

THE CITY AND BOROUGH OF JUNEAU, ALASKA

Meeting Minutes – February 20, 2013

MEETING NO. 2013-05: The Special Meeting of the City and Borough of Juneau Assembly, held in the Assembly Chambers of the Municipal Building, was called to order at 5:00 p.m. by Mayor Merrill Sanford.

I. ROLL CALL

Assembly Present: Mary Becker, Karen Crane, Johan Dybdahl, Loren Jones, Jesse Kiehl, Jerry Nankervis, Merrill Sanford, Carlton Smith, and Randy Wanamaker.

Assembly Absent: None.

Staff Present: Kim Kiefer, City Manager; Rob Steedle, Deputy City Manager; Bonnie Chaney, Budget Analyst; Bob Bartholomew, Finance Director.

Others Present: Bartlett Board Members included Chair Linda Thomas, Bob Storer, Alex Malter, Reed Reynolds, Nancy Davis, Kristin Bomengen, Mary Borthwick, Lauree Morton and Dr. Nathan Piemann, and CEO Chris Harff, and CFO Ken Brough.

II. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS – None.

III. SPECIAL ORDER OF BUSINESS

A. Joint Meeting with the Bartlett Regional Hospital Board

Mayor Sanford welcomed the BRH Board and the opportunity to share information.

Ms. Thomas said that health care nationally was in a period of revolutionary change. The BRH Board of Directors set a deliberative path of change for the management of the organization, for accountability, transparency, improvements for patient care and facing the challenges of finances of small hospitals.

The management agreement with Quorum Health Resources (QHR) was in place for 20 years. The CEO and CFO were employees of QHR, which also did group purchasing, quality assurance programs, physician recruiting, budget and accounting and data management. In 2011, the BRH Board revisited the contract, separated the personnel portion out of the contract, and now had a new management team in place. The general consulting services continued.

Ms. Harff said BRH was a well-equipped hospital and newly updated. There were high operational and labor costs and there was competition to retain employees. There were housing issues involved in recruitment and challenges of the seasonal nature of the community to staffing. BRH was highly regulated and had a union workforce, and BRH remained competitive in Alaska but not with the lower 48. The medical staff was independent. SEARHC was incentivized by their federal payment system not to use the hospital based on how it was set up. There was a significant investment in electronic medical records. Zero profit margin was budgeted to keep charges as low as possible. The federal demonstration

project would sunset in 2015, resulting in a decrease of \$2 million from the hospital's bottom line. There was \$22 million in cash reserves thanks to the foresight of the Board. BRH operated as a government agency and provided support to other government agencies but that was difficult to do with hospital funding. Seattle was the real competition for BRH and these were challenges to hospital operations.

Mr. Storer said BRH was doing a lot to improve communications with the entire community. Ms. Harff had gotten out in the community and spoke with many people. The communication with the city in the past two years was collegial and there were good relations with the City Manager, Finance and Law Departments. The CBJ purchasing department was working with the CFO Brough now. The Board worked with a facilitator in January on its mission statement and goals. The new mission statement was to provide the community with quality patient centered care and sustainability. Streamlining the billing and the registration process would provide the patients with a better experience.

Mr. Reynolds said the emphasis was on quality and was centered on patients. The hospital staff had long supported quality and this board sought to leverage that quality and the staff's implementation. The Board developed 3-year strategic goals – one was to improve efficiency through standardization, a second was to improve patient experiences, and there were objectives for each. One was to develop a wellness program for hospital staff, another was to implement electronic medical records and a third was to create optimum order sets. There would be stronger emphasis on best practices.

Mr. Dybdahl said he was not familiar with all the services that BRH offered and asked for more detail on whether BRH made referrals.

Dr. Malter said that BRH had the standard services most small hospitals had, including medical and surgical inpatient admissions and an intensive care unit for complex diseases for the short run. There was an outpatient service for same day surgeries and procedures, with a number of specialty surgeons in town to allow general surgery care as well as urologist, gynecologists, plastic surgeons and the like.

Ms. Thomas said the website listed the services but agreed that this should be better communicated. Ms. Thomas said so much was communicated by word of mouth. Mayor Sanford said the newsletter was helpful.

Ms. Harff said standardized care for known issues with predictive outcomes helped free up time for personalized care. This reduced errors and made a safer environment.

Mr. Smith asked about outreach to outlying communities. Ms. Harff spoke about the mobile mammography unit, sending providers out to provide care on a certain day, and health fairs were done to engage people in their healthcare. BRH sponsored the Women's Expo. Mr. Storer said BRH providers communicated with other providers in Southeast. Ms. Davis spoke about long-term care support provided to outlying communities.

