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Prosser Memorial Health New Hospital Project Update

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Prosser Memorial Health continues to work through the complex process of financing and building a new hospital. This project has been slowed down by the impact of both inflation and supply chain issues. Without any changes to the scope of the project, the original bids that Prosser Memorial Health received from the general and subcontractor, pushed the cost of the project more than \$10 million over the original budget estimate. Increased labor and supply costs were contributing factors.

Due to the higher-than-expected bid packages, Prosser Memorial Health rejected the original bids and terminated their partnership with the original general contractor. Bouten Construction has been named the pre-construction general contractor for the project and will open the project up for new bid packages next month.

“The scope and complexity of building a new hospital in an ideal economic environment is challenging. When you factor in the additional impact that inflation and supply chain issues are having on construction projects across the country, we are forced to go back to the table and think outside of the box on how to complete our new hospital project and remain fiscally responsible. The good news is, Prosser Memorial Health is financially strong and seeing more patients than ever,” said Craig Marks, CEO of Prosser Memorial Health. “We are 100 percent committed to the completion of this project. The demand for high quality, affordable healthcare in our area has never been greater and we have simply run out of room at our current location.”

The estimated cost of the project to date is \$103.3 million. Prosser Memorial Health has received two loans from the USDA for \$57.5 million at a 2.25% interest rate and an additional \$13 million at a 2.15% interest rate. Once the new bid packages are reviewed and accepted Prosser Memorial Health will work with the USDA for additional funding options as well as look at private funding options. “The hospital will also fund more than \$20 million dollars of the project with our own cash,” said Marks.

The new timeframe is to break ground in late fall of this year and open the doors to the new facility in late 2024. For questions or more information, please contact Prosser Memorial Health Community Relations Executive Director Shannon Hitchcock at 509.786.6601 or visit our website at www.prosserhealth.org.

About Prosser Memorial Health: For 75 years, Prosser Memorial Health has provided high-quality, compassionate, and comprehensive healthcare services to our communities. Service lines include: 24/7 Emergency Department, Orthopedics, Cardiology, Dermatology, General Surgery and ENT/Allergy, Gastroenterology, Urology, Obstetrics and Family Birthplace, Therapy Services, and Primary Care through our local clinics. For more information about Prosser Memorial Health, visit prosserhealth.org.

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