**SPECIAL ASSEMBLY MEETING**
**THE CITY AND BOROUGH OF JUNEAU, ALASKA**

March 25, 2015 5:15 PM

Bartlett Regional Hospital Administrative Board Room
Special Meeting No. 2015-08
Submitted by: _____
Kimberly A. Kiefer
City and Borough Manager

## I. FLAG SALUTE

## II. ROLL CALL

## III. MANAGER'S REQUEST FOR AGENDA CHANGES

## IV. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

## V. NEW BUSINESS

A. Bartlett Regional Hospital Board Presentation to Assembly

Topics to be covered by BRH include the following:

- An overview of what major issues are affecting healthcare both nationally and in Alaska.
- Bartlett's Strengths, Weaknesses, Opportunities, and Threats.
- Discussion about how those issues may affect Bartlett.
- A fairly high level overview of Bartlett's finances with some trend lines with rough projections for the next three years.
- Capital needs projection
- Key local issue/initiatives.
    - Housing First
    - Meditech implementation
    - CAMHU analysis update

## VI. ASSEMBLY COMMENTS AND QUESTIONS

## VII. ADJOURNMENT

ADA accommodations available upon request: Please contact the Clerk's office 72 hours prior to any meeting so arrangements can be made to have a sign language interpreter present or an audiotape containing the Assembly's agenda made available. The Clerk's office telephone number is 586-5278, TDD 586-5351, e-mail: city.clerk@juneau.org

**ASSEMBLY AGENDA/MANAGER'S REPORT**
**THE CITY AND BOROUGH OF JUNEAU, ALASKA**

Bartlett Regional Hospital Board Presentation to Assembly

## MANAGER'S REPORT:

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- An overview of what major issues are affecting healthcare both nationally and in Alaska.
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- Discussion about how those issues may affect Bartlett.
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- Capital needs projection
- Key local issue/initiatives.
    - Housing First
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## ATTACHMENTS:

| | Description | Upload Date | Type |
|---|---|---|---|
| ☐ | BRH Presentation to the Assembly - REVISED Copy | 3/25/2015 | Report |

# Bartlett Regional Hospital

Presentation for the
City and Borough of Juneau Assembly
March 25, 2015

CITY/BOROUGH OF JUNEAU
ALASKA'S CAPITAL CITY

*Bartlett Regional Hospital — A City and Borough of Juneau Enterprise Fund*

# Bartlett Regional Hospital Representatives

- Robert Storer, President of the Board of Directors
- Linda Thomas, Chair of the Finance Committee
- Charles “Chuck” Bill, Chief Executive Officer
- Alan Ulrich, Chief Financial Officer