Dr. Malter said he was chair of the Finance Committee and he encouraged people to be positive that despite difficult economic times, BRH was providing excellent care. There were good facilities, equipment, a great nursing staff, and the medical staff was strong. Even though the Board worried about finances, the facility was high quality. There would be issues in terms of figuring out tighter pressures on reimbursements, to allow the continued provision of

excellent care in a more efficient, flexible manner. Problems were not isolated to Juneau – other communities had a high cost of care and it was a national issue. Everyone knew that some people elected to get their health care in Seattle and it was difficult to compete with a bigger market with bigger volumes. The BRH Board had to communicate that if such broad and good services were to be maintained in Juneau, they would occasionally be more expensive and they needed to find the “sweet spot.”

Ms. Harff spoke about hospital planning locally and statewide. Mr. Brough spoke about hospital finances and said a new committee had been formed to do internal audits to watch for issues before they became a problem. He was reviewing hospital insurance and the IT project upcoming would be substantial. He was working on the budget and investigating how to reduce costs. Lobbying issues included limitations on Medicare and Medicaid reimbursements across the state and on the federal level, the reimbursement of outpatient cost recovery. BRH was a “demonstration hospital” and received special funding from Medicare, which would sunset in 2015.

Ms. Thomas said the Board would like to have direction from the Assembly to work together on the decision on remaining a community hospital. The city should agree upon the benefits and commitments that would be required. The Board asked for Assembly support to implement changes such as decreasing costs and to lobby on the Rural Demonstration project. Ms. Thomas welcomed a discussion on how to work together keep people using the community hospital services. Perhaps the scope of services needed to be reduced, or some services enhanced, but this was a challenge.

Mr. Nankervis asked about the pros and cons of being a community hospital. Ms. Harff said many community hospitals had become part of systems to gain economies of efficiency. The services not mentioned yet were Rainforest Recovery, of which there were grants but not many payments. Some systems have had to make tough decisions. Ms. Thomas said many of the benefits provided by a community hospital might not be there if it were owned by an outside entity. A con was lack of economies of scale to cover administrative costs. Ms. Harff said that a private entity might not offer the benefits that a city hospital might. The pros and cons were not necessarily good or bad, but just economic realities.

Ms. Crane asked what effect sequestration would have on the hospital budget. Mr. Brough said it would be about an \$800,000 hit to the BRH budget directly, with side effects nationally.

Mr. Smith asked if there was data to show trends of people going south for medical care. Ms. Harff said she would like to get good data on that but much of it was word of mouth. There would always be some out-migration. Mr. Brough said the data was available through the state and city health plans but they were not obligated to provide the information.

Mr. Wanamaker said the communication from BRH was less than he needed as an Assemblymember to be able to provide guidance and that needed improvement. The change in management structure was a difficult decision for him as he felt he did not have sufficient justification. BRH was an important asset to the community and he would like to see more effective means of communication between the Board and the Assembly. He suggested a conversation on the effectiveness of term limits. Mr. Storer said he agreed regarding the need for communication and the Board would strive to open those communications.

Mr. Kiehl asked about BRH's access to the CBJ's state and federal lobbyist. He suggested coordination. He asked the Board if they had access as situations arose. Ms. Harff said the process was for the Board to contact the City Manager and pass on the issues to her and subsequently to the lobbyists. Mr. Brough said the outreach from the City Manager and Finance Director had been optimal. Mayor Sanford said a coordinated effort was the key.

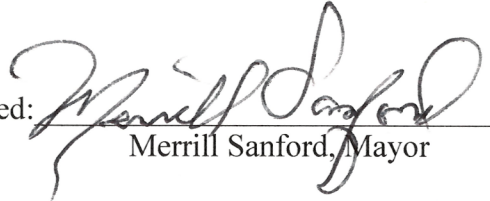
Mr. Wanamaker said he understood the economic drain of the Rainforest Recovery program and he was a strong supporter of the program. He asked for suggestions on how to change the program to be effective and make a positive difference.

Mayor Sanford said the time was short but the Assembly was committed to meet with the Board, either one on one or as a whole throughout the year to stay on the same page. He thanked the BRH Board and staff for their work throughout the year on behalf of the community.

IV. ASSEMBLY COMMENTS AND QUESTIONS – None.

V. ADJOURNMENT – 6 p.m.

Signed: 
Laurie Sica, Municipal Clerk

Signed: 
Merrill Sanford, Mayor