

Bartlett Regional Hospital

3260 Hospital Drive, Juneau, Alaska 99801

907.796.8900

www.bartletthospital.org

Budget Packet – FY2021

Table of Contents

1. Budget Summary	Pg. 2
2. Statistics	Pg. 5
3. Income Statement	Pg. 6
4. Attachment 1 – Pricing Study	Pg. 7
5. Attachment 2 – Rural Demonstration Reimbursement	Pg. 14
6. Attachment 3 – Health Insurance	Pg. 17
7. Attachment 4 – Interest Income	Pg. 18
8. Capital Budget	Pg. 19
9. CIP	Pg. 23

Bartlett Regional Hospital

Operating and Capital Budgets

Budget Year 2021

2021 Operating Budget Framework:

BRH operations are reviewed and adjusted on an ongoing basis as opportunities arise, new rules and legislation becomes effective, staff or supply problems are encountered, and as other issues are dealt with. Operations are reviewed on an ongoing basis and not just during the budget process. Therefore, the 2021 fiscal year budget will be based on existing operations and adjusted for known changes. During the budget development the Finance staff met with 30 managers and covered the operations of 74 departments. Outlined below are the significant assumptions and known changes affecting the FY2020 budget.

Hospital and Clinic

Patient Volumes and Revenues: BRH has seen both increases and decreases in volumes in the past two years. Volume assumptions are as follows:

- BRH has seen increases in acute inpatient volumes over the past 2 years of 7.7%. To be conservative acute inpatient volumes are budgeted at the 2020 volumes. However, there will be some reduction with the opening of the Detox Unit. This is estimated to be 500 patient days removed from the Medical Floor.
- The Mental Health Unit has seen an 11.7% reduction in patient days over the past 2 years. With the unit being fully staffed it is anticipated volumes will increase 11.4% to average 9 patients per day. Patients needing this service continues to be in high demand so this seems a reasonable estimate. This will revenue by \$1.1 million and increase discounts by \$500,000.
- The Rainforest Recovery Unit has seen a decrease of 9.2% in its resident day volumes over the past 2 years. This was expected as the construction project took 4 beds out of service. The project will be complete very close to the start of the new fiscal year and will add 4 detox beds. Based on volumes seen in the Emergency Room it is anticipated that detox beds will average 3 residents per day. This added to the existing volume will increase resident days by 30.3%. Rainforest will charge the rate Medicaid rate so that discounts for this service are minimized. The additional revenue will be \$1.3 million.
- Outpatient volumes are difficult to predict and are budgeted to remain the same as 2020.
- Physician service volumes are expected to remain the same however the mix will change. The number of surgery clinic visits will decrease by 25% due to changes in medical staff. This will be offset by additional Ophthalmology and Behavioral Health clinic visits.
- A 4% price increase will be implemented at the start of the fiscal year. A pricing study was completed in preparation for the 2021 budget (see attachment 1). The study compared BRH to 14 hospitals in Alaska and Washington and was based on CMS charge data. The study shows that BRH has a very competitive pricing structure.

Discounts and Deductions:

- 65% of the 4% price increase will have no effect on what BRH gets paid, therefore there will be a significant increase in deductions. Inpatient discounts will be reduced due to the reduction of 500 patient days from the Medical Floor.

- There could be a significant impact to reimbursement if the Rural Demonstration Project is not renewed. BRH comes to the end of its 5-year cycle on June 30, 2020. This means BRH will see a reduction of \$3.2 million of Medicare reimbursement (see attachment 2). It does mean that BRH can apply to CMS for a Low Volume Adjustment to its DRG rates. This will add \$1,546,000 in additional reimbursement.

Salaries and Wages:

- There will be few staffing changes included in the 2021 budget. The attached FTE schedule outlines the changes from FY2020 budget to 2021. The staff changes that will take place are as follows:
 - There will be an FTE added to the Medical Staff (Credentialing) department to provide adequate resources to meet the workload of that area.
 - There were 5.2 FTEs added to Rainforest Recovery to provide care to patients in the Detox Unit.
 - A Staffing Center will be created to coordinate staffing for all nursing departments. Currently the responsibility for maintaining staff models and filling shifts is with the department managers. Any unexpected absence (illness) is filled by the managers or the House Supervisors. This means some of BRH's higher compensated personnel are being diverted from their primary responsibility to perform a clerical function. Staffing is pieced together with many individuals involved and is an inefficient process resulting in frustration and overtime. Added 2.4 FTE's dedicated to nurse staffing should reduce frustration, allow managers to focus on their primary responsibilities, coordinate efficient staffing and reduce overtime.
 - A halftime FTE for Chief Medical Officer was added.
- According to the union contract rates there will be a cost of living increase of 1.0%
- Having learned over the course of the past 2 years that Contract Labor will be incurred to cover staff turnover until replacement staff are hired. Therefore, there is more expense in the budget than in past years. It will be reduced through the employment of much of the nursing graduates from last summer. They have completed their orientations and are now filling open positions reducing the cost of Contract Labor.

Employee Benefits:

- Benefits will remain the same as 2020. However, there will be a 7.5% Health Insurance increase in premiums paid by BRH. BRH has a self-funded health insurance program combined with CBJ. In the past the plan has maintained a healthy fund balance. However, that fund balance is being drawn down over the past number of years as medical spending has exceeded current funding. The good news has been there were no increases since 2014 to BRH or staff but it needs increased funding over the next 2 years to maintain the positive fund balance. (See attachment 3).

Medical Professional Fees:

- Professional Fees will remain mostly unchanged with a slight inflationary increase.

Materials and Supplies:

- While there is not expected to be a significant change in supply usage, a market basket inflationary increase of 2.5% was applied. Just recently, the Operating Room with the cooperation of the orthopedic surgeons standardized the orthopedic implants and related supplies to one vendor. This allows the department to stock on consignment a full range of orthopedic supplies. Previously implants and supplies were received via overnight shipping which is very expensive. This change will reduce shipping costs by \$60,000.

Utilities:

- Utilities will increase as fuel and electricity prices increase.

Maintenance and Repairs:

- Maintenance and repairs will continue to increase as the facilities age and infrastructure needs upgrading.

Rentals and Leases:

- Rental and lease agreements include an annual inflation resulting in a 2.5% increase.

Insurance:

- Insurance costs show a slight decrease in premiums of 1.7%

Depreciation:

- A depreciation schedule was run that took into account 2020 capital acquisitions. A half year calculation was used for 2021 capital acquisitions.

Interest:

- Interest expense decreased slightly as principal is retired annually according to the debt amortization schedule of the bond issue.

Non-Operating Income:

- The budgeted Interest Income from CBJ shows Interest Income in the current year to return 1.75% for FY2020. The projected return for FY2021 is expected to be 1.75%

