

Bartlett Regional Hospital

Minutes

STRATEGIC PLANNING MEETING

September 19, 2020 – 9:30 a.m.

BRH Boardroom / Zoom videoconference

CALL TO ORDER – The Board of Director’s meeting was called to order at 9:34 a.m. by Lance Stevens, Board President

BOARD MEMBERS PRESENT

Lance Stevens, President	Rosemary Hagevig, Vice President	Brenda Knapp
Kenny Solomon-Gross – Secretary	Mark Johnson	Marshal Kendziorek
Deb Johnston	Iola Young	Lindy Jones, MD

ALSO PRESENT

Chuck Bill, CEO	Kevin Benson, CFO	Billy Gardner, COO
Bradley Grigg, CBHO	Dallas Hargrave, HR Director	Rose Lawhorne, CNO
Megan Costello, CLO	Michelle Hale, CBJ Liaison	Joy Neyhart, DO, COS
Anita Moffitt, Executive Assistant	Katie Bausler, Public Relations	Noble Anderson, MD
Keegan Jackson, MD	Mimi Benjamin, MD	Corey Wall, JYW
David Sandberg, Cycle of Business	John Budd, ECG	Jeff Hoffman, ECG
Rashah McChesney (KTOO)	Roseman GenPublic (Public)	Martin Stepetin (Public)

PUBLIC PARTICIPATION – None

REVIEW MISSION, VISION AND VALUES – Mr. Bill provided an overview of Bartlett’s Mission, Vision and Values to make sure they are still pertinent.

Mission – BRH provides its community with quality patient centered care in a sustainable manner.

Vision – BRH will be the best community hospital in Alaska

Values – At BRH we **C.A.R.E**

Courtesy – We act in a positive, professional and considerate manner, recognizing the impact of our actions on the care of our patients and the creation of a supportive work environment.

Accountability – We take responsibility for our actions and their collective outcomes; working as an effective, committed and cooperative team.

Respect – We treat everyone with fairness and dignity by honoring diversity and promoting an atmosphere of trust and cooperation. We listen to others, valuing their skills, ideas and opinions.

Excellence – We choose to do our best and work with a commitment to continuous improvement. We provide high quality, professional healthcare to meet the changing needs of our community and region.

It was expressed that this still speaks to what we want to be and how we want to deliver our services. No changes recommended.

HOW MUCH OF A CASH RESERVE SHOULD WE MAINTAIN - Mr. Benson provided an overview of different means of financing capital projects: debt vs. using internal reserves. Pros and cons of both options were provided. Cash balances and cash to debt ratio for the past three years were presented and it

was noted that our return on reserves is about the same as what the interest on debt would cost. He then provided different scenarios that might impact the days' cash on hand. Mr. Kendziorek suggested we take a backwards approach to this plan and settle on a number for days' cash on hand to tell us how much is reasonable to be financing. We then need to look at the list of projects we have, prioritize them and get them going. He feels that this is the most important high level thing we need to do as a result of this meeting. Ms. Hale expressed appreciation of Mr. Benson bringing in the public perception of budget reserves as well as Mr. Kendziorek's idea of a backwards approach. She noted that the Assembly is keenly aware that BRH has a robust balance. Discussions were held about debt to capitalization ratio, the need to maintain the ability to respond to disasters and other unforeseen events and the need for making some of the changes as a result of COVID happen very quickly. Mr. Bill made a recommendation that we look at establishing a 180 operating day reserve and fund deferred maintenance and COVID projects out of Capital while anticipating that we may need to go to the bonding market for anything more substantial than that. Mr. Kendziorek agreed with this process and the need to get moving on high prioritized projects. He suggests we begin the process of developing a bond package for about \$8 Million and see how far that gets us on the projects that we can finish in the next 12 – 18 months. These steps would allow us to know how much money we have available both in terms of our equity contributions and our finance bonds. He then stressed the importance of explaining, in detail so the Assembly and the public understands, what is really contained in the spreadsheet showing the days' cash on hand and why we would need six months' worth of money in case something goes wrong. Ms. Hagevig expressed a debt of gratitude to previous Board members for the financial decisions they had made to put us in the financial situation we are in.