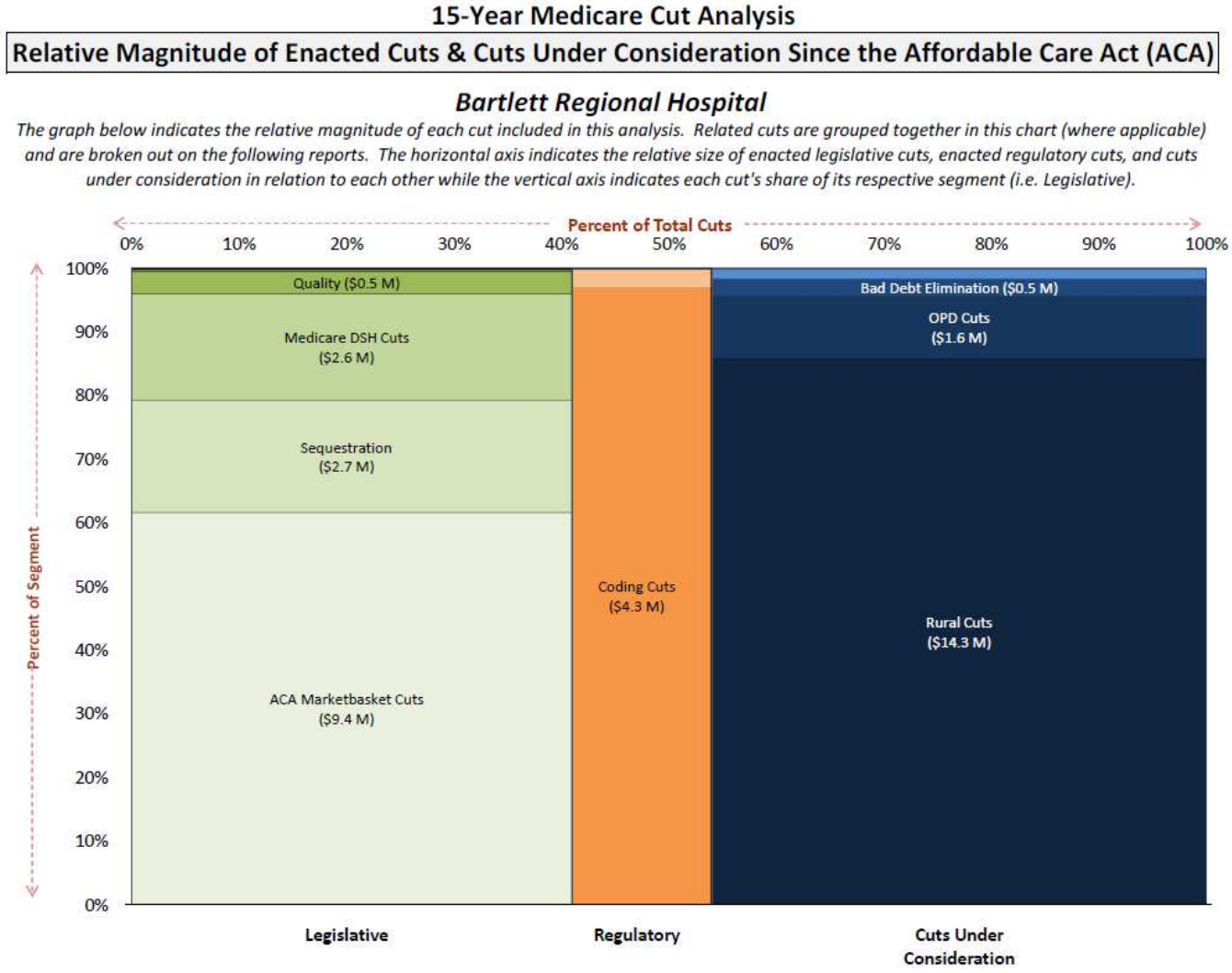
# Agenda

1. Major Issues in Healthcare
   - In the United States
   - In Alaska
   - In Juneau
2. Bartlett's Strengths, Weaknesses, Opportunities and Threats
3. Bartlett's Financial Condition
   - Year-to-Date January 2015 (7 months)
   - Projected Fiscal 2016 (For presentation in April)
   - Fiscals 2016-2018 (For presentation in April)
4. Capital Needs (For presentation in April)
5. Other Issues
6. Questions

# National Healthcare Issues

- Healthcare costs rising to 17.4% of the Gross Domestic Product
- Financial costs shifted to subscribers
- U.S will begin taxing health plans having generous benefits
- Emphasis will continue to focus on Quality and Outcomes
- Care will shift to local, community-based solutions
- Creation of shared-risk ventures (a/k/a Accountable Care Organizations (“ACO”) between hospitals, physicians and insurers

# ASHNHA Estimate of Reduced Funding




| | | | | |
|---|---|---|---|---|
| Total | $15.2M | | $19.5M | $16.4M = $35.9M |

# Alaska Healthcare Issues

- Budget deficits tied to declining oil revenues
- Difficulty to fund State's share of Medicaid
- Expansion of Medicaid (H.B. 148)
- Reform of Medicaid
- 21% of Alaska patients lack insurance. With Medicaid expansion (from ACA), uninsured would drop to 10%

  (Health Policy Center, February 2013)

# Juneau Healthcare Issues

- Inadequate housing
- Limited long term care and assisted living available
- Uninsured patients
- Limited behavioral care resources
- Lack of sub-specialists that require travel to other metropolitan areas for care
- Limited insurer options for employers
- Perception that Juneau has high cost of physician and hospital services

## Strengths

- Collaboration with the City and Borough of Juneau
- Recognized for excellence of quality
- Limited competition
- Stable medical staff
- Solid core staff
- $’s in the bank
- Favorable payer (insurer) mix

## Weaknesses

- Remote location
- Lack of comprehensive hospital services and sub-specialists. Patients must travel to other communities for specialized care
- Under-funded clinical service lines that experience financial losses
- Lack of “nimbleness”