Bartlett Regional Hospital
Statistics for the Budget Year Ending June 20, 2020

Facility Utilization:	Actual FY 2017	Actual FY 2018	Actual FY2019	Projected 2020	Budget FY2021	Change FY19 to FY20	Change FY20 to FY21
Hospital Inpatient: Patient Days							
Patient Days - Med/Surg	4,723	4,795	4,476	5,042	4,542	12.6%	-9.9%
Patient Days - Critical Care Unit	969	1,062	1,077	1,134	1,134	5.3%	0.0%
Avg. Daily Census - Acute	15.6	16.0	15.2	16.9	15.6	11.2%	-8.1%
Patient Days - Obstetrics	853	804	805	814	814	1.1%	0.0%
Patient Days - Nursery	749	702	722	632	632	-12.5%	0.0%
Total Hospital Patient Days	7,294	7,363	7,080	7,622	7,122	7.7%	-6.6%
Births	333	315	325	290	290	-10.8%	0.0%
Mental Health Unit							
Patient Days - Mental Health Unit	2,809	3,493	3,341	2,950	3,285	-11.7%	11.4%
Avg. Daily Census - MHU	7.7	9.6	9.2	8.1	9.0	-11.7%	11.4%
Rain Forest Recovery:							
Patient Days - RRC	3,697	3,936	3,975	3,608	4,703	-9.2%	30.3%
Avg. Daily Census - RRC	10	10.8	10.9	9.9	12.9	-9.2%	30.3%
Outpatient visits	1,045	721	303	278	278	-8.3%	0.0%
Inpatient: Admissions							
Med/Surg	958	881	828	940	940	13.5%	0.0%
Critical Care Unit	474	487	479	526	526	9.8%	0.0%
Obstetrics	343	331	335	314	314	-6.3%	0.0%
Nursery	351	332	335	292	292	-12.8%	0.0%
Mental Health Unit	500	544	429	440	440	2.6%	0.0%
Total Admissions - Inpatient Status	2,626	2,575	2,406	2,512	2,512	4.4%	0.0%
Admissions - "Observation" Status							
Med/Surg	600	652	683	668	668	-2.2%	0.0%
Critical Care Unit	344	346	390	358	358	-8.2%	0.0%
Mental Health Unit	23	21	31	30	30	-3.2%	0.0%
Obstetrics	273	188	219	226	226	3.2%	0.0%
Nursery	3	12	7	2	2	-71.4%	0.0%
Total Admissions to Observation	1,243	1,219	1,330	1,284	1,284	-3.5%	0.0%
Surgery:							
Inpatient Surgery Cases	551	594	557	620	620	11.3%	0.0%
Endoscopy Cases	1,056	1,137	1,221	1,084	1,084	-11.2%	0.0%
Same Day Surgery Cases	1,270	1,233	1,153	1,220	1,220	5.8%	0.0%
Total Surgery Cases	2,877	2,964	2,931	2,924	2,924	-0.2%	0.0%
Total Surgery Minutes	192,833	178,815	184,710	181,754	181,754	-1.6%	0.0%
Outpatient:							
Total Outpatient Visits (Hospital)							
Emergency Department Visits	16,243	15,913	14,539	14,636	14,636	0.7%	0.0%
Cardiac Rehab Visits	1,145	837	1,045	768	768	-26.5%	0.0%
Lab Visits	3,924	3,707	3,035	4,738	4,738	56.1%	0.0%
Lab Tests	115,721	115,768	112,461	127,918	127,918	13.7%	0.0%
Radiology Visits	10,434	10,227	9,367	9,888	9,888	5.6%	0.0%
Radiology Tests	28,438	29,821	30,311	29,704	29,704	-2.0%	0.0%
Sleep Study Visits	212	287	311	340	340	9.3%	0.0%
Physician Clinics:							
Hospitalists	2,445	2,973	2,280	2,796	2,796	22.6%	0.0%
Bartlett Oncology Clinic	655	757	846	982	982	16.1%	0.0%
Ophthalmology Clinic	N/A	N/A	N/A	214	642	N/A	200.0%
Behavioral Health Outpatient visits	N/A	N/A	N/A	4,144	4,536	N/A	9.5%
Bartlett Surgery Specialty Clinic visits	3,688	4,678	3,628	3,278	2,459	-25.0%	-25.0%
	6,788	8,408	6,754	11,414	11,415	69.0%	0.0%
Other Operating Indicators:							
Dietary Meals Served	233,711	264,982	327,287	357,296	357,296	9.2%	0.0%
Laundry Pounds (Per 100)	3,571	4,841	4,776	4,518	4,518	-5.4%	0.0%

BARTLETT REGIONAL HOSPITAL
STATEMENT OF REVENUES AND EXPENSES
FOR THE BUDGET YEAR ENDING JUNE 30, 2021

	Actual FY 2017	Actual FY 2018	Actual FY 2019	Projected FY 2020	Budget FY 2021	YTD % VAR
Gross Patient Revenue:						
1. Inpatient Revenue	44,901,557	48,249,464	49,315,947	56,010,554	54,877,806	-2.0%
2. Inpatient Ancillary Revenue	11,967,312	12,403,151	10,858,901	11,899,978	12,376,085	4.0%
3. Total Inpatient Revenue	56,868,869	60,652,615	60,174,848	67,910,532	67,253,891	-1.0%
4. Outpatient Revenue	83,268,288	88,584,979	98,176,935	109,875,670	114,270,912	4.0%
5. Total Patient Revenue - Hospital	140,137,157	149,237,594	158,351,783	177,786,202	181,524,803	2.1%
6. RRC Patient Revenue	3,669,861	4,261,001	4,171,399	3,762,152	5,226,647	38.9%
7. BHOPS Patient Revenue	193,804	176,720	2,478,345	3,197,518	3,325,458	4.0%
8. Physician Revenue	8,882,932	10,231,684	10,006,086	11,958,246	12,436,573	4.0%
9. Total Gross Patient Revenue	152,883,753	163,906,998	175,007,613	196,704,118	202,513,482	103.0%
Deductions from Revenue:						
10. Inpatient Contractual Allowance	28,100,239	32,220,709	35,483,854	38,126,306	37,469,666	-1.7%
10a. Rural Demonstration Project	(6,899,351)	(3,866,693)	(3,699,996)	(3,700,000)	(1,546,000)	-58.2%
11. Outpatient Contractual Allowance	26,426,690	31,237,089	34,944,251	38,443,960	40,641,581	5.7%
12. Physician Service Contractual Allowance	4,934,656	5,738,046	5,159,877	7,282,724	7,843,494	7.7%
13. Other Deductions	224,915	205,845	173,535	167,516	180,917	8.0%
14. Charity Care	767,664	1,519,195	1,082,498	817,528	850,229	4.0%
15. Bad Debt Expense	4,139,400	648,984	3,066,546	4,464,494	4,643,074	4.0%
16. Total Deductions from Revenue	57,694,213	67,703,175	76,210,564	85,602,528	90,082,960	5.2%
% Contractual Allowances / Total Gross Patient Revenue	39%	40%	41%	43%	42%	-0.4%
% Bad Debt & Charity Care / Total Gross Patient Revenue	3%	1%	2%	3%	3%	1.0%
% Total Deductions / Total Gross Patient Revenue	38%	41%	44%	44%	44%	2.2%
17. Net Patient Revenue	95,189,540	96,203,823	98,797,049	111,101,590	112,430,522	1.2%
18. Other Operating Revenue	2,128,963	2,040,072	4,713,981	5,013,460	5,085,744	1.4%
19. Total Operating Revenue	97,318,504	98,243,894	103,511,030	116,115,050	117,516,266	1.2%
Expenses:						
20. Salaries & Wages	38,232,761	40,448,063	42,318,786	45,607,852	47,432,166	4.0%
21. Physician Wages	2,459,297	2,481,668	3,365,983	3,837,506	3,991,006	4.0%
22. Contract Labor	2,825,500	2,344,388	3,128,019	2,232,170	1,821,457	-18.4%
23. Employee Benefits	33,352,970	22,741,753	21,798,521	24,171,938	25,501,395	5.5%
	76,870,528	68,015,872	70,611,309	75,849,466	78,746,024	3.8%
% Salaries and Benefits / Total Operating Revenue	79%	69%	68%	65%	67%	
24. Medical Professional Fees	813,862	939,526	961,500	1,003,912	1,007,408	0.3%
25. Physician Contracts	2,577,719	3,622,534	2,622,926	2,798,402	2,930,735	4.7%
26. Non-Medical Professional Fees	2,571,048	2,592,676	1,883,186	1,908,618	1,902,906	-0.3%
27. Materials & Supplies	11,350,496	11,012,692	12,918,764	13,562,778	14,106,828	4.0%
28. Utilities	1,314,928	1,453,486	1,487,682	1,535,166	1,636,086	6.6%
29. Maintenance & Repairs	3,083,324	3,135,804	3,777,711	4,468,498	4,839,113	8.3%
30. Rentals & Leases	568,516	774,421	619,667	600,710	615,774	2.5%
31. Insurance	526,496	495,081	701,158	541,464	582,464	7.6%
32. Depreciation & Amortization	7,359,593	7,422,119	7,196,120	6,976,780	6,798,914	-2.5%
33. Interest Expense	666,110	653,430	638,664	629,432	603,370	-4.1%
34. Other Operating Expenses	1,058,985	807,823	1,378,727	1,418,898	1,515,551	6.8%
35. Total Expenses	108,761,605	100,925,464	104,797,415	111,294,124	115,285,174	3.6%
36. Income (Loss) from Operations	(11,443,102)	(2,681,570)	(1,286,386)	4,820,926	2,231,092	-53.7%
Non-Operating Revenue						
37. Interest Income	337,009	590,905	2,393,728	1,220,784	1,220,786	0.0%
38. Other Non-Operating Income	3,161,755	4,016,890	1,774,397	1,673,008	1,673,014	0.0%
39. Total Non-Operating Revenue	3,498,764	4,607,794	4,168,125	2,893,792	2,893,800	0.0%
40. Net Income (Loss)	(7,944,336)	1,926,227	2,881,740	7,714,718	5,124,892	-33.6%
Income from Operations Margin	-11.76%	-2.73%	-1.24%	4.15%	1.90%	-54.3%
Net Income	-8.16%	1.96%	2.78%	6.64%	4.36%	-34.4%

Hospital Pricing Specialists -- Department Charges Analysis

Source: CMS Claims through 3/31/19

Example: Bartlett Regional Hospital has a Charge Index of .54 for its Emergency Department, or charges that are 46% less than expected. Bartlett Regional Hospital has actual Emergency charges of \$879.51 per unit, versus an expected charge of \$1,633.66 per unit.