REVIEW PRIOR PLAN – David Sandberg of Focus and Execute, provided a high level overview of the goals established for 2019. Overall, 79% of the action plans have been completed. Some items not yet completed are tied to today's presentations by Jensen Yorba Wall (JYW) and ECG. Telehealth services in psychiatry are functional at this time and are being explored for other specialties. Mr. Johnson requests a list of services and specialties that we are considering for telehealth services. This topic will be further explored during the ECG presentation about partnering.

Robotics – Mr. Bill reported that the discussion about robotics is being brought up again for a couple of reasons; 1) Dr. Newbury is bringing in a new partner, freshly out of school that is very interested in robotics. 2) With Dr. Saltzman leaving the community, at least temporarily, we are trying to recruit a urologist. Robotics could be a useful recruitment tool. Discussion was held about how well robotics are working for other facilities in Alaska. Mr. Solomon-Gross and Ms. Knapp expressed support in bringing this topic back to the table. Mr. Kendziorek, very supportive of this project, feels that it should be a moderately high priority but higher priority projects need to be taken care of first. Dr. Jones expressed concerns that the volume of cases at BRH would not be sufficient for providers to remain competent in this area, a specialized OR staff would be required, robotic surgery does not improve surgical outcomes, they take more OR time and are considerably more expensive. He also noted that we are not currently recruiting for another OB/GYN and the Urologist we are looking at is not interested in using robotics. Dr. Benjamin noted that the 4 surgeons we currently have are not trained in robotics and not particularly interested in training. Further discussion held about the volume of cases needed for providers to maintain competency, specialized staffing, aging populations and patients traveling out of town for services. Ms. Hagevig and Dr. Neyhart agreed that a robotics program should not be implemented now but needs to stay on future plans. Mr. Bill will continue to work with the surgeons to try to predict what the demand and usage would be. If

it's determined that we would have the volumes to maintain competency, he will bring it back to the Finance Committee for acquisition.

JENSEN YORBA WALL CAMPUS PLAN REVIEW – Corey Wall provided an overview of the campus plan that had been presented in January. Due to COVID, the list of projects and priorities associated with that plan have changed considerably as have health care designs everywhere. He reported that nationally, changes include, ventilation improvements, creating negative pressure spaces and increased filtration, larger waiting rooms with more isolated spacing and drive through spaces where initial evaluations, inoculations and testing can be conducted while the patient is still in their car. Shell spaces are being thought about as patient areas from the beginning of the design phase and are to be used for surge capacity in the event of a big outbreak of disease. Non-critical areas are being prepped with med gas and emergency power so are ready to be converted to patient rooms if needed. Parking garages could be used for triage spaces or enclosed emergency centers. Space designed for equipment storage such as extra beds, screens and other equipment are to be put into use in the event of an emergency. Materials Management departments to have increased storage space to stock enough supplies in case supply chains break down. Technology upgrades include touchless check-in, telehealth services space and equipment and video conferencing abilities in patient rooms. Smaller locker rooms and break rooms for staff to be distributed throughout facilities. While the ventilation issues were not something that had been anticipated, Bartlett had identified and prioritized several of these other things in its master plan prior to the pandemic. Discussion was held about proposed OR and Lab renovations and the flow of moving patients through the hospital. Mr. Gardner provided an overview of the priorities identified in the COVID-19 Facility Changes/Modifications document included in the packet. Staff will work with JYW to combine and prioritize the lists of projects, identify timelines, figure out how much money we have and how far down that list we can get. The Planning Committee will review this revised plan and make a recommendation to the Board. Mr. Bill reported that we should have the fair market value appraisal of the Bartlett Surgery and Specialty Clinic building in about three weeks. Purchasing this building would provide some additional flexibility in moving things around while renovations are going on in the hospital and can then be configured to accommodate services in the future. Dr. Benjamin expressed the importance of providing safe spaces for staff to take their breaks and suggests this be a high priority to help combat staff and physician burnout. Mr. Stevens said other things to consider are what projects can be done simultaneously and how to work with tenants of the Juneau Medical building if we displace them to tear down the building.

