

# Bartlett Regional Hospital

## AGENDA

### BOARD OF DIRECTORS MEETING

Tuesday, September 28, 2021; 5:30 p.m.

Bartlett Regional Hospital Zoom/Teleconference

Public may follow the meeting via the following link <https://bartletthospital.zoom.us/j/93293926195>  
or call

1-253-215-8782 and enter webinar ID 932 9392 6195

|              |   |             |
|--------------|---|-------------|
| <b>I.</b>    | <b>CALL TO ORDER</b>  | <b>5:30</b> |
| <b>II.</b>   | <b>ROLL CALL</b>  | <b>5:32</b> |
| <b>III.</b>  | <b>APPROVE AGENDA</b>   | <b>5:34</b> |
| <b>IV.</b>   | <b>PUBLIC PARTICIPATION</b>                                   | <b>5:35</b> |
| <b>V.</b>    | <b>CONSENT AGENDA</b>   | <b>5:45</b> |
|              | A. August 24, 2021 Board of Directors Minutes                 | (Pg.3)      |
|              | B. September 18, 2021 Board of Directors Minutes              | (Pg.8)      |
|              | C. September 24, 2021 Board of Directors Minutes              | (Pg.9)      |
|              | D. July 2021 Financials                                       | (Pg.11)     |
| <b>VI.</b>   | <b>OLD BUSINESS</b>   | <b>5:50</b> |
|              | ➤ Bylaws revision – Board Member Compensation- ACTION ITEM    | (Pg.17)     |
|              | ➤ Board Self-Assessment                                       |             |
|              | ➤ Bond Resolution Revision - ACTION ITEM                      | (Pg.18)     |
| <b>VII.</b>  | <b>NEW BUSINESS</b>   | <b>6:00</b> |
|              | ➤ Bartlett Regional Hospital and CBJ Assembly Joint Committee | (Pg.32)     |
| <b>VIII.</b> | <b>MEDICAL STAFF REPORT</b>                                   | <b>6:05</b> |
| <b>IX.</b>   | <b>COMMITTEE REPORTS</b>                                      | <b>6:10</b> |
|              | A. September 3, 2021 Draft Planning Committee Meeting Minutes | (Pg.33)     |
|              | B. September 8, 2021 Draft Board Quality Meeting Minutes      | (Pg.35)     |
|              | C. September 10, 2021 Draft Committee of the Whole Minutes    | (Pg.38)     |
|              | D. September 10, 2021 Draft Finance Committee Meeting Minutes | (Pg.41)     |
| <b>X.</b>    | <b>MANAGEMENT REPORTS</b>                                     | <b>6:20</b> |
|              | A. Legal Management report                                    | (Pg.43)     |
|              | ➤ Haines Lynn Canal Corporation Lease                         | (Pg.44)     |
|              | B. HR Management report                                       | (Verbal)    |
|              | C. CNO Management report                                      | (Pg.59)     |
|              | D. Behavioral Health Management report                        | (Pg.61)     |

|              |  |         |             |
|--------------|--|---------|-------------|
|              | E. COO Management report                           | (Pg.65) |             |
|              | F. CFO Management report                           | (Pg.69) |             |
|              | G. CEO Management report                           | (Pg.74) |             |
| <b>XI.</b>   | <b>CEO REPORT / STRATEGIC DISCUSSION</b>           |         | <b>6:30</b> |
| <b>XII.</b>  | <b>CBJ LIAISON REPORT</b>                          |         | <b>6:35</b> |
| <b>XIII.</b> | <b>BOARD CALENDAR – October 2021</b>               | (Pg.75) | <b>6:40</b> |
| <b>XIV.</b>  | <b>BOARD COMMENTS AND QUESTIONS</b>                |         | <b>6:45</b> |
| <b>XV.</b>   | <b>EXECUTIVE SESSION</b>                           |         | <b>6:50</b> |
|              | A. Credentialing report                            |         |             |
|              | B. September 7, 2021 Medical Staff Meeting Minutes |         |             |
|              | C. Patient Safety Dashboard                        |         |             |
|              | D. Legal and Litigation                            |         |             |
|              | E. Campus Planning                                 |         |             |
|              | F. Personnel Matters                               |         |             |
|              | ➤ Interim CEO Candidates                           |         |             |

*Motion by xx, to recess into executive session to discuss several matters:*

- *Those which by law, municipal charter, or ordinance are required to be confidential or involve consideration of records that are not subject to public disclosure, specifically the Credentialing report, Medical Staff Meeting minutes and the patient safety dashboard*

*And*

- *To discuss facts and litigation strategies of the Haines Lynn Canal Corporation Lease with the municipal attorney. (Unnecessary staff and Medical Chief of staff may be excused from this portion of the session.)*

*And*

- *To discuss information presented that the immediate knowledge of which would clearly have an adverse effect upon the finances of BRH; that being a discussion about campus planning. (Unnecessary staff and Medical Chief of staff may be excused from this portion of the session.)*

*And*

- *To discuss Interim CEO Candidates and personnel matters that tend to prejudice the reputation and character of any person. Unnecessary staff and Medical Chief of staff may be excused from this portion of the session.)*

|             |                    |  |             |
|-------------|--------------------|--|-------------|
| <b>XVI.</b> | <b>ADJOURNMENT</b> |  | <b>7:30</b> |
|-------------|--------------------|--|-------------|

**NEXT MEETING – Tuesday, October 26, 2021; 5:30p.m.**

# Bartlett Regional Hospital

**Minutes**  
**BOARD OF DIRECTORS MEETING**  
**August 24, 2021 – 5:30 p.m.**  
**Zoom videoconference**

**CALL TO ORDER** – Meeting called to order at 5:32 p.m. by Rosemary Hagevig, Board Vice-President

**BOARD MEMBERS PRESENT**

|                                  |                         |              |
|----------------------------------|-------------------------|--------------|
| Rosemary Hagevig, Vice-President | Mark Johnson, Secretary | Brenda Knapp |
| Hal Geiger                       | Iola Young              | Deb Johnston |
| Lindy Jones, MD                  |                         |              |

**ABSENT** - Kenny Solomon-Gross – President, Lance Stevens

**ALSO PRESENT**

|                              |                                |                                     |
|------------------------------|--------------------------------|-------------------------------------|
| Rose Lawhorne, CEO           | Kevin Benson, CFO              | Kim McDowell, CNO                   |
| Dallas Hargrave, HR Director | Bradley Grigg, CBHO            | Vlad Toca, COO                      |
| Keegan Jackson, MD, COS      | Adam Gottschalk, CBJ Attorney  | Barbara Nault, Legal Advisor        |
| Sherri Layne, CBJ Attorney   | Michelle Hale, CBJ Liaison     | Anita Moffitt, Executive Assistant  |
| Anjela Johnston, Union Rep   | Mary Frances Fisher, Union Rep | Nathan Overson, Compliance Director |

**APPROVE AGENDA** – *MOTION by Mr. Johnson to approve the agenda as presented. Ms. Knapp seconded. There being no objections, agenda approved.*

**PUBLIC PARTICIPATION** – Anjela Johnston introduced herself as a nurse at BRH and acting President of Unit 2201 of Local 200 of the International Longshore and Warehouse Union. She is here to advocate for union members and urges the Board to not mandate COVID-19 vaccination at this time. She stated that these are the same BRH heroes that have been providing stellar services throughout this whole pandemic and they feel strongly that whatever policies are directed at staff to protect patient safety should apply to physicians, travelers and others working alongside BRH staff. To increase the uptick in vaccination relies on building empathy and trust, listening to fears and concerns without judgement, recognizing the concern, respecting the person and then working together to build shared understanding. A mandate may make it harder to get staff on board because fears and walls go up. Allowing management flexibility to build a policy that increases engagement, extends grace to staff, demonstrates care values and really moves the needle on vaccine uptake would help reach the goal without causing distress among employees. She stated that Unit 2201 stands ready to partner with management in that work to whatever extent that would be of benefit. Dr. Jones stated that the medical staff has polled all of its members about this and asked if the Union has polled members as well. Ms. Johnston responded that Union members have been informally polled via email. The union recognizes that most hospital staff are vaccinated and it may be less than 10% that have concerns, but they are very strong concerns. Mr. Geiger asked if there are staff that have stressed strong reservations about getting the vaccine and what specifically should be done to address these concerns. *Yes, some employees that have stated they are more afraid of the vaccine than the virus. To increase vaccine uptake, you need to talk to people one on one to alleviate concerns.* Ms. Knapp asked if full approval of the Pfizer vaccine by the FDA makes a difference in allaying some of the concerns people might have had. *A little more time is needed to know but it is expected that it would help a little.*

Mary Frances Fisher identified herself as the President of Local 200. The email sent to employees on Sunday, encouraged people with questions or concerns to talk to their union representatives or to contact Infection Prevention. She reiterated that it's important for people to find someone they can trust to talk to about their concerns as some of the people against

the mandate are willing to listen and wait for more studies and that consideration also be given to the fact that some employees work from home. She expressed concerns about taking a Pfizer vaccine booster if that was not the brand received previously and the other brands are not yet approved by the FDA. She requests time be given to convince the last 70-75 people to get vaccinated as a mandate could have a negative effect on morale.

**CONSENT AGENDA - *MOTION by Mr. Johnson to approve the consent agenda as written. Ms. Knapp seconded. There being no objection, the July 27, 2021 Board of Directors meeting minutes and June 2021 Financials approved.***

#### **OLD BUSINESS:**

**Hospital Vaccination Policy** – Ms. Hagevig noted this subject had been discussed in depth at last month's Board meeting and has been brought forth to this meeting for possible action. Dr. Jones expressed appreciation for the concerns expressed by Ms. Johnston and Ms. Fisher however, the decision to not receive the vaccine affects the employees, patients and community. The Pfizer vaccine has now been approved by the FDA and every healthcare facility in Southeast Alaska has mandated vaccination. BRH medical staff unanimously voted that mandating vaccination is the right thing for BRH to do as well.

***MOTION by Dr. Jones that we move ahead with a vaccine mandate for employees that would be developed by Ms. Lawhorne and Mr. Hargrave that would allow for reasonable religious and medical exemptions. Mr. Johnson seconded.***

Mr. Geiger proposed a policy that allows for vaccination or alternatively, allows staff to get COVID testing, at their own expense, prior to working each shift in the hospital. Dr. Jones expressed concerns about the burden of increased workloads for the lab, the quantities of tests needed and other unintended consequences as a result of allowing testing as an alternative to vaccination. Mr. Geiger agreed but thinks we should explore a bit more. He asked Ms. Lawhorne how she would specifically engage staff that is hesitant to get a vaccine. Ms. Lawhorne identified some of the hesitations and said that as a facility we have to acknowledge the support for vaccination to improve health and safety and reduce deaths. We can have trusted healthcare workers talk to their colleagues that are not vaccinated, in an effective way that is understanding and not seen as punitive. They can share the science and data of what has been seen in hospitals to show that vaccination is safe. Ms. Knapp noted that much has been done to provide the best information available about vaccination and the uptick in the number of cases in our communities supports the rationale for moving forward with the vaccination mandate. We have to assure patients that they aren't in danger of getting COVID from anyone on staff. Ms. Hagevig expressed her support of this mandate. As the primary healthcare provider in the community it's important that we set an example for other healthcare providers and businesses. Mr. Toca expressed the importance of providing education to clear up any misinformation and supports putting this mandate in place. Ms. Johnston expressed her strong support of the mandate as it's important for the safety of patients and the community to take a positive stand.

***Dr. Jones amended his MOTION to include medical staff. Mr. Johnson agreed with amendment.***

Roll call vote taken for the following: ***Move ahead with a vaccine mandate for employees and medical staff that would be developed by Ms. Lawhorne and Mr. Hargrave that would allow for reasonable religious and medical exemptions. Motion passed unanimously by the seven board members present.*** (Mr. Solomon-Gross and Mr. Stevens absent.)

#### **NEW BUSINESS:**

**Board Self-Assessment** – Ms. Knapp reported that Ms. Moffitt has posted a survey for the board members to help identify a date for a Committee of the Whole meeting to review the results of the board self-assessment. All Board members are to respond to the survey and are encouraged to attend the meeting if possible. Mr. Hargrave added that the Governance Committee was interested in, after hearing the presentation, starting a discussion about what to do about the results and what the Governance Institute might suggest we do. Ms. Knapp also reported that sometime in the fall, after enough organizations have taken the survey, we will get a new report with a base line comparison to the other organizations.

**Amendment to Title 40** – Ms. Lawhorne reported that Title 40 is a CBJ ordinance that gives authority and jurisdiction to the Board of Directors in directing hospital operations. Bartlett has received a request in the form of a letter (included in the packet) from the Mayor and City Manager of Haines to assist them once again with emergent behavioral health issues as the result of recent events and the reduction in behavioral health resources due to staffing issues. Because current language in Title 40 limits us to providing services within the City and Borough of Juneau, our legal counsel with CBJ recommended that we amend the language to include *located inside and outside the City and Borough of Juneau* to provide appropriate authority to allow for our teams to go and practice outside of Juneau. This amendment will cover our operations as requested by Haines and other communities as well. Ms. Hagevig obtained confirmation from Ms. Lawhorne that another community requesting services is Petersburg. Ms. Nault clarified that there is still a state statute that implicates extra jurisdictional services like this outside of the municipality that Mr. Palmer and his staff are working on. There may be additional steps needed beyond the passage of this by the board as a recommendation to the Assembly for adoption even if adopted.

***MOTION by Mr. Johnson to adopt the amendment to Title 40 dealing with the hospital Board of Directors authority to provide services outside the CBJ boundary. Mr. Geiger seconded. There being no objection, MOTION approved.***

**MEDICAL STAFF REPORT** – Dr. Jackson reported that it was business as usual at the August 3<sup>rd</sup>, Medical Staff meeting. Routine committee reports were provided. The medical staff voted and unanimously approved mandating COVID vaccination of employees. A Wellness Committee meeting that had been scheduled was canceled due to the pandemic. The teams have been helping out due to staffing issues, Rainforest Recovery Center was on diversion for a while so other units in the hospital were helping out. After speaking with some providers, it seems that the latest upgrade to Meditech Expanse has made it slightly easier for providers to enter into their notes. Feedback will be provided next month whether the providers are noticing that IT support has been expanded on.

#### **COMMITTEE REPORTS:**

**Compliance and Audit Committee Meeting** – Draft minutes from the August 5<sup>th</sup> meeting are in the packet. Ms. Young reported that the committee did an initial review of the compliance audit. This will be discussed during the executive session of tonight's meeting.

**Finance Committee Meeting** – Draft minutes from the August 13<sup>th</sup> meeting are in the packet. Ms. Johnston reported that the June, fiscal yearend financial statements were reviewed. We are now heading into the audit and cost report season.

**Executive Committee Meeting** – Draft minutes from the August 16<sup>th</sup> meeting are in the packet. We just passed a motion for the Title 40 amendment as the result of the work that was done during that meeting.

**Governance Committee Meeting** – Draft minutes from the August 23<sup>rd</sup> meeting are in the packet. Ms. Knapp reported that the committee had met at the advice of legal. An amendment to the bylaws is required to allow BRH board members to receive the compensation approved by the Assembly. The proposed amendments, included in tonight's packet, were reviewed and a recommendation to move to the board for approval was made. As a second reading is required before a motion of approval made, the proposed bylaw revisions will be brought before the board again at next month's meeting. After approved, it will be forwarded to the Assembly for approval. If approved, compensation will begin in January 2022.

#### **MANAGEMENT REPORTS:**

**Legal Report** – Ms. Nault provided a summary of projects she has been working on since last month's meeting. Matters completed since the last meeting include the CT services arrangement with SE Radiation Oncology, an informed consent policy and some templates for use by the Bartlett Medical Oncology Center, professional services agreements for licensed professional counselors, employment agreements for the psychiatrists referenced in the CBHO report, and professional services agreements for clinical and surgical services for ophthalmology services. They have also provided input on the

Compliance Department's proposed process for development of new service lines and input on the development of the off campus behavioral health services referenced in the CBHO report. They continue to work with Compliance and Risk Management to provide legal input on the hospital's protocol's for dealing with disruptive patients and also working with Behavioral Health, Human Resources and the Medical Staff Services Department on a policy for credentialing contracted licensed outpatient services providers which will be done through the Human Resources Department. There are also several contracts being worked on with the contracts manager including the laboratory services agreement, new case management software agreement, updating the hospital's pathology services agreement, and reviewing a clinical internship agreement. There are projects pending with the Medical Staff Services Department.

**HR Report** – Mr. Hargrave noted that since writing his report, legal advice regarding the employee COVID vaccine had been received and is included in the packet. Conversations with the union have already begun and will continue after tonight's meeting using the guidance from the motion from the board to bargain the impacts of implementing such a policy. In response to Ms. Hagevig's question regarding the issues of getting background checks in a timely fashion, Mr. Hargrave noted it's not a new issue but had gotten worse. The state is now allowing us to obtain provisional approvals by contracting with another company to conduct the background checks for us. We then verify there are no barrier crimes for the new employees or employees going through recertification. This does make things go quicker but is not a process that will be able to remain in place. Ultimately, when the state is caught up, it will issue final approval for the people that have been granted provisional approvals.

**CNO Report** – Ms. McDowell reported that we are getting staffing back to normal in surgical services by creating a surgical tech program. We will train people from the community in an effort to grow our own techs. She also reported two classes on implicit bias were conducted by Dr. Sheufelt yesterday. 14 staff members from the Emergency Department attended. They were very enlightened, felt refreshed and were surprised by some of the things that were brought up that they didn't realize they were harboring. It was a great experience and we look forward to more of those classes.

**CBHO Report** – Mr. Grigg reported that we now have 5 employed psychiatric providers on our team. This means we now have more employed providers than locums. He also reported that based off of the current schedule for the Crisis Stabilization building, the foundation will be going in in September and the erection of the building will start some time in November. It is estimated that the roofing will go on in February or March. Ms. Hagevig expressed appreciation for the pictures of the project included in the written report.

**COO Report** – Mr. Toca reported that we are working to fully staff PT/OT, looking at improving some efficiency standards and are exploring solution options to the space restrictions as it pertains to the pediatric waitlist. He is working with Respiratory Therapy to provide critical care training for the RTs and putting together a telehealth program for the Cardio/Pulmonary Rehab department. He is heavily involved with marketing efforts and looking at strategic initiatives for the programs we have. In response to Mr. Geiger's request for more information about the planned marketing campaign and Ms. Hagevig's question about the timeline we have in mind, Mr. Toca stated that the marketing strategy is going to encompass technology based activities such as social media, radio and television ads. Working with our leaders, we will push out the specific services that we offer that are not as transparent as others. We would like to start revamping the BRH website to include the ability to schedule visits and telehealth services through the website. We will have a quote by the end of the week from a company he has worked with in the past and that has experience with critical access hospitals and prioritizing patient needs through marketing initiatives. With their help, he anticipates having a fully functional website within a month. We should see postings on social media by the end of the month.

**CFO Report** – Mr. Benson noted this is a busy time for us with the end of the fiscal year, the audit and the Medicare cost report. General accounting is fully staffed after a 60% turnover in staff over the past 2 years. A field audit report to test our accounting systems was conducted last week by Elgee Rehfeld, LLC. This normally takes 5 days but was completed in 2 due to our improved processes. At Ms. Hagevig's request, Mr. Benson provided an update on the Rural Demonstration Project. BRH had not previously recorded any benefit from this project which ended for us on June 30, 2020 but was extended in December, retroactively to July 1, 2020. In August, we received a payment of \$4.2 Million for FY2021. We recorded about \$2 Million of that as we believe we will have to refund a portion of the 4.2 Million due to the increased reimbursements from the low-volume adjustments received and because of a decrease in inpatient volumes due to COVID. (Our cost based reimbursements are based on inpatient activity.) We took a very conservative approach in our estimate understanding that the cost report will determine the final amount. Going forward we will receive payments of \$175K every two weeks for FY2022.

**CEO REPORT/STRATEGIC DISCUSSION** – Ms. Lawhorne reported that a ground breaking ceremony for the Crisis Stabilization Unit is being planned to take place in the next several weeks. She has been meeting with local clinics and physicians, one on one, to build relationships and this has been very productive. We now have the COVID wing open with 4 patients in that wing and one patient in critical care. With the surge in COVID cases, we are seeing stress to the systems in AK and in the Pacific Northwest. We have experienced difficulty in transferring patients out as Anchorage hospitals are overwhelmed and having difficulty managing the level of illness they are seeing. ASHNHA has coordinated several meetings with agencies throughout the state to discuss these and staffing challenges. Ms. Lawhorne is on an ASHNHA task force to look at the wellness, burnout, competency and availability of staff. Yesterday, she participated in a meeting with the Governor and other agencies expressing concerns that we face and also expressing how the emergency declaration allowed us flexibilities in delivering care. While there's hesitation to implement a full on emergency declaration, there are still executive orders and legislative actions that can be taken to allow us those flexibilities in our care processes. The Governor and his team are working to identify what can be done quickly to address these concerns. Ms. Lawhorne also reported that she is doing research and working with the Board President to develop a Board Orientation Manual. Mr. Geiger requested Ms. Lawhorne share what is publicly available about the general characteristics of the COVID patients in house and those that have recently died. She reported that what we are seeing is that the deaths largely occurred in unvaccinated populations and the vaccinated populations are those that are immunocompromised or have comorbidities contributing to their demise and their lack of ability to fight the infection.

**CBJ LIAISON REPORT** - Ms. Hale had nothing to report.

**BOARD CALENDAR** – September calendar reviewed. No changes.

**BOARD COMMENTS AND QUESTIONS** – Mr. Johnson noted there has been good reporting in the news lately about COVID. He requests that the Board received copies of these new releases.

**EXECUTIVE SESSION** – ***MOTION by Mr. Johnson to recess into executive session as written in the agenda to discuss several matters:***

- *Those which by law, municipal charter, or ordinance are required to be confidential or involve consideration of records that are not subject to public disclosure, specifically the Compliance Program Review and Risk Assessment report, credentialing report, Medical Staff Meeting minutes and the patient safety dashboard and..*  
*And*
- *To discuss possible BRH litigation, specifically a candid discussion of the facts and litigation strategies with the BRH attorney. (Unnecessary staff and Medical Chief of staff are excused from this portion of the session.)*  
*And*
- *To discuss information presented that the immediate knowledge of which would clearly have an adverse effect upon the finances of BRH; that being a discussion about campus planning. (Unnecessary staff and Medical Chief of staff are excused from this portion of the session.)*

**Ms. Knapp seconded.** Ms. Lawhorne identified who is to be in attendance for each item listed under executive session. Mr. Hargrave moved the other attendees to a waiting room. The Board entered executive session at 6:51 p.m. after a 3 minute break. They returned to regular session at 7:27 p.m.

***MOTION by Mr. Johnson to approve the credentialing report as presented. Ms. Knapp seconded. There being no objections, credentialing report approved.***

**ADJOURNMENT:** 7:28 p.m.

**NEXT MEETING:** 5:30 p.m. – Tuesday, September 28, 2021

# Bartlett Regional Hospital

**Minutes**  
**BOARD OF DIRECTORS MEETING**  
**September 18, 2021 – 3:30 p.m.**  
**Zoom videoconference**

**CALL TO ORDER** – Meeting called to order at 3:31 p.m. by Kenny Solomon-Gross, Board President

**BOARD MEMBERS PRESENT**

|                               |                                  |               |
|-------------------------------|----------------------------------|---------------|
| Kenny Solomon-Gross-President | Rosemary Hagevig, Vice-President | Brenda Knapp  |
| Mark Johnson, Secretary       | Hal Geiger                       | Iola Young    |
| Deb Johnston                  | Lindy Jones, MD                  | Lance Stevens |

**ALSO PRESENT**

|                              |                              |                          |
|------------------------------|------------------------------|--------------------------|
| Dallas Hargrave, HR Director | Rorie Watt, CBJ City Manager | Rob Palmer, CBJ Attorney |
|------------------------------|------------------------------|--------------------------|

**APPROVE AGENDA** – *MOTION by Mr. Johnson to approve the agenda as presented. Ms. Knapp seconded. There being no objections, agenda approved.*

**PUBLIC PARTICIPATION** – None

**EXECUTIVE SESSION** – *MOTION by Ms. Hagevig to recess into executive session as written in the agenda to discuss personnel matters that tend to prejudice the reputation and character of any person. Dr. Jones seconded.* The Board entered executive session at 3:31 p.m. They returned to regular session at 5:26 p.m.