Department	Hospital Name	City	State	Actual Charge/Unit	Expected Charge/Unit	Charge Index
Emergency Department	Mt. Edgecumb Hospital	SITKA	AK	\$7,364.11	\$1,551.38	4.75
Emergency Department	Alaska Regional Hospital	Anchorage	AK	\$2,457.38	\$1,769.36	1.39
Emergency Department	Wrangell Medical Center	Wrangell	AK	\$2,091.67	\$1,549.08	1.35
Emergency Department	Providence Alaska Medical Center	Anchorage	AK	\$2,680.21	\$2,301.55	1.16
Emergency Department	Alaska Native Medical Center	Anchorage	AK	\$2,243.06	\$1,931.97	1.16
Emergency Department	Mat-Su Regional Medical Center	Palmer	AK	\$2,484.27	\$2,271.11	1.09
Emergency Department	Swedish Medical Center-First Hill	Seattle	WA	\$1,938.93	\$2,179.90	0.89
Emergency Department	Swedish Medical Center-Cherry Hill	Seattle	WA	\$2,298.47	\$2,672.08	0.86
Emergency Department	Central Peninsula Hospital	Soldotna	AK	\$1,858.99	\$2,294.02	0.81
Emergency Department	Providence Seward Medical Ctr	Seward	AK	\$1,705.60	\$2,310.74	0.74
Emergency Department	South Peninsula Hospital	Homer	AK	\$1,132.54	\$1,657.75	0.68
Emergency Department	Virginia Mason Medical Center	Seattle	WA	\$1,090.12	\$1,733.81	0.63
Emergency Department	Bartlett Regional Hospital	Juneau	AK	\$879.51	\$1,633.66	0.54
Emergency Department	Ketchikan Medical Center	Ketchikan	AK	\$1,167.10	\$2,486.95	0.47
Emergency Department	Petersburg Medical Center	Petersburg	AK	\$479.87	\$1,348.92	0.36
Hearing Services	Virginia Mason Medical Center	Seattle	WA	\$2,150.12	\$2,145.67	1.00
Hearing Services	Mt. Edgecumb Hospital	SITKA	AK	\$45.00	\$1,132.06	0.04
Laboratory and Pathology	Mat-Su Regional Medical Center	Palmer	AK	\$251.02	\$123.45	2.03
Laboratory and Pathology	Alaska Native Medical Center	Anchorage	AK	\$178.66	\$96.05	1.86
Laboratory and Pathology	Wrangell Medical Center	Wrangell	AK	\$172.58	\$109.48	1.58
Laboratory and Pathology	Petersburg Medical Center	Petersburg	AK	\$164.72	\$111.13	1.48
Laboratory and Pathology	Alaska Regional Hospital	Anchorage	AK	\$178.19	\$130.50	1.37
Laboratory and Pathology	Mt. Edgecumb Hospital	SITKA	AK	\$146.94	\$110.73	1.33
Laboratory and Pathology	Central Peninsula Hospital	Soldotna	AK	\$163.04	\$134.01	1.22
Laboratory and Pathology	Providence Seward Medical Ctr	Seward	AK	\$131.29	\$113.85	1.15
Laboratory and Pathology	Ketchikan Medical Center	Ketchikan	AK	\$127.24	\$112.50	1.13
Laboratory and Pathology	South Peninsula Hospital	Homer	AK	\$132.13	\$126.64	1.04
Laboratory and Pathology	Providence Alaska Medical Center	Anchorage	AK	\$123.55	\$119.26	1.04
Laboratory and Pathology	Bartlett Regional Hospital	Juneau	AK	\$138.74	\$136.85	1.01
Laboratory and Pathology	Swedish Medical Center-First Hill	Seattle	WA	\$139.38	\$139.47	1.00
Laboratory and Pathology	Swedish Medical Center-Cherry Hill	Seattle	WA	\$105.44	\$112.09	0.94
Laboratory and Pathology	Virginia Mason Medical Center	Seattle	WA	\$72.30	\$106.51	0.68

Hospital Pricing Specialists -- Department Charges Analysis

Source: CMS Claims through 3/31/19

Example: Bartlett Regional Hospital has a Charge Index of .54 for its Emergency Department, or charges that are 46% less than expected. Bartlett Regional Hospital has actual Emergency charges of \$879.51 per unit, versus an expected charge of \$1,633.66 per unit.

Department	Hospital Name	City	State	Actual Charge/Unit	Expected Charge/Unit	Charge Index
Medicine Services	Alaska Regional Hospital	Anchorage	AK	\$1,802.88	\$914.59	1.97
Medicine Services	Alaska Native Medical Center	Anchorage	AK	\$571.99	\$335.01	1.71
Medicine Services	Mat-Su Regional Medical Center	Palmer	AK	\$916.30	\$555.20	1.65
Medicine Services	Providence Alaska Medical Center	Anchorage	AK	\$1,984.72	\$1,787.12	1.11
Medicine Services	Providence Seward Medical Ctr	Seward	AK	\$264.62	\$246.10	1.08
Medicine Services	Mt. Edgcomb Hospital	SITKA	AK	\$192.70	\$180.74	1.07
Medicine Services	Swedish Medical Center-First Hill	Seattle	WA	\$348.46	\$363.97	0.96
Medicine Services	Ketchikan Medical Center	Ketchikan	AK	\$230.72	\$255.85	0.90
Medicine Services	Bartlett Regional Hospital	Juneau	AK	\$415.20	\$461.06	0.90
Medicine Services	Swedish Medical Center-Cherry Hill	Seattle	WA	\$2,175.70	\$2,424.53	0.90
Medicine Services	Central Peninsula Hospital	Soldotna	AK	\$294.46	\$348.99	0.84
Medicine Services	Wrangell Medical Center	Wrangell	AK	\$256.12	\$316.05	0.81
Medicine Services	South Peninsula Hospital	Homer	AK	\$263.63	\$338.15	0.78
Medicine Services	Virginia Mason Medical Center	Seattle	WA	\$531.92	\$707.42	0.75
Medicine Services	Petersburg Medical Center	Petersburg	AK	\$149.47	\$224.24	0.67
Observation	Mt. Edgcomb Hospital	SITKA	AK	\$2,735.80	\$461.72	5.93
Observation	Mat-Su Regional Medical Center	Palmer	AK	\$393.14	\$208.94	1.88
Observation	South Peninsula Hospital	Homer	AK	\$328.10	\$215.98	1.52
Observation	Providence Alaska Medical Center	Anchorage	AK	\$306.00	\$208.94	1.46
Observation	Alaska Regional Hospital	Anchorage	AK	\$225.70	\$208.94	1.08
Observation	Petersburg Medical Center	Petersburg	AK	\$246.37	\$250.80	0.98
Observation	Bartlett Regional Hospital	Juneau	AK	\$187.00	\$208.94	0.90
Observation	Providence Seward Medical Ctr	Seward	AK	\$196.42	\$232.00	0.85
Observation	Ketchikan Medical Center	Ketchikan	AK	\$151.14	\$225.83	0.67
Observation	Swedish Medical Center-Cherry Hill	Seattle	WA	\$126.00	\$208.94	0.60
Observation	Swedish Medical Center-First Hill	Seattle	WA	\$126.00	\$208.94	0.60
Observation	Central Peninsula Hospital	Soldotna	AK	\$116.00	\$208.94	0.56
Observation	Virginia Mason Medical Center	Seattle	WA	\$112.00	\$208.94	0.54
Observation	Wrangell Medical Center	Wrangell	AK	\$107.00	\$208.94	0.51
Occupational Therapy	Alaska Regional Hospital	Anchorage	AK	\$381.16	\$178.99	2.13
Occupational Therapy	Mat-Su Regional Medical Center	Palmer	AK	\$272.70	\$135.98	2.01
Occupational Therapy	Alaska Native Medical Center	Anchorage	AK	\$280.56	\$150.30	1.87

Hospital Pricing Specialists -- Department Charges Analysis

Source: CMS Claims through 3/31/19

Example: Bartlett Regional Hospital has a Charge Index of .54 for its Emergency Department, or charges that are 46% less than expected. Bartlett Regional Hospital has actual Emergency charges of \$879.51 per unit, versus an expected charge of \$1,633.66 per unit.