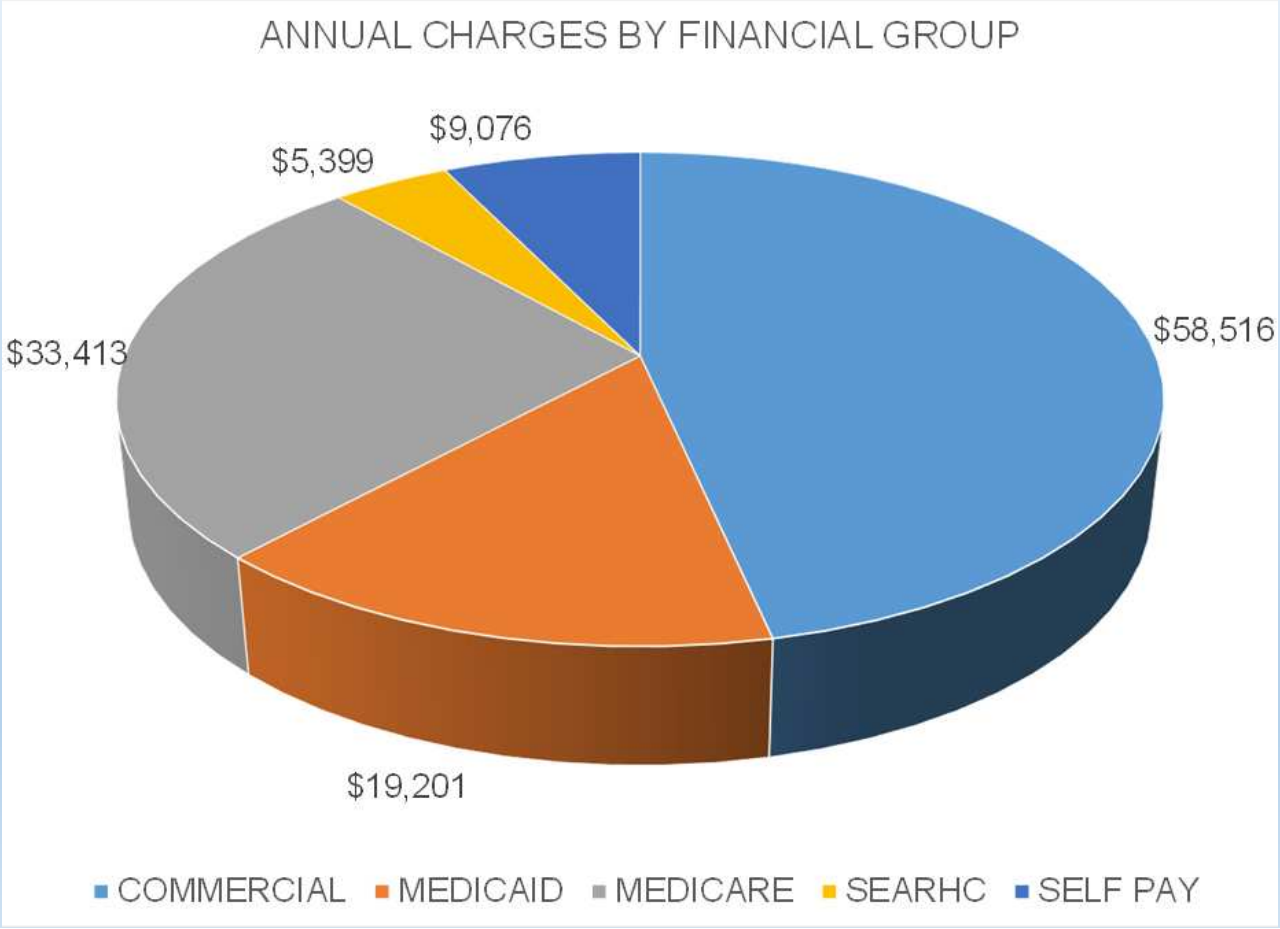
## Opportunities

- Different funding models with payors
- Medicaid expansion
- Expansion of services in Juneau to keep patients and families in SE Alaska
- Collaboration with other hospitals and other providers

## Threats

- Insurers changing hospital payments and member deductibles
- Non-renewal of the Medicare Rural Demonstration Project
- “Spillage” of health care services from Bartlett
- New mandates from State of Alaska (e.g., Medicaid reform, PERS, etc.)

