and to create a highly energy efficient facility regarding maintenance and operations.

a. Please elaborate on the challenges faced in maintaining and upgrading the Qujana Clubhouse resulting from the lack of landownership.

Southcentral Foundation cannot place or construct permanent buildings on the site, nor finance any improvements to the facility due to the lack of ownership. Likewise, the structures could not be demolished to place a different facility. The original buildings are approximately 4,500 square feet and 560 square feet, while the manufactured building is approximately 1,386 square feet. The buildings are not connected, inefficient, and have dated infrastructure.

4. How has the Southcentral Foundation worked with local stakeholders to prepare for this land transfer?

Southcentral Foundation, with approval from the Indian Health Service, replatted and rezoned the property. During this process, Southcentral Foundation's land planner worked with the Municipality of Anchorage and held a public review process. The appropriate neighborhood community council and the public were informed of the process and intent to construct a new facility to serve the needs of the community. The Municipality of Anchorage held public hearings and the rezone and replat were approved without objections.

Additionally, as can be seen with letters of support from government agencies and leaders, SCF partners often with local stakeholders on major programmatic undertakings. For example, SCF leadership gave a tour to State of Alaska's Department of Health Commissioner, Heidi Hedberg, at QCH to acquaint the commissioner with the importance of the program to so many in the community.

a. Elaborate on how these partnerships play a role in the success of the Qujana Clubhouse.

The Municipality of Anchorage will provide the appropriate permits to construct and maintain a new facility. The Municipality of Anchorage and the public have already shown their support of the rezone which will enable Southcentral Foundation to provide health care services on the site.

Additionally, on-going partnerships with the Alaska Mental Health Trust Authority, the Alaska Department of Health, and Anchorage's Fire and Police Departments will ensure that both the programs and the customer-owners participating in them are set up for success.

4. Your written testimony mentions that the Southcentral Foundation is ready to begin construction in 2026, provided the land transfer is enacted. If Congress does not move this bill forward, what effect would that have on your ability to meet the increasing demand for behavioral health services?

If the land transfer legislation is delayed this could significantly impact design and build schedules leading to missed construction seasons (which are shortened in Alaska due to inclement weather).

If the legislation does not pass at all, the ability to meet future community needs for both ICM and the day-habilitation offered at QCH would be diminished. The chance to scale up and co-locate the programs would need to be redesigned and either moved to another, less-than-ideal location or abandoned altogether. The expansion of either program would be delayed at the very least by several years.

a. What are your alternate plans for expanding or replacing Quyana Clubhouse?

The current facility would need to be further repaired and renovated at the cost of several million dollars initially, followed by significant on-going maintenance expenses for some buildings that are decades old—well past their expected operational lifespan. Initial estimates for repairs and renovations of the current spaces total around \$10 million.

Alternatively, another space to house QCH and ICM could be obtained. However, alternative locations are limited due to zoning restrictions and possible community opposition which are not an issue in the current location. In fact, community leaders support the planned improvements at the current location, and H.R. 3620 to transfer the land from federal ownership. An alternative location would also involve significant move-in or build costs. More importantly, the land that currently houses QCH has become familiar to many customer-owners who have utilized the program to become stabilized. Moving locations could severely disrupt that stabilization.

Thank you again for the opportunity to provide answers to follow-up questions from committee members. If you or the committee would like additional information, please contact me at lrross@southcentralfoundation.com.

Sincerely,

SOUTHCENTRAL FOUNDATION



Leandra Ross, MPH

Vice President of Executive and Tribal Services