Department	Hospital Name	City	State	Actual Charge/Unit	Expected Charge/Unit	Charge Index
Occupational Therapy	Providence Alaska Medical Center	Anchorage	AK	\$171.01	\$132.39	1.29
Occupational Therapy	Central Peninsula Hospital	Soldotna	AK	\$184.18	\$145.39	1.27
Occupational Therapy	Virginia Mason Medical Center	Seattle	WA	\$202.36	\$168.06	1.20
Occupational Therapy	Providence Seward Medical Ctr	Seward	AK	\$160.60	\$135.55	1.18
Occupational Therapy	Bartlett Regional Hospital	Juneau	AK	\$150.18	\$133.62	1.12
Occupational Therapy	Ketchikan Medical Center	Ketchikan	AK	\$128.47	\$130.18	0.99
Occupational Therapy	Wrangell Medical Center	Wrangell	AK	\$162.66	\$167.92	0.97
Occupational Therapy	South Peninsula Hospital	Homer	AK	\$124.03	\$141.34	0.88
Occupational Therapy	Petersburg Medical Center	Petersburg	AK	\$101.01	\$127.33	0.79
Occupational Therapy	Mt. Edgecumb Hospital	SITKA	AK	\$90.45	\$134.23	0.67
Occupational Therapy	Swedish Medical Center-First Hill	Seattle	WA	\$99.25	\$151.84	0.65
Occupational Therapy	Swedish Medical Center-Cherry Hill	Seattle	WA	\$89.52	\$140.33	0.64
Other	Providence Seward Medical Ctr	Seward	AK	\$31.85	\$8.65	3.68
Other	Wrangell Medical Center	Wrangell	AK	\$170.13	\$103.82	1.64
Other	Alaska Regional Hospital	Anchorage	AK	\$293.76	\$201.73	1.46
Other	Petersburg Medical Center	Petersburg	AK	\$120.35	\$85.58	1.41
Other	Swedish Medical Center-First Hill	Seattle	WA	\$148.88	\$106.64	1.40
Other	Mat-Su Regional Medical Center	Palmer	AK	\$383.64	\$300.83	1.28
Other	Mt. Edgecumb Hospital	SITKA	AK	\$205.97	\$184.81	1.11
Other	Alaska Native Medical Center	Anchorage	AK	\$10.41	\$10.59	0.98
Other	Swedish Medical Center-Cherry Hill	Seattle	WA	\$248.16	\$267.57	0.93
Other	Providence Alaska Medical Center	Anchorage	AK	\$137.03	\$150.35	0.91
Other	South Peninsula Hospital	Homer	AK	\$82.64	\$94.70	0.87
Other	Virginia Mason Medical Center	Seattle	WA	\$428.63	\$506.37	0.85
Other	Ketchikan Medical Center	Ketchikan	AK	\$38.59	\$54.71	0.71
Other	Central Peninsula Hospital	Soldotna	AK	\$57.10	\$102.29	0.56
Other	Bartlett Regional Hospital	Juneau	AK	\$55.87	\$270.80	0.21
Pharmacy and Drug Administration	Alaska Native Medical Center	Anchorage	AK	\$103.71	\$27.25	3.81
Pharmacy and Drug Administration	Petersburg Medical Center	Petersburg	AK	\$130.34	\$44.43	2.93
Pharmacy and Drug Administration	South Peninsula Hospital	Homer	AK	\$131.22	\$83.75	1.57
Pharmacy and Drug Administration	Alaska Regional Hospital	Anchorage	AK	\$35.93	\$27.42	1.31
Pharmacy and Drug Administration	Providence Seward Medical Ctr	Seward	AK	\$63.41	\$49.53	1.28

Hospital Pricing Specialists -- Department Charges Analysis

Source: CMS Claims through 3/31/19

Example: Bartlett Regional Hospital has a Charge Index of .54 for its Emergency Department, or charges that are 46% less than expected. Bartlett Regional Hospital has actual Emergency charges of \$879.51 per unit, versus an expected charge of \$1,633.66 per unit.

Department	Hospital Name	City	State	Actual Charge/Unit	Expected Charge/Unit	Charge Index
Pharmacy and Drug Administration	Providence Alaska Medical Center	Anchorage	AK	\$77.84	\$63.50	1.23
Pharmacy and Drug Administration	Swedish Medical Center-First Hill	Seattle	WA	\$75.44	\$66.03	1.14
Pharmacy and Drug Administration	Swedish Medical Center-Cherry Hill	Seattle	WA	\$24.47	\$25.78	0.95
Pharmacy and Drug Administration	Mat-Su Regional Medical Center	Palmer	AK	\$19.08	\$21.24	0.90
Pharmacy and Drug Administration	Mt. Edgecumb Hospital	SITKA	AK	\$2.39	\$2.78	0.86
Pharmacy and Drug Administration	Virginia Mason Medical Center	Seattle	WA	\$31.04	\$42.67	0.73
Pharmacy and Drug Administration	Ketchikan Medical Center	Ketchikan	AK	\$30.96	\$53.53	0.58
Pharmacy and Drug Administration	Wrangell Medical Center	Wrangell	AK	\$43.57	\$85.57	0.51
Pharmacy and Drug Administration	Bartlett Regional Hospital	Juneau	AK	\$37.66	\$77.42	0.49
Pharmacy and Drug Administration	Central Peninsula Hospital	Soldotna	AK	\$28.66	\$69.96	0.41
Physical Therapy	Alaska Regional Hospital	Anchorage	AK	\$418.05	\$192.65	2.17
Physical Therapy	Mat-Su Regional Medical Center	Palmer	AK	\$235.94	\$134.09	1.76
Physical Therapy	Alaska Native Medical Center	Anchorage	AK	\$217.80	\$147.60	1.48
Physical Therapy	Providence Alaska Medical Center	Anchorage	AK	\$168.24	\$133.48	1.26
Physical Therapy	Providence Seward Medical Ctr	Seward	AK	\$164.68	\$133.89	1.23
Physical Therapy	Central Peninsula Hospital	Soldotna	AK	\$160.09	\$135.32	1.18
Physical Therapy	Virginia Mason Medical Center	Seattle	WA	\$172.01	\$145.98	1.18
Physical Therapy	Bartlett Regional Hospital	Juneau	AK	\$153.96	\$141.55	1.09
Physical Therapy	Ketchikan Medical Center	Ketchikan	AK	\$132.51	\$135.08	0.98
Physical Therapy	Wrangell Medical Center	Wrangell	AK	\$128.53	\$133.74	0.96
Physical Therapy	Petersburg Medical Center	Petersburg	AK	\$109.29	\$134.64	0.81
Physical Therapy	South Peninsula Hospital	Homer	AK	\$105.94	\$133.52	0.79
Physical Therapy	Swedish Medical Center-First Hill	Seattle	WA	\$100.81	\$142.85	0.71
Physical Therapy	Mt. Edgecumb Hospital	SITKA	AK	\$94.63	\$138.57	0.68
Physical Therapy	Swedish Medical Center-Cherry Hill	Seattle	WA	\$77.65	\$139.11	0.56
Prosthetic Procedures	Mat-Su Regional Medical Center	Palmer	AK	\$10,471.00	\$4,942.99	2.12
Prosthetic Procedures	Central Peninsula Hospital	Soldotna	AK	\$10,345.50	\$4,942.99	2.09
Prosthetic Procedures	Alaska Regional Hospital	Anchorage	AK	\$72,203.20	\$36,056.29	2.00
Prosthetic Procedures	Virginia Mason Medical Center	Seattle	WA	\$33,546.40	\$27,019.95	1.24
Prosthetic Procedures	Swedish Medical Center-Cherry Hill	Seattle	WA	\$27,374.42	\$45,951.94	0.60
Prosthetic Procedures	Providence Alaska Medical Center	Anchorage	AK	\$6,544.78	\$12,989.53	0.50
Prosthetic Procedures	Swedish Medical Center-First Hill	Seattle	WA	\$222.58	\$4,458.93	0.05

Hospital Pricing Specialists -- Department Charges Analysis

Source: CMS Claims through 3/31/19

Example: Bartlett Regional Hospital has a Charge Index of .54 for its Emergency Department, or charges that are 46% less than expected. Bartlett Regional Hospital has actual Emergency charges of \$879.51 per unit, versus an expected charge of \$1,633.66 per unit.