BREAK – Mr. Stevens called for a recess at 11:24am. Session resumed at 11:35am

ECG DISCUSSION IN THE CONTEXT OF THE “NEW NORMAL” – Mr. Bill noted the SE Health Care SWOT and initiative analysis were included in the packet as a resource for ECG. John Budd and Jeff Hoffman of ECG provided an overview of the Provider Network Development Plan included in the packet. ECG's analysis included discussions with the medical staff and leaders across the organization to shape a strategic fact base. BRH's liquidity is stronger than a lot of organizations. Juneau's population growth rate is anticipated to be pretty flat over the next 5 years while the population aged 65 years and older grows. This is important because it will shift utilization patterns and payor mix. Reimbursements from federal programs, staff and provider shortages, outmigration of key services to competitors, patient leakage, behavioral health and substance use disorders and overhead scale are key considerations in community hospital strategies. BRH is heavily reliant on governmental programs for reimbursements that may not be

available in the future. Mr. Benson noted that in FY2020, BRH would have a \$1.5 Million reduction in reimbursements without the Rural Demonstration Project. Operational expenses continue to be greater than what was anticipated due to COVID. Mr. Stevens suggested that travel restrictions and the capacities of out of town hospitals, may change the behaviors of Juneau residents seeking healthcare. After receiving quality care at BRH, hopefully, they will continue to get their health care here. Discussion held about a marketing plan to promote BRH services and increase patient volumes.

There were four issues at the core of ECG findings: 1) the notion of unstable financials 2) changes in competitive providers across the region 3) leakage of services 4) challenges in recruitment. ECG recommends thinking long term. Our cash position will continue to be a struggle to improve. The big issue is services leaving the community. We need to market and continue to build our services. Recruitment is going to become more difficult across the country, not just in Juneau. ECG recommends looking at a partnership with an organization where we could find a mutually beneficial agreement where we could support a broader rotation of specialists in the community and potentially find some joint venture opportunities. There are two types of strategic partners when thinking big strategy. One is best of breed, find an organization that offers what we want and need to partner with. The downside of that is that we don't get a long term partner. The second type is a more strategic partnership where we start aligning with a partner and look for opportunities to work together to provide more service options. This tends to be a longer more beneficial partnership than best of breed partnerships. While BRH is in good position today, it makes sense, strategically, to start thinking about these things before it gets to a point where we don't have options. While we look at different alignment options, we need to understand that each potential partner is going to approach it differently with their own strategic needs.

ECG wants to be very clear that they are not talking about a merger or any type of joint operating agreement where another organization takes over. They aren't talking about a shared service company. What they are recommending is clinical affiliations where we rotate different specialties to get better access to expertise not available in Juneau and to look at joint venture opportunities. They are not recommending an option where another organization will take over BRH and do not think BRH is in a position where it needs to be considering this as an option at this time. Guiding principles – 1) Independence, CBJ will not consider merging or selling the hospital. 2) The span of control: BRH wants to remain an independent organization capable of providing care locally, meeting the ongoing capital investment needs. 3) Commitment to southeast Alaska – Any partner must be able to understand the unique aspects of providing care in AK and provide services that are suited to the region. 4) Commitment to BRH and CBJ – BRH and the CBJ do not want to get lost inside a larger health system and expect to continue to influence how health care is delivered in Juneau. It is suggested that as we look for a potential partner in services, initial discussions should begin with Swedish, Providence, St. Joseph Health, SEARHC, Virginia Mason and Peach Health. Other opportunities include the Mayo Clinic and Cleveland Clinics. If BRH wants to successfully move forward with looking at different options to build this, it has to have a slightly different approach than has been done traditionally. Identifying a partner that shares BRH's objectives and complements its existing service offerings involves a five-step process. 1) Evaluate services for focus 2) Compile potential partner profiles 3) Contact potential partners and develop RFP 4) Evaluate partnership opportunities 5) Conduct deliberations. Dr. Jones stated that once these partnerships are aligned, it would be a great time to talk about robotics again. He also suggested talking to the University of Washington as a potential partner and speaking to medivac providers about the extra costs of sending someone to Seattle as opposed to

Anchorage. Mr. Kendziorek noted that the Board had already approved the implementation tasks that had been outlined on page 135 of today's packet and said we need to stop talking and get moving on them. Mr. Hoffman clarified that a comprehensive alignment is a partnership with an organization that can provide a broad list of specialty services and does not impede the ability for local physicians to continue their existing referral relationships. In order for this to work really well, physician buy in is needed. Mr. Johnson would like the Board to have a more robust conversation about the pros and cons of pursuing each type of strategic partner before deciding how to move forward. Dr. Benjamin suggested looking at the use of an organizations community version of their EMR as part of the partnership as a way to save money and improve the EMR we already have. Ms. Knapp expressed her support of moving ahead with caution. Mr. Johnson noted that COVID is putting a strain on a lot of facilities across the country and expressed concern that BRH would become less of a priority for an affiliate under a financial strain. Mr. Bill agreed that this could be a concern. He also noted that it is really important that we get the medical staff's input and assure them that we are not trying to change anyone's referral patterns. Providers and their patients will still be able to choose where to obtain services.

Mr. Bill reported that the Physician Recruitment Committee and some local physicians have met to discuss the Community Health Needs Assessment results and specialties were identified as being important to recruit for. He also reported that he has already made contact with some potential partners. We will be looking at a combination of telemedicine and intermittent clinic rotations for in person visits. A brief discussion was held about the challenges BRH would face as a part of CBJ if we pursued joint venturing, specifically public financial records. Dr. Jones expressed that an easily accessible partnership with sub specialists would probably be welcomed by the medical staff and referral patterns would probably change. Since it will impact our master facility plan, it is important that identifying potential partners and defining what it is we think the community needs the most needs to happen at the same time. Ms. Hale suggested that Mr. Bill speak to Rorie Watt about the best way to communicate with the assembly about what BRH and the Board is thinking. She will provide a high level report at the September 20th Assembly meeting. Dr. Benjamin reported that some telehealth restrictions are being lifted and Virginia Mason is talking about being able to do inpatient consults which will help reduce the number of medivacs. She also feels that the physicians in this community would be interested in this type of relationship.

A discussion was held about the need for help in compiling the profiles of potential partners and defining the RFP so we get the results that we want out of a partnership and not designed to a particular organization. Mr. Stevens expressed concerns that CBJ controls our RFP process and doesn't have the required expertise to make sure we get what we need. Mr. Bill stated that the key is to have BRH define expectations on the front end. If structured correctly, the boiler plate for an RFP is not that difficult to work with. Mr. Hoffman agreed with Mr. Bill that the big part of this process is the upfront discussions to be held with each organization. We would like for the physician rotation or access to have some infrastructure so we know who the point person is and what the process is when our physician wants access. Explain what it is that Juneau and BRH needs over the next 5 years so that potential partners understand what we are thinking and can decide if they would be able to work with us. We can then ask for help in developing an RFP. Mr. Johnson would welcome some input from local providers on this topic. Ms. Costello expressed her appreciation for the discussion about the RFP process and suggested that we may want to hire an outside attorney to help us develop one. Dr. Jones suggested an ad-hoc committee be created with stake holders and physicians to be able to identify our needs and help move the project forward. Mr. Johnson suggests

including one or two community members on the committee to provide input as well. Mr. Bill and Mr. Stevens will discuss this further to identify what the committee looks like and what the role and responsibility is. Mr. Bill thanked Mr. Hoffman and Mr. Budd for their presentation and hard work on this project.

EMPLOYEE SURVEYS – Mr. Bill noted we have done a really good job in assessing needs of employees from a behavioral and personal wellness standpoint during this pandemic. Survey results are in the packet.

MARKETING PLAN – Mr. Bill reported that he and Katie Bausler have discussed looking at a professional marketing firm to give us some marketing ideas. He sees the marketing plan as a two phase plan; a shorter phase to take advantage of the added loyalty from Juneau patients that came to BRH as a result of COVID. How do we grow that relationship and trust? Second, how do we market for the future with new services? A discussion was held about price competitiveness and insurance companies encouraging patients to receive services out of town. BRH is very competitive with other hospitals but not freestanding specialty centers that don't have a lot of overhead. Mr. Bill reported that the anesthesiologists that provide services at BRH are not currently in any network plan. He is working with them to form a group and enter into a professional services agreement with BRH. It is expected that they will join in the same payor plans as BRH. He also noted that BRH's insurance policy through CBJ pays the same no matter where care is provided. It might be worth looking at giving discounts for receiving care locally or adding penalties for going out of Juneau for care. Conversation returned to marketing. Talk about the services and quality of care BRH provides needs to happen sooner rather than later and the message delivered in different avenues than we've been using. Dr. Anderson suggested that we should consider SEARHC as a partner and not competition. He also reported that SEARHC has recently partnered with Swedish and wonders if it would be mutually beneficial to look at Swedish as well. It was noted that marketing the community successfully by giving all of the positives Juneau has to offer and developing better partnerships with key industries in the community to help cross promote each other's strategic employment needs would help our recruitment efforts.

COMMENTS AND QUESTIONS – Ms. Young said this has been a great meeting for the newest board member. Dr. Jones said that 3 or 4 of the medical students and residents that have come up here through the WAMI program are interested in moving to Juneau. This program is also a great recruiting tool. Mr. Johnson appreciates the good discussions. Mr. Kendziork noted the meeting went pretty well. He encourages as many board members as possible attend the 7:00am Planning meeting scheduled to take place on October 15th to continue these discussions and work through the details. Mr. Solomon-Gross expressed appreciation for everyone's comments today. Ms. Hagevig concurred that this was a very useful conversation and thanked everyone for their participation. She also noted that the Southeast Conference is taking place next week and encourages as many board members as possible to attend. Ms. Knapp reported that this is her 6th Strategic Planning work session and found this one to be the most productive. Ms. Lawhorne expressed appreciation for everyone's time and energy discussing the future of our hospital. She said she is here to participate and support this process however she can. Mr. Grigg echoed Ms. Lawhorne's comments and expressed appreciation for the commitment of the Board. Mr. Gardner stated that we have one of the strongest leadership teams under Mr. Bill and certainly a very strong Board. He is happy that we have this time to get us through this COVID pandemic. Mr. Benson agreed with everything Mr. Gardner said. He then reported that we have been working with our audit firm to complete the GASBY 68 and 75, recording the liability for unfunded pension expense. This particular

entry has been messing with BRH financial statements for the last several years. This year it is in our favor in that the PERS fund had excellent investment performance during 2020. As a result, we are going to see a significant decrease in our pension expense and liability. Mr. Stevens thanked everyone for the reports, good direction and concepts provided and stated that the work is just beginning. We need to start narrowing these down into actionable plans for both the facilities plan and in conjunction with our next steps in providing services within the community, making sure that one doesn't get too far ahead of the other. It's going to take some coordinated efforts and a lot more work to get us to the finish line. He thanked everyone for their commitment to making this happen and said he's glad to be a part of it himself. Ms. Hale expressed her appreciation to the Board for really good thinking and wanting to move things to the next steps with a clear understanding what those steps might be.

ADJOURNMENT – 1:22 p.m.