# Bartlett's Operations



# Service Lines - Projected F'2015
(in $000's)

BARTLETT REGIONAL HOSPITAL
PROJECTED F'2015 CHARGES BY SERVICE LINE

| BARTLETT SERVICE LINES | In-Patient | Out-Patient | Total Charges | Cash Receipts |
|---|---|---|---|---|
| HOSPITAL | $39,292 | $60,371 | $99,663 | |
| BEHAVIORAL HEALTH | $9,827 | $44 | $9,871 | |
| PHYSICIAN SERVICES | $1,221 | $10,418 | $11,639 | |
| RAINFOREST RESIDENTIAL CARE | $3,961 | $471 | $4,432 | |
| GRANTS AND FUNDING THROUGH TAX REVENUES | | | | $2,578 |
| OTHER INCOME (BUSINESS OFFICE, INTEREST, ETC.) | | | | $1,266 |
| TOTAL | $54,301 | $71,304 | $125,605 | $3,844 |

# Bartlett's Quality and Safety

- The Board reviews Bartlett's Quality Indicators
  - Patient satisfaction
  - Hospital infections
  - Reports of harm, including sentinel events
- Bartlett has 30 Performance Improvement initiatives
  - Staff present the projects to the Quality Committee and the Board
  - Listing of projects is found on Slide 26

# Bartlett's Reimbursement - Commercial

Commercial (Accounts for 46% of Bartlett's Total Charges)

- Reimbursement per contracts
- Reimbursement paid on a fee-for-service basis

# Bartlett's Reimbursement - Medicare

Medicare (Accounts for 26% of Bartlett's Total Charges)

- Reimbursement of in-patient services is based on the patient's discharge diagnosis
- Reimbursement of out-patient services follows Medicare's protocols based on the Ambulatory Payment Classification ("APC")
- Reimbursement of Bartlett's physician charges per Medicare's physician fee schedule
- Additional reimbursement for Rural Demonstration Project

# Rural Demonstration Project

- Bartlett is one of 23 hospitals that participate in the Project
- Reimbursement only affects in-patient services
- In addition to DRG reimbursement, Bartlett receives a $2.8 million cost-based stipend in bi-weekly payments of $109,000
- The Project began in Bartlett's Fiscal 2011 and continues through June 30, 2015
- The Project will "sunset" unless Congress renews

# Bartlett's Reimbursement - Medicaid

Medicaid (Accounts for 15% of Bartlett's Total Charges)

- Reimbursement for in-patient services on a per-diem basis
- Reimbursement for out-patient services is at a fixed percentage of fees.
- Reimbursement of Bartlett's physician charges per Medicaid Fee Schedule
- Reimbursement of Behavioral Health per State of Alaska DSH calculations

# Bartlett's Reimbursement - SEARHC

SEARHC (Accounts for 4% of Bartlett's Total Charges)

- Reimbursement of in-patient services is based on the patient's discharge diagnosis as reported in a Diagnosis-Related Group ("DRG")
- Reimbursement of out-patient services follows Medicare's protocols based on the Ambulatory Payment Classification ("APC")
- Reimbursement of Bartlett's physician charges per Medicare's physician fee schedule

# Bartlett's Reimbursement – Self Pay

Self Pay and Uninsured (Accounts for 7% of Bartlett's Total Charges)

- Patients are responsible for paying charges, deductibles, co-pays and services not covered by insurance programs
- Bartlett's Finance Committee has approved new collection policies that define:
  - Payment arrangements
  - Charity Care policies
  - Point of Care collections

# Financial Results – YTD January and Projected Fiscal 2015 (in $000's)

| | YTD January | Projected Fiscal 2015 |
|---|---|---|
| Total Gross Patient Revenue | $81,007 | $136,679 |
| Total Operating Revenue | $51,089 | $83,936 |
| Excess of Revenues over Expenses | $2,224 | $1,602 |

# Calendar 2014 Services to Homeless

- Bartlett provided clinical services to 343 (self-identified) homeless patients of which 215 patients had CBJ zip codes
- The 215 homeless Juneau patients had 1,866 patient visits
- Bartlett's charges for the 1,866 visits were $5.5 million of which $1.8 million was specifically for self-pay patients
- 46 patients had 531 visits to the hospital for sleep-offs

# Impact from Housing First Project

- Homeless patients will benefit from personal housing
- The proposed housing has 32 apartments which could serve 15% of Juneau's estimated homeless population who sought care at Bartlett
- Reduces billable services but doesn't significantly reduce operating expenses

# Comprehensive Child and Adolescent Mental Health Unit (CAMHU)

- BRH issued Request for Proposal on January 26, 2015 to conduct a comprehensive review of child and adolescent services in SE Alaska
- BRH awarded the contract to The McDowell Group. McDowell will prepare a Needs Assessment and Gap Analysis on May 1 with the final report issued on May 8
- BRH will release a 2nd Request for Proposal for a firm to prepare a business plan – after receiving McDowell's findings
- BRH's Board of Directors will review the Gap Analysis and the Business Model at its June 23, 2015 meeting

# Collaboration with CBJ

- Human Resources leadership
- Legal matters and contracting
- Risk Management
- Treasury – Manage credit activities and cash investments
- Governance with ad hoc committee ordinance/governance review

# Thank you for the opportunity to make this presentation! Questions?

# Performance Improvement Projects

| Department | Performance Improvement Project** |
|---|---|
| Accounting / Finance | Prepare financial statements in accordance with written policies and procedures to meet Senior Leadership and the Board's Finance Committee expectations. |
| Bartlett Beginnings | Improve outcomes through enhanced staff and physician teamwork in responding to OB and neonatal emergencies through drills.* |
| Case Management | Enhance financial sustainability by reducing readmissions. |
| Community Relations | Direct public relations and marketing efforts to areas requiring attention by using data from the 2015 Community Opinion Survey. |
| Critical Care Unit | Improve safety through regulatory and scope alignment for RN-managed sedation. |
| Diagnostic Imaging | Reduce delays in care by reducing final imaging completion turnaround time. |
| Dietary Services | Improve patient satisfaction through implementation of a beverage cart service. |
| Emergency Department | Improve outcomes through expedited patient care with an improved blood transfusion process. |
| EVS / Laundry / Facilities / Maintenance | Improve patient satisfaction with the cleanliness of their room. |
| Health Information Management | Enhance financial sustainability through an effective ICD-10 implementation. |
| House Supervisors | Improve efficiency by reducing the amount of time spent doing schedule changes. |
| Human Resources | Improve efficiency by optimizing workflow between Taleo and Meditech. |
| Infection Control / Employee Health | Increase employee engagement with infection prevention through implementation of a Nurse Liaison Program. |
| Information Systems | Enhance the efficiency of care and services through the establishment of appropriate EHR access based on "minimum access necessary" considerations. |
| Infusion Therapy | Ensure continuity of care for infusion patients through nursing coverage system when additional nursing resources are needed. |

| Department | Performance Improvement Project** |
|---|---|
| Lab / Pathology / Blood Bank | Improve the delivery of care through the implementation of a Massive Transfusion protocol. |
| Materials Management | Improve efficiency and accuracy through Meditech supply dictionary clean-up. |
| Medical Staff Office | Improve efficiency of services through implementation of on-line applications for new Medical Staff members. |
| Medical Surgical Unit | Improve the continuity of patient care and patient satisfaction through implementation of discharge call backs. |
| Mental Health Unit | Improve continuity of care through compliance with HBIPS - 6 & 7: Discharge Teaching. |
| Patient Access Services | Enhance financial sustainability through point-of-service collection of patient insurance co-pay for Emergency Department services. |
| Patient Financial Services | Reduce AR days through implementation of financial best practices. |
| Pharmacy | Improve safety through off-hours IV mixing and titration standardization. |
| Physician Services / Outpatient Clinics | Improve colonoscopy scheduling, billing, and follow up process in the BSSC clinic. |
| Quality Management | Improve department engagement with, and regulatory compliance with, CMS QAPI regulations. |
| Rainforest Recovery Center | Improve the safety of medication practices and process. |
| Rehabilitative Services | Improve patient outcomes through use of dry needling techniques. |
| Respiratory Services | Improve patient outcomes through one-on-one tobacco cessation counseling. |
| Staff Development | Improve the processes of on-hire department-specific orientation and documentation. |
| Surgical Services | Improve patient satisfaction with the pre-admission testing and Same Day Surgery services. |