Department	Hospital Name	City	State	Actual Charge/Unit	Expected Charge/Unit	Charge Index
Prosthetic Procedures	Ketchikan Medical Center	Ketchikan	AK	\$228.95	\$4,942.99	0.05
Pulmonary Therapy	Alaska Regional Hospital	Anchorage	AK	\$890.48	\$402.04	2.21
Pulmonary Therapy	Mat-Su Regional Medical Center	Palmer	AK	\$554.04	\$403.72	1.37
Pulmonary Therapy	Central Peninsula Hospital	Soldotna	AK	\$531.19	\$447.97	1.19
Pulmonary Therapy	Providence Seward Medical Ctr	Seward	AK	\$428.40	\$390.69	1.10
Pulmonary Therapy	Providence Alaska Medical Center	Anchorage	AK	\$428.83	\$403.32	1.06
Pulmonary Therapy	Swedish Medical Center-Cherry Hill	Seattle	WA	\$453.45	\$495.55	0.92
Pulmonary Therapy	Swedish Medical Center-First Hill	Seattle	WA	\$353.72	\$406.67	0.87
Pulmonary Therapy	Bartlett Regional Hospital	Juneau	AK	\$381.47	\$439.39	0.87
Pulmonary Therapy	South Peninsula Hospital	Homer	AK	\$332.86	\$431.36	0.77
Pulmonary Therapy	Mt. Edgecumb Hospital	SITKA	AK	\$264.71	\$383.98	0.69
Pulmonary Therapy	Virginia Mason Medical Center	Seattle	WA	\$309.16	\$458.21	0.67
Pulmonary Therapy	Ketchikan Medical Center	Ketchikan	AK	\$300.71	\$459.37	0.65
Pulmonary Therapy	Wrangell Medical Center	Wrangell	AK	\$145.00	\$390.69	0.37
Pulmonary Therapy	Petersburg Medical Center	Petersburg	AK	\$147.33	\$397.42	0.37
Rehabilitation Services	Providence Alaska Medical Center	Anchorage	AK	\$82.00	\$82.00	1.00
Rehabilitation Services	Mt. Edgecumb Hospital	SITKA	AK	\$113.94	\$113.94	1.00
Respiratory Therapy	Swedish Medical Center-First Hill	Seattle	WA	\$839.10	\$507.46	1.65
Respiratory Therapy	Swedish Medical Center-Cherry Hill	Seattle	WA	\$820.00	\$512.94	1.60
Respiratory Therapy	Mat-Su Regional Medical Center	Palmer	AK	\$747.37	\$509.61	1.47
Respiratory Therapy	Bartlett Regional Hospital	Juneau	AK	\$446.07	\$471.72	0.95
Respiratory Therapy	Providence Seward Medical Ctr	Seward	AK	\$481.33	\$538.27	0.89
Respiratory Therapy	South Peninsula Hospital	Homer	AK	\$386.03	\$450.67	0.86
Respiratory Therapy	Central Peninsula Hospital	Soldotna	AK	\$426.69	\$508.05	0.84
Respiratory Therapy	Providence Alaska Medical Center	Anchorage	AK	\$385.41	\$481.52	0.80
Respiratory Therapy	Mt. Edgecumb Hospital	SITKA	AK	\$386.24	\$544.77	0.71
Respiratory Therapy	Alaska Regional Hospital	Anchorage	AK	\$326.08	\$521.42	0.63
Respiratory Therapy	Virginia Mason Medical Center	Seattle	WA	\$187.57	\$311.64	0.60
Respiratory Therapy	Ketchikan Medical Center	Ketchikan	AK	\$211.22	\$475.19	0.44
Respiratory Therapy	Petersburg Medical Center	Petersburg	AK	\$116.36	\$514.65	0.23
Respiratory Therapy	Wrangell Medical Center	Wrangell	AK	\$94.44	\$520.23	0.18
Speech Therapy	Alaska Regional Hospital	Anchorage	AK	\$1,271.73	\$506.31	2.51

Hospital Pricing Specialists -- Department Charges Analysis

Source: CMS Claims through 3/31/19

Example: Bartlett Regional Hospital has a Charge Index of .54 for its Emergency Department, or charges that are 46% less than expected. Bartlett Regional Hospital has actual Emergency charges of \$879.51 per unit, versus an expected charge of \$1,633.66 per unit.

Department	Hospital Name	City	State	Actual Charge/Unit	Expected Charge/Unit	Charge Index
Speech Therapy	Alaska Native Medical Center	Anchorage	AK	\$887.64	\$482.15	1.84
Speech Therapy	Mat-Su Regional Medical Center	Palmer	AK	\$682.00	\$468.52	1.46
Speech Therapy	South Peninsula Hospital	Homer	AK	\$476.96	\$480.29	0.99
Speech Therapy	Mt. Edgecumb Hospital	SITKA	AK	\$465.17	\$478.10	0.97
Speech Therapy	Providence Alaska Medical Center	Anchorage	AK	\$462.92	\$492.32	0.94
Speech Therapy	Central Peninsula Hospital	Soldotna	AK	\$429.60	\$497.04	0.86
Speech Therapy	Bartlett Regional Hospital	Juneau	AK	\$368.65	\$484.46	0.76
Speech Therapy	Virginia Mason Medical Center	Seattle	WA	\$343.32	\$453.49	0.76
Speech Therapy	Providence Seward Medical Ctr	Seward	AK	\$334.29	\$450.79	0.74
Speech Therapy	Ketchikan Medical Center	Ketchikan	AK	\$294.88	\$485.13	0.61
Speech Therapy	Swedish Medical Center-First Hill	Seattle	WA	\$284.83	\$479.22	0.59
Speech Therapy	Petersburg Medical Center	Petersburg	AK	\$242.97	\$433.03	0.56
Speech Therapy	Wrangell Medical Center	Wrangell	AK	\$247.11	\$507.15	0.49
Speech Therapy	Swedish Medical Center-Cherry Hill	Seattle	WA	\$198.23	\$496.31	0.40
Supplies	Alaska Native Medical Center	Anchorage	AK	\$101.90	\$4.73	21.56
Supplies	Alaska Regional Hospital	Anchorage	AK	\$5,657.81	\$2,526.02	2.24
Supplies	Central Peninsula Hospital	Soldotna	AK	\$2,035.07	\$1,366.11	1.49
Supplies	Mat-Su Regional Medical Center	Palmer	AK	\$2,690.40	\$1,815.80	1.48
Supplies	Swedish Medical Center-Cherry Hill	Seattle	WA	\$1,841.22	\$1,642.77	1.12
Supplies	Providence Seward Medical Ctr	Seward	AK	\$26.80	\$24.04	1.11
Supplies	Petersburg Medical Center	Petersburg	AK	\$87.06	\$83.31	1.05
Supplies	Providence Alaska Medical Center	Anchorage	AK	\$517.51	\$586.42	0.88
Supplies	Virginia Mason Medical Center	Seattle	WA	\$521.46	\$640.87	0.81
Supplies	Bartlett Regional Hospital	Juneau	AK	\$1,549.48	\$1,950.86	0.79
Supplies	South Peninsula Hospital	Homer	AK	\$551.47	\$752.61	0.73
Supplies	Ketchikan Medical Center	Ketchikan	AK	\$596.78	\$904.99	0.66
Supplies	Swedish Medical Center-First Hill	Seattle	WA	\$1,313.04	\$2,086.41	0.63
Supplies	Mt. Edgecumb Hospital	SITKA	AK	\$1.19	\$4.73	0.25
Surgical Services	Alaska Native Medical Center	Anchorage	AK	\$28,189.21	\$19,921.41	1.42
Surgical Services	Mat-Su Regional Medical Center	Palmer	AK	\$2,054.43	\$1,746.22	1.18
Surgical Services	Alaska Regional Hospital	Anchorage	AK	\$2,536.08	\$2,188.64	1.16
Surgical Services	Swedish Medical Center-First Hill	Seattle	WA	\$2,845.04	\$2,455.82	1.16

Hospital Pricing Specialists -- Department Charges Analysis

Source: CMS Claims through 3/31/19

Example: Bartlett Regional Hospital has a Charge Index of .54 for its Emergency Department, or charges that are 46% less than expected. Bartlett Regional Hospital has actual Emergency charges of \$879.51 per unit, versus an expected charge of \$1,633.66 per unit.

Department	Hospital Name	City	State	Actual Charge/Unit	Expected Charge/Unit	Charge Index
Surgical Services	Providence Seward Medical Ctr	Seward	AK	\$226.13	\$204.75	1.10
Surgical Services	Swedish Medical Center-Cherry Hill	Seattle	WA	\$3,799.29	\$3,847.21	0.99
Surgical Services	Providence Alaska Medical Center	Anchorage	AK	\$1,349.19	\$1,387.83	0.97
Surgical Services	South Peninsula Hospital	Homer	AK	\$929.78	\$998.44	0.93
Surgical Services	Mt. Edgecumb Hospital	SITKA	AK	\$159.54	\$171.66	0.93
Surgical Services	Wrangell Medical Center	Wrangell	AK	\$99.50	\$109.81	0.91
Surgical Services	Virginia Mason Medical Center	Seattle	WA	\$1,227.26	\$1,367.42	0.90
Surgical Services	Central Peninsula Hospital	Soldotna	AK	\$764.49	\$903.85	0.85
Surgical Services	Petersburg Medical Center	Petersburg	AK	\$440.53	\$590.28	0.75
Surgical Services	Ketchikan Medical Center	Ketchikan	AK	\$429.99	\$678.11	0.63
Surgical Services	Bartlett Regional Hospital	Juneau	AK	\$643.84	\$1,627.45	0.40
Vision Services	Alaska Regional Hospital	Anchorage	AK	\$2,919.22	\$845.59	3.45
Vision Services	Providence Alaska Medical Center	Anchorage	AK	\$783.18	\$738.93	1.06
Vision Services	Swedish Medical Center-First Hill	Seattle	WA	\$9,329.43	\$9,340.56	1.00
Vision Services	Central Peninsula Hospital	Soldotna	AK	\$598.98	\$672.19	0.89
Vision Services	Virginia Mason Medical Center	Seattle	WA	\$585.32	\$692.47	0.85
Vision Services	South Peninsula Hospital	Homer	AK	\$800.00	\$1,452.50	0.55
X-Ray and Radiological	Mt. Edgecumb Hospital	SITKA	AK	\$220.24	\$117.93	1.87
X-Ray and Radiological	Alaska Regional Hospital	Anchorage	AK	\$175.71	\$110.59	1.59
X-Ray and Radiological	Mat-Su Regional Medical Center	Palmer	AK	\$135.79	\$89.29	1.52
X-Ray and Radiological	Providence Alaska Medical Center	Anchorage	AK	\$193.28	\$128.91	1.50
X-Ray and Radiological	Central Peninsula Hospital	Soldotna	AK	\$156.30	\$118.96	1.31
X-Ray and Radiological	Alaska Native Medical Center	Anchorage	AK	\$268.67	\$205.14	1.31
X-Ray and Radiological	Providence Seward Medical Ctr	Seward	AK	\$119.56	\$94.47	1.27
X-Ray and Radiological	Petersburg Medical Center	Petersburg	AK	\$899.78	\$753.66	1.19
X-Ray and Radiological	Ketchikan Medical Center	Ketchikan	AK	\$304.44	\$265.03	1.15
X-Ray and Radiological	Bartlett Regional Hospital	Juneau	AK	\$186.32	\$171.23	1.09
X-Ray and Radiological	South Peninsula Hospital	Homer	AK	\$1,184.16	\$1,106.46	1.07
X-Ray and Radiological	Wrangell Medical Center	Wrangell	AK	\$569.01	\$709.57	0.80
X-Ray and Radiological	Virginia Mason Medical Center	Seattle	WA	\$919.26	\$1,193.95	0.77
X-Ray and Radiological	Swedish Medical Center-First Hill	Seattle	WA	\$144.36	\$194.71	0.74
X-Ray and Radiological	Swedish Medical Center-Cherry Hill	Seattle	WA	\$165.44	\$223.93	0.74



December 3, 2019

Mr. Charles E. Bill
 Chief Executive Officer
 Bartlett Regional Hospital
 3260 Hospital Drive
 Juneau, AK 99801

RE: Medicare Cost Report for the Year Ended June 30, 2019

Dear Mr. Bill:

This letter is a follow-up to our review of the Medicare Cost Report for the year ended June 30, 2019. During our preparation and review of the cost report, the following issues came to our attention:

Gains and Losses

Program costs and reimbursement for the June 30, 2019 cost report were as follows:

<i>Provider</i>	<i>MC PPS Cost</i>	<i>MC PPS Reimbursement</i>	<i>Gain (Loss)</i>
Hospital – Inpatient (without rural demo)	\$14,362,994	\$9,296,251	(\$5,066,743)
Hospital - Outpatient	\$9,793,992	\$6,156,160	(\$3,637,832)
Subprovider - IPF	\$1,967,931	\$1,438,569	(\$529,362)

Rural Demonstration Program

As a participant in the Rural Demonstration Program under Medicare, the facility is paid a cost-based methodology for inpatient services. For fiscal year 2019, the benefit of this program increased Medicare reimbursement by \$4,774,577. However, if Bartlett Regional Hospital were to not be in the rural demo program, it could potentially qualify for the low volume payment adjustment which is for PPS hospitals with fewer than 3,800 total acute discharges and more than 15 road miles away from the nearest other PPS hospital. We estimate that this could have resulted in \$1,546,000 in Medicare reimbursement without the rural demo program which then results in a net benefit of the rural demo program of approximately \$3,228,577 in fiscal year 2019.

As it currently stands, the rural demo program is set to expire for Bartlett Regional Hospital at the end of the June 30, 2020 fiscal year as this will be the last year of the 5-year extension under the program. If the program does not receive an extension in the next few months, we recommend the facility make a request for the low volume payment adjustment effective July 1, 2020 which coincides with the end of the rural demo program. We could assist you with this request to your Medicare Administrative Contractor and recommend making this request and/or contact with the Medicare Administrative Contractor around mid to late March 2020.

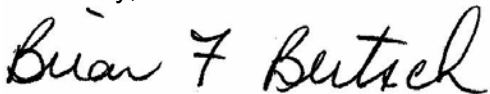
Medicaid Days

On Worksheet S-2, Part I, of the Medicare cost report, a provider is to report In-State and Out-of-State Medicaid paid and eligible days. Medicaid HMO days also need to be report here. These days are used for DSH calculation. While your facility does not qualify for DSH at this time, this needs to be reported in order to qualify for 340b.

For this year's report we used the total of Acute, ICU, Nursery, and Labor & Delivery days and reported them as In-State paid days. Going forward we should have a breakout, support, and documentation for the days reported in this section of the cost report.

If there are any comments or questions regarding the cost report or above information, please do not hesitate to contact us.

Sincerely,

A handwritten signature in black ink that reads "Brian F. Bertsch". The signature is written in a cursive style with a large, stylized 'B' and 'F'.

Brian F. Bertsch
Principal
Health Care Services
EIDE BAILLY LLP

cc: Kevin Benson, CFO Bartlett Regional Hospital

Bartlett Regional Hospital
Benefit of Rural Demo - 2019

Federal PPS Payments in BRH was not Rural Demo

2019 Federal DRG Amount	\$ 5,110,426
2019 Federal DRG Outlier Amount	\$ 1,251,486
Federal DRG Payments	<u>\$ 6,361,912</u>
Calculated DSH Percentage per the cost Report	12%
Calculated DSH Payment at full amount	\$ 613,251.12
Actual DSH payment (25% under current DSH rules)	\$ 153,313
Uncompensated Care payments if not in rural demo	\$ 938,405
Total Calculated Federal Payments without rural demo	<u><u>\$ 7,453,630</u></u>
Hospital Specific Payment - Per cost report (worksheet E, Part A, line 48)	<u><u>\$ 8,973,761</u></u>
Because of Sole community, the greater of hospital specific or federal amount	\$ 8,973,761
Federal capital payments	\$ 561,569
Total PPS Payments	<u><u>\$ 9,535,330</u></u>
Calculated Cost under the Rural Demo	\$ 14,309,907
PPS Payments if not in Rural Demo	\$ 9,535,330
Benefit of Rural Demo for BRH (Without Sole Community Provider)	<u><u>\$ 4,774,577</u></u>
Sole Community Provider (Low Volume Payment Adjustment)	<u>\$ 1,546,000</u>
Net Loss of Rural Demo Reimbursement for BRH	<u><u>\$ 3,228,577</u></u>



February 2, 2020

Natasha Peterson
Division of Risk Management
City & Borough of Juneau
155 South Seward Street
Juneau, AK 99801

Re: Experience for the Contract Period: July 2019 through June 2020

Dear Natasha:

Enclosed is City & Borough of Juneau’s December experience report for the medical, prescription drug, vision and dental plans. This update provides current month and cumulative year-to-date experience for your current contract period. The data is provided by Premera Blue Cross.

For the current month, paid claims information by line of coverage is provided below:

Experience Letter	December, 2019	Contract YTD
Medical Paid Claims	\$828,662	\$6,393,105
Rx Paid Claims	\$225,201	\$1,206,047
Vision Paid Claims	\$18,099	\$201,642
Dental Paid Claims	\$105,164	\$703,075
Rx Rebates	\$0	(\$294,832)
Total	\$1,177,126	\$8,209,037
Claims Over ISL		(\$327,247)
Aggregating Specific Deductible		\$150,000
Net Large Claim Reimbursement	(\$138,235)	(\$177,247)
Blue Card	\$511	\$7,674
Net Paid Claims	\$1,039,402	\$8,039,464
Total Plan Expenses (Claims + Fixed)	\$1,175,173	\$8,857,854
Actual Budget	\$1,528,839	\$9,211,251
Expenses/Budget Ratio	76.9%	96.2%

Please review these reports, and feel free to call me with any questions. I can be reached at (206) 467-4655.

Sincerely,

Sherry Li, FSA
Health & Benefits Actuarial Consultant

Enclosure

Proprietary Funds

Interest Income Allocation

FY20 Projected Actuals, FY21-22 Budget

Fund:	Account #:	FY19 Avg Cash Balances	FY19 Actuals	FY20 Est Cash Balances	FY20 Revised Budget	FY20 Projected Actual	FY21 Est Cash Balances	FY21 Revised Budget	FY22 Est Cash Balances	FY22 Revised Budget
Enterprise:										
Airport	560010101-4800	3,200,000	136,500	3,200,000	54,300	56,000	3,200,000	56,000	3,200,000	56,000
Harbors	530010101-4800	4,000,000	129,500	4,000,000	87,500	70,000	4,000,000	70,000	4,000,000	70,000
Docks	531010101-4800	4,000,000	133,500	4,000,000	54,300	70,000	4,000,000	70,000	4,000,000	70,000
Water	514010101-4800	11,000,000	388,000	10,000,000	122,500	175,000	9,000,000	157,500	8,000,000	140,000
Wastewater	519010101-4800	16,000,000	541,000	15,000,000	183,800	262,500	9,000,000	157,500	8,000,000	140,000
Waste Mgmt	570010101-4800	2,000,000	66,000	2,000,000	17,500	35,000	2,000,000	35,000	2,000,000	35,000
Hospital	550010101-4800	31,500,000	1,120,000	31,500,000	402,500	551,300	31,500,000	551,300	31,500,000	551,300
BRH CIP		2,500,000	87,000	2,500,000	245,000	43,800	2,500,000	43,800	2,500,000	43,800
BRH Capital Reserve		36,000,000	1,158,500	36,000,000	630,000	630,000	36,000,000	630,000	36,000,000	630,000
Internal Service:										
Fleet Reserve	602010101-4800	6,400,000	294,000	6,500,000	113,100	113,800	6,500,000	113,800	6,500,000	113,800
Totals			4,054,000		1,910,500	2,007,400		1,884,900		1,849,900
CBJ's Average Investment Rate			3.48%		1.75%	1.75%		1.75%		1.75%