*Mr. Stevens made a MOTION to the Board as follows: We are in the receipt of Ms. Lawhorne's letter of resignation and we are terminating Ms. Lawhorne's appointment as of today. Ms. Knapp seconded. There being no objection, MOTION approved.*

*Mr. Stevens made a MOTION to the Board to temporarily appoint Kathy Callahan as the acting interim CEO and the Board President has authority to negotiate compensation. Ms. Hagevig seconded.* There being no objection, *MOTION approved.*

**NEXT MEETING:** 12:00 p.m. – Friday, September 24, 2021

Dr. Jones will not be able to attend as he will be working a shift in the Emergency Department.

**ADJOURNMENT:** 5:30 p.m.



# Bartlett Regional Hospital

**Minutes**  
**BOARD OF DIRECTORS MEETING**  
**September 24, 2021 – 12:00 p.m.**  
**Zoom videoconference**

**CALL TO ORDER** – Meeting called to order at 12:00 p.m. by Kenny Solomon-Gross, Board President

**BOARD MEMBERS PRESENT**

|                               |                                  |              |
|-------------------------------|----------------------------------|--------------|
| Kenny Solomon-Gross-President | Rosemary Hagevig, Vice-President | Brenda Knapp |
| Mark Johnson, Secretary       | Hal Geiger                       | Iola Young   |
| Deb Johnston                  | Lance Stevens                    |              |

**ABSENT** - Lindy Jones, MD

**ALSO PRESENT**

|                                    |                              |                          |
|------------------------------------|------------------------------|--------------------------|
| Kathy Callahan, Interim CEO        | Dallas Hargrave, HR Director | Rob Palmer, CBJ Attorney |
| Anita Moffitt, Executive Assistant |                              |                          |

**APPROVE AGENDA** – *MOTION by Ms. Hagevig to approve the agenda as presented. Ms. Knapp seconded. There being no objections, agenda approved.*

**PUBLIC PARTICIPATION** – None

**APPROVAL OF THE MINUTES** - *MOTION by Ms. Hagevig to approve the minutes from the September 18, 2021 Special Board of Directors Meeting. Mr. Johnson seconded. There being no objections, minutes approved.*

**LEADERSHIP CONFERENCE** – Mr. Solomon-Gross has talked with Ms. Callahan about the Board members attending the Leadership Conference in Colorado. They both agree that board training is very important at a time like this. All board members, with the exception of Mr. Johnson, still plan to attend. Ms. Hagevig suggests everyone bring their iPads to be able to conduct business.

**CEO RECRUITMENT** – Mr. Hargrave provided an overview of the Interim CEO Recruitment Timeline included in the packet. This week he has gathered potential candidate information and drafted a recruitment plan and a selection plan. Selection materials will be talked about in executive session. If the Board decides to follow this process, the following will happen today: An ad-hoc Interim Recruitment Committee will be formed, recruitment plans will be approved with any recommended changes and candidates will be selected for the recruitment committee to interview. Next week, the Recruitment Committee will interview selected candidates via Zoom. Reference checks will be conducted by staff after interviews are conducted. The week of October 4<sup>th</sup>, the Recruitment Committee will present a recommendation regarding longer term CEO candidates to the Board. After the Board approves, Mr. Hargrave would negotiate the interim CEO arrangement based on the guidance provided by the Board. If

all goes as planned, the Board would appoint the interim CEO on the week of October 11<sup>th</sup> and onboarding background checks would be performed. The interim CEO would begin the week of October 18<sup>th</sup> or 25<sup>th</sup> allowing a one to two week overlap with Ms. Callahan, the current interim CEO. This is a rough time frame, things may move quicker or slower based on the candidates. This does need to move quickly as Ms. Callahan's Interim CEO Agreement is only for a 6 week period.

**EXECUTIVE SESSION – *MOTION by Ms. Knapp to recess into executive session as written in the agenda to discuss the interim CEO selection process and personnel matters that tend to prejudice the reputation and character of any person. Ms. Hagevig seconded.*** The Board entered executive session at 12:10 p.m. They returned to regular session at 1:00 p.m.

***Ms. Hagevig made a MOTION that the Board accept the proposed candidate recruitment schedule as provided by the HR Director. Ms. Knapp seconded.*** There being no objection, *MOTION* approved.

***Ms. Hagevig made a MOTION that relates to the questions and methodology for the interviews and notes that the Board has reviewed the draft and is sending it back to the HR Director for further refinement. Ms. Knapp seconded.*** There being no objection, *MOTION* approved.

Mr. Solomon- Gross named the members of the ad-hoc Recruitment Committee. Mr. Solomon-Gross will chair the committee and Ms. Knapp, Mr. Geiger and Ms. Hagevig will serve on the committee.

**COMMENTS** – Ms. Knapp thanked Mr. Hargrave for all of his time and hard work. Mr. Solomon-Gross thanked the Board for being so flexible for meetings. Ms. Hagevig welcomed Ms. Callahan and thanked her for coming out of retirement and being so flexible in making herself available. Mr. Johnson thanked Ms. Callahan for calming this situation at the moment.

Mr. Hargrave will send the Ad Hoc Committee the information and scoring questions for Monday's meeting. Ms. Hagevig stated that she has had internet issues during this meeting and initiated a discussion about holding in person meetings for these interviews. Ms. Callahan reported the hospital is full and we had to cancel one elective surgery. The situation is being monitored daily. We have a number of people waiting for discharge placement which will alleviate some of the issues. Staff has really stepped up to fill the holes in staffing and have done some amazing work to take good care of our patients. They are weary so we have to be careful in how we proceed and what we are able to accommodate within the hospital. We closed the withdrawal management program to admission for now so staff are able to work within the hospital and not be pulled for that service at this time. Mr. Solomon-Gross feels that meetings should continue to be held virtually for now. Due to internet issues, a space will be made available for Ms. Hagevig to participate in the interim CEO interviews on the BRH campus.

**NEXT MEETING:** 5:30 p.m. – Tuesday, September 28, 2021

**ADJOURNMENT:** 1:12 p.m.

# Bartlett Regional Hospital

3260 Hospital Drive, Juneau, Alaska 99801

907.796.8900

[www.bartletthospital.org](http://www.bartletthospital.org)

DATE: September 3, 2021  
TO: BRH Finance Committee  
FROM: Kevin Benson, Chief Financial Officer  
RE: July Financial Performance

Bartlett Regional Hospital had a financially good start to the 2022 fiscal year. The budget for 2022 fiscal year incorporated the impacts related to Covid-19 so many of the variances that have been reported for the past 16 months are no longer apparent. There continues to be a shift from inpatient to outpatient volumes and revenues. Inpatient revenues were under budget by 8.6% while outpatient revenues were over budget by 5.6%. However, total patient revenue finished \$91,000 over budget (0.6%). After Rainforest, BHOPS and physician revenue, the month ended just slightly under budget for Gross Patient Revenue at -0.4%.

Deductions from revenue had a favorable variance of \$1.0 million (12.9%). This was driven in the inpatient side by a lower length of stay while on the outpatient side there were lower charges per case.

Net Patient Revenue finished well ahead of budget with positive variance of \$962,000 (9.9%). Other Operating Revenue was well below budget with the loss of 340B revenue and lower grant revenues. As a result Total Operating Revenue finished at \$332,000 (3.1%) greater than budget.

Total Expenses were very close to budget finishing \$48,000 (0.4%) under budget yielding an Operating Income of \$201,000 as compared to a budgeted Operating Loss of -\$179,000. After Non-Operating Income the Final Net Income was \$434,000 for almost a 4% margin.

Expenses variances incurred in July were as follows:

- Contract Labor was \$159,000 over budget as the hospital struggles to maintain staffing levels.
- Physician Contracts were \$196,000 over budget as additional mental health providers are needed to provide for increased volumes.
- Supply costs were \$180,000 over budget driven primarily by increased pharmaceuticals for increased Infusion Therapy services and covid related drugs.
- Molecular Testing volumes have increased from 50 tests per day to anywhere from 200 to 300.

**Bartlett Regional Hospital**  
**Dashboard Report for July 2021**

| Facility Utilization:                      | CURRENT MONTH |            |                             |            | YEAR TO DATE |            |                             |            |
|--|---------------|------------|-----------------------------|------------|--------------|------------|-----------------------------|------------|
|  | Actual        | Budget     | % Over<br>(Under)<br>Budget | Prior Year | Actual       | Budget     | % Over<br>(Under)<br>Budget | Prior Year |
| <b>Hospital Inpatient: Patient Days</b>    |               |            |                             |            |              |            |                             |            |
| Patient Days - Med/Surg                    | 470           | 378        | 24%                         | 382        | 30.2%        | 470        | 378                         | 24%        |
| Patient Days - Critical Care Unit          | 92            | 101        | -9%                         | 104        | 21.1%        | 92         | 101                         | -9%        |
| Patient Days - Swing Beds                  | 0             | 0          | 0%                          | 0          |              | 0          | 0                           | 0%         |
| Avg. Daily Census - Acute                  | 18.7          | 16.0       | 17%                         | 15.7       | 1.5          | 1.3        | 17%                         | 15.7       |
| Patient Days - Obstetrics                  | 83            | 63         | 31%                         | 73         | 66.0%        | 83         | 63                          | 31%        |
| Patient Days - Nursery                     | 65            | 52         | 24%                         | 51         | 80.6%        | 65         | 52                          | 24%        |
| <b>Total Hospital Patient Days</b>         | <b>710</b>    | <b>595</b> | <b>19%</b>                  | <b>610</b> | <b>35.8%</b> | <b>710</b> | <b>595</b>                  | <b>19%</b> |
| Births                                     | 29            | 26         | 13%                         | 29         |              | 29         | 26                          | 13%        |
| <b>Mental Health Unit</b>                  |               |            |                             |            |              |            |                             |            |
| Patient Days - Mental Health Unit          | 161           | 240        | -33%                        | 137        | 22.0%        | 161        | 248                         | -35%       |
| Avg. Daily Census - MHU                    | 5.2           | 7.7        | -33%                        | 4.4        | 18.0%        | 0.4        | 0.7                         | -35%       |
| <b>Rain Forest Recovery:</b>               |               |            |                             |            |              |            |                             |            |
| Patient Days - RRC                         | 200           | 240        | -17%                        | 0          | 25.0%        | 200        | 248                         | -19%       |
| Avg. Daily Census - RRC                    | 6             | 7.7        | -17%                        | 0          | 21.0%        | 1          | 0.7                         | -19%       |
| Outpatient visits                          | 45            | 88         | -49%                        | 21         |              | 45         | 45                          | 0%         |
| <b>Inpatient: Admissions</b>               |               |            |                             |            |              |            |                             |            |
| Med/Surg                                   | 70            | 58         | 21%                         | 71         | 18.6%        | 33         | 58                          | -43%       |
| Critical Care Unit                         | 39            | 36         | 8%                          | 33         | 21.9%        | 33         | 36                          | -9%        |
| Obstetrics                                 | 33            | 28         | 20%                         | 34         | 43.5%        | 33         | 28                          | 20%        |
| Nursery                                    | 29            | 26         | 13%                         | 29         | 45.0%        | 29         | 26                          | 13%        |
| Mental Health Unit                         | 25            | 21         | 19%                         | 16         | 38.9%        | 25         | 21                          | 19%        |
| <b>Total Admissions - Inpatient Status</b> | <b>196</b>    | <b>168</b> | <b>16%</b>                  | <b>183</b> | <b>28.9%</b> | <b>153</b> | <b>168</b>                  | <b>-9%</b> |
| <b>Admissions - "Observation" Status</b>   |               |            |                             |            |              |            |                             |            |
| Med/Surg                                   | 83            | 63         | 32%                         | 58         | 23.9%        | 83         | 63                          | 32%        |
| Critical Care Unit                         | 21            | 27         | -21%                        | 24         | 0.0%         | 21         | 27                          | -21%       |
| Mental Health Unit                         | 4             | 2          | 68%                         | 4          | 33.3%        | 4          | 2                           | 68%        |
| Obstetrics                                 | 20            | 14         | 40%                         | 14         | 42.9%        | 20         | 14                          | 40%        |
| Nursery                                    | 0             | 0          | -100%                       | 0          |              | 0          | 0                           | -100%      |
| <b>Total Admissions to Observation</b>     | <b>128</b>    | <b>106</b> | <b>20%</b>                  | <b>100</b> | <b>21.9%</b> | <b>128</b> | <b>106</b>                  | <b>20%</b> |
| <b>Surgery:</b>                            |               |            |                             |            |              |            |                             |            |
| Inpatient Surgery Cases                    | 60            | 50         | 19%                         | 57         | 15.4%        | 60         | 50                          | 19%        |
| Endoscopy Cases                            | 83            | 89         | -7%                         | 75         | -26.5%       | 83         | 89                          | -7%        |
| Same Day Surgery Cases                     | 102           | 119        | -14%                        | 143        | 9.7%         | 102        | 119                         | -14%       |
| <b>Total Surgery Cases</b>                 | <b>245</b>    | <b>258</b> | <b>-5%</b>                  | <b>275</b> | <b>-5.0%</b> | <b>245</b> | <b>258</b>                  | <b>-5%</b> |
| Total Surgery Minutes                      | 17,204        | 18,480     | -7%                         | 20,318     | -6.6%        | 17,204     | 18,480                      | -7%        |
| <b>Outpatient:</b>                         |               |            |                             |            |              |            |                             |            |
| Total Outpatient Visits (Hospital)         |               |            |                             |            |              |            |                             |            |
| Emergency Department Visits                | 1,236         | 968        | 28%                         | 1,033      | 7.3%         | 1,236      | 968                         | 28%        |
| Cardiac Rehab Visits                       | 99            | 58         | 70%                         | 50         | 80.0%        | 99         | 58                          | 70%        |
| Lab Visits                                 | 628           | 292        | 115%                        | 264        | 27.4%        | 628        | 292                         | 115%       |
| Lab Tests                                  | 10,226        | 9,940      | 3%                          | 10,083     |              | 10,226     | 9,940                       | 3%         |
| Radiology Visits                           | 860           | 23         | 3678%                       | 806        | -3.8%        | 860        | 815                         | 6%         |
| Radiology Tests                            | 2,376         | 2,371      | 0%                          | 2,330      |              | 2,376      | 2,371                       | 0%         |
| Sleep Study Visits                         | 29            | 23         | 27%                         | 34         | 52.6%        | 29         | 23                          | 27%        |
| <b>Physician Clinics:</b>                  |               |            |                             |            |              |            |                             |            |
| Hospitalists                               | 244           | 236        | 3%                          | 363        | 29.1%        | 244        | 236                         | 3%         |
| Bartlett Oncology Clinic                   | 96            | 86         | 12%                         | 81         | 4.3%         | 96         | 86                          | 12%        |
| Ophthalmology Clinic                       | 78            | 95         | -18%                        | 107        |              | 78         | 95                          | -18%       |
| Behavioral Health Outpatient visits        | 575           | 408        | 41%                         | 372        | -6.0%        | 575        | 408                         | 41%        |
| Bartlett Surgery Specialty Clinic visits   | 205           | 232        | -12%                        | 222        | -25.5%       | 205        | 232                         | -12%       |
|  | 1,198         | 1,056      | 13%                         | 1,145      | 2.5%         | 1,198      | 1,056                       | 13%        |
| <b>Other Operating Indicators:</b>         |               |            |                             |            |              |            |                             |            |
| Dietary Meals Served                       | 15,699        | 20,134     | -22%                        | 17,896     |              | 15,699     | 20,134                      | -22%       |
| Laundry Pounds (Per 100)                   | 398           | 381        | 4%                          | 376        |              | 398        | 381                         | 4%         |

**Bartlett Regional Hospital**  
**Dashboard Report for July 2021**

| Facility Utilization:                               | CURRENT MONTH |        |                             |            | YEAR TO DATE  |                  |                             |                             |
|---|---------------|--------|-----------------------------|------------|---------------|------------------|-----------------------------|-----------------------------|
|   | Actual        | Budget | % Over<br>(Under)<br>Budget | Prior Year | Actual        | Budget           | % Over<br>(Under)<br>Budget | Prior Year                  |
| <b>Financial Indicators:</b>                        |               |        |                             |            |               |                  |                             |                             |
| Revenue Per Adjusted Patient Day                    | 4,808         | 5,166  | -6.9%                       | 4,640      | 4,808         | 478              | 905.8%                      | 429                         |
| Contractual Allowance %                             | 36.0%         | 43.6%  | -17.4%                      | 52.4%      | 36.0%         | 43.6%            | -17.4%                      | 52.4%                       |
| Bad Debt & Charity Care %                           | 3.2%          | 1.3%   | 139.5%                      | -0.1%      | 3.2%          | 1.3%             | 139.5%                      | -0.1%                       |
| Wages as a % of Net Revenue                         | 45.7%         | 52.1%  | -12.2%                      | 57.4%      | 45.7%         | 52.1%            | -12.2%                      | 57.4%                       |
| Productive Staff Hours Per Adjusted Patient Day     | 24.6          | 25.0   | -1.5%                       | 22.4       | 24.6          | 2.3              | 964.0%                      | 2.1                         |
| Non-Productive Staff Hours Per Adjusted Patient Day | 3.8           | 3.8    | -0.7%                       | 3.5        | 3.8           | 0.4              | 973.6%                      | 0.3                         |
| Overtime/Premium % of Productive                    | 6.96%         | 3.16%  | 120.5%                      | 3.16%      | 6.96%         | 3.16%            | 120.5%                      | 3.16%                       |
| Days Cash on Hand                                   | 62            | 63     | -0.9%                       | 108        | 62            | 63               | -0.9%                       | 108                         |
| Board Designated Days Cash on Hand                  | 142           | 143    | -0.9%                       | 124        | 142           | 143              | -0.9%                       | 124                         |
| Days in Net Receivables                             | 49.8          | 50     | 0.0%                        | 77         | 49.8          | 50               | 0.0%                        | 77                          |
|   |               |        |                             |            | <b>Actual</b> | <b>Benchmark</b> | <b>% Over<br/>(Under)</b>   | <b>Prior Year<br/>Month</b> |
| Total debt-to-capitalization (with PERS)            |               |        |                             |            | 57.2%         | 33.7%            | 69.7%                       | 62.2%                       |
| Total debt-to-capitalization (without PERS)         |               |        |                             |            | 14.3%         | 33.7%            | -57.5%                      | 15.8%                       |
| Current Ratio                                       |               |        |                             |            | 7.65          | 2.00             | 282.7%                      | 6.76                        |
| Debt-to-Cash Flow (with PERS)                       |               |        |                             |            | 6.73          | 2.7              | 149.4%                      | 26.40                       |
| Debt-to-Cash Flow (without PERS)                    |               |        |                             |            | 1.69          | 2.7              | -37.5%                      | 6.69                        |
| Aged A/R 90 days & greater                          |               |        |                             |            | 42.0%         | 19.8%            | 112.1%                      | 43.1%                       |
| Bad Debt Write off                                  |               |        |                             |            | 1.0%          | 0.8%             | 25.0%                       | -0.4%                       |
| Cash Collections                                    |               |        |                             |            | 76.0%         | 99.4%            | -23.5%                      | 89.0%                       |
| Charity Care Write off                              |               |        |                             |            | 0.4%          | 1.4%             | -71.4%                      | 0.9%                        |
| Cost of Collections (Hospital only)                 |               |        |                             |            | 4.2%          | 2.8%             | 50.0%                       | 5.7%                        |
| Discharged not Final Billed (DNFB)                  |               |        |                             |            | 12.1%         | 4.7%             | 157.4%                      | 11.4%                       |
| Unbilled & Claims on Hold (DNSP)                    |               |        |                             |            | 12.1%         | 5.1%             | 137.3%                      | 11.4%                       |
| Claims final billed not submitted to payor (FBNS)   |               |        |                             |            | 0.0%          | 0.2%             | -100.0%                     | 0.00%                       |
| POS Cash Collection                                 |               |        |                             |            | 3.6%          | 21.3%            | -83.1%                      | 2.0%                        |

BARTLETT REGIONAL HOSPITAL  
STATEMENT OF REVENUES AND EXPENSES  
FOR THE MONTH AND YEAR TO DATE OF JULY 2021

| MONTH<br>ACTUAL          | MONTH<br>BUDGET | MO \$ VAR   | MTD % VAR | PR YR MO     |   | YTD ACTUAL   | YTD BUDGET   | YTD \$ VAR  | YTD % VAR | PRIOR YTD<br>ACT | PRIOR YTD<br>% CHG |
|--------------------------|-----------------|-------------|-----------|--------------|---|--------------|--------------|-------------|-----------|------------------|--------------------|
| Gross Patient Revenue:   |                 |             |           |              |   |              |              |             |           |                  |                    |
| \$4,061,506              | \$4,617,394     | -\$555,888  | -12.0%    | \$4,039,668  | 1. Inpatient Revenue                                    | \$4,061,506  | \$4,617,394  | -\$555,888  | -12.0%    | \$4,039,668      | 0.5%               |
| \$1,088,109              | \$1,018,705     | \$69,404    | 6.8%      | \$1,022,641  | 2. Inpatient Ancillary Revenue                          | \$1,088,109  | \$1,018,705  | \$69,404    | 6.8%      | \$1,022,641      | 6.4%               |
| \$5,149,615              | \$5,636,099     | -\$486,484  | -8.6%     | \$5,062,309  | 3. Total Inpatient Revenue                              | \$5,149,615  | \$5,636,099  | -\$486,484  | -8.6%     | \$5,062,309      | 1.7%               |
| \$10,954,397             | \$10,376,506    | \$577,891   | 5.6%      | \$10,677,407 | 4. Outpatient Revenue                                   | \$10,954,397 | \$10,376,506 | \$577,891   | 5.6%      | \$10,677,407     | 2.6%               |
| \$16,104,012             | \$16,012,605    | \$91,407    | 0.6%      | \$15,739,716 | 5. Total Patient Revenue - Hospital                     | \$16,104,012 | \$16,012,605 | \$91,407    | 0.6%      | \$15,739,716     | 2.3%               |
| \$277,165                | \$348,952       | -\$71,787   | -20.6%    | \$2,394      | 6. RRC Patient Revenue                                  | \$277,165    | \$348,952    | -\$71,787   | -20.6%    | \$2,394          | 11477.5%           |
| \$379,236                | \$274,960       | \$104,276   | 37.9%     | \$200,632    | 7. BHOPS Patient Revenue                                | \$379,236    | \$274,960    | \$104,276   | 37.9%     | \$200,632        | 89.0%              |
| \$887,205                | \$1,076,408     | -\$189,203  | -17.6%    | \$1,280,489  | 8. Physician Revenue                                    | \$887,205    | \$1,076,408  | -\$189,203  | -17.6%    | \$1,280,489      | -30.7%             |
| \$17,647,618             | \$17,712,925    | -\$65,307   | -0.4%     | \$17,223,231 | 9. Total Gross Patient Revenue                          | \$17,647,618 | \$17,712,925 | -\$65,307   | -0.4%     | \$17,223,231     | 2.5%               |
| Deductions from Revenue: |                 |             |           |              |   |              |              |             |           |                  |                    |
| \$2,843,309              | \$3,108,549     | \$265,240   | 8.5%      | \$3,914,564  | 10. Inpatient Contractual Allowance                     | \$2,843,309  | \$3,108,549  | \$265,240   | 8.5%      | \$3,914,564      | -27.4%             |
| -\$225,000               | -\$225,000      | \$0         |           | -\$308,333   | 10a. Rural Demonstration Project                        | -\$225,000   | -\$225,000   | \$0         |           | -\$308,333       |                    |
| \$3,209,053              | \$4,119,119     | \$910,066   | 22.1%     | \$4,601,383  | 11. Outpatient Contractual Allowance                    | \$3,209,053  | \$4,119,119  | \$910,066   | 22.1%     | \$4,601,383      | -30.3%             |
| \$532,233                | \$723,982       | \$191,749   | 26.5%     | \$814,862    | 12. Physician Service Contractual Allowance             | \$532,233    | \$723,982    | \$191,749   | 26.5%     | \$814,862        | -34.7%             |
| \$27,490                 | \$14,826        | -\$12,664   | -85.4%    | \$9,813      | 13. Other Deductions                                    | \$27,490     | \$14,826     | -\$12,664   | -85.4%    | \$9,813          | 0.0%               |
| \$68,924                 | \$132,264       | \$63,340    | 47.9%     | \$160,290    | 14. Charity Care  | \$68,924     | \$132,264    | \$63,340    | 47.9%     | \$160,290        | -57.0%             |
| \$494,245                | \$103,725       | -\$390,520  | -376.5%   | \$169,296    | 15. Bad Debt Expense                                    | \$494,245    | \$103,725    | -\$390,520  | -376.5%   | \$169,296        | -391.9%            |
| \$6,950,254              | \$7,977,465     | \$1,027,211 | 12.9%     | \$9,023,283  | 16. Total Deductions from Revenue                       | \$6,950,254  | \$7,977,465  | \$1,027,211 | 12.9%     | \$9,023,283      | -23.0%             |
| 36.0%                    | 44.9%           |             |           | 54.2%        | % Contractual Allowances / Total Gross Patient Revenue  | 36.0%        | 44.9%        |             |           | 52.4%            |                    |
| 3.2%                     | 1.3%            |             |           | -0.1%        | % Bad Debt & Charity Care / Total Gross Patient Revenue | 3.2%         | 1.3%         |             |           | -0.1%            |                    |
| 39.4%                    | 45.0%           |             |           | 52.4%        | % Total Deductions / Total Gross Patient Revenue        | 39.4%        | 45.0%        |             |           | 52.4%            |                    |
| \$10,697,364             | \$9,735,460     | \$961,904   | 9.9%      | \$8,199,948  | 17. Net Patient Revenue                                 | \$10,697,364 | \$9,735,460  | \$961,904   | 9.9%      | \$8,199,948      | 30.5%              |
| \$220,586                | \$850,634       | -\$630,048  | -74.1%    | \$1,639,066  | 18. Other Operating Revenue                             | \$220,586    | \$850,634    | -\$630,048  | -74.1%    | \$1,639,066      | -86.5%             |
| \$10,917,950             | \$10,586,094    | \$331,856   | 3.1%      | \$9,839,014  | 19. Total Operating Revenue                             | \$10,917,950 | \$10,586,094 | \$331,856   | 3.1%      | \$9,839,014      | 11.0%              |
| Expenses:                |                 |             |           |              |   |              |              |             |           |                  |                    |
| \$4,287,441              | \$4,649,583     | \$362,143   | 7.8%      | \$4,203,071  | 20. Salaries & Wages                                    | \$4,287,441  | \$4,649,583  | \$362,143   | 7.8%      | \$4,203,071      | 2.0%               |
| \$340,047                | \$317,591       | -\$22,456   | -7.1%     | \$302,600    | 21. Physician Wages                                     | \$340,047    | \$317,591    | -\$22,456   | -7.1%     | \$302,600        | 12.4%              |
| \$260,085                | \$101,315       | -\$158,770  | -156.7%   | \$201,211    | 22. Contract Labor                                      | \$260,085    | \$101,315    | -\$158,770  | -156.7%   | \$201,211        | 29.3%              |
| \$2,391,791              | \$2,388,660     | -\$3,131    | -0.1%     | \$2,106,813  | 23. Employee Benefits                                   | \$2,391,791  | \$2,388,660  | -\$3,131    | -0.1%     | \$2,106,813      | 13.5%              |
| \$7,279,364              | \$7,457,149     | \$177,786   | 2.4%      | \$6,813,695  |   | \$7,279,364  | \$7,457,149  | \$177,786   | 2.4%      | \$6,813,695      | 6.8%               |
| 66.7%                    | 70.4%           |             |           | 69.3%        | % Salaries and Benefits / Total Operating Revenue       | 66.7%        | 70.4%        |             |           | 69.3%            |                    |
| \$47,612                 | \$85,999        | \$38,387    | 44.6%     | \$95,411     | 24. Medical Professional Fees                           | \$47,612     | \$85,999     | \$38,387    | 44.6%     | \$95,411         | -50.1%             |
| \$370,966                | \$175,006       | -\$195,960  | -112.0%   | \$94,787     | 25. Physician Contracts                                 | \$370,966    | \$175,006    | -\$195,960  | -112.0%   | \$94,787         | 291.4%             |
| \$115,394                | \$246,956       | \$131,563   | 53.3%     | \$175,769    | 26. Non-Medical Professional Fees                       | \$115,394    | \$246,956    | \$131,563   | 53.3%     | \$175,769        | -34.3%             |
| \$1,436,187              | \$1,256,673     | -\$179,514  | -14.3%    | \$1,744,932  | 27. Materials & Supplies                                | \$1,436,187  | \$1,256,673  | -\$179,514  | -14.3%    | \$1,744,932      | -17.7%             |
| \$126,518                | \$132,415       | \$5,897     | 4.5%      | \$94,194     | 28. Utilities   | \$126,518    | \$132,415    | \$5,897     | 4.5%      | \$94,194         | 34.3%              |
| \$422,017                | \$383,891       | -\$38,126   | -9.9%     | \$417,332    | 29. Maintenance & Repairs                               | \$422,017    | \$383,891    | -\$38,126   | -9.9%     | \$417,332        | 1.1%               |
| \$51,930                 | \$38,825        | -\$13,105   | -33.8%    | \$59,691     | 30. Rentals & Leases                                    | \$51,930     | \$38,825     | -\$13,105   | -33.8%    | \$59,691         | -13.0%             |
| \$81,323                 | \$56,108        | -\$25,215   | -44.9%    | \$44,067     | 31. Insurance   | \$81,323     | \$56,108     | -\$25,215   | -44.9%    | \$44,067         | 84.5%              |
| \$610,049                | \$748,348       | \$138,299   | 18.5%     | \$671,009    | 32. Depreciation & Amortization                         | \$610,049    | \$748,348    | \$138,299   | 18.5%     | \$671,009        | -9.1%              |
| \$49,359                 | \$50,902        | \$1,543     | 3.0%      | \$51,122     | 33. Interest Expense                                    | \$49,359     | \$50,902     | \$1,543     | 3.0%      | \$51,122         | -3.4%              |
| \$126,611                | \$133,280       | \$6,669     | 5.0%      | \$163,677    | 34. Other Operating Expenses                            | \$126,611    | \$133,280    | \$6,669     | 5.0%      | \$163,677        | -22.6%             |
| \$10,717,330             | \$10,765,552    | \$48,224    | 0.4%      | \$10,425,686 | 35. Total Expenses                                      | \$10,717,330 | \$10,765,552 | \$48,224    | 0.4%      | \$10,425,686     | -2.8%              |
| \$200,620                | -\$179,458      | \$380,078   | -211.8%   | -\$586,672   | 36. Income (Loss) from Operations                       | \$200,620    | -\$179,458   | \$380,078   | -352.5%   | -\$586,672       | -134.2%            |
| \$100,378                | \$169,863       | -\$69,485   | -40.9%    | \$101,835    | 37. Non-Operating Revenue                               | \$100,378    | \$169,863    | -\$69,485   | -40.9%    | \$101,835        | -1.4%              |
| \$132,744                | \$77,067        | \$55,677    | 72.2%     | \$75,592     | 38. Interest Income                                     | \$132,744    | \$77,067     | \$55,677    | 72.2%     | \$75,592         | 75.6%              |
| \$233,122                | \$246,930       | -\$13,808   | -5.6%     | \$177,427    | 39. Total Non-Operating Revenue                         | \$233,122    | \$246,930    | -\$13,808   | -5.6%     | \$177,427        | 31.4%              |
| \$433,742                | \$67,472        | \$366,270   | -542.8%   | -\$409,245   | 40. Net Income (Loss)                                   | \$433,742    | \$67,472     | \$366,270   | -159.0%   | -\$409,245       | 206.0%             |
| 1.84%                    | -1.70%          |             |           | -5.96%       | Income from Operations Margin                           | 1.84%        | -0.75%       |             |           | -5.96%           |                    |
| 3.97%                    | 0.64%           |             |           | -4.16%       | Net Income  | 3.97%        | 1.58%        |             |           | -4.16%           |                    |

BARTLETT REGIONAL HOSPITAL  
BALANCE SHEET  
July 31, 2021

|  | <u>July-21</u> | <u>June-21</u> | <u>July-20</u> | <u>CHANGE<br/>FROM PRIOR<br/>FISCAL YEAR</u> |
|--|----------------|----------------|----------------|--|
| <b>ASSETS</b>                                      |                |                |                |  |
| Current Assets:                                    |                |                |                |  |
| 1. Cash and cash equivalents                       | 20,222,641     | 25,545,886     | 37,529,612     | (17,306,971)                                 |
| 2. Board designated cash                           | 34,296,146     | 33,769,366     | 34,189,116     | 107,031                                      |
| 3. Patient accounts receivable, net                | 17,050,534     | 14,506,692     | 13,534,186     | 3,516,348                                    |
| 4. Other receivables                               | 3,664,168      | 3,913,527      | (59,686)       | 3,723,854                                    |
| 5. Inventories                                     | 3,312,784      | 3,438,976      | 3,211,229      | 101,555                                      |
| 6. Prepaid Expenses                                | 3,134,789      | 1,757,985      | 2,814,779      | 320,010                                      |
| 7. Other assets                                    | 30,377         | 29,877         | 28,877         | 1,500  |
| 8. Total current assets                            | 81,711,439     | 82,962,309     | 91,248,113     | (9,536,673)                                  |
| Appropriated Cash:                                 |                |                |                |  |
| 9. CIP Appropriated Funding                        | 11,932,679     | 11,932,679     | 4,163,554      | 7,769,125                                    |
| Property, plant & equipment                        |                |                |                |  |
| 10. Land, bldgs & equipment                        | 149,599,849    | 149,516,701    | 144,506,668    | 5,093,180                                    |
| 11. Construction in progress                       | 8,767,880      | 8,684,975      | 6,215,934      | 2,551,946                                    |
| 12. Total property & equipment                     | 158,367,729    | 158,201,676    | 150,722,602    | 7,645,126                                    |
| 13. Less: accumulated depreciation                 | (102,194,394)  | (101,584,465)  | (94,712,281)   | (7,482,114)                                  |
| 14. Net property and equipment                     | 56,173,335     | 56,617,213     | 56,010,322     | 163,011                                      |
| 15. Deferred outflows/Contribution to Pension Plan | 12,403,681     | 12,403,681     | 12,403,681     | -  |
| 16. Total assets                                   | 162,221,134    | 163,915,879    | 163,825,667    | (1,604,537)                                  |
| <b>LIABILITIES &amp; FUND BALANCE</b>              |                |                |                |  |
| Current liabilities:                               |                |                |                |  |
| 17. Payroll liabilities                            | 997,915        | 3,186,973      | 807,457        | 190,458                                      |
| 18. Accrued employee benefits                      | 5,158,329      | 5,257,558      | 4,578,408      | 579,921                                      |
| 19. Accounts payable and accrued expenses          | 2,703,162      | 2,637,899      | 3,108,229      | (405,067)                                    |
| 20. Due to 3rd party payors                        | 99,234         | -              | 4,250,857      | (4,151,623)                                  |
| 21. Deferred revenue                               | 654,388        | 15,404         | 1,217,896      | (563,508)                                    |
| 22. Interest payable                               | (30,075)       | 315,297        | (1)            | (30,074)                                     |
| 23. Note payable - current portion                 | 910,000        | 910,000        | 870,000        | 40,000                                       |
| 24. Other payables                                 | 182,945        | 467,554        | 149,247        | 33,698                                       |
| 25. Total current liabilities                      | 10,675,898     | 12,790,685     | 14,982,093     | (4,306,195)                                  |
| Long-term Liabilities:                             |                |                |                |  |
| 26. Bonds payable                                  | 16,350,000     | 16,350,000     | 17,260,000     | (910,000)                                    |
| 27. Bonds payable - premium/discount               | 1,040,075      | 1,053,776      | 1,212,581      | (172,506)                                    |
| 28. Net Pension Liability                          | 64,954,569     | 64,954,569     | 64,954,569     | -  |
| 29. Deferred In-Flows                              | 4,318,200      | 4,318,200      | 4,318,200      | -  |
| 30. Total long-term liabilities                    | 86,662,844     | 86,676,545     | 87,745,350     | (1,082,506)                                  |
| 31. Total liabilities                              | 97,338,742     | 99,467,230     | 102,727,443    | (5,388,701)                                  |
| 32. Fund Balance                                   | 64,882,392     | 64,448,649     | 61,098,227     | 3,784,165                                    |
| 33. Total liabilities and fund balance             | 162,221,134    | 163,915,880    | 163,825,670    | (1,604,535)                                  |

Ordinance 2020-09(BE)  
Manager's Report

**An Ordinance Appropriating to the Manager the Sum of \$20,900,000 as Partial Funding for Bartlett Regional Hospital's Fiscal Year 2021 Operating Budget; Funding Provided by Various Sources.**

This ordinance would appropriate \$20,900,000 as partial funding for Bartlett Regional Hospital's (BRH) FY21 operations. BRH's operating costs increased substantially in FY21 due to the addition of a mental and behavioral health program, retention of staff for COVID-19 screening and triage, and elevated costs for personal protective equipment, oxygen, and medication. Additional unanticipated expenses included an upgrade to the hospital's HVAC system and the setup of a molecular lab.

This supplemental appropriation will be funded as follows:

|  |              |
|--|--------------|
| Federal Revenue - CARES Act Provider Relief Funds & Misc. Grants | \$ 7,100,000 |
| State Revenue - COVID-19 Response Funding                        | \$ 4,000,000 |
| Private Grant – Premera (for Behavioral Health Facility)         | \$ 1,000,000 |
| Private Grant – Alaska Community Foundation                      | \$ 900,000   |
| Additional Outpatient Revenue                                    | \$ 5,000,000 |
| Draw on Hospital Fund Balance                                    | \$ 2,900,000 |

The Bartlett Regional Hospital Finance Committee reviewed this request at the September 10, 2021 meeting. The Bartlett Regional Hospital Board will review this request at the September 28, 2021 meeting. The Assembly Finance Committee will review this request at the September 29, 2021 meeting.

**The Manager recommends this ordinance be introduced and set for public hearing at the next regular Assembly meeting.**



## RED LINED VERSION

### 0145 COMPENSATION/EXPENSES

1. Board members ~~shall not be~~may be compensated for services rendered in their capacities as board or board committee members as authorized in CBJ code or ordinance-  
~~However, nothing herein contained shall be construed to preclude any board member or committee member from receiving reimbursement for expenses incurred in serving the hospital as a board member.~~
2. A board member or committee member may be reimbursed for expenses incurred serving the hospital as a board member. Before any reimbursement for expenses is made, receipts of such expenses must be submitted to the Administrator.
3. The Board of Directors may maintain membership in any local, state or national group or association organized and operated for the promotion of the public health and welfare or the advancement of the efficiency of hospital administration and, in connection therewith, the hospital will pay dues and fees thereto. (CBJ 40.05.070)

## CLEAN VERSION

### 0145 COMPENSATION/EXPENSES

1. Board members may be compensated for services rendered in their capacities as board or board committee members as authorized in CBJ code or ordinance
2. A board member or committee member may be reimbursed for expenses incurred serving the hospital as a board member. Before any reimbursement for expenses is made, receipts of such expenses must be submitted to the Administrator.
3. The Board of Directors may maintain membership in any local, state or national group or association organized and operated for the promotion of the public health and welfare or the advancement of the efficiency of hospital administration and, in connection therewith, the hospital will pay dues and fees thereto. (CBJ 40.05.070)

# Bartlett Regional Hospital

3260 Hospital Drive, Juneau, Alaska 99801

907.796.8900

[www.bartletthospital.org](http://www.bartletthospital.org)

DATE: September 3, 2021  
TO: BRH Board of Directors  
FROM: Kevin Benson, Chief Financial Officer  
RE: Bond Motion

The following motion was passed at the July 27, 2021 Board of Director's meeting.

***MOTION by Ms. Johnston that the BRH Board request bond funding of up to \$15 Million to fund the planned Emergency Department renovation as well as the Crises Stabilization building project currently underway. We will use the funds set aside for these projects in the fund balance to fund the purchase of the Radiation Oncology property. Ms. Hagevig seconded.*** In response to Mr. Johnson's questions, Mr. Rogers stated that shifting funding should not cause delays in the construction of the Crisis Stabilization building and Mr. Benson stated the Oncology property cost is about \$7.5 Million dollars. ***There being no objections, MOTION approved.***

Cost estimates for Emergency Department remodel/expansion and ventilation upgrade have increased to just over \$11 million. An application has been submitted to the Alaska Municipal Bond Bank Association for boning in the amount of \$15 to \$20 million.

The question is "what is the desired amount to be bonded?" A \$20 million bond issue would fund \$10 million for each project ER and Crisis Stabilization. The attached power point shows the impact this financing would have had on the financial results of fiscal year 2020 on page 11. Net Income for the year would have decreased from \$7.9 million to 6.8 million. The interest rate is stated at 5% based on BRH's credit rating. The Alaska Bond Bank interest rates will be lower and I expect to have that number by the Board meeting.

| BRH Emergency Department Addition and Renovation |  |                      |               |
|--|--|----------------------|---------------|
| prepared 9/16/21, CBJ Engineering                |  |                      |               |
|  |  |                      |               |
|  |  | <b>Uses of Funds</b> | <b>Amount</b> |
|  |  | Construction         | 7,700,000     |
|  |  | Engineering          | 2,100,000     |
|  |  | Contingency          | 1,522,500     |
|  |  | Cost of Issuance     |               |
|  |  | Other: DSRF          |               |
|  |  |                      | 11,322,500    |

| <b>BOPS/Crisis Stabilization Center/Behavioral Health Facility</b> |                      |               |  |
|--|----------------------|---------------|--|
| prepared 9/16/21, CBJ Engineering                                  |                      |               |  |
|  |                      |               |  |
|  | <b>Uses of Funds</b> | <b>Amount</b> |  |
|  | Construction         | 11,020,868    |  |
|  | Engineering          | 2,050,005     |  |
|  | Contingency          | 679,127       |  |
|  | Cost of Issuance     |               |  |
|  | Other: DSRF          |               |  |
|  |                      | 13,750,000    |  |

# MEMORANDUM



**DATE:** September 23, 2021  
**TO:** Assembly Finance Committee  
**FROM:** Jeff Rogers, Finance Director  
**SUBJECT:** 2021 Hospital Revenue Bond

155 South Seward  
Juneau, AK 99801  
Phone: (907) 586-5215  
Fax: (907) 586-0358

As part of its campus development efforts, the Bartlett Regional Hospital (BRH) Board is contemplating debt issuance. The consideration of new debt commenced as a potential method of funding building purchases as part of a campus expansion effort. Specifically, BRH considered funding a potential purchase of a medical facility with a lease back option. However, because BRH would have leased that building back to a private for-profit entity, that building purchase would not have been eligible for tax-exempt debt financing, which would have resulted in higher interest costs. As a potential alternative, the CBJ Finance Department recommended that BRH consider using fund balance for such a purchase and instead seek tax-exempt financing for other eligible campus improvements.

BRH agreed to proceed with approach, and it is now seeking tax-exempt debt financing for the following:

- Emergency Department Addition and Renovation
  - Total project cost: \$11,322,500
  - Amount to be financed: \$10,000,000
  - Funds from other sources: \$1,322,500
- BOPS/Crisis Stabilization Center/Behavior Health Facility
  - Total project cost: \$13,750,000
  - Amount to be financed: \$10,000,000
  - Funds from other sources: \$3,750,000

Hence, BRH is contemplating the issuance of up to \$20,000,000 of debt that would qualify for tax-exempt bonds. This would be a revenue bond which pledges only hospital revenue as the source of repayment. It would not be a general obligation debt, and it would not implicate CBJ general revenues. As such, this bond does not require a public vote. The CBJ Finance Department has engaged with PFM Financial and has determined that a bond issued through the Alaska Municipal Bond Bank Authority (AMBBA) would result in lower interest costs and lower overall cost over the life of the debt.

Timeline of next steps:

1. BRH Board of Directors formally approves the \$20 million debt issuance
2. CBJ applies to the AMBBA for revenue debt issuance
3. AMBBA considers and approves CBJ's application
4. Ordinance authorizing revenue bond is introduced and adopted after public hearing
5. Resolution on bond interest rate is adopted
6. Bond is issued through the AMBBA in the public market, and closes thereafter

## Recommendation

I recommend that the Assembly Finance Committee direct staff to make application to the AMBBA and draft and introduce a bond ordinance for \$20 million of revenue debt, after the BRH Board of Directors has formally approved the debt issuance.



# Bartlett Regional Hospital

## Preliminary Credit Review

**Prepared For:**  
**City and Borough of Juneau**

August 10, 2021

---



## Observations and Questions

- Bartlett is “an enterprise fund of the City and Bureau of Juneau.”
- Bartlett financials follow GASB, not FASB.
- Transfers in from “CBJ Tax Assessments” represent the Hospital’s portion of Juneau Tobacco and Liquor tax revenues. Considered intergovernmental transfers. Included in non operating revenue for the analysis.
  - It raises the question whether this, or other governmental revenues would stay with the hospital if it was a standalone credit.
- In addition to approximately 69MM in unrestricted cash and investments in the “central treasury” Bartlett has about 4.7MM in capital restricted for capital projects. This was included in our days cash calculation (assuming it could be repurposed if critical)
- In 2020 the Hospital received 2.7MM in additional reimbursement from participation in the Medicare Community Hospital Demonstration Project. It is uncertain whether this will continue, post 2020.
- 2020 non operating revenue increased due to COVID funding. At the same time, the transfers in from the government declined.
- Market Landscape and Financial Management scorecard inputs were arbitrarily chosen. Need input on conditions in Juneau.
- With the assumptions used, preliminary scorecard results indicate Baa1 (current) or Baa2 (proforma).



# Credit Snapshot/Scorecard - Current



## Key Financial Ratios - Current

|  | 2016 Audit        | 2017 Audit         | 2018 Audit        | 2019 Audit         | 2020 Audit         |
|--|-------------------|--------------------|-------------------|--------------------|--------------------|
| <b>(\$000s)</b>                                |                   |                    |                   |                    |                    |
| <b>Bartlett Regional Hospital</b>              |                   |                    |                   |                    |                    |
| Total Revenue                                  | 90,614,771        | 98,491,549         | 99,849,855        | 102,492,573        | 103,728,741        |
| Total Expenses (excl IDA)                      | 88,655,685        | 100,736,278        | 92,452,145        | 96,469,202         | 98,232,105         |
| Depreciation <sup>3</sup> and amortization     | 7,211,054         | 7,359,594          | 7,422,119         | 7,196,120          | 7,185,319          |
| Interest expense <sup>4</sup>                  | 676,314           | 666,110            | 653,430           | 638,466            | 622,780            |
| Excess of revenues over expenses               | (3,306,855)       | (7,945,565)        | 1,926,554         | 4,179,168          | 7,997,372          |
| Net Property and Equipment                     | 66,439,920        | 61,056,234         | 55,474,659        | 52,645,135         | 56,264,660         |
| Current portion of long-term debt              | 979,991           | 999,138            | 1,018,932         | 1,031,143          | 1,049,325          |
| Line of Credit                                 |                   |                    |                   |                    |                    |
| Obligations under capital lease                | -                 | -                  | -                 | -                  | -                  |
| Long-term debt, less current portion           | 22,398,063        | 21,397,949         | 20,384,118        | 19,354,795         | 18,308,093         |
| Cash and cash equivalents                      | 37,637,807        | 42,261,609         | 68,679,495        | 69,007,166         | 69,529,955         |
| Investments                                    | 10,000,000        | 14,563,089         | 1,178,300         | 4,678,117          | 4,163,554          |
| Unrestricted net assets                        | 12,603,112        | 4,497,177          | 12,339,668        | 14,809,217         | 18,673,107         |
| Total debt                                     | 23,378,054        | 22,397,087         | 21,403,050        | 20,385,938         | 19,357,418         |
| Total Capital (Debt + Unrestricted Net Assets) | 35,981,166        | 26,894,264         | 33,742,718        | 35,195,155         | 38,030,525         |
| <b>Market Position</b>                         |                   |                    |                   |                    |                    |
| <b>Total Operating Revenue</b>                 | <b>90,614,771</b> | <b>98,491,549</b>  | <b>99,849,855</b> | <b>102,492,573</b> | <b>103,728,741</b> |
| <b>Operating Performance</b>                   |                   |                    |                   |                    |                    |
| <b>Operating Margin</b>                        | <b>-6.5%</b>      | <b>-10.4%</b>      | <b>-0.7%</b>      | <b>-1.8%</b>       | <b>-2.2%</b>       |
| <b>Operating Cash Flow Margin</b>              | <b>2.2%</b>       | <b>-2.3%</b>       | <b>7.4%</b>       | <b>5.9%</b>        | <b>5.3%</b>        |
| <b>Debt to Cash Flow</b>                       | <b>5.1</b>        | <b>279.5</b>       | <b>2.1</b>        | <b>1.7</b>         | <b>1.2</b>         |
| <b>Balance Sheet</b>                           |                   |                    |                   |                    |                    |
| <b>Days Cash on Hand</b>                       | <b>194.6</b>      | <b>204.5</b>       | <b>273.9</b>      | <b>277.0</b>       | <b>272.1</b>       |
| <b>Cash to Direct Debt</b>                     | <b>203.8%</b>     | <b>253.7%</b>      | <b>326.4%</b>     | <b>361.5%</b>      | <b>380.7%</b>      |
| <b>Debt to Capitalization</b>                  | <b>65.0%</b>      | <b>83.3%</b>       | <b>63.4%</b>      | <b>57.9%</b>       | <b>50.9%</b>       |
| <b>Coverage</b>                                |                   |                    |                   |                    |                    |
| <b>MADS</b>                                    | <b>3,334,375</b>  | <b>3,334,375</b>   | <b>3,334,375</b>  | <b>3,334,375</b>   | <b>3,334,375</b>   |
| <b>Operating EBITDA</b>                        | <b>1,959,086</b>  | <b>(2,244,729)</b> | <b>7,397,710</b>  | <b>6,023,371</b>   | <b>5,496,636</b>   |
| <b>Total EBITDA</b>                            | <b>4,580,513</b>  | <b>80,139</b>      | <b>10,002,103</b> | <b>12,013,754</b>  | <b>15,805,471</b>  |
| <b>Operating EBITDA/MADS</b>                   | <b>0.6</b>        | <b>(0.7)</b>       | <b>2.2</b>        | <b>1.8</b>         | <b>1.6</b>         |
| <b>Total EBITDA/MADS</b>                       | <b>1.4</b>        | <b>0.0</b>         | <b>3.0</b>        | <b>3.6</b>         | <b>4.7</b>         |





## Preliminary Moody's Scorecard Results - Current

| Category                            | Score       | Weight |
|-------------------------------------|-------------|--------|
| Market Position                     | 12.35       | 45.00% |
| Operating Performance and Liquidity | 6.21        | 35.00% |
| Leverage                            | 1.47        | 20.00% |
| <b>Total Score</b>                  | <b>8.03</b> |        |
| <b>Indicated Rating</b>             | <b>Baa1</b> |        |

| Score Table                         | Score | Weight |
|-------------------------------------|-------|--------|
| Market Position                     | 12.35 | 45.00% |
| Operating Performance and Liquidity | 6.21  | 35.00% |
| Leverage                            | 1.47  | 20.00% |

| Market Position                       |              |
|---------------------------------------|--------------|
| <b>Score</b>                          | <b>12.35</b> |
| Operating Revenue                     | 103,728,741  |
| Three-year Operating Revenue CAGR (%) | 1.74%        |
| Market Landscape                      | A            |

| Operating Performance and Liquidity             |             |
|---|-------------|
| <b>Score</b>                                    | <b>6.21</b> |
| Operating Cash Flow Margin                      | 5.30%       |
| Gross Revenue as Combined Medicare and Medicaid | 59.00%      |
| Cash on Hand (days)                             | 272         |
| Financial Management and Reinvestment           | A           |

| Leverage  |             |
|---|-------------|
| <b>Score</b>                                    | <b>1.47</b> |
| Unrestricted Cash and Investments to Total Debt | 380.70%     |
| Total Debt to Cash Flow                         | 1.2         |

| Scorecard Outcome | Lower Range | Upper Range |
|-------------------|-------------|-------------|
| Aaa               |             | 1.50        |
| Aa1               | 1.50        | 2.50        |
| Aa2               | 2.50        | 3.50        |
| Aa3               | 3.50        | 4.50        |
| A1                | 4.50        | 5.50        |
| A2                | 5.50        | 6.50        |
| A3                | 6.50        | 7.50        |
| Baa1              | 7.50        | 8.50        |
| Baa2              | 8.50        | 9.50        |
| Baa3              | 9.50        | 10.50       |
| Ba1               | 10.50       | 11.50       |
| Ba2               | 11.50       | 12.50       |
| Ba3               | 12.50       | 13.50       |
| B1                | 13.50       | 14.50       |
| B2                | 14.50       | 15.50       |
| B3                | 15.50       | 16.50       |
| Caa1              | 16.50       | 17.50       |
| Caa2              | 17.50       | 18.50       |
| Caa3              | 18.50       | 19.50       |
| Ca                | 19.50       |             |



## Preliminary Moody's Scorecard Details - Current

| Market Position                       |        |              |                            |                         |                       |                       |                      |                     |                |
|---------------------------------------|--------|--------------|----------------------------|-------------------------|-----------------------|-----------------------|----------------------|---------------------|----------------|
| Sub-Factors                           | Weight | Aaa          | Aa                         | A                       | Baa                   | Ba                    | B                    | Caa                 | C and Below    |
| Scope of Operation (\$000)            | 25.00% | ≥ 10,000,000 | 10,000,000 > n ≥ 1,500,000 | 1,500,000 > n ≥ 500,000 | 500,000 > n ≥ 250,000 | 250,000 > n ≥ 150,000 | 150,000 > n ≥ 80,000 | 80,000 > n ≥ 40,000 | < 40,000       |
| Three-year Operating Revenue CAGR (%) | 10.00% | ≥ 14         | 14 > n ≥ 8                 | 8 > n ≥ 4               | 4 > n ≥ 2             | 2.0 > n ≥ .0          | .0 > n ≥ -1.5        | -1.5 > n ≥ -3.0     | < -3.0         |
| Market Landscape                      | 10.00% | Exceptional  | Excellent                  | Very Good               | Good                  | Fair                  | Poor                 | Very Poor           | Extremely Poor |

| Operating Performance and Liquidity                 |        |             |               |               |              |             |             |             |                |
|---|--------|-------------|---------------|---------------|--------------|-------------|-------------|-------------|----------------|
| Sub - Factors                                       | Weight | Aaa         | Aa            | A             | Baa          | Ba          | B           | Caa         | C and Below    |
| Operating Cash Flow Margin (%)                      | 10%    | ≥ 18        | 18 > n ≥ 12   | 12 > n ≥ 8    | 8 > n ≥ 5    | 5 > n ≥ 2   | 2 > n ≥ -1  | -1 > n ≥ -3 | < -3           |
| Gross Revenue of combined Medicare and Medicaid (%) | 10%    | ≤ 35        | 35 < n ≤ 47   | 47 < n ≤ 59   | 59 < n ≤ 67  | 67 < n ≤ 76 | 76 < n ≤ 83 | 83 < n ≤ 93 | > 93           |
| Cash on Hand (days)                                 | 10%    | ≥ 400       | 400 > n ≥ 250 | 250 > n ≥ 150 | 150 > n ≥ 80 | 80 > n ≥ 55 | 55 > n ≥ 40 | 40 > n ≥ 20 | < 20           |
| Financial Management and Reinvestment               | 5%     | Exceptional | Excellent     | Very Good     | Good         | Fair        | Poor        | Very Poor   | Extremely Poor |

| Leverage   |        |       |               |               |              |               |             |              |             |
|--|--------|-------|---------------|---------------|--------------|---------------|-------------|--------------|-------------|
| Sub-Factors  | Weight | Aaa   | Aa            | A             | Baa          | Ba            | B           | Caa          | C and Below |
| Unrestricted Cash and Investment to Total Debt (%) | 10%    | ≥ 300 | 300 > n ≥ 180 | 180 > n ≥ 100 | 100 > n ≥ 65 | 65 > n ≥ 30   | 30 > n ≥ 9  | 9 > n ≥ 6    | < 6         |
| Total Debt to Cash Flow (x)                        | 10%    | ≤ 1   | 1 < n ≤ 2.5   | 2.5 < n ≤ 4   | 4 < n ≤ 5.5  | 5.5 < n ≤ 7.5 | 7.5 < n ≤ 9 | 9 < n ≤ 10.5 | > 10.5      |

| Financial History  |  | 2020        | 2019        | 2018        | 2017         |
|--|--|-------------|-------------|-------------|--------------|
|  |  | Currently   | 1 Year Ago  | 2 Years Ago | 3 Years Ago  |
| Operating Revenues   |  | 103,728,741 | 102,492,573 | 99,849,855  | 98,491,549   |
| Gross Revenue  |  | 114,037,576 | 108,482,956 | 102,454,248 | 100,816,417  |
| Operating Expenses   |  | 106,040,204 | 104,303,788 | 100,527,694 | 108,761,982  |
| Operating Income   |  | (2,311,463) | (1,811,215) | (677,839)   | (10,270,433) |
| Depreciation   |  | 7,185,319   | 7,196,120   | 7,422,119   | 7,359,594    |
| Amortization   |  | 0           | 0           | 0           | 0            |
| Other non - cash expense   |  | 0           | 0           | 0           | 0            |
| Interest   |  | 622,780     | 638,466     | 653,430     | 666,110      |
| Revenue derived from Medicare, Medicare managed care, Medicaid and Medicaid managed care |  | 67,282,170  |             |             |              |
| Unrestricted cash and investment   |  | 73,693,509  | 73,685,283  | 69,857,795  | 56,824,698   |
| Total Debt   |  | 19,357,418  | 20,385,938  | 21,403,050  | 22,397,087   |
| Net Income   |  | 7,997,372   | 4,179,168   | 1,926,554   | (7,945,565)  |



# Credit Snapshot/Scorecard - Proforma



## Proforma Assumptions

- Assumes \$20 million project.
- \$20 million added to PP&E.
- \$20 million added to Debt.
- Depreciation expense added – assume 20 year, straight line.
- Interest expense increased – assumed 5% interest rate on total new debt.
- Debt payments assume 30 year, level payments. Payment added to MADS for coverage calculation.
- 40% of new debt service added to other operating revenue.

|                     |             |
|---------------------|-------------|
| Project Cost        | 20,000,000  |
| New Debt            | 20,000,000  |
| Interest Rate       | 5.0%        |
| Tenor (years)       | 30          |
| Interest Expense    | 1,000,000   |
| Annual Payment      | \$1,301,029 |
| Annual Depreciation | 666,667     |
| Additional Revenue  | \$520,411   |



## Key Financial Ratios – Proforma

| (\$000s)                                       | 2016 Audit        | 2017 Audit         | 2018 Audit        | 2019 Audit         | 2020 Audit         |
|--|-------------------|--------------------|-------------------|--------------------|--------------------|
| <b>Bartlett Regional Hospital</b>              |                   |                    |                   |                    |                    |
| Total Revenue                                  | 90,614,771        | 98,491,549         | 99,849,855        | 102,492,573        | 104,249,152        |
| Total Expenses (excl IDA)                      | 88,655,685        | 100,736,278        | 92,452,145        | 96,469,202         | 98,232,105         |
| Depreciation <sup>3</sup> and amortization     | 7,211,054         | 7,359,594          | 7,422,119         | 7,196,120          | 7,851,986          |
| Interest expense <sup>4</sup>                  | 676,314           | 666,110            | 653,430           | 638,466            | 1,622,780          |
| Excess of revenues over expenses               | (3,306,855)       | (7,945,565)        | 1,926,554         | 4,179,168          | 6,851,117          |
| Net Property and Equipment                     | 66,439,920        | 61,056,234         | 55,474,659        | 52,645,135         | 76,264,660         |
| Current portion of long-term debt              | 979,991           | 999,138            | 1,018,932         | 1,031,143          | 1,049,325          |
| Line of Credit                                 |                   |                    |                   |                    |                    |
| Obligations under capital lease                | -                 | -                  | -                 | -                  | -                  |
| Long-term debt, less current portion           | 22,398,063        | 21,397,949         | 20,384,118        | 19,354,795         | 38,308,093         |
| Cash and cash equivalents                      | 37,637,807        | 42,261,609         | 68,679,495        | 69,007,166         | 69,529,955         |
| Investments                                    | 10,000,000        | 14,563,089         | 1,178,300         | 4,678,117          | 4,163,554          |
| Unrestricted net assets                        | 12,603,112        | 4,497,177          | 12,339,668        | 14,809,217         | 18,673,107         |
| Total debt                                     | 23,378,054        | 22,397,087         | 21,403,050        | 20,385,938         | 39,357,418         |
| Total Capital (Debt + Unrestricted Net Assets) | 35,981,166        | 26,894,264         | 33,742,718        | 35,195,155         | 58,030,525         |
| <b>Market Position</b>                         |                   |                    |                   |                    |                    |
| <b>Total Operating Revenue</b>                 | <b>90,614,771</b> | <b>98,491,549</b>  | <b>99,849,855</b> | <b>102,492,573</b> | <b>104,249,152</b> |
| <b>Operating Performance</b>                   |                   |                    |                   |                    |                    |
| <b>Operating Margin</b>                        | <b>-6.5%</b>      | <b>-10.4%</b>      | <b>-0.7%</b>      | <b>-1.8%</b>       | <b>-3.3%</b>       |
| <b>Operating Cash Flow Margin</b>              | <b>2.2%</b>       | <b>-2.3%</b>       | <b>7.4%</b>       | <b>5.9%</b>        | <b>5.8%</b>        |
| <b>Debt to Cash Flow</b>                       | <b>5.1</b>        | <b>279.5</b>       | <b>2.1</b>        | <b>1.7</b>         | <b>2.4</b>         |
| <b>Balance Sheet</b>                           |                   |                    |                   |                    |                    |
| <b>Days Cash on Hand</b>                       | <b>194.6</b>      | <b>204.5</b>       | <b>273.9</b>      | <b>277.0</b>       | <b>269.4</b>       |
| <b>Cash to Direct Debt</b>                     | <b>203.8%</b>     | <b>253.7%</b>      | <b>326.4%</b>     | <b>361.5%</b>      | <b>187.2%</b>      |
| <b>Debt to Capitalization</b>                  | <b>65.0%</b>      | <b>83.3%</b>       | <b>63.4%</b>      | <b>57.9%</b>       | <b>67.8%</b>       |
| <b>Coverage</b>                                |                   |                    |                   |                    |                    |
| <b>MADS</b>                                    | <b>4,635,404</b>  | <b>4,635,404</b>   | <b>4,635,404</b>  | <b>4,635,404</b>   | <b>4,635,404</b>   |
| <b>Operating EBITDA</b>                        | <b>1,959,086</b>  | <b>(2,244,729)</b> | <b>7,397,710</b>  | <b>6,023,371</b>   | <b>6,017,047</b>   |
| <b>Total EBITDA</b>                            | <b>4,580,513</b>  | <b>80,139</b>      | <b>10,002,103</b> | <b>12,013,754</b>  | <b>16,325,882</b>  |
| <b>Operating EBITDA/MADS</b>                   | <b>0.4</b>        | <b>(0.5)</b>       | <b>1.6</b>        | <b>1.3</b>         | <b>1.3</b>         |
| <b>Total EBITDA/MADS</b>                       | <b>1.0</b>        | <b>0.0</b>         | <b>2.2</b>        | <b>2.6</b>         | <b>3.5</b>         |



## Preliminary Moody's Scorecard Results – Proforma

| Category                            | Score       | Weight |
|-------------------------------------|-------------|--------|
| Market Position                     | 12.29       | 45.00% |
| Operating Performance and Liquidity | 6.09        | 35.00% |
| Leverage                            | 4.32        | 20.00% |
| Total Score                         | 8.53        |        |
| Indicated Rating                    | <b>Baa2</b> |        |

| Score Table                         | Score | Weight |
|-------------------------------------|-------|--------|
| Market Position                     | 12.29 | 45.00% |
| Operating Performance and Liquidity | 6.09  | 35.00% |
| Leverage                            | 4.32  | 20.00% |

| Market Position                       |              |
|---------------------------------------|--------------|
| Score                                 | <b>12.29</b> |
| Operating Revenue                     | 104,249,152  |
| Three-year Operating Revenue CAGR (%) | 1.91%        |
| Market Landscape                      | <b>A</b>     |

| Operating Performance and Liquidity             |             |
|---|-------------|
| Score   | <b>6.09</b> |
| Operating Cash Flow Margin                      | 5.77%       |
| Gross Revenue as Combined Medicare and Medicaid | 59.00%      |
| Cash on Hand (days)                             | 269         |
| Financial Management and Reinvestment           | <b>A</b>    |

| Leverage  |             |
|---|-------------|
| Score   | <b>4.32</b> |
| Unrestricted Cash and Investments to Total Debt | 187.24%     |
| Total Debt to Cash Flow                         | 2.4         |

| Scorecard Outcome | Lower Range | Upper Range |
|-------------------|-------------|-------------|
| <b>Aaa</b>        |             | 1.50        |
| <b>Aa1</b>        | 1.50        | 2.50        |
| <b>Aa2</b>        | 2.50        | 3.50        |
| <b>Aa3</b>        | 3.50        | 4.50        |
| <b>A1</b>         | 4.50        | 5.50        |
| <b>A2</b>         | 5.50        | 6.50        |
| <b>A3</b>         | 6.50        | 7.50        |
| <b>Baa1</b>       | 7.50        | 8.50        |
| <b>Baa2</b>       | 8.50        | 9.50        |
| <b>Baa3</b>       | 9.50        | 10.50       |
| <b>Ba1</b>        | 10.50       | 11.50       |
| <b>Ba2</b>        | 11.50       | 12.50       |
| <b>Ba3</b>        | 12.50       | 13.50       |
| <b>B1</b>         | 13.50       | 14.50       |
| <b>B2</b>         | 14.50       | 15.50       |
| <b>B3</b>         | 15.50       | 16.50       |
| <b>Caa1</b>       | 16.50       | 17.50       |
| <b>Caa2</b>       | 17.50       | 18.50       |
| <b>Caa3</b>       | 18.50       | 19.50       |
| <b>Ca</b>         | 19.50       |             |



## Preliminary Moody's Scorecard Details - Proforma

| Market Position                       |        |              |                            |                         |                       |                       |                      |                     |                |
|---------------------------------------|--------|--------------|----------------------------|-------------------------|-----------------------|-----------------------|----------------------|---------------------|----------------|
| Sub-Factors                           | Weight | Aaa          | Aa                         | A                       | Baa                   | Ba                    | B                    | Caa                 | C and Below    |
| Scope of Operation (\$000)            | 25.00% | ≥ 10,000,000 | 10,000,000 > n ≥ 1,500,000 | 1,500,000 > n ≥ 500,000 | 500,000 > n ≥ 250,000 | 250,000 > n ≥ 150,000 | 150,000 > n ≥ 80,000 | 80,000 > n ≥ 40,000 | < 40,000       |
| Three-year Operating Revenue CAGR (%) | 10.00% | ≥ 14         | 14 > n ≥ 8                 | 8 > n ≥ 4               | 4 > n ≥ 2             | 2.0 > n ≥ .0          | .0 > n ≥ -1.5        | -1.5 > n ≥ -3.0     | < -3.0         |
| Market Landscape                      | 10.00% | Exceptional  | Excellent                  | Very Good               | Good                  | Fair                  | Poor                 | Very Poor           | Extremely Poor |

| Operating Performance and Liquidity                 |        |             |               |               |              |             |             |             |                |
|---|--------|-------------|---------------|---------------|--------------|-------------|-------------|-------------|----------------|
| Sub - Factors                                       | Weight | Aaa         | Aa            | A             | Baa          | Ba          | B           | Caa         | C and Below    |
| Operating Cash Flow Margin (%)                      | 10%    | ≥ 18        | 18 > n ≥ 12   | 12 > n ≥ 8    | 8 > n ≥ 5    | 5 > n ≥ 2   | 2 > n ≥ -1  | -1 > n ≥ -3 | < -3           |
| Gross Revenue of combined Medicare and Medicaid (%) | 10%    | ≤ 35        | 35 < n ≤ 47   | 47 < n ≤ 59   | 59 < n ≤ 67  | 67 < n ≤ 76 | 76 < n ≤ 83 | 83 < n ≤ 93 | > 93           |
| Cash on Hand (days)                                 | 10%    | ≥ 400       | 400 > n ≥ 250 | 250 > n ≥ 150 | 150 > n ≥ 80 | 80 > n ≥ 55 | 55 > n ≥ 40 | 40 > n ≥ 20 | < 20           |
| Financial Management and Reinvestment               | 5%     | Exceptional | Excellent     | Very Good     | Good         | Fair        | Poor        | Very Poor   | Extremely Poor |

| Leverage   |        |       |               |               |              |               |             |              |             |
|--|--------|-------|---------------|---------------|--------------|---------------|-------------|--------------|-------------|
| Sub-Factors  | Weight | Aaa   | Aa            | A             | Baa          | Ba            | B           | Caa          | C and Below |
| Unrestricted Cash and Investment to Total Debt (%) | 10%    | ≥ 300 | 300 > n ≥ 180 | 180 > n ≥ 100 | 100 > n ≥ 65 | 65 > n ≥ 30   | 30 > n ≥ 9  | 9 > n ≥ 6    | < 6         |
| Total Debt to Cash Flow (x)                        | 10%    | ≤ 1   | 1 < n ≤ 2.5   | 2.5 < n ≤ 4   | 4 < n ≤ 5.5  | 5.5 < n ≤ 7.5 | 7.5 < n ≤ 9 | 9 < n ≤ 10.5 | > 10.5      |

| Financial History  | 2020        | 2019        | 2018        | 2017         |
|--|-------------|-------------|-------------|--------------|
|  | Currently   | 1 Year Ago  | 2 Years Ago | 3 Years Ago  |
| Operating Revenues   | 104,249,152 | 102,492,573 | 99,849,855  | 98,491,549   |
| Gross Revenue  | 114,557,987 | 108,482,956 | 102,454,248 | 100,816,417  |
| Operating Expenses   | 107,706,871 | 104,303,788 | 100,527,694 | 108,761,982  |
| Operating Income   | (3,457,718) | (1,811,215) | (677,839)   | (10,270,433) |
| Depreciation   | 7,851,986   | 7,196,120   | 7,422,119   | 7,359,594    |
| Amortization   | 0           | 0           | 0           | 0            |
| Other non - cash expense   | 0           | 0           | 0           | 0            |
| Interest   | 1,622,780   | 638,466     | 653,430     | 666,110      |
| Revenue derived from Medicare, Medicare managed care, Medicaid and Medicaid managed care | 67,589,213  |             |             |              |
| Unrestricted cash and investment   | 73,693,509  | 73,685,283  | 69,857,795  | 56,824,698   |
| Total Debt   | 39,357,418  | 20,385,938  | 21,403,050  | 22,397,087   |
| Net Income   | 6,851,117   | 4,179,168   | 1,926,554   | (7,945,565)  |

## **CITY AND BOROUGH OF JUNEAU**

### **BARTLETT REGIONAL HOSPITAL AND ASSEMBLY JOINT COMMITTEE**

#### **Bartlett Regional Hospital and Assembly Joint Committee**

There is created within the City and Borough of Juneau a six member joint committee of Bartlett Regional Hospital and the Assembly. The committee is composed of three Assembly members and three members of the Bartlett Regional Hospital Board. The proposed members of the Assembly are Mayor Beth Weldon, Alicia Hughes-Skandijs, and Christine Woll. The proposed members of the Bartlett Regional Hospital Board are Kenny Solomon-Gross, Deb Johnston, and Lance Stevens.

Ms. Hughes-Skandijs shall serve as Chair. Mr. Kenny Solomon-Gross will serve as Vice Chair.

#### **Purpose**

The purpose of the committee shall be to accomplish the following tasks:

- Evaluate Bartlett Regional Hospital's ability to consider and acquire real property
- Discuss Bartlett Regional Hospital campus planning, business plan, projected community service needs, and facility needs
- Keep the Assembly informed and updated on BRH's efforts to partner or affiliate with other hospitals and health care providers.

#### **Timeline**

The members shall serve until completion of their tasks. The committee shall expire on June 30, 2022 unless this date is extended. The joint committee shall report to the Assembly Committee of the Whole as scheduled by the Deputy Mayor.

#### **Meetings, Officers, Records, Quorum, Staff Support**

The committee shall determine its meeting schedule according to its workload and at the call of the chair. All meetings shall be open to the public and advertised through the Municipal Clerk's office.

A majority of the committee members shall constitute a quorum for the transaction of its business. The committee shall follow the procedures used by the Assembly for transaction of its business, as interpreted by the City Attorney as necessary. The committee shall keep a record of its meetings, transaction, finding, determinations and written public comments received, which shall be filed with the Municipal Clerk and be open to public inspection at reasonable times.

BRH will provide staff support and assistance to schedule and organize the task force as appropriate and as time and priority allows. The City Manager shall participate and advise on possible code amendments and other Assembly process or technical issues.

Dated: September 9, 2021



---

Beth A. Weldon, Mayor

City and Borough of Juneau



# Bartlett Regional Hospital

3260 Hospital Drive, Juneau, Alaska 99801 907.796.8900 [www.bartletthospital.org](http://www.bartletthospital.org)

Planning Committee Meeting Minutes  
September 3, 2021 – 12:00 p.m.  
Bartlett Regional Hospital Zoom Videoconference

**Called to order at 12:01 p.m., by Planning Committee Chair, Lance Stevens.**

**Planning Committee\* and Board Members:** Lance Stevens\*, Hal Geiger\*, Iola Young\*, Rosemary Hagevig, Kenny Solomon-Gross, Brenda Knapp, Deb Johnston and Mark Johnson

**Also Present:** Rose Lawhorne, Kevin Benson, Bradley Grigg, Dallas Hargrave, Kim McDowell, Vlad Toca, Marc Walker, Anita Moffitt, Katie Koester (CBJ), Jeanne Rynne (CBJ) and Jeremy Hsieh (KTOO)

**PUBLIC PARTICIPATION** – None

**APPROVAL OF THE MINUTES** – *Ms. Young made a MOTION to approve the minutes from the July 2, 2021 Planning Committee meeting. Mr. Geiger seconded. There being no objections, minutes approved.*

**COVID STATUS** – Ms. Lawhorne reported that we had opened and now closed the COVID wing. We have 5 COVID positive patients in house. The molecular lab is running 300-350 tests per day and we are looking at ways to streamline the processes involved. We have adequate amounts of testing supplies but are experiencing staffing issues. We are working with statewide and community agencies in Juneau to remedy staffing issues. In response to Ms. Young's questions, Ms. Lawhorne reported that we have had requests from outlying communities to transfer patients to BRH however these patients did not meet admission criteria. They were given monoclonal antibodies in their own community and started getting better. BRH experienced issues transferring two deteriorating COVID positive patients to other facilities in the past week but were able to do so after some delay.

Mr. Solomon-Gross asked for an update on the supply chain and how many times tests are run each day. Ms. Lawhorne reported that we have been running tests twice daily (11:00am and 5:00pm), we're trying to establish staffing to consistently keep up with the demands of the machine and she is not aware of any issues getting supplies for the lab. We have ample PPE supplies. We have received additional PAPRs for use as an alternative to using N95s and have received more HEPA filters for use throughout the hospital. We have enough ventilators and can ramp up oxygen levels as needed. Mr. Toca confirmed we are well stocked in supplies and reported that the state has been helpful in making sure we have enough available. We had a positive business review call with Cardinal Health who told us we are well equipped for our PPE needs. Although there's a national shortage on exam gloves, we are well stocked and the state has some in store. We have ample testing supplies. The lab is using overtime until staffing improves and staff is feeling a little bit overwhelmed with all of the work.

In response to Ms. Young, Ms. Lawhorne reported that she and Mr. Hargrave have created a draft employee vaccination policy that will be put in place within the next week or so. A timeline for a staged rollout of the vaccination needs to be identified. We need to make sure multiple people in the same department don't get the vaccines at the same time due to possible side effects.

**MASTER FACILITY PLAN UPDATE** – Mr. Benson reported not much has changed on the project priority plan. We were not successful in purchasing the BSSC building listed as item B7 but have left it listed as a place holder in the event there is another property purchase. The ED ventilation system upgrade costs have increased from \$5 million to \$7 million. Due to the high cost estimate, this has now been included in the ED renovation project. Future projects remain unchanged at this point. Ms. Young identified discrepancies in the reports provided and requests more consistency in the updates.

In response to Ms. Knapp, Mr. Benson reported that BRH used CARES Act funds for lost revenue as well as COVID related projects, including ventilation, HEPA filters, triage building, molecular lab and other ongoing COVID related expenses such as screeners, PPE etc.

**CURRENT PROJECTS UPDATE** – Mr. Benson reported the project listing in the packet is up to date. Mr. Stevens noted we did interim panels for surge protection. It appears that the power conditioning project is moving farther and farther out for completion and is wondering why. Mr. Walker reported that term contractors were used for the interim work. The next phase is more complex requiring an RFP to be issued for the engineering side of this project and its very time consuming. Mr. Walker confirmed for Ms. Hagevig that the layer of protection we have already put into place with the panels will protect us through power outages this winter and has already done so several times since installation.

**BOPS / CRISIS STABILIZATION PROJECT UPDATE** – Mr. Grigg reported that we are continuing with laying rock and ground preparation. We should see foundation work take place in the next few weeks and the shell of a facility go up in November or December. Ms. Rynne reported that formwork for the footings should start in the next couple of weeks. Dawson is doing a good job at staying ahead of getting the materials here on time with all of the supply chain challenges. She noted it is working in our favor that we have switched from wood to steel. Mr. Grigg reported that 11:00am on Friday, October 8<sup>th</sup> has been designated for a brief groundbreaking ceremony. RSVPs should go out in the next couple of weeks to the Board, BRH and City Leadership and funders of the project. He is working with event planners to provide tents for socially distant covered seating. This event will be streamed for people unable to attend in person.

**Future Agenda Items** - None

**Comments** - None

**EXECUTIVE SESSION - *MOTION by Mr. Geiger, to recess into executive session to discuss information presented that the immediate knowledge of which would clearly have an adverse effect upon the finances of BRH; that being a discussion about campus planning. Ms. Young seconded.***  
Committee entered executive session at 12:29 pm and returned to regular session at 12:33 pm.

**Next meeting:** 12:00pm, Friday – October 1<sup>st</sup> (Ms. Young will be unable to attend)

**Adjourned** – 12:34 pm.

# Bartlett Regional Hospital

3260 Hospital Drive, Juneau, Alaska 99801 907.796.8900 [www.bartletthospital.org](http://www.bartletthospital.org)

## Board Quality Committee September 08, 2021 Minutes

**Called to order at 3:31 p.m. by Board Quality Committee Chair, Rosemary Hagevig**

**Board Members:** Mark Johnson, Kenny Solomon-Gross, Hal Geiger, Iola Young, Rosemary Hagevig

**Staff:** Charlee Gribbon, Deb Koelsch, Miranda Dumont, Gail Moorehead, Bradley Grigg, Rose Lawhorne

**Guests:** Bridgett Dowd, KTOO

*Mr. Johnson made a MOTION to approve the minutes from July 14, 2021 Board Quality Meeting with one correction - The motion to approve the minutes from May 12, 2021 had been made by Mr. Johnson, not Mr. Knapp. Mr. Solomon Gross seconded. There being no objection, the July 14, 2021 minutes approved as amended.*

*Old Business: None*

### ***Standing Agenda Items:***

#### **BOD Quality Dashboard**

- 2021 BOD Quality Dashboard update for quarter one provided by Ms. Koelsch. Ms. Koelsch provided clarification to the colors on the dashboard. The red in the graphs indicate if we are above the nation average rates. The yellow indicates if the measure is more than 5% higher than the previous quarter. Ms. Koelsch acknowledges that Mr. Geiger had suggested upgrading the graphs. Ms. Koelsch agrees with Mr. Geiger and had upgraded three of the graphs she plans to send to the Board Members for review. Ms. Koelsch acknowledges that we did have one injurious fall in quarter two which did not result in significant injury, zero safety events in quarter two and one sentinel even in quarter two. Our readmission rates for quarter two have increased. Out of four patients admitted with a primary diagnosis of pneumonia, three were readmitted. Our Heart Failure rate readmission was 28.6%. We had seven patients admitted with a primary diagnosis of heart failure, and two of those were readmitted. Ms. Hagevig discusses that these are data collection graphs and there might not be much we can do to improve the numbers. There was discussion about the blanketed nature of CMS, but in reality these readmissions may not have been avoidable, even if the best possible care was given to the patients. Ms. Moorehead emphasized that the Quality department are looking at the trends and working on process improvement with the units to ensure we are plugging any

holes in the Swiss cheese. Mr. Solomon-Gross asked for specifics regarding the 30 day hospital pneumonia readmissions and Gail clarified that Quality does a deep dive into the patient's charts. She explained that our low number of admissions we have not found a trend that we are releasing patients too early. She explained that these cases are reviewed in the Critical Care Committee to ensure we are giving appropriate care. The Severe Sepsis/Septic Shock Measure was discussed and the CMS criteria doesn't always indicate the best standards of care.

- Ms. Dumont gave an overview of HCAHPS and Press Ganey Scores. She provided background regarding what the HCAHPS survey and Press Ganey surveys are and what impact they have on our hospital. Bartlett Regional Hospital currently has an overall five star rating with a patient survey rating of four out of five stars. She explained that the star ratings are based on a two year rolling average and that we might see a decrease in our star ratings when 2019 drops off and the current rating period is based on the years of the pandemic. There is thought that there will be a national drop in HCAHPS scores that could factor in. Ms. Dumont shared new charts with our Inpatient HCAHPS scores and our Press Ganey scores. The new charts include new baselines of the 2019 national average and the 2018 BRH average scores. There is a notable drop in hospital cleanliness scores along with communication scores. Ms. Lawhorne explained that in the age of COVID, we cannot spend as much time with our patients as we would like to. Patient's perception of care will change when we do not have the luxury of sitting with our patients. Mr. Solomon-Gross asked to have the hospital cleanliness numbers by department provided to group via email or at the next Board Quality Meeting

#### ***New Business:***

##### **Fall Vaccine Update**

- Ms. Gribbon gave an update on the hospital's plan for COVID-19 boosters for hospital staff. The tentative date is September 20<sup>th</sup>. We are waiting for approval from the ACIP and FDA. We have vaccines sitting in our freezers and we are excited to provide them to our staff. She explained that fully vaccinated individuals have a shorter length of illness. Currently, 88.9% of our active staff are fully vaccinated. Since the full approval from the FDA, we have had six additional staff members who have been vaccinated. We are removing any barriers to staff getting the vaccine. Ms. Gribbon shared the plan to provide COVID vaccines as well as flu shots.

##### **Update of Survey of Patient Safety**

- Ms. Moorehead provided an update on the Survey on Patient Safety. She shared our occurrence reporting improvements to include the reduction of open occurrence reports and turnaround time on addressing the occurrence reports. She shared that we have increased communications by providing SLT updates on a monthly basis, bi-weekly COVID update with Infection Prevention and added SLT rounding. We are also in the process of producing dashboards on patient safety and unit based communication boards. Examples of these dashboards were shown. The improvements to workforce safety include training additional de-escalation instructors, initiating Code Gray mock codes in high risk areas. Mr. Solomon-Gross expressed his appreciation regarding the improvement in workforce safety.

### **PI Department Reporting Schedule**

- Ms. Moorehead discussed brining individual department teams to future Board Quality meetings to present on their process improvement projects. Ms. Hagevig asked Ms. Moorehead when we expect to see the Joint Commission. Ms. Moorehead explained that TJC will contact us a few months before their arrival to assess the risk in the community and our ability to host them. It is possible we might have a virtual survey.

**Adjournment: 4:59 p.m.**

**Next Quality Board meeting:** November 10, 2021 at 3:30 pm

# Bartlett Regional Hospital

3260 Hospital Drive, Juneau, Alaska 99801 907.796.8900 [www.bartletthospital.org](http://www.bartletthospital.org)

## Minutes COMMITTEE OF THE WHOLE MEETING September 10, 2021 – 10:30 a.m. Zoom Videoconference

**Called to order at 10:35 a.m., by Kenny Solomon-Gross, Board President**

**Board Members Present:** Kenny Solomon-Gross; Board President, Rosemary Hagevig; Vice-President, Mark Johnson; Secretary, Hal Geiger, Brenda Knapp, Iola Young and Deb Johnston

**Also Present:** Rose Lawhorne; CEO, Dallas Hargrave; HR Director, Anita Moffitt; Executive Assistant, Michelle Hale; CBJ Liaison and Teresa Costello, NRC - Governance Institute Representative

**APPROVAL OF THE AGENDA - *MOTION by Ms. Hagevig to approve the agenda as written. Mr. Johnson seconded. Agenda approved.***

**PUBLIC PARTICIPATION – None**

**APPROVAL OF THE MINUTES - *MOTION by Mr. Geiger to approve the minutes as written. Mr. Johnson seconded. There being no objections, May 7, 2021 Committee of the Whole minutes approved.***

**OCTOBER LEADERSHIP CONFERENCE –** Ms. Lawhorne stated that due to the high level of COVID cases throughout the country and the restrictions being placed on our community, she has made a personal decision to participate in the October Governance Institute's Leadership Conference virtually instead of in person. She will attend the Southeast Conference in Haines next week as that will be a smaller number of attendees and there is no virtual option available. Board members can choose to do what they feel comfortable doing. She confirmed the mitigation measures Ms. Knapp noted are in place for the Leadership Conference are appropriate and then identified factors in her decision to not attend in person. Ms. Costello reported the Governance Institute partners are very excited to host an in person event. There are no changes planned that she's aware of due to COVID but that activity is being closely monitored. Board members expressed their comfort level of attending and the benefits of networking at an in person meeting. The overall sense is that they are comfortable attending in person and would not attend a virtual session.

**BOARD SELF-EVALUATION REPORT REVIEW –** Ms. Costello reported the goal of the board self-assessment is to evaluate the strengths and opportunities for development of the Board. The items on the survey are structured to measure the effectiveness on performance of specific items. Specific requirements for individuals to satisfy during their tenure as board members, some statutory and some best practice, are:

**FIDUCIARY DUTIES:** Duty of care, Duty of Obedience and Duty of Loyalty.

- Duty of Care requires board members to have knowledge of all recently available information before taking any action or making decisions, acting in good faith and in the best interest of the organization.
- Duty of Loyalty requires board members to carry out duties to benefit only the organization and not individual interests. Any conflict of interest will be disclosed.

- Duty of Obedience requires board members to ensure organizations' decisions and activities do adhere to the corporate purpose and mission.

**RESPONSIBILITIES:** Quality oversight, Financial Oversight, Strategic Direction, Board Assessment & Development, Management Performance and Community Benefit/Advocacy.

She reported there was a 100% response rate to the survey and the overall effectiveness rating was 7.8. She then provided an overview of the ratings included in the packet. These are the actual percentages of individuals that gave a very effective rating (top box rating) to the questions in each area. When asked why we are just looking at the top box ratings, she responded that the other responses are available on the full report but focusing on the top box is where we will see positive movement in the future. She also reported that this survey is a more concise, honed down version of surveys conducted in the past. In response to Ms. Knapp's request for further clarification of the percentages, she reported that there are multiple questions in each category, depending on how respondents scored those questions, the math may seem a little off. She suggests having further discussion about Duty of Obedience to understand the low rating.

Mr. Geiger observed that we seem to be focusing on whether we got an A+ or not and we should be focusing on areas where we got a D. Ms. Costello agreed with Mr. Geiger's assessment and explained that this is not a pass/fail grade, it identifies areas the Board can improve on. Ms. Hale observed later slides have more information to help people better understand these results and suggested they should be presented before the overall assessment ratings. She also expressed concern that the next time an assessment is conducted, the scores will be high because they know what this test looks like. Ms. Costello responded that people should be honest when completing the survey, there's no point in doing it if they're not. The goal is for improvement and to figure out what the things are that the board is not performing as well on as they should be. She did note that this board seems to be a highly functioning board, able to communicate well with each other and have a good rapport. She then provided an overview of the highest performing assessment items. There was a theme in the board culture on the ratings as well as in some of the comments made in the assessment. She feels that the board has a great board culture and that is important. Quality oversight questions all scored fairly high. An overview of the lowest performing assessment items was provided. There was a theme around board development. Her recommendation is to spend time deciding what the board wants to focus on for development and implement a development plan. Another assessment should be conducted after two years to allow time get a plan in place and to work on the goals identified.

When asked if there are any comments, Ms. Hagevig said when she looks at it in 11% increments, she sees the logic and is not surprised by any of the responses on the graph. She also stated there's always room for improvement and wanted it noted that it's an important factor that our environment changed in the middle of taking this survey. Mr. Solomon-Gross stated that he has also seen trends of the board asking for goals and board development. He has been working with Ms. Lawhorne to develop an orientation plan for new Board members. We should see improvement in these areas by the time we do our next assessment.

Fiduciary duties, education on health management trends, attend and prepare for board and committee meetings, community health needs, strategic planning and quality oversight were identified in the responses as important obligations as a member of the Board. Ms. Knapp observed that the underpinning of all of this is the fiduciary duties, whatever you do and how you do it grows from there. Fiduciary duties have legal implications for the Board and Hospital. Ms. Costello suggests picking two or three education topics to focus on. She will support the Board by offering guidance and providing resources such as articles and webinars.

Discussion held about Community Benefit-Consumerism, a trend in healthcare that patients are really looking at healthcare as consumers rather than as patients. People want different things from their healthcare providers, to be able to voice those things and to make them convenient and easy. There are great training resources available on consumerism. Consumerism is different from value based healthcare. It is a general way of thinking about how we are going to serve our patients and community and the types of things they want. Ms. Hagevig observed that this would perhaps include an ongoing evaluation in response to our competition as well as outmigration and leakage of patients. The community benefit side would be putting more emphasis on providing more specialized services locally and advertising them.

Ms. Costello reiterated that the Board needs to decide what they want to spend time on for improvement. The Board must look for objective standards for its own performance and track whether it's improving and at the right pace. Goals should be clear and specific as to what is to be accomplished, who will lead the effort, the board members involved, tracking mechanism for progress, and the timeline for completion.

Mr. Solomon-Gross tasked the Governance Committee with identifying goals to be presented to the full Board for approval. Ms. Hagevig would like this to move forward expeditiously and not get bogged down. She feels that the underlying foundation to all of this is community benefit-consumerism. Ms. Knapp observed that there is still trepidation about what we face in the future regarding COVID. The Governance Committee will make their recommendations based on how people responded to the assessment and what would seem to be logical tasks to tackle. Ms. Costello confirmed that her recommendation is to focus on two or three items and that the topics she suggested may differ from the Board's priorities. Once the Board identifies the topics they want to focus on for the next year or two, she will provide guidance and resources to help the Board achieve their goals. Ms. Knapp observed that a lot of these suggestions tie together. All Board members are encouraged to attend the Governance Committee meeting to participate in discussions about what the Board seems to feel they need more training on.

In response to Ms. Hagevig, Ms. Costello reported that when there is a robust enough benchmark later this year, a report to measure Bartlett against other organizations will be provided. Ms. Knapp stated that when we have those benchmarks, we can look at the organizations that scored higher and try to replicate what those organizations are doing.

Brief discussion held about when the next Governance Committee meeting will be held. Ms. Moffitt to poll the committee members to identify a date and time.

Mr. Solomon-Gross thanked Ms. Costello for her presentation and requests the power point used be sent to Mr. Hargrave for distribution to the full Board.

**EXECUTIVE SESSION - MOTION *by Mr. Johnson to recess into executive session as written in the agenda:***

- *To discuss personnel matters that tend to prejudice the reputation and character of any person and ask for unanimous consent.*

***Ms. Hagevig seconded.*** The committee entered executive session at 11:46am and returned to regular session at 12:05pm.

**Comments and Questions – None**

**Adjourned 12:06 p.m.**



# Bartlett Regional Hospital

3260 Hospital Drive, Juneau, Alaska 99801 907.796.8900 [www.bartletthospital.org](http://www.bartletthospital.org) water

## Finance Committee Meeting Minutes Zoom Meeting – August 13, 2021

**Called to order at 12:09 p.m. by Finance Chair, Deb Johnston.**

**Finance Committee (\*) & Board Members present:** Deb Johnston\*, Brenda Knapp\*, Lance Stevens\*, Rosemary Hagevig, Hal Geiger, Kenny Solomon-Gross, and Iola Young.

**Staff & Others:** Rose Lawhorne, CEO, Kevin Benson, CFO, Bradley Grigg, CBHO, Kim McDowell, CNO, Dallas Hargrave, HR Director, Vlad Toca, COO, Blessy Robert, Director of Accounting, Seanna O'Sullivan, Megan Rinkenberger, Kris Muller, Gage Thompson, and Lori Holte. (All attended via Zoom)

**Public Comment:** None

***Ms. Knapp made a MOTION to approve the minutes from the August 13, 2021 Finance Committee Meeting. Mr. Stevens seconded, and they were approved.***

### July 2021 Financial Review – Kevin Benson, CFO

Bartlett Regional Hospital had a financially good start to the 2022 fiscal year. The budget for 2022 fiscal year incorporated the impacts related to Covid-19 so many of the variances that have been reported for the past 16 months are no longer apparent. There continues to be a shift from inpatient to outpatient volumes and revenues. Inpatient revenues were under budget by 8.6% while outpatient revenues were over budget by 5.6%. However, total patient revenue finished \$91,000 over budget (0.6%). After Rainforest, BHOPS and physician revenue, the month ended just slightly under budget for Gross Patient Revenue at -0.4%.

Deductions from revenue had a favorable variance of \$1.0 million (12.9%). This was driven in the inpatient side by a lower length of stay while on the outpatient side there were lower charges per case.

Net Patient Revenue finished well ahead of budget with positive variance of \$962,000 (9.9%). Other Operating Revenue was well below budget with the loss of 340B revenue and lower grant revenues. As a result, Total Operating Revenue finished at \$332,000 (3.1%) greater than budget.

Total Expenses were very close to budget finishing \$48,000 (0.4%) under budget yielding an Operating Income of \$201,000 as compared to a budgeted Operating Loss of -\$179,000. After Non-Operating Income the Final Net Income was \$434,000 for almost a 4% margin.

Expense variances incurred in July were as follows:

- Contract Labor was \$159,000 over budget as the hospital struggles to maintain staffing levels.
- Physician Contracts were \$196,000 over budget as additional mental health providers are needed to provide for increased volumes.
- Supply costs were \$180,000 over budget driven primarily by increased pharmaceuticals for increased Infusion Therapy services and Covid-19 related drugs.
- Molecular Testing volumes have increased from 50 tests per day to anywhere from 200 to 300.

### Supplemental Appropriation

BRH will go to the assembly due to overspending our budget by \$20.9M, mostly due to Covid-19 related expenses. The CBJ assembly finance department will take this up on the 29<sup>th</sup>, the day after the BOD

meeting. The document in the packet defines the reason for the overages as well as what will cover the overage.

***Mr. Stevens made a MOTION to recommend the Supplemental Appropriation be moved to the Board for final approval. Ms. Knapp seconded.***

### **Bond Issue Update**

Work is being done to secure bond funding for BRH. There was a credit assessment completed by CBJ financial advisors that determined it would be most favorable for BRH to seek bond issue through the Alaska Bond Bank. BRH is in communication with Alaska Bond Bank to accomplish this. If bond proceeds were used to purchase a building, and the building were occupied by a for-profit entity, the bonds would lose their tax exempt status. Instead, BRH will use Crisis Stabilization funds for purchase of a building, then bond Crisis Stabilization project and ED expansion and remodel, which eliminated the tax issue. Bonding and building of crisis stabilization don't exactly coincide. Bond funds can only be used on capital projects. CBJ assembly passed a resolution authorizing the finance director to sign an official intent certificate which protects the ability to reimburse ourselves.

### **Capital Budget Update**

There was \$5M in spending included in Capital Budget. The single largest item in the capital budget is the replacement of two CT Scanners. However, replacement lighting and tower equipment holding surgical equipment in the OR needs to be replaced. BRH will still replace two CT scanners but one will be delayed until FY2023. This will free up the funds to provide for an upgrade of the Operating Rooms.

There are three operating rooms, one of which is being used for storage. The plan is to replace lights and tower in the room used as storage, then start replacing the others so that no operating suite is taken out of service. This provides for operational flexibility and space for simulated training in a real environment. Three separate items would move into a single boom with electrical coming from the ceiling. This provides for greater safety, cleaning, and aesthetics. Lights will be replaced as well to improve work environment, surgical visibility and precision, and allow for future upgrades. The Finance Committee expressed their support of this change.

**Next Meeting: Friday, October 8th, 2021 at 12:00 via Zoom**

**Board Comments:** Staff and board members expressed their gratitude for the hard work Kevin and the rest of the Finance team at BRH do.

**Adjourned – 12:51 p.m.**

**September 28, 2021  
Management Report  
From Studebaker Nault and CBJ Law**

- Status report on completed projects
- Status report on pending projects and contract negotiations
- Status report on consultations with Department and Hospital leadership

## OFFICE BUILDING SPACE LEASE

### PARTIES

This lease, dated for reference purposes only August 31, 2021 is made by and between Lynn Canal Corporation hereafter referred to as "Landlord" and the City and Borough of Juneau, Alaska, a municipal corporation in the State of Alaska, "CBJ," by and through Bartlett Regional Hospital, an administrative division and enterprise fund of the municipality ("BRH") an Alaska municipal corporation (the "tenant").

### PROPERTY LEASED

Premises: Landlord hereby leases to Tenant and Tenant hereby leases from Landlord, the term, at the rental, and upon all the conditions set forth herein, the certain space- Suite #11 consisting of 740 sq. ft. in the Gateway Building, 219 Main Street, Haines AK.

### 3. TERMS OF LEASE AND RENEWAL

#### 3.1 Initial Term.

The Initial Lease term shall commence on October 4, 2021, (the "lease term commencement date") and shall continue for a term of two (2) years and will terminate on October 3, 2023. This lease shall automatically terminate on June 30 of any year during which the Assembly of the City and Borough of Juneau through Bartlett Regional Hospital fails to appropriate sufficient funds for the lease of the subject property during the following fiscal year. Such termination shall be with penalty of value of two months' rent.

### 4. RENT

#### 4.1 RENTAL FORMULA

The rent shall be based on a flat rate per square foot of rented space.

#### 4.2 Commencement of Rent.

The rental payments under this Lease shall commence on October 4, 2021.

#### 4.3 Rent.

Tenant shall pay to the Landlord as rent for the Premises based upon 740 square feet rented office space, at One dollar and sixty cents (\$1.60) per square foot. The initial base rent of \$1184.00 per month. The rent shall be paid without demand by

the fourth day of every month.

Rent is due and payable, in advance, on or before the fourth day of each month by bank transfer to the Landlord's Account # 3120 673 3 at the First National Bank Alaska Haines Branch, routing # 125200060.

4 Annual rent adjustments

In the event of a holdover (Paragraph #21) or renewal of this lease to continue annually beyond October 3, 2023, and every year thereafter, rent shall be adjusted upward to reflect any increase in the Consumer Price Index (CPI), as published by the U.S. Department of Labor for Anchorage, Alaska (or any successor index published by the U.S. Department of Labor). The increase shall be the percentage of change from the base year including 2021.

Any adjustments in the rent shall be effective as of the date presented by the Landlord to Tenant and in no event shall rent be reduced below the last adjusted rental rate.

4.5 Utilities.

Landlord shall supply heat, water, sewer, and electricity as provided by Section 7.4.

4.6 Late Charge.

If any payment of rent, or other amount to be paid by Tenant is not paid within ten (10) days after the due date, then there shall be due as additional rent a late charge in an amount equal to four percent (4%) of the delinquent payment for each month or portion thereof after the date it was due, provided, however, if such sum and late charges are not paid in full on or before the tenth (10<sup>th</sup>) day of the month, such sum shall commence to bear interest at the rate of eight percent (8%) per annum until paid in full.

5. CONSTRUCTION OF IMPROVEMENTS

Tenant shall be responsible for the design, construction and installation and cost of Tenant's own leasehold improvements and trade fixtures, including lights, branch wiring beyond the panel, interior partitioning, decor, shelves, racks, and counters; provided that

the design and decor shall be subject to the reasonable approval of Landlord, and Tenant shall provide Landlord with appropriate design drawings for approval prior to the construction and installation of Tenant's leasehold improvements.

6. USE

The premises shall be used and occupied only as a business office under the following name: **Behavioral Health Clinic** and shall be used for no other purpose without the written consent of Landlord. No act shall be done in or about the premises that is unlawful or that will increase the rate of insurance upon the Premises that is unlawful or any other public or private nuisance. Tenant shall comply with reasonable rules and regulations as may be adopted and published by Landlord for the safety, care, and cleanliness of the Premises and/or the Building and for the preservation of good order therein.

MAINTENANCE, REPAIRS, AND ALTERATIONS

7.1 Landlords Obligations.

Subject to the provisions of Article 9 and except for damage caused by the negligence or intentional act or omission of Tenant or Tenant's agents, employees or invitee, Landlord, at Landlord's expense, shall keep in good order, condition and repair the foundations and structural portions of the exterior walls and exterior roof of the building. Landlord shall not be obligated to maintain the interior surface of the ceiling, walls, windows or doors in the Premises except in the common areas. Landlord will be responsible for the repair of the building caused by water leaks within the walls and roof of the building.

7.2 Tenant Obligations.

Subject to the provisions of Section 7.1 and Article 9, Tenant, at Tenant's expense, shall keep in good order, condition and repair the Premises. Tenant shall, at the expiration or termination of this Lease, surrender and deliver the Premises to Landlord in as good condition as when received by Tenant from Landlord or as thereafter improved, reasonable use wear and tear excepted. Tenant shall repair any damage to the Premises or the Building occasioned by its use thereof or by the removal of Tenant's trade fixtures, furnishings, and equipment, which in repair shall include the patching and filling of holes and repair of structural damage.

7.3 Landlord Rights.

If Tenant fails to perform Tenant's obligations hereunder relating to the repair, maintenance or upkeep of the Premises or the Building, Landlord may, at its option (but shall not be required to), enter upon the Premises after three (3) days' prior written notice to Tenant and put the same in good order, condition, and repair or otherwise cure the default, and the cost of such action plus fifteen percent (15%)

thereof shall become due and payable as additional rent to the Landlord at the same time Tenant's next rental installment is due.

7.4 Services Provided by Landlord.

Landlord, at Landlords' cost, shall provide normal customary services upon the terms and conditions which follow:

(I) Heating, Ventilation and Air Conditioning. Heating, ventilation and air conditioning from 7:00 a.m. to 6:00 p.m. on business days exclusive of, Sundays and State of Alaska and Federal holiday, sufficient to maintain an average ambient temperature of 70 degrees from October to April and 75 degrees from May through September, except as otherwise required by State and Federal Law.

(ii) Sewer and Water. The sewer and water is a municipal service that the building hooks into. Landlord will maintain the lines from the city mains and throughout the building to help ensure uninterrupted service as much as possible.

(iii) Electricity. Electricity through local utilities shall be paid by the landlord.

(iv) Trash Removal. From designated trash receptacles on the building site. Landlord will not be responsible for any "red bag" medical waste.

(v) Elevators. Elevator access to the second floor is provided.

(vi) Snow Removal. Snow and ice removal as needed from parking areas and sidewalks.

(vii) Access. Access to the premises 24 hours a day, 7 days a week.

(Viii) Landscaping Landlord will maintain the outdoor landscaping.

7.5 Alterations and Additions.

If Tenant fails to perform Tenant's obligations hereunder relating to the repair, maintenance or upkeep of the Premises or the Building, Landlord may, at its option (but shall not be required to), enter upon the Premises without Tenant's prior written consent and accomplish such at Tenant's expense. Landlord may require that Tenant remove any such alterations, improvements, additions or utility installations at the expiration of the term and restore the Premises to their prior condition. All work on the Premises shall be done in compliance with all applicable governmental codes and regulations. At Landlord's option, all alterations, improvements, or additions which may be made on the Premises shall become the property of Landlord and remain upon and be surrendered with that Premises at the expiration of the term. Tenants' machinery, equipment, and trade fixtures other than those which are affixed to the Premises so that they cannot be

removed without material damage to the Premises shall remain the property of the Tenant and may be removed by Tenant, subject to the provisions of Article 7.2.

8. INSURANCE: INDEMNITY

8.1 Liability Insurance.

Tenant shall maintain in force during the term of this Lease a policy of comprehensive public liability insurance issued by a company acceptable to Landlord and insuring Tenant and Landlord against any liability, including without limitation personal injury to any person and damage to other portions of the building, arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall be in amount of not less than Five Hundred Thousand Dollars (\$500, 000) for each person and One Million Dollars (\$1,000,000) for each accident with respect to personal injury and One Million Dollars (\$1,000,000) with respect to property damage, or in such higher amount as Landlord may find reasonable to reflect the replacement value on all Lessee's property located on the premises. The limits of said insurance shall not, however, limit the liability of the Tenant hereunder. Such policies shall name Landlord as additional insured and shall provide that they may not be canceled or changed materially without fifteen (15) days' prior written notice to Landlord. Landlord shall be furnished with a certificate evidencing issuance of such policy of liability insurance, which certificate shall recite that the policy may not be canceled or changed materially without such prior written notice to Landlord. If Tenant shall fail to maintain said insurance, Landlord may but shall not be required to procure and maintain the same, at the expense Tenant.

8.2 Property Insurance.

Landlord shall maintain in force during the term of this Lease a policy of insurance insuring the Building for an amount not less than its full replacement cost against damage or destruction by fire and/or by perils covered by the standard form of extend coverage endorsements to fire insurance policies in the State of Alaska in effect at the time when the policies are obtained, with vandalism and malicious mischief endorsements. Tenant shall maintain in force during the term of this lease a policy of insurance issued by a company acceptable to Landlord insuring Tenant's fixtures, equipment and leasehold improvements in the amount of their full replacement value.

8.3 Waiver of Subrogation.

Landlord and Tenant hereby mutually waive their respective rights of recovery against each other for any property loss insured by fire and extended coverage, or other property insurance policies existing for the benefit of the respective parties, each such waiver to be effective only to the extent it does not invalidate the insurance afforded by the waiving party's insurance policy.



#### 8.4 Exemption of Landlord from Liability.

Landlord shall not be liable for injury to Tenant's business or any loss of income therefrom or for damage to the goods, wares, merchandise or other property of Tenant's employees, invitee, customers, or any other person in or about the Premises; nor, unless caused solely by its negligence, or intentional acts or omissions, shall Landlord be liable for personal injury to Tenant or Tenant's employees, agents, contractors, and invitee, whether said damage or injury results from conditions arising upon the Premises or upon other portions of the building or from other sources or places, and regardless of whether the cause of such damage or injury the means of repairing the same is inaccessible to Landlord or Tenant. Landlord shall not be liable for any damages arising from any act or neglect of any other Tenant, if any, of the Building.

#### 9. DAMAGE OR DESTRUCTION

In the event the Premises are damaged to such an extent as to render the same untenable in whole or in a substantial part thereof or are destroyed, it shall be optional with Landlord to repair or rebuild the same; and after the happening of any such event, Tenant shall give Landlord or Landlord's agent immediate written notice thereof. Landlord shall have thirty (30) days after the date of such notification to notify Tenant in writing of Landlord's intentions to repair or rebuild the Premises or the part so damaged as aforesaid, and if Landlord elects to repair or rebuild the Premises, Landlord shall prosecute the work of such repairing or rebuilding without unnecessary delay, and during such period the minimum rent shall be abated from the date of loss in the same ratio that portion of the Premises rendered for the time being unfit for occupancy shall bear to the whole of the Premises. If Landlord shall fail to give the notice aforesaid, Tenant shall have the right to declare this Lease terminated by written notice served upon Landlord.

If the Building is damaged (even though the Premises hereby leased shall not be damaged thereby) to such an extent that, in the opinion of Landlord, it shall not be practicable to repair or rebuild, or is destroyed, then it shall be optional with Landlord to terminate this Lease by written notice served on Tenant within thirty (30) days after such damage or destruction.

If the Premises are partially damaged or destroyed by Lessee such that the Premises is not untenable, Tenant shall restore the same with reasonable promptness.

#### 10. SIGNS

Landlord shall provide a listing in the building directories at the first and second level entries, naming **Behavior Health Clinic** or **Bartlett Regional Behavior Health Clinic**, at tenant's option. At Landlord's option Tenant may provide, at Tenant's expense, a sign identifying Tenant, said sign to be in accordance with standard criteria provided by Landlord and to be subject to the approval of Landlord. No other signs shall be placed on the Building or the Premises by Tenant without Landlord's consent. Any such consent by Landlord shall be upon the understanding and condition that Tenancy will remove the same at the expiration or

termination of this Lease and that Tenant shall repair any damage to the Premises or the Building caused thereby. Tenant shall use window coverings that conform to standards set by Landlord.

## 11. TAXES

### 11.1 Real Property Taxes and Assessments.

Landlord shall pay all real property estate taxes, assessments or other government charges for which Landlord is responsible.

### 10.2 Personal Property Taxes.

Tenant shall pay or cause to be paid before delinquency any and all taxes levied or assessed and which become payable during the term hereof upon all Tenant's leasehold improvements, equipment, furniture, fixtures, and any other personal property located in the Premises. In the event any or all of Tenant's leasehold improvements, equipment, furniture, fixtures, and other personal property shall be assessed and taxed with the real property, Tenant shall pay to Landlord its shares of such taxes within ten (10) days after delivery to Tenant by Landlord of a statement in writing setting forth the amount of such taxes applicable to Tenant's property.

## 12. LIENS AND INSOLVENCY

Tenant shall keep the Premises and the Building free from any liens or encumbrances arising out of any work performed, materials ordered, or obligations incurred by Tenant, and shall indemnify Landlord against and hold Landlord harmless from any loss, damage or expense, including attorneys' fees resulting therefrom. Tenant shall have no authority, express or implied, to create or place any lien or encumbrance of any kind or nature whatsoever upon, the rentals payable hereunder for any claim in a favor of any person dealing with Tenant, including those who may furnish materials or perform labor for any construction or repairs, and each such claim shall affect and each such lien shall attach to, if at all, only the leasehold interest granted to Tenant by this instrument. If Tenant becomes insolvent or voluntarily or involuntarily bankrupt or if a receiver, assignee, or other liquidating action is not terminated within thirty (30) days of any such appointment, then to the extent permitted under applicable law Landlord may terminate this Lease and Tenant's rights of possession under this Lease at Landlord's option.

## 13. DEFAULTS

The occurrence of anyone or more of the following events shall constitute a default of this Lease by Tenant:

### 13.1 Vacation of Premises.

The vacating or abandonment of the Premises by Tenant.

13.2 Failure to Pay Rent or Additional Charges.

Notwithstanding the provision for late charges, the failure by Tenant to make any payment of rent or any other payment required to be made by Tenant hereunder as and when due, and such failure shall continue for a period of ten (10) days after written notice thereof by Landlord to Tenant.

13.3 Failure to Perform Covenants.

The failure by Tenant to observe or perform any of the covenants, conditions, or provisions of this Lease to be observed or performed by Tenant, other than as described in Article 13.2 above, where such failure shall continue for a period of ten (10) days after written notice thereof by Landlord to Tenant; provided, however, that if the nature of Tenant's default is such that more than ten (10) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant commences such cure within said ten (10) day period and thereafter diligently prosecutes such cure to completion.

14. REMEDIES ON DEFAULT

In the event of any such default by Tenant, Landlord may, at any time thereafter, in its sole discretion, with or without notice or demand and without limiting Landlord in the exercise of any other right or remedy which Landlord may have by reason of such default:

14.1 Termination.

Terminate Tenant's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Tenant shall thereafter have no further rights hereunder or in the Premises; provided, however, that upon such termination Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default, including but not limited to the cost of recovering possession of the Premises; expenses of reletting, including necessary renovation and alteration of the Premises; reasonable attorney's fees; all accrued and unpaid rent, Operating Charges and other amounts due from Tenant with interest thereon as provided herein; the worth at the time of award by the court having jurisdiction thereof of the amount by which the unpaid rent and other charges and Operating Charges called for herein for the balance of the term after the time of such award exceed the amount of such loss for the same period that Tenant proves could be reasonably avoided; and that portion of any leasing commission paid by Landlord and applicable to the unexpired term of this Lease; or

14.2 Enforce Rights.

Maintain Tenant's right to possession, in which case this Lease shall continue in

effect whether or not the Tenant shall have abandoned the Premises, in which event Landlord shall be entitled to enforce all of Landlord's rights and remedies under this Lease, including the right to recover the rent and any other charges and Operating Charges due or to become due hereunder with interest as provided herein; or

14.3 Other Remedies.

All Landlord remedies are cumulative. Therefore, Landlord may pursue any other remedy or remedies now or hereafter available to Landlord under the laws or judicial decisions of the State of Alaska.

15. SUBORDINATION

Tenant agrees that this Lease shall not be subordinate to any mortgages or deeds of trust now or at any time hereafter constituting a lien upon the Premises.

16. CONDEMNATION

If any of all the Premises or any portion of the Building as maybe required for the reasonable use of the Premises shall be taken by eminent domain (or by a voluntary conveyance made in lieu of a taking by eminent domain), this Lease shall automatically terminate as of the date Tenant is required to vacate or will be deprived of the reasonable use of the Premises, and all rentals Operating Charges shall be paid to that date. In the case of a taking of a part of the Premises, Tenant may, at its election within ten (10) days after receipt of notice of the proposed taking, terminate that Lease by giving notice of termination to Landlord which notice shall specify the effective date of such termination shall not be more than thirty (30) days after the date such notice of termination if delivered to Landlord. If Tenant does not terminate this Lease because of a taking of a part of the Premises, this Lease shall continue in full force and effect, and the minimum rental shall be equitably reduced based on the proportion by which the floor area of the Premises if reduced, such rent reduced, such rent reduction to be effective as of the date when possession of such portion is delivered to the condemning authority. Landlord reserves all rights to damages to the Premises for any taking by eminent domain, provided, however, that Landlord shall not be entitled to any award made to Tenant for loss of business, depreciation or cost of removal of stock and fixtures, or diminution in value of the Tenant's leasehold interest, and Tenant shall make no claim against Landlord for damages for termination of the leasehold interest or for interference with Tenant's business.

17. PARKING AND COMMON AREAS

17.1 Landlords' Obligations and Rights.

Landlord covenants that there shall be common areas and parking area for the nonexclusive use of Tenant during the full term of this Lease or any extension of the term hereof; provided, that the condemnation or other taking by any public

authority or sale or transfer in lieu of condemnation of any or all of such common and parking areas shall not constitute a violation of this covenant. There shall not be any boats, boat trailers, and broken down vehicles allowed in the parking lots. Vehicles left in the parking lot after regular business hours and on weekends without the approval of the Landlord will be towed at the owner's expense. Notwithstanding anything herein contained to the contrary, landlord shall be entitled to alter the Building services or facilities and the location of driveways, sidewalks, or other common area and to extend the existing Building or erect new buildings or extend the existing building above the Premises or other rentable premises or common areas of the Building; and upon any alteration of the common areas or upon commencement of construction of any addition or additions to the Building and upon addition of the new common area, Landlord and Tenant shall execute such further and other documents as may be required to reflect such alterations of the common areas to exclude areas taken for construction of additional buildings or to include areas added as new common areas, as the case may be.

#### 17.2 Tenant's Rights.

Tenant, for the use and benefit of Tenant and its agents, employees, customers, licensees, subtenants approved by Landlord, shall have the nonexclusive right in common with Landlord and other present and future owners and tenants and their agents, employees, to use the common areas subject to such rules and regulations as promulgated by Landlord.

#### 17.3 Rules and Regulations.

Tenant agrees to comply with such reasonable rules, regulations, for parking as Landlord may adopt from time to time for the orderly and proper operation of said common and parking areas. Such rules may include but shall not be limited to the following: (1) the restricting of employee parking to a limited, designated area or areas; and (2) the regulation of the removal, storage, and disposal of Tenant's refuse and other rubbish.

### 18. ENERGY CONSERVATION LEGISLATION

In the event that any legislative enactment or decree of governmental authority shall require changes in the heating, lighting and electrical systems or the fuel or power source utilized by such systems, Landlord reserves the right, at any time and from time to time, to make changes in additions to, or rearrangements of the Premises and the common areas of the Building to accommodate the required changes to such systems or conversion to a different fuel or power source; and Landlord reserves the right to install a central heating system to serve all premises in the Building and to erect, use, and maintain wiring mains, pipes, conduits, and other means of distributing heat to the Premises in and through the Premises for the benefit of other portions of the Building; and Landlord and all persons authorized by it shall have the right, from time to time, to enter upon the premises for the

purpose of access thereto for installations, maintenance and repair, and such entry shall not be deemed to be an interference with Tenant's possession under this Lease, nor shall Tenant make any claim for damages or indemnification against Landlord by reason of such changes to the Premises or by reason of the installation, maintenance and repair of a new or alterations to existing systems, nor shall there be any diminution or abatement of rent by reason thereof.

19. CONTINUED OCCUPANCY BY TENANT

Tenant acknowledges that its continued occupancy of the Premises and the regular conduct of its business therein are of the utmost importance of the Landlord and other lessees in avoiding the appearance and impression generally created by vacant space in commercial buildings, in facilitating the lease of vacant space in the Building, in the renewal of other leases in the Building, and in maintaining the character and quality of the Building and of the tenants in the Building and that Landlord and other lessees will suffer substantial damage if the Premises are left vacant or are vacated by Tenant during the term of this Lease, even in the event Tenant continued to pay rent as required hereunder. Tenant therefore covenants that it shall occupy and utilize the entire Premises in the active conduct of its business in a reputable, diligent and energetic manner.

20. NONWAIVER

Any waiver of any right or remedy hereunder must be in writing, signed by the waiving party. Forbearance by Landlord with respect to any breach of any term, covenant or condition or any subsequent breach of the same or any other term, covenant shall not be deemed to be a forbearance of condition. The subsequent acceptance of rent hereunder by Landlord shall not be deemed to have a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular rental so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such rent.

21. HOLDING OVER

If Tenant shall, without the written consent of Landlord, hold over after the expiration of the term of this Lease, such tenancy shall be for an indefinite period of time on a month-to-month tenancy, which tenancy may be terminated as provided by the laws of the state in which the Premises are located. During such tenancy, Tenant agrees to pay Landlord at an equal rate to Two Hundred percent (200%) of the rent as set forth herein, unless a different rate shall be agreed upon, and to be bound by all of the terms, covenants and conditions herein specified, so far as possible.

22. ASSIGNMENT AND SUBLETTING

Tenant may not assign or sublet to others.

## 23. NOTICES

Each provision of this instrument or of any applicable governmental laws; ordinances, regulations and other requirements with reference to the sending mailing or delivery of any notice or the making of any payment by the Landlord to Tenant or with reference to the sending, mailing or delivery of any notice or the making of any payment by Tenant to Landlord shall be deemed to be complied with when and if the following steps are taken:

(A) All rents and other payments required to be made by the tenant to Landlord hereunder shall be payable to Landlord by bank transfer to the account identified in paragraph 4 or at such other address as Landlord may specify from time to time by written notice delivered in accordance herewith.

(B) All payments required to be made by Landlord hereunder shall be payable to Tenant at the address herein below set forth or such other address as Tenant may specify from time to time by written notice delivered in accordance herewith.

(C) Any notice or document required or permitted to be delivered hereunder shall be deemed to be delivered whether actually received or not, 72 hours after deposited in the United States Mail, postage prepaid, Certified or Registered Mail, addressed to the parties hereto at the address set forth below, or at email address [lynncanal@aptalaska.net](mailto:lynncanal@aptalaska.net) as they have theretofore specified by written notice delivered in accordance herewith.

## 24. COSTS AND ATTORNEY'S FEES

In any suit, action or appeal therefrom to enforce any provision hereof, or to interpret this Lease, the prevailing party shall be entitled to recover its costs incurred therein including reasonable attorneys' fees. In addition, if it becomes necessary for Landlord to employ an attorney by reason of any default on the part of Tenant where no suit or action is commenced, Tenant agrees to pay on demand from Landlord all costs or expenses incurred by Landlord in connection with such default including attorneys' fees.

## 25. LANDLORD'S ACCESS

Landlord and its agents shall have the right to enter the Premises at reasonable times for the purposes of inspecting it, showing it to prospective purchasers or lenders, and making such repairs as Landlord may deem necessary or desirable. Landlord may, at any time, place on or about the Premises any ordinary "For Sale" signs and may, during the last ninety (90) days of the term, place on or about the Premises any "For Sale or Lease" signs, without rebate of rent or liability to Tenant.

## 26. REMOVAL OF PROPERTY

If Tenant shall fail to remove any of its property of any nature whatsoever from the Premises or the Building at the termination of this Lease or when Landlord has the right of reentry, Landlord may, at its option, remove and store said property without liability for loss thereof or damage thereto, such storage to be for the account and at the expense of Tenant. If Tenant shall not pay the cost of storing any such property after it has been stored for a period of thirty (30) days or more, Landlord may, at its option sell or permit to be sold any or all of the such property at public or private sale, in such manner and at such times and places as Landlord in its sole discretion may deem proper, without notice to Tenant, and shall apply the proceeds of such sale as follows: First, to the cost and expense of such sale, including reasonable attorney's fees actually incurred; second, to the payment of the costs or charges for removing and storing any such property; third, to the payment of any other sums of money which may then be or thereafter become due Landlord from Tenant under any of the terms hereof; fourth, the balance if any, to Tenant.

27. SUCCESSORS

This Lease shall apply to and be binding upon Landlord and its successors and assigns, and Tenant and its heirs, personal representatives, successors and assigns.

28. ACCEPTANCE OF PREMISES

Tenant accepts the Premises "as is" at the commencement of the term of this Lease and in their then present condition and subject to all applicable municipal, borough, state, and federal laws, ordinances and regulations governing and regulating the use of the Premises accepts this Lease subject thereto and to all matters disclosed thereby and by any exhibits attached hereto. Tenant acknowledges that neither Landlord nor Landlord's agents have made any representation or warranty as to the suitability of the Premises for the conduct of the Tenant's business.

29. SALE OF PREMISES BY LANDLORD

At closing of any sale or assignment of the Premises by Landlord, the purchaser shall be deemed to have assumed and agreed to carry out all of the covenants and obligation of the Landlord hereunder; and Tenant agrees that Landlord shall be released and discharged from any liability hereunder arising out of any act or omission occurring after closing of any such sale.

30. TENANT'S STATEMENT

Tenant shall, at any time and from time to time, upon not less than three (3) days' prior written notice from Landlord, execute acknowledge, and deliver to Landlord a statement in writing (a) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating that the nature of such modification and certifying that this Lease as so modified in full force and effect) and the date to which the rental and other charges are paid in advance, if any; (b) acknowledging that there are not, to Tenant's knowledge, any uncured defaults on the part of Landlord hereunder of specifying what default, if any, are claimed, and (c) setting forth the date of commencement of rents and expiration of the term hereof. Any such statement may be relied upon by any prospective purchaser or encumbrancer of all or any portion of the real property of which the Premises is a part.



31. RECORDATION/MEMORANDUM OF LEASE

Tenant will not record this Lease without the prior written consent of Landlord. Upon Landlord's request to Tenant, at any time, the parties will execute and record a memorandum of this Lease.

32. ENTIRE AGREEMENT

This Lease sets forth the entire understanding and agreement of Landlord and Tenant with respect to the Premises and the Lease thereof, and all prior conversation and writings are deemed merged herein and thereby extinguished and of no further force and effect. This Lease may be amended or modified only in writing signed by both parties.

33. LEASE NOT OFFER

The submission of this Lease for examination by Tenant does not constitute an offer or an option to Lease the Demised Premises, nor is it intended as a reservation of the Demised Premises for the benefit of Tenant. On the contrary, it is expressly understood that this Lease shall not be effective or binding upon the parties until it is fully and properly executed by Tenant and Landlord.

34. HAZARDOUS SUBSTANCE DISCLOSURE

Tenant shall promptly disclose to Landlord, in writing, if Tenant knows, or has reasonable cause to believe, that any toxic, dangerous, or hazardous substance, as those terms are defined under federal, state or local law, has come to be located, in, on, about, over, or beneath the premises. In addition, Tenant shall execute a written statement to Landlord no later than thirty (30) days after the end of each lease year describing in detail any and all toxic, dangerous, or hazardous substances, as those terms are defined under federal, state or local law, which Tenant knows, or has reasonable cause to believe, have come to be located in, on, about, over, or beneath the premises or that there are no toxic, dangerous, or hazardous substances in, on, about, over, or beneath the premises.

35. FORUM SELECTION

This Lease shall be construed in accordance with the laws of the State of Alaska. Should any legal proceeding be necessary under this Lease, the same shall be commenced in the trial courts for the State of Alaska First Judicial District at Juneau, Alaska. Tenants agree specifically that venue and jurisdiction in that court are proper, and further agrees to submit themselves to the jurisdiction of that court. Tenant shall not claim that said forum is an inconvenient form.

36. AUTHORITY

Tenant represents and warrants that it is duly formed and in good standing, has had full corporate or partnership power and authority, as the case may be, to enter into this Lease and has taken all corporate or partnership action, as the case may be, necessary to carry out the transaction contemplated herein, so that when executed, this Lease constitutes a valid and binding obligation enforceable in accordance with its terms. Tenant shall provide Landlord with corporate resolutions or other proof in a form acceptable to

Landlord authorizing the execution of the Lease at the time of such execution.

37. AMBIGUITIES

The general rule of contract interpretation of construing ambiguities, if any, in writing against a drafter shall not apply.

IN WITNESS WHEREOF, the parties hereto have executed this Lease on the dates set forth below their respective signatures.

LANDLORD: LYNN CANAL CORPORATION

By: 

Its: President

EXECUTED on: August 31, 2021

TENANT: Bartlett Regional Hospital

By: 

Its: Chief Executive Officer

EXECUTED on: August 31, 2021

# Bartlett Regional Hospital

3260 Hospital Drive, Juneau, Alaska 99801

907.796.8900

[www.bartletthospital.org](http://www.bartletthospital.org)

## September 2021 Nursing Report Kim McDowell, CNO

### Nursing Administration

- House Supervisor (HS) Department recently welcomed to our team new House Supervisors Miranda Warren RN and Julie Mitchell RN as new House Supervisors and a new Central Staffer, Angela Erickson, Clinical Admin Coordinator. They have been a positive influence to the HS team. Float pool has done an excellent job in assisting units with staffing shortfalls, including House Supervisors. Whitney Burch recently completed her HS orientation. Float pool is staffing the Monoclonal antibody Clinic. Float Pools flexibility and willingness to offer assistance anywhere it is needed has really benefited BRH during this time of critical staff and operational needs.
- House Supervisors and Central Staffing are working on projects to streamline and provide transparency to notifying units about staffing. Other projects include utilizing tools in API for shift trades, vacant shifts and shift notification. These tools will streamline processes and eliminate redundancies and errors. Nursing Admin is in process of researching virtual patient sitter systems, this system would increase patient safety, and reduce staffing variability related to staffing patient in need of a sitter (need is highly variable and difficult to predict.)

### Obstetrics (OB) Department

- We are focusing on emergency C-section preparedness for our drill this month. OB RN Leanne Dapcevich is running multiple drills and scenarios for RNs and CNAs to successfully practice and run through initiating and performing an emergency C-section with limited staff.
- The AKPQC (Alaska Perinatal Quality Collaborative) is closing up the Severe Maternal Hypertension (HTN) initiative, and moving onto the new initiative titled “Substance Affected Pregnancies”. Lauren will be a faculty advisor for this initiative, and Rachel Gladhart will also participate for Bartlett. We look forward to continuing to partner with other hospitals and share successes, challenges, and overall outcomes.
- We are continuing to precept a new RN- Kelsey Stefanich, and she is doing outstanding! We will also be welcoming another new face this week, Christy Bak. Christy joins us as an experienced OB nurse who has worked at ANMC and Alaska Regional.

### Critical Care Unit (CCU)

- CCU has been busy, and there has been issues with medevac’ing patients. At times, it has taken between 24-36 hours to get an accepting. This creates a situation in which CCU holds intubated COVID patients, requiring paralytics not typically used here on intubated patients. Nurses were provided with education on how to use the “Train of Four” device along with written material on the paralytic. Morgan is going to do some more continuing education on it as well at the staff meeting this month.

- Our Traveler has started, which means we are fully staffed for now and allows more CCU nurses to float to other areas when needed.
- Every one that can be fully vaccinated in CCU is (we had one staff member have a reaction to the 1<sup>st</sup> dose, so cannot get the second). Staff have been excited to get the booster when there are extra doses in the vial that need to be given out as not to waste it.

### **Emergency Department (ED)**

- We are transitioning the Regeneron Clinic to the Covid screening building outside of the ED. This will allow for a decreased # of COVID + patients entering the facility. It will also free bed space within the hospital.
- We are continuing to onboard ED techs. They have been a great addition to the team as a supplement to the nursing shortage.
- We are working on creative staffing matrixes and team nursing to ensure continued safe, quality, patient centered care when facing staff shortages.
- Dr. Battah presented an educational talk in which he discussed critical care management of COVID -19 as well as non-COVID patients. He shared treatments utilized during the pandemic that may assist BRH staff for caring for critical patients we are unable to Medevac.

### **Medical Surgical Unit (MS)**

- Staff are working hard and doing an excellent job handling the continued high census.

# Bartlett Regional Hospital

3260 Hospital Drive, Juneau, Alaska 99801 907.796.8900 [www.bartletthospital.org](http://www.bartletthospital.org)

## September 2021 Behavioral Health Board Report Alice Nichols, Interim Chief Behavioral Health Officer

**PSYCHIATRIC PROVIDER LIST:** Bartlett Behavioral Health now has 4 employed full time psychiatrists, 2 employed full time psychiatric nurse practitioners, and 1 provider under independent contractor status with a second joining us on October 1. We continue to recruit for 3 full time psychiatrists (adult, child, and addictions).

- **Dr. Joanne Gartenberg** Behavioral Health Medical Director
- **Dr. John Tarim**, Staff Psychiatrist is providing full time psychiatric services to patients at Rainforest Recovery Center and addition to taking call.
- **Dr. Helen Short**, Staff Psychiatrist providing full time psychiatric services on MHU and taking call.
- **Dr. Monika Karazja**, Staff Psychiatrist providing full time psychiatric services and taking call.
- **Dr. Joshua Sonkiss** joins us October 1 as an independent contractor, providing part-time telehealth outpatient services to adolescents and adults, and will provide full time on site coverage on MHU and Rainforest Recovery Center (taking call) as needed
- **Dr. Marna Schwartz**, Behavioral Health Pediatrician working part time at BOPS to ensure primary care needs of pediatric BH patients are being met.
- **America Gomez**, Psychiatric Mental Health NP (Full Time BRH Employee), is providing outpatient services to children, adolescents, and adults and taking call.
- **Cynthia Rutto**, Psychiatric Mental Health NP (Full Time BRH Employee), is providing outpatient services to children, adolescents, and adults and taking call. Cyndy is also a lead provider for our Community Based Crisis Intervention Services Program.
- **Nicholas White**, Psychiatric Mental Health NP (part time Independent Contractor) is providing telehealth outpatient services to adults via BOPS.
- **LOCUM PSYCHIATRISTS**
  - **Dr. Stephanie Chen** is providing part time telehealth outpatient service to and consultation for children and adolescents.
  - **Dr. Judy Engelman** is providing part time telehealth outpatient services to adults.
  - **Dr. Valerie Clemons** is providing full time outpatient services to children and adolescents, part time telehealth and part time on site. She is the child psychiatric provider for the Community Based Crisis Intervention Services Program.
  - **Dr. Magdalena Naylor** has transitioned from onsite full time outpatient services to part time telehealth services for adults.
  - **Dr. Mariam Garuba** provides prn weekend call coverage

### **RAINFOREST RECOVERY CENTER:**

- **RRC Residential Treatment Update:**
  - RRC prioritizes those applicants residing in Southeast Alaska however is reviewing applications from the state of Alaska

- RRC residential remains at capacity (currently 8 beds) with a waitlist
- Waitlist as of 09.21.2021 is 13
- **September RRC COVID Update**
  - All RRC patients have a negative COVID result upon admission
  - All RRC patients are tested on a weekly basis
  - Universal masking requirements remain in effect for patients and staff
- **RRC Withdrawal Management Unit (WMU) Update**
  - New medical grade beds have been added to all WMU rooms for increased safety and to decrease falls
  - We still are diverting patients to Med Surg unit at times due to nursing staffing shortages
  - Because of difficulties with ordering labs, medications, etc. the hospitalist service will not consult on patients in WMU at this time. This means that medically complex patients will be admitted to the hospitalist service rather than WMU.
- **RRC Outpatient Treatment Update:**
  - Combination virtual/in person outpatient treatment model
  - Individual Sessions with modalities (DBT, EMDR, hypnotherapy)
  - Medication Assisted Treatment
  - ASAM Assessments
  - Prioritizing patients awaiting admission to or transitioning from residential treatment

#### **ADULT MENTAL HEALTH UNIT (MHU):**

- There were 26 admissions in August and 24 discharges
- August daily average census was 3.74 and we have had days when we were at capacity.
- MHU plans to open to involuntary patients statewide on October 1 in order to meet the need of the severely mentally ill patients. API has had a long waiting list
- Average length of stay for August was approximately 3.37 days. We have had several patients with long length of stay as they required long-term placement which continues to be difficult.
- Adult Crisis Stabilization on MHU Update- This will be put on hold, due to the need to accept statewide acute psychiatric patients
- Nursing shortage is impacting MH with 67 open nurse shifts in the month of October and 68 in November.

#### **BARTLETT OUTPATIENT PSYCHIATRIC SERVICES (BOPS):**

- BOPS delivers outpatient services through a hybrid telehealth/in-person model. In-person services were reduced last month due to the increase in Covid cases in our community.
  - 4.0 FTE Clinical Therapists are delivering in person/telehealth counseling services from their home offices/BOPS Clinic.
  - 5.0 FTE Psychiatric providers are delivering in person/telehealth psychiatric / medication management from their home offices/BOPS Clinic.
  - Clinical Therapist recruitment efforts:
    - We have hired 1 FTE Clinical Therapist with a start date of October 19, 2021.

- We have hired one contract therapist who is awaiting credentialing.
- Psychiatric Emergency Services is hiring two daytime clinicians to provide emergency coverage during the day which will allow outpatient providers to focus on outpatient caseloads. Both of these providers will be starting on October 19, 2021.

#### **APPLIED BEHAVIOR ANALYSIS CLINIC:**

- Behavioral Health has opened an Applied Behavior Analysis (ABA) Clinic in Juneau. This program coexists with Physical Rehab Services as both services are connected with our target population (Autism diagnosis for patients ages 2-21)
- ABA has new office space at 3200 Hospital Dr., Suite 2, a temporary space until the new behavioral health building is completed.
- We have hired the ABA Team:
  - 1 FTE Board Certified Behavioral Analyst who will serve as the ABA Director
  - 3 FTE Behavioral Technicians—all three have passed their board certification exams.
  - 1 FTE Administrative Staff
  - 2 additional ABA technicians will be hired. There are no applicants for these positions at this time.
- Referral submission began on June 30, 2021.
  - 55 total referrals
- Initial assessments have been completed for first 5 patients off the wait list and services have been approved to start for the first patient effective September 27, 2021. The first 5 patients represent approximately 80 hours weekly of direct therapy. Our current wait list is at 50 patients. We currently have the technician staff to provide direct therapy to the first 8-10 patients.
- Juneau School District has approved us to provide 1:1 therapy in schools and has signed the consultation contract for director Jenna Wiersma with students and teams throughout the district as they request. This is in addition to the therapy we are providing current patients and will offer supplementary collaboration and services for JSD in addition to providing additional revenue to the hospital for my consultation services.
- Due to “in home” services being a critical component of ABA, we have been working with Alaska Licensing & Certification, the Division of Behavioral Health, Legal (CBJ and Studebaker/Nault, PLLC) and MagMutual to ensure we are in compliance prior to services beginning.
- We have confirmed that our liability covers in home and community-based ABA services as of August 1, 2021. In addition, DBH has confirmed departmental approval for us to begin providing in home and community-based services under our provider enrollment status with the State of Alaska
- Medicaid has approved BRH for ABA Services.

#### **PSYCHIATRIC EMERGENCY SERVICES (PES):**

- In August, 65 patients were assessed in the Emergency Department experiencing a Behavioral Health Crisis.
  - 52 Adults
  - 13 Children/Adolescents

### **CRISIS INTERVENTION SERVICES COMMUNITY BASED TEAM UPDATE (CIS):**

- The CIS team consists of 2 Therapists and 4 Navigators who provide in home and community supports for individuals and their families who are discharged after a crisis assessment by PES.
- Goal of the program is to provide ongoing supports to assist individuals and families through crisis by offering psychiatric evaluations, counseling and skills building services and connecting them with outpatient resources.
- All services delivered are reimbursable under “Crisis Intervention” under the State Medicaid Plan and the 1115 Behavioral Health Medicaid Waiver.
- For non-Medicaid families, we continue to work with payers in terms of reimbursement.
- In August, CIS offered crisis services to 13 individuals and families, seven of whom engaged in care.

### **Crisis Stabilization Facility Update (Please see 08.16.2021 Field Report Attached):**

- Anchors installed on September 14 in the foundation along the West side of the Rainforest Recovery building.
- Facility needs will need to be identified and ordered as we prepare for the opening approximately one year from now.

### **FY22 Grants Update**

- **State of Alaska DBH Grants\* awarded in July include:**

| <u>Grant</u>   | <u>Award Amount</u> |
|--|---------------------|
| RRC Residential Treatment Operational Grant              | \$404,000           |
| RRC Withdrawal Management (Detox) Operations Grant       | \$101,000           |
| COVID-19 Psychiatric Emergency Services Operations Grant | \$222,000           |

\* Additional DHSS/DBH Behavioral Health Grant opportunities are soon to come from the ARPA (COVID Recovery) funding.

- **Other Grants awarded in July:**

| <u>Grant</u>  | <u>Award Amount</u> |
|---|---------------------|
| Juneau Community Foundation – Community Navigator Program | \$210,000           |



# Bartlett Regional Hospital

3260 Hospital Drive, Juneau, Alaska 99801

907.796.8900

[www.bartletthospital.org](http://www.bartletthospital.org)

## September 28, 2021 Board Report Vlad Toca, COO

### Cardio/Pulmonary, Respiratory Therapy & Sleep Lab – Nelea Fenumiai

- Advertising for new clinical coordinator for Cardiac/Pulmonary Rehab
- Researching telehealth visit options for pulmonary rehab, for local and outlying communities to have access to care
- Oxygen supplies are stable
- New ventilator training this week for the RT's (PB 980)
- Wireless EKG orders are in testing mode. Go-live planned for October
- I-stat training is starting for RT
- Sleep lab is scheduling out almost six weeks in advance

### Diagnostic Imaging – Paul Hawkins

#### Staffing

- Ultrasound candidates are being recruited in, tight market, one applicant with minimum qualifications has an interview pending. The candidate starting orientation on September 7 has backed out, citing cost of living and lack of housing as the main reason. One casual US tech to help with the call has NEO this month.
- A new casual mammographer has been hired.
- Two CT positions are open, and a new candidate has applied.
- New DI receptionist has started, and the second one is beginning mid-September
- Revising class specifications for DI positions. Evaluating Position descriptions.
- We are working with HR to develop a new Diagnostic Imaging payable.
- We are developing a PD for Diagnostic Imaging Assistant. A non-technologist position that can prep patients and increases productivity in CT and Mammography.

#### Projects

- Script Sender project is ongoing. Orders into DI from referring physicians can be automated with CPT code and ICD-10 code compatibility verification and streamlined prior authorization. This will make sure supporting diagnosis codes for new (AUC) appropriate use criteria are provided. An additional benefit is a reduction in paper and will help with our paperless goal.
- AUC appears to be pushed to January 2023.
- Patient workflow and Covid precautions continue to be a top priority.
- Upgrade of CT Scanners approved, and we are working with vendors to evaluate equipment and service, a final selection expected next week.
- A new MRI safety gate was installed at the entrance of the room. This technology includes a metal detector and is enhancing compliance and safety for our staff and hardware.
- We are working with the new marketing director to promote services to the community and an in de.
- Become accredited in low dose lung cancer screening with the American College of Radiology.

#### Future Plan

- Offer Cardiovascular and Vascular Screenings to promote wellness.
- Evaluate calcium scoring as CT wellness exam when the upgrade is complete.
- Work with oncology to promote Mammography and low dose lung cancer screening.
- Fill remaining ultrasound and CT vacancies.
- Work with HR to correct DI salary schedule to stay competitive.
- Contrast Mammography

- CT brain perfusion with AI

### **Laboratory – John Fortin**

- Volumes for September were consistent with historical numbers for Lab and Histology. Molecular volumes spiked due to Delta variant:
  - a. Lab – 9774
  - b. Molecular – **4968**
  - c. Histology – 374
- We are having continued challenges recruiting critical positions for the Molecular department, and we are not finding MLT eligible candidates. A Laboratory Assistant position was posted as a strategic backup. The Covid surge and increased volumes are pushing higher numbers in overtime for Laboratory and Molecular staff.
- We still need to note a significant lag time of receiving financial reports. This lag has been 2 – 3 months, causing delays in reporting financials for Lab, Histology or Molecular.
- There are no contract updates concerning the third party billing with Quest, and the contract is under review with CBJ legal.
- CBJ Health Yourself Health Fair is on hold for now.
- The College of American Pathologists will arrive on-site on October 28.
- I-STAT VBG project with Respiratory Therapy is still performing feasibility tests and IT validations. Laboratory leads Terrence Eday and Britt Watters work directly with RT staff in the set-up process. We have not established a live date.
- Competencies have been completed for Blood Banking, Hematology, OB and Histology. Since all staff in Microbiology have < 1 year, only training manual signoff is needed. New hire CLS will be working with our Laboratory Aides. The POC lead will work with ER for i-STAT, and the chemistry lead will be starting this month.
- A new process in place for Codes and Rapid response with the use of i-STAT from ER with our RT's that have VBG's. This is a temporary process while we complete the RT project.
- Training backup for Histology Secretary.
- With this recent spike in COVID, Laboratory was able to obtain 500 Ag kits for COVID from state supplies. This is based on ICS meetings which Hospitalists may use for daily checks. This test will not be under the Laboratory department due to the current CLIA waived status.
- The laboratory department will be moving to Med Tox Urine Drug Screening. There are concerns with missed proficiency using the Identify kits, new analyzers have arrived, and validation is in process.
- Capital – We have received our xylene recycler and OSMO. We are still waiting for the delivery of the blood bank cell washer. Once all are received, we will do the second round of purchases.
- Pathologist contract - A group of hospital representatives has created a draft, discussed with the current Laboratory Medical Director, Burton Vanderbilt.

### **PT/OT – James "Rusty" Reed**

- We are near complete on our staffing needs, and this is giving great relief to our team.
- The new Administrative Assistant is now on board and doing a great job.
- Hired a 1 FTE Physical Therapist that started on September 20<sup>th</sup>.
- Offers were sent out to a PTA for an FTE position, and we are waiting for a response.
- We continue to lack adequate space to fully meet all referrals and currently have waitlist's, the largest in our Pediatric setting for all three disciplines.
- Service lines continue to be impacted by COVID due to daycares and school closure due to exposure.
- Inpatient volumes have been affected by placing elective surgeries on hold, so we are not getting our Orthopedic total knee and hip replacement patients.

### **Pharmacy – Ursula Iha**

- Flu vaccines arrived at Bartlett, and administration has commenced for employees. The nurse-driven protocol to offer a flu vaccine to all patients 6 months or older without contraindications begins October 1. When the FDA and CDC approve the COVID booster shots, they can be given simultaneously as the flu shot.
- Pharmacists are working with providers and patients to schedule the administration of monoclonal antibodies to prevent severe COVID illness.
- Pharmacy staff is working with Materials Management Director, Willy Dodd, to furnish reports and information needed to prepare our transition to a new Group Purchasing Organization.

### **Physician Services, BSSC, BMOC, and Ophthalmology – Sara Dodd**

#### **SEPS Update:**

- SEPS team is still working with a handful of the providers they bill for to secure contracts with various insurance companies.
- Our team is in the process of doing a final demo with MD Audits. We plan to use them for internal audits of our 35 providers that we provide billing for.
- SEPS is still looking for a casual billing employee to join the billing team.

#### **BMOC Update:**

- BMOC and BRH Case Management have recently collaborated and hired a Patient Navigator, Lena Lenkiewicz, to assist oncology patients with finding financial assistance, coordinating care, travel, etc. We are so excited to have Lena in this role to help our patients.
- Testing is still ongoing for the Meditech/eCW bidirectional interface to BMOC. This interface will also feed lab results into the Intellidose chemotherapy ordering system. Kudos to Frances Jones, Ilea Belcourt, Britt Waters and Pam Eby for their work on this project!
- Sarah Dunn, the nurse practitioner, has recently celebrated her first anniversary working at BMOC. She's been an excellent addition to the team at Bartlett Medical Oncology.

| <b>Bartlett Medical Oncology Center</b> |               |
|---|---------------|
|   | <b>August</b> |
| <b>Office Visits</b>                    | 94            |
|   |               |
| <b>By Visit Type:</b>                   |               |
| <b>Chemo Education w NP</b>             | 4             |
| <b>Follow Up</b>                        | 41            |
| <b>Hematology New Patient</b>           | 2             |
| <b>Oncology New Patient</b>             | 8             |
| <b>Routine Visit w NP</b>               | 23            |
| <b>Zoom Follow Up</b>                   | 7             |
| <b>Zoom NP Hematology</b>               | 5             |
| <b>Zoom NP Oncology</b>                 | 4             |
|   | 188           |

#### **BSSC Update:**

- There is a staffing shortage in BSSC, and we are looking for a full-time MA and a casual ophthalmology tech. Kudos to the BSSC team for pulling together to cover the clinic and staffing needs! We appreciate our team!
- The ICS directive limiting OR time is making it very difficult to schedule cases. We have a growing list of backlogged patients.
- Alaska Retinal Consultants has signed a contract with BRH to provide ongoing ophthalmology care three days per month in Juneau. Dr. Guess will be holding the first clinic from September 22-24. We are looking forward to working with this group and filling the need in the community.

### **Food Services – Felipe Ogoy**

- We are operating at 40% capacity due to staffing recruitment issues. The hours of operations have decreased since we have 7/14 positions now.

### **Marketing & Strategy – Amanda Black**

- Planning meetings/correspondence with three Marketing/Advertising Companies as we finalize our website and marketing strategy.
- We have completed a weighted-scale Rebranding Scorecard and SOW Summary Comparison in Smartsheet. The results were sent to SLT, and we have identified priorities we want to mobilize on at this time.
- Completed interviews with all revenue-generating departments about service lines capabilities, future growth goals, and template creation to produce ads and have standardization in our media outreach efforts. This is done interactively with an intake form in Smartsheets.
- We have initiated planning on Job Postings per department to increase qualified applicants for our critical to fill positions and standardize the process across all engines we are currently using to advertise.
- Tour of Rehab Services department and strategy planning to discuss the creation of a weighted-scale comparison for therapists to improve tracking of referrals.
- We have created a smart sheet to track all stakeholders' duties and responsibilities to have a successful groundbreaking ceremony for our new Youth and Adult Crisis Stabilization Center coming up in October.

# Bartlett Regional Hospital

3260 Hospital Drive, Juneau, Alaska 99801 907.796.8900

[www.bartletthospital.org](http://www.bartletthospital.org)

## September 28, 2021 Board Report Kevin Benson, CFO

### **FINANCE – Kevin Benson**

- Finance will be finalizing the FY21 audit during the last week of September.
- We are preparing reporting on the provider relief fund that we received for COVID.
- We are busy with several Grant solicitations.
- We are also continuing to prepare for Cost Report due in October.

### **HIM – Rachael Stark**

- HIM welcomed a new employee, Sydney Baines, who started on 09/07/2021. We are very excited to have her join the team and feel she will be a great addition to BRH.
- HIM is monitoring our Fair Warning application which looks for inappropriate access into the Medical Records. That program is working really well and we are meeting weekly with their team. We will continue to reach out to employees who get flagged for inappropriate access.
- We are continuing with coding for the Molecular Lab and are working with Lab, PAS and PFS to ensure we have all the components to compliantly code and bill these items. For August we had over 4000 Molecular Labs coded and a total of 6984 visits coded.
- There also is an increase with the BOPS accounts for coding.

### **PFS – Tami Lawson-Churchill**

- Overall cash collections for the month of August was \$9.4 Million
- PFS is still continuing to work with PAS and HIM to streamline Molecular Lab
- PFS is working with GA to transition QuickBooks billing to CLIENT billing functionality
- PFS is working together with Behavioral Health to implement the new ABA clinic
- Working on SOA Office of Rate Review Annual Uninsured Care Audit due 10/1/21

### **Materials Management – Willy Dodd**

- Materials Management is continuing to work to source PPE and hard to find supplies. Cardinal and other major suppliers have stated that shortages will continue into 2022.

### **Case Management – Jeannette Lacey**

#### **Staffing:**

- Lena Lenkiewicz has transitioned to the Oncology Patient Navigator position.
- We hired a SWCM intern, Kevin Lansing. His primary role will be with Oncology and supporting program development of this new role.
  - Lena and Kevin have been working closely with BMOC to prepare to start seeing patients next month.
- We continue to recruit for our Lead CDI Specialist and a Social Work Case Manager.

#### **Discharge Delays:**

- Limited availability of local skilled nursing facility beds
- Limited availability of Hospice and Home Care services—there is greater than one week wait list for Hospice or home care referrals.

#### **COVID:**

- Quarantine and Isolation
  - We continue to have high numbers of unsheltered COVID positive individuals and families. However, we have had available community resources to support isolation needs.

- We greatly appreciate the ongoing partnership with CBJ, CCFR, Public Health, SEARHC, shelter/transitional living facility staff and managers, and others with ongoing planning and program implementation.
- Staffing
  - Some shifting around with school classroom quarantines and exposures. The team has been flexible and supportive of the various needs.

## IS – Scott Chille

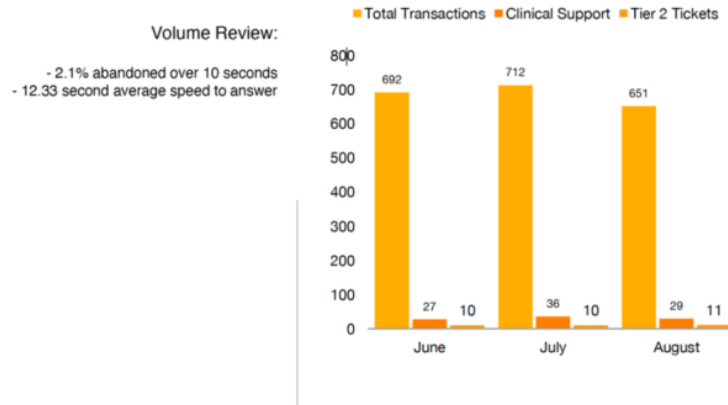
### Projects

- **Microsoft365/Office365 migration:** project getting underway with expected 2-month completion.
- **Imprivata Single Sign-On and EPCS project:** in progress with expected completion mid-October. Rolling implementation by department schedule to be determined and shared very soon.

### Department Updates

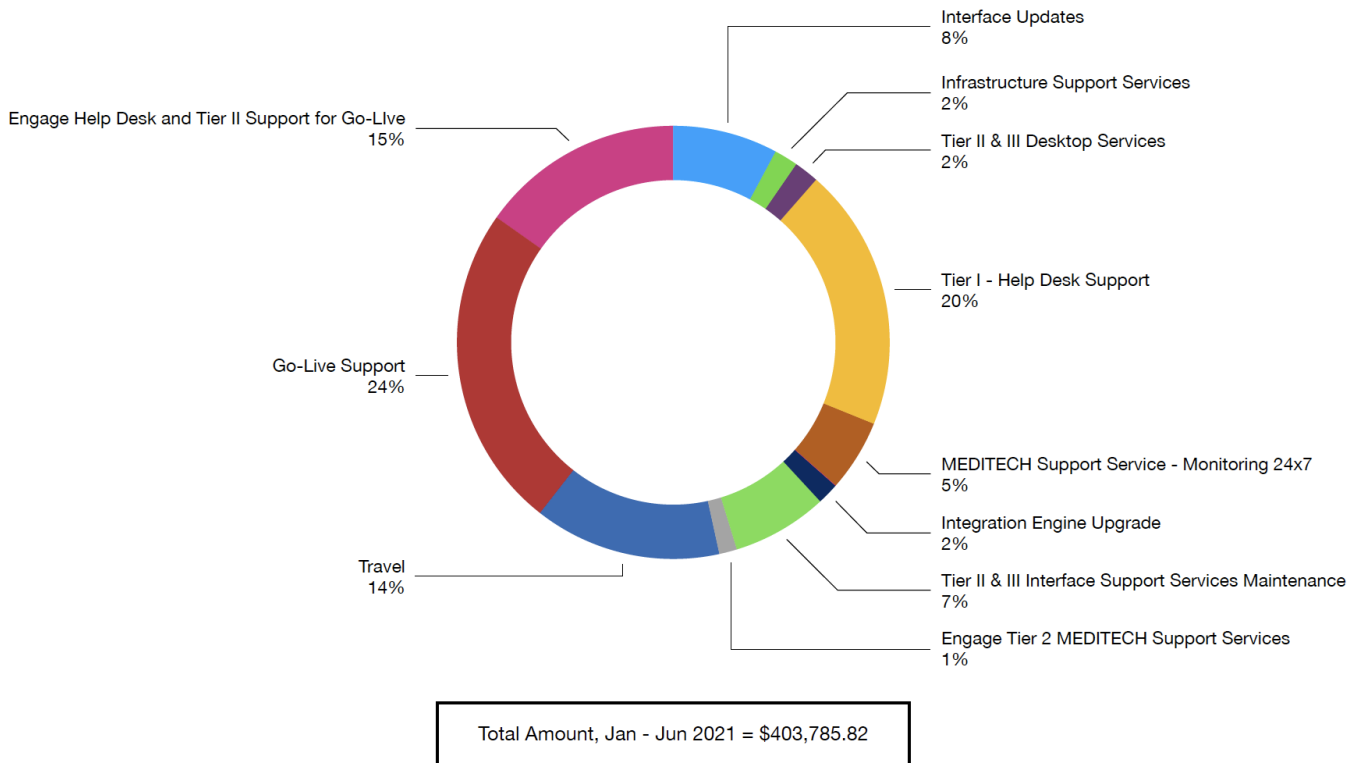
- Nothing new this month.

### Call Volumes (HelpDesk and Clinical IS): Previous Quarter

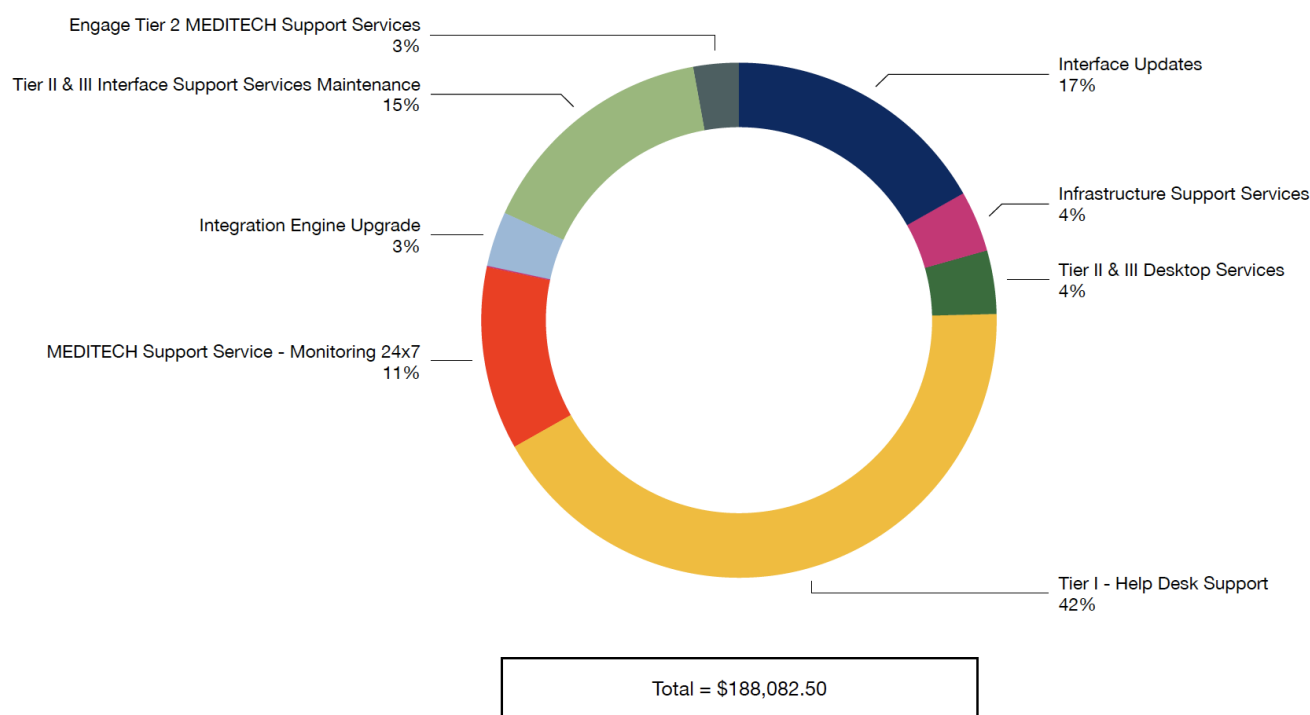


### Engage Spending Review – Total and Support Breakdown

#### H1 2021 Spending Review - Total



## H1 2021 Spending Review - Support



### Information Security

- Rapid7 Incident Detection and Response Report:** No MITRE ATT&CK Techniques detected in August 2021



- Rapid7 Hunt Report:** Each month we perform an active hunt campaign starting with the presumption that we are already compromised and then look for evidence of said compromise including lateral movement, credential compromise/re-use, pivoting, malware, data exfiltration, etc.

### *Rapid7 MDR Hunt Report:* Rapid7 Managed Detection and Response · August 2021

#### Executive Summary

The Rapid7 Managed Detection and Response (MDR) service captured hunt data from **842 endpoints**. **Rapid7 did not identify any indicators of compromise via hunt data during the month of August.**

The MDR service relies on multiple methods of compromise detection within client environments. In addition to real-time alerting, MDR performs frequent collection of forensically-relevant data using the InsightIDR endpoint agent to identify historical indicators of compromise and malware that cannot be captured in real-time.

- Cybereason (Endpoint Detection and Response) Report: August

# Executive Summary

The following table shows the number of Malop detections (alerts) in your environment for the current month. Entries are separated by severity.

| 5 - Critical | 4 - High | 3 - Elevated | 2 - Moderate | 1 - Low | PUP |
|--------------|----------|--------------|--------------|---------|-----|
| 0            | 0        | 0            | 0            | 0       | 0   |

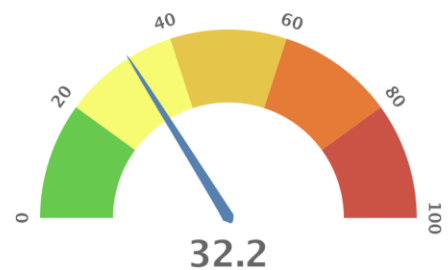
No Malop/PUPs were detected this month.

- Attacks on Bartlett network have increased about 86% over the last quarter: Even with the increase in attacks, we are still not seeing any indicators of compromise making their way into the network. We are remaining vigilant in our efforts to keep the attack surface LOW and continuing to actively block bad activity and hunt down all alerts.

| Attacks on Bartlett Network |                     |              |              |              |              |
|-----------------------------|---------------------|--------------|--------------|--------------|--------------|
|                             | As of March-15 2020 | As of May-08 | As of Jun-08 | As of Jul-08 | As of Aug-08 |
| Per Minute                  | 86                  | 1210         | 1020         | 1075         | 1896         |
| Per Hour                    | 5,160               | 72,600       | 61,200       | 64,500       | 113,760      |
| Per Day                     | 123,840             | 1,742,400    | 1,468,800    | 1,548,000    | 2,730,240    |
| Per Week                    | 866,880             | 12,196,800   | 10,281,600   | 10,836,000   | 19,111,680   |
| Per Month                   | 3,839,040           | 54,014,400   | 45,532,800   | 47,988,000   | 84,637,440   |
| Per Year                    | 45,201,600          | 635,976,000  | 536,112,000  | 565,020,000  | 996,537,600  |

- Security Awareness Risk Score and Phishing Campaigns

## Organization's Risk Score

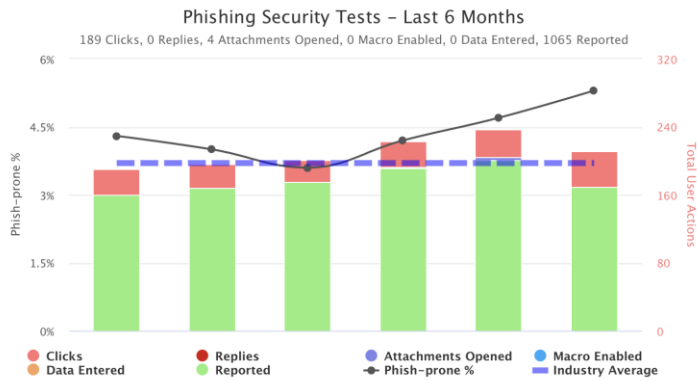


See our [Virtual Risk Officer \(VRO\) Guide](#) for details about how Risk Scores are calculated.



## Phishing

[See More Phishing Reports](#)



### Industry Benchmark Data ?

Your Last Phish-prone % **5.3%**

Industry Phish-prone % **3.7%**

Industry: Healthcare & Pharmac

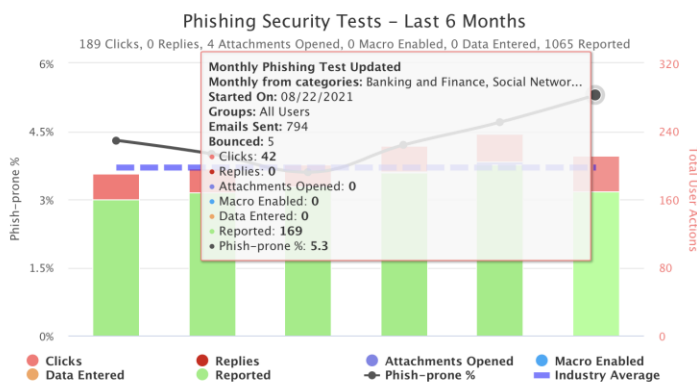
Organization Size: Medium (250-1000 us)

Program Maturity: 1 Year

☒ Industry Benchmark Chart Data

## Phishing

[See More Phishing Reports](#)



### Industry Benchmark Data ?

Your Last Phish-prone % **5.3%**

Industry Phish-prone % **3.7%**

Industry: Healthcare & Pharmac

Organization Size: Medium (250-1000 us)

Program Maturity: 1 Year

☒ Industry Benchmark Chart Data

# Bartlett Regional Hospital

3260 Hospital Drive, Juneau, Alaska 99801

907.796.8900

[www.bartletthospital.org](http://www.bartletthospital.org)

## September 2021 Board Report

**Kathy Callahan, Interim CEO**

In the week that I have been working as the Interim CEO at BRH I have been warmly welcomed by staff, physicians and community members and have felt very supported during this difficult time.

- There was the first Ophthalmology clinic with Alaska Retinal Consultants and the contract that Rose negotiated with them was finalized and completed.
- A high priority of this week was to name an interim CBHO. Alice Nichols, who has been working with BRH since February and is familiar with the programs and the people has agreed to step into this role. She will fill this role as we look for a longer term interim with an expectation that the permanent position would be filled by the new CEO. Alice will be able to return to her prior role and assist the interim moving forward.
- I have been working with SLT and direct reports to learn where we are with current hospital operations.

# October 2021

\*\*\*Until further notice: To encourage social distancing, participants wishing to join public meetings are encouraged to do so by using the video conference meeting information listed on the next page and at the top of each meeting's agenda.

| Sunday  | Monday   | Tuesday   | Wednesday | Thursday | Friday   | Saturday |
|---|--|---|-----------|----------|--|----------|
|   |  |   |           |          | 1  | 2        |
| 3   | 4  | 5   | 6         | 7        | 8<br>12:00pm Finance Committee<br>(PUBLIC MEETING)     | 9        |
| 10<br>BRH Board members attending Governance Institute Leadership Conference in Colorado Springs, CO<br>October 10 - 13 | 11   | 12  | 13        | 14       | 15<br>12:00pm Governance Committee<br>(PUBLIC MEETING) | 16       |
| 17  | 18<br> | 19  | 20        | 21       | 22   | 23       |
| 24  | 25   | 26<br>5:30pm Board of Directors<br>(PUBLIC MEETING) | 27        | 28       | 29   | 30       |
| 31<br>                               |  |   |           |          |  |          |

## Committee Meeting Checkoff:

Board of Directors – 4<sup>th</sup> Tuesday every month

Board Compliance and Audit – 1<sup>st</sup> Wednesday every 3 months (Jan, April, July, Oct.)

Board Quality- 2<sup>nd</sup> Wednesday every 2 months (Jan, Mar, May, July, Sept, and Nov.)

Executive – As Needed

Finance – 2<sup>nd</sup> Friday every month

Joint Conference – Every 3 Months

Physician Recruitment – As needed

Governance – As needed

Planning – 2<sup>nd</sup> Friday every month

Page 75 of 76

## OCTOBER 2021 - BRH Board of Directors and Committee Meetings

**BRH Finance Committee 12:00pm Friday, October 8<sup>th</sup>**

<https://bartletthospital.zoom.us/j/98393405781>

Call 1 253 215 8782 Meeting ID: 983 9340 5781

**\*\*BRH Board members attending Governance Institute Leadership Conference  
in Colorado Springs, CO\*\* October 10-13**

**BRH Governance Committee 12:00pm Friday, October 15<sup>th</sup>**

<https://bartletthospital.zoom.us/j/93086282825>

Call 1 253 215 8782 Meeting ID: 930 8628 2828

**BRH Board of Directors Meeting 5:30pm Tuesday, October 26<sup>th</sup>**

<https://bartletthospital.zoom.us/j/93293926195>

Call 1 253 215 8782 Meeting ID: 932 9392 6195