

Bartlett Regional Hospital

BOARD OF DIRECTORS

Agenda

April 22, 2014

5:15 p.m.

Administration Boardroom

Mission Statement

Bartlett Regional Hospital provides its community with quality, patient-centered care in a sustainable manner.

I. ROLL CALL

II. SPECIAL ORDER OF BUSINESS

- Mayor Sanford

III. APPROVAL OF MINUTES

- March 25, 2014, Regular Board of Directors meeting (Pg. 3)
- March 26, 2014, Special Board of Directors meeting (Pg. 17)
- March 31, 2014, Special Board Directors meeting (Pg. 18)

IV. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

V. CONSENT AGENDA

- Board Requests for Consent Agenda Changes
- Board Action
 - Board Goals assignments – Executive Committee recommends approval (Pg. 20)
 - Quality Council Charter – Quality Committee recommends approval (Pg. 22)
 - Alaska Hospital Mutual Aid Agreement – Executive Committee recommends approval (Pg. 28)
 - \$52,000 Fox Lawson and Associates Agreement (Class and Compensation Study) – Finance Committee recommends approval (Pg. 46)
 - March Financials – Finance Committee recommends approval (Pg. 74)
 - \$27,664 Olympus OTV-S7PROH-HD-LO8E – Finance Committee recommends approval (Pg. 85)
 - \$24,273 Stryker System 6 - Finance Committee recommends approval (Pg. 94)
 - \$164,224 McKesson PACS Architecture Project - Finance Committee recommends approval (Pg. 97)
 - \$67,280 NetApp Expansion Project - Finance Committee recommends approval (Pg. 110)
 - \$19,614 Fusion Upgrade Project - Finance Committee recommends approval (Pg. 112)

VI. ITEMS REMOVED FROM CONSENT AGENDA FOR DISCUSSION AND ACTION

- Items removed from consent agenda
- CEO Appointment
- 2014–2016 biennial budget – Separate document
- Information system selection (Pg. 115)

VII. MANAGEMENT REPORTS

- CEO Report

VIII. MEDICAL STAFF REPORT

- Chief of Staff Report
- Credentials Committee's Recommendations (Pg. 119)

*** EXECUTIVE SESSION ***

IX. BOARD REPORTS

- President's Report
- Standing Committee Reports
 - Executive Committee minutes (Pg. 122)

- Quality Committee minutes (Pg. 126)
- Planning Committee minutes (Pg. 129)
- Finance Committee minutes (Pg. 130)

C. Ad hoc Committee Reports

D. Liaisons Reports

X. BOARD EDUCATION

- Conflict of Interest Policy – Jane Sebens, CBJ Law (Pg. 134)

XI. BOARD COMMENTS AND QUESTIONS

XII. EXECUTIVE SESSION

XIII. ADJOURNMENT

Bartlett Regional Hospital



Board of Directors Minutes 3 25 2014,
Special Board of Directors Minutes
3 26 2014 & 3 31 2014



**A City and Borough of Juneau
Enterprise Fund**

Bartlett Regional Hospital

3260 Hospital Drive, Juneau, Alaska 99801 907.796.8900 www.bartletthospital.org

**Bartlett Regional Hospital
Board of Directors
Minutes
March 25, 2014**

Called to order at 5:15 p.m.

Roll call

Present

Kristen Bomengen, President
Nancy Davis, Secretary
Mary Borthwick
Alex Malter, MD
Lauree Morton

Bob Storer, Vice President
Linda Thomas, past President
Nate Peimann, MD
Mark Johnson

Absent

None

Others present

Jeff Egbert, CEO	Billy Gardner, CNO
Mila Cosgrove, HR	Toni Petrie, Executive Assistant
Karen Crane, CBJ Liaison	Amy Dressel, MD, COS
Jane Sebens, CBJ Law	Alan Germany, CFO

Public participation – None

Ms. Cosgrove introduced the CEO candidates – David Abercrombie, Chuck Bill and wife Sue, Joe Cladouhos, Craig Dahl and Dr. Paul Frank.

Ms. Borthwick made a MOTION to approve the minutes from the March 25, 2014. Nancy Davis seconded and they were approved as amended.

Ms. Bomengen asked the Board to pay close attention to the action items as we move towards a consent agenda.

STANDING COMMITTEE REPORTS

Executive Committee – Ms. Bomengen reports

We received a monthly legal review report from the CBJ Legal Department that described the work they have reviewed for the hospital.

One of the highlights of the meeting was discussion regarding Property Management for the Juneau Medical Building. Mr. Egbert met with Ms. Keifer to discuss CBJ managing the building leases, removing the hospital from the challenging position of landlord to its Medical Staff members.