Bartlett Regional Hospital
5 Year Capital Plans

Dept #	Dept	Description	Priority	FY2021	FY2022	FY2023	FY2024	FY2025	Future	Additional Comments
6010	Med/Surg Unit	Hill-Rom Centrella Smart 255 bed need a total of 25 bed replacement. All beds include top of line mattresses. 8 beds per year to order. 2024 has one bed to order.	2	82,045	82,045	82,045	10,070			Beats end of life as of Dec 2019, company no longer manufacturing beds. Parts may be available a few years. Includes top of line mattress. Last time beds replaced we had to upgrade mattresses within one year due to patient complaints of feeling metal bar in bed. Bed has safety features to reduce falls. current freight charge included. Does not include a potential 1.5- 3% change in cost or shipping through the years. Hospitals that purchased beds include Fairbanks, Proviencia, Central Solutna and Valdez.
6010	Med/Surg Unit	Bariatric bed chairs	1	18,000						
6010	Med/Surg Unit	Hill-Rom Centrella 355 Smart bed + blower mattress for pressure sore control. 40 inch wide bed	2	17,974						Replacement of rental air mattress. Which keeps breaking down and we keep sending it back for repairs.
6020	CCU	WiFi for Zoll Defibs	1	38,201					12,000	Current Zoll Defibs on crash carts require manual download of data. Requires subscription renewal every 5 years.
6020	CCU	hospital wide Glidescope	1	19,970						Replacement-current one end of life
6020	CCU	ICU Beds	1	43,369			44,000			Replacement
6020	CCU	US machine	2						80,000	New in 2019 - plan for future replacement
6020	CCU	Patient Lift	3					20,000		Replacement
6080	Obstetrics	GCX Fetal Monitoring Carts/ Workstations	1	50,000						Replace wood portable fetal monitoring carts and provide new carts in all LDRP rooms.
6080	Obstetrics	GE Halo Bassinet	1	15,400						Replacement/ Upgrade
6080	Obstetrics	Labor and Delivery beds (1/ yr)	3		25,000	25,000	25,000			Replacement (4 last year, 4 this year)
6080	Obstetrics	Neonatal Billlight for phototherapy	2	5,100						Replacement
6080	Obstetrics	Welch Allyn Thermometers	1	10,000						End of life
6210	Operating Room	Intellicart	1	99,000						Hospital-wide oral/rectal thermometer upgrade. Current ones can no longer be fixed per Biomed.
6210	Operating Room	ENT Instrumentation Set	1	69,925						
6210	Operating Room	Medtronic Surgical Equipment	1	28,091						
6210	Operating Room	Surgical Scope Replacements	1	100,979						
6230	Emergency Department	Single sign on for computers	1	75,000						1. Implement badge/tap system with Single-Sign-On for virtual desktops in ED. Base infrastructure to allow for other departments to follow going forward. Will minimize the repeated logging-in process and allow increased provider/nurse productivity as the desktop will follow staff between rooms/patients. Other departments will be able to leverage this option at a much lower cost once the initial investment is made and a proof-of-concept is worked out.
6230	Emergency Department	ED Stretchers with scales (2 new each year)	1	20,000	20,000	20,000	20,000	20,000		Replacement. Current guidelines for stroke care and heart attack care REQUIRE that patients get weighed, as the medications given to dissolve clots is weight based. Not having a way to accurately get a patients weight places them at risk for either receiving too little medication or too much. Currently we have one bed scale, which is in constant state of repair as it a refurbished model. The goal would be to have all ED stretchers with scales.
6230	Emergency Department	Bedside computer charting	3	12,000						Currently nurses have to use WOWS to chart at the bedside of a critical patient, and room space is limited. I would like to have arms and laptops so the laptops that can be opened and then closed for space saving, allowing bedside charting.
6060	Mental Health Unit	Move Elopement Door	1	20,000						Moving the locked door would allow patients to walk a square around the unit.
7070	Pharmacy	Omniceil Anesthesia Workstations	1	257,000						Replacement for Plexus pharmacy carts
7070	Pharmacy	Omniceil CPM Standalone (Central Pharmacy Manager)	3		115,000					Pharmacy inventory management system.

Bartlett Regional Hospital
5 Year Capital Plans

Dept #	Dept	Description	Priority	FY2021	FY2022	FY2023	FY2024	FY2025	Future	Additional Comments
7070	Pharmacy	Upgrade 3rd floor cleanroom	1		1,000,000					The current cleanroom does not meet the updated USP 797 physical requirements. Infusion pump integration with Meditech. Not sure if Meditech will be able to do this, or if we'll have to use Iatric.
7070	Pharmacy	Infusion pump integration	1			250,000				We're in discussion with a PBM, Alluma, to help us provide specialty meds for CBJ employees. Will start in new pharmacy by Infusion, but we'll probably outgrow that space.
7070	Pharmacy	Specialty pharmacy	2						?	Software for controlled substance surveillance.
7070	Pharmacy	surveillance software	1		30,000					The current shelves are at end of life, do not work well, and attempts to repair have failed.
7070	Pharmacy	pharmacy shelving	2		50,000					Bedside swallow study equipment which increases timeliness of testing patients who may have reduced swallowing capability, with subsequent aspiration pneumonia or other complications. This will allow studies to be expedited on the weekends or during hours when it may be difficult to schedule the study in DI. This device is new technology that greatly improves safety and quality of care.
7091	Physical rehab	Bedside swallow study scope	1	26,000						Given the time between initial design conversation (August 2018) and delivery of VxBlock our extra capacity has been consumed by several projects that all have required servers and storage. Additionally, we have the ability to cluster our MEDITECH environment to make it High-Availability and reduce downtimes which will require us to spin up 87 more servers. Additional space will be required as we continue to expand MEDITECH with ED Module and more clinics on Web Ambulatory.
9200	Information Systems	VxBlock server blade expansion and storage expansion	1	250,000						Replacement of our wireless access points (8 years old and EOL). Add a second wireless controller for High Availability. Would be advantageous to have this upgraded as we Go-Live with Expanse this year.
9200	Information Systems	Wireless Access Points and 2nd Wireless Controller for High-Availability	2	380,000						If VDI Project is successful we can move these funds to that line item and replace workstations with thin-clients and bad/tap option
9200	Information Systems	Workstation Replacements	2	150,000	150,000	150,000	150,000	150,000		Server and Storage needs are continually growing. The new system allows us to easily expand. Includes VMware licensing as well.
9200	Information Systems	VxBlock server blade expansion and storage expansion	2		150,000	150,000	150,000	150,000		ED would like to test a project for a badge/tap system to log into workstations in the ED and make it easier for their desktop to follow them between patients.
9200	Information Systems	Virtual Desktop Infrastructure Pilot Project (badge/tap system)	2	75,000						is a patient safety issue and T-System is no longer innovating their product. Costs continue to increase and functionality is not improving.
9200	Information Systems	MEDITECH ED Module	1	350,000						Cost may be less to bring BMOC and BSSC onto Web Ambulatory module. ROI will be paid back in less than 2-years due to eClinicalWorks cost of \$15K/month
9200	Information Systems	MEDITECH Web Ambulatory Expansion for BMOC & BSSC	1	112,000						Cost to add the OB model & monitoring intergration into Meditech
9200	Information Systems	OB Intellispace Perinatal Meditech module		150,000						Internal auditing and reporting system for HIPAA compliance
9200	Information Systems	FairWarning EHR Auditing System	1	124,400						New camera system across the hospital. 125 cameras with artificial intelligence, 10-years cloud based storage, HD/4K resolution, 5-years support contract. Will remove 2 existing systems that we have in place currently and decrease the storage footprint on the network (currently 2TB of space).
9200	Information Systems	Camera System Replacement	1	225,000						
7041	Diagnostic Imaging	Patient monitor	1	30,000						
7041	Diagnostic Imaging	DI/IT Software	1	150,000						
7045	MRI	MRI Prostate Coil	1	60,000						Requested by physicians in town for treatment
7045	MRI	MRI Replacement	1		2,600,000					Current MRI was purchased in 2008
7043	Ultrasound	Unltrasound Replacement	1					175,000		4 units new in 2019
7044	CT Scan	CT Replacement	1					1,500,000	1,500,000	2 CT Machines replacements

Bartlett Regional Hospital
5 Year Capital Plans

Dept #	Dept	Description	Priority	FY2021	FY2022	FY2023	FY2024	FY2025	Future	Additional Comments
7047	Mammography	3D Mammography Replacement	1						400,000	New in 2017. Estimating Life is 10 years
9530	Compliance	Add entry/exit to ED waiting room (after PAS renovation)	1	50,000						Patient and visitor safety. There will be a significant entrapment hazard for patients and visitor using the ED waiting room after the proposed modifications are made to the registration area. There will only be one public way in and out of the waiting area and individuals could potentially become entrapped if the entrance/exit becomes blocked. This becomes a significant hazard when the patient population of the ED is considered; which has a high rate of violence and/or aggression.
9530	Compliance	Replace 6 Fire Doors. Replacement doors to include lites.	1	60,000						Employee safety. In the 3 older stairwells of the main hospital there are 6 doors that pose a significant fall hazard to individuals using these staircases. The landings on the inside of the stairwell are not large enough to allow safe door-swing avoidance without a significant danger of falling down the stairs. Doors should be replaced with similar doors with at least 1/4 lite (window) for traffic awareness. Doors are located at: 2nd, 3rd floor of stairwell 1; 1st, 2nd, 3rd floor of stairwell 2; 3rd floor of stairwell 3.
9530	Compliance	Dietary Dishwasher		50,000						Staff Safety
9530	Compliance	Modify an appropriate number of rooms at RRC to meet ADA requirements.	1	100,000						Compliance. If there were a patient that has ADA needs, RRC may not be able to admit because of challenges with ADA Title II, which could lead to a discrimination lawsuit. Enforcement action for Title II usually comes through DOJ; private lawsuits can also be filed in federal court. There is no grandfather clause for older construction. We are required to make "reasonable necessary modifications."
9530	Compliance	Need more warehouse storage space. Materials are stored too close to the fire suppression system in MM even when inventory are at minimum levels (18" storage rule)	1						?	Employee, visitor, patient safety. Part of the Hospital Facilities Master Plan?
8360	Facilities	Triage Tent	1	20,000						Current Unit Has reached end of useful life
8360	Facilities	Decon Tent	1	10,000						Current Unit Has reached end of useful life
8360	Facilities	Commons Furniture	2	25,000						Phased Replacement
8360	Facilities	Commons Furniture	2		25,000					Phased Replacement
8360	Facilities	Commons Furniture	2			25,000				Phased Replacement
8360	Facilities	Commons Furniture	2				25,000			Phased Replacement
8360	Facilities	Commons Furniture	2					25,000		Phased Replacement
8360	Facilities	Commons Furniture	2						25,000	Phased Replacement
8360	Facilities	Box Truck	1	75,000						Well Past Useful Life. Used to transport medical waste.
8360	Facilities	Large Format Scanner	3	6,000						To allow Maintenance to scan blueprints
8360	Facilities	Tablets for Maintainers	3	18,000						Allowing mobile entry of work order and PM data
8360	Facilities	Philips Patient Monitor	1	30,000						For Biomed to conduct PM"s and as a departmental extra.
8210	Laundry	Washers	2		100,000					
8360	Facilities	Sec officer defensive tools	1		60,000					TBD
8360	Facilities	Interior Genie Lift	3		6,000					To safely reach difficult elevated interior areas
8200	Environmental Services	Med/Surg Curtains	1		75,000					
8360	Facilities	Plow Truck	1		75,000					
8360	Facilities	Ford Escape	2		35,000					
8210	Laundry	Driers	1			80,000				
8200	Environmental Services	Carpet Extractor	1			15,000				
8360	Facilities	Campus Wide Radio System	2			100,000				
8360	Facilities	John Deere	1			30,000				
8200	Environmental Services	ED/OB/CCU Curtains	1			75,000				
8360	Facilities	Jeep	2			35,000				
8360	Facilities	Med Tester	1				15,000			Biomed Equipment Safety Test
8200	Environmental Services	Sterile Meryl	1				100,000			

Bartlett Regional Hospital
5 Year Capital Plans

Dept #	Dept	Description	Priority	FY2021	FY2022	FY2023	FY2024	FY2025	Future	Additional Comments
8360	Facilities	Jeep	2				35,000			
8200	Environmental Services	SDS Curtains	1					75,000		
8360	Facilities	Bobcat	2						90,000	Purchased new in 2019
Totals				<u>3,508,455</u>	<u>4,598,045</u>	<u>1,037,045</u>	<u>574,070</u>	<u>1,940,000</u>	<u>2,282,000</u>	

- 1 Patient Safety/Compliance
- 2 End of Life/Revenue Enhancer/Cost Saver
- 3 Future End of Life/Nice to have

Bartlett Regional Hospital
Six Year Department Improvements Plans

Project	Priority	FY20	FY21	FY22	FY23	FY24	FY25	Future
Asphalt Replacement Drive From Admin to JMC	1	500,000	400,000					
Crises Stabilization	2	3,500,000	5,500,000	1,500,000				
Study to Determine a Secondary Campus Access	3		90,000					
Operating Room Ventilation	4		300,000					
Deferred Maintenance	5		4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Master Facility Project	6			\$x,xxx,xxx	\$x,xxx,xxx	\$x,xxx,xxx	\$x,xxx,xxx	
Parking Ramp (200 places)	7			2,000,000				
Relocate & Remodel Biomed, Dietary, Laundry, Materials Management Building	8			2,500,000	2,500,000			
Medical Office Building	9				2,000,000	1,000,000		
Remodel Laboratory (5000 Sq Ft)	10							3,750,000
Maintenance Building for Equipment	11							750,000
Oxygen Tank (Bulk) Storage	12							500,000
Totals		4,000,000	10,290,000	10,000,000	8,500,000	5,000,000	4,000,000	9,000,000

1. Asphalt Replacement: This is to repair and reconstruct existing campus roadway that is deteriorating. \$500,000 was included in CIP for FY2020. However that is not adequate funding to complete the project. The total cost is currently estimated at \$900,000 so and additional \$400,000 is added to the project. This project is scheduled to begin in the Spring of 2020.

2. Crises Stabilization: This project would create an 8-bed crisis stabilization center at Bartlett Regional Hospital, serving adults (4 beds) and youth (4 beds) from Juneau and the surrounding communities who are experiencing behavioral health crises. This project was included in CIP for FY2020 at \$3,500,000. This project has expanded as the location for the building is located on the site of the existing Behavioral Outpatient Services building which was scheduled to be replaced. The new building would consist of 2 levels with Behavioral Outpatient Services on the first floor with a second floor for Crises Stabilization. Grant dollars of \$1,700,000 have been awarded to the Crises Stabilization project.

3. Secondary Campus Access: To study the feasibility of establishing a second access to BRH campus from Egan.

4. Operating Room Ventilation: The ventilation system in the Operating room needs to be updated. Pats are no longer available for the current equipment. The new system will also provide for redundancy preventing a shutdown of the OR.

5. Deferred Maintenance: These funds are to address infrastructure projects. These funds will be used for known and planned projects and also used to address replacement are repairs that are not anticipated.

6. BRH is completing a Master Facility Campus Plan study that will identify facilities most in need of replacement or upgrade. The board of directors will have a Startegic Planning session where this information along with other materials in the spring. As a result there may be projects identified to be completed in future. The timing and cost is unknown at this time but it is expected a facility plan will be developed in the near future.

Bartlett Regional Hospital
Six Year Department Improvements Plans

Project	Priority	FY20	FY21	FY22	FY23	Fy24	Future
Rainforest Recovery Center Upgrade	1	600,000					
Asphalt Replacement Drive From Admin to JMC	2	500,000					
Crises Stabilization	3	3,500,000					
Pharmacy Remodel to Comply with UPC 500	4	1,300,000					
Parking Ramp (200 places)	5						4,000,000
Operating Room Renovation	6						18,500,000
Information Services Facility with Generator	7						2,000,000
BOPS Replacement	8						9,000,000
Remodel Laboratory (5000 Sq Ft)	9						3,750,000
Maintenance Building for Equipment	10						750,000
Oxygen Tank (Bulk) Storage	11						500,000
Relocate & Remodel Biomed, Dietary, Laundry, Materials Management Building	12						2,500,000

Rainforest Recovery Center: \$600,000 will be added to the \$2.5 Million included in 2019 to cover the total cost of \$3.1 million for a roof replacement.

Asphalt Replacement: Repair and reconstruct existing campus roadway that are deteriorating.

Crises Stabilization: This project would create an 8-bed crisis stabilization center at Bartlett Regional Hospital, serving adults (4 beds) and youth (4 beds) from Juneau and the surrounding communities who are experiencing behavioral health crises. A \$500K grant will be applied to this project.

Pharmacy Remodel: The regulations covering the preparation and compounding of chemotherapy pharmaceuticals have been updated (USP 800) and are more stringent regarding the compounding environment. These regulations are to protect the staff, patients and visitors from exposure to radioactive materials related to Oncology treatments. The project will establish a pharmacy space within the Oncology department which will be compliant with regulations for Hazardous Drug Compounding Areas.