There was a Physician Employment Agreement for Dr. Pam Gruchacz presented with the committee promoting it to the full Board with its recommendation for approval.

Mr. Storer made a MOTION to approve the Physician Employment Agreement for Dr. Pam Gruchacz. Dr. Peimann said there was not a Schedule A to the agreement and he could not support approving at this time. Dr. Peimann tabled the motion until we had a Schedule A. Mr. Storer seconded tabling the motion without objection the motion was tabled.

There were two amendments for excessive ER Call Coverage for Dr. Pam Gruchacz and Dr. Ben Miller's initial employment agreement that was reviewed. There was a recommendation by Ms. Davis at the Executive Committee meeting to add under Subsection 5.2(n) "effective February 1, 2014". The contracts were reviewed and signed off on by CBJ Legal, Risk Management and Dick Monkman. The Executive Committee has recommended approval.

Ms. Davis made a MOTION to approve the amendment for excessive ER Call Coverage for Dr. Pam Gruchacz with the amendment as presented. Dr. Malter seconded the motion and it was approved.

Ms. Davis made a MOTION to approve the amendment for excessive ER Call Coverage for Dr. Ben Miller with the amendment as presented. Dr. Malter seconded the motion and it was approved.

There was a Billing Services Agreement reviewed for Dr. Charles Lee, an anesthesiologist that will be doing some work in Juneau. The contract was reviewed and signed off on by CBJ Legal, Risk Management and Dick Monkman. The Executive Committee has recommended approval.

Mr. Storer made a MOTION to approve the Charles Lee Billing agreement. Ms. Thomas seconded the motion and it was approved.

Arthur Marshall Recruitment Agreement – Ms. Bomengen reported that this agreement was approved at the Executive Committee. The original agreement was for Pediatric recruitment, but we recently received a resignation from one of our Psychiatrists so we added Psychiatry recruitment to this agreement. This motion was made subject to ratification by the full board. The Executive Committee has recommended approval.

Dr. Malter made a MOTION to ratify the approval of the Arthur Marshall Recruitment Agreement as presented. Ms. Thomas seconded and the motion passed.

Planning Committee report – Dr. Peimann reports

Dr. Peimann said there were three items to move forward to the full board for consideration that were reviewed at the Planning Committee.

Strategic Goals - A list of high level Board strategic goals was presented as a draft for approval. Dr. Peimann said these will be reviewed and discussed at the October Board retreat. Ms. Thomas asked if the Planning Committee feels these goals are achievable in 2014. Dr. Peimann said yes they do. Dr. Peimann said he would like the Executive Committee to look at the formatting of the document and then to make committee assignments next to each goal. Mr. Egbert said these are a higher level of goals, rather than administrative goals. Dr. Peimann asked the Board to think about things that aren't on the list that should be, or things on the list that shouldn't be.

Mr. Storer also suggested taking this to the Executive Committee and they can make committee assignments, and then bring back to the full board for approval.

October Board Strategic Planning retreat – There are two dates for the retreat that Dr. Peimann would like the Board to choose from, October 11th or the 18th. Dr. Peimann asked that the Mission/Vision statements on the posters be reviewed.

The Planning Committee approved again posting in the boardroom the updated Mission/Vision statement posters, including care values.

Finance Committee report – Ms. Morton reports

There were five capital items for recommended for approval.

Class and Compensation Study – Ms. Cosgrove brought back an estimated cost to the Finance Committee and she's checking to see if it needs to go through the RFP process. She will bring information back to the Board once she has received it.

The February financial statements were reviewed.

Excess of revenues over expenses for the month of February 2014 was \$370,129 which was \$247,066 better than the budget of \$123,063.

February's performance brings the year to date actual to \$4,859,595 which exceeds the budget of \$1,986,936 by \$2,872,659 or 145%.

Total gross patient revenue for the month was \$268,336 better than budget and is within .1% of budget on a year to date basis. Although volumes earlier in the year have been

below historical levels, February inpatient volume increased, especially in the Mental Health unit.

Deductions from revenue for February are under budget and prior year. For the year thus far, deductions from revenue are \$1.7 MM under budget, primarily due to cost report settlements received earlier in the fiscal year. Bad debt expense is trending significantly under budget for the month and year to date.

Other Operating Revenue for the month is under budget by \$21,472, primarily due to the loss of the Wildflower Court food service contract. For the year, Other Operating Revenue is \$1.1 MM over budget due to the receipt of an Electronic Health Record incentive of \$898,281 in December. This payment was the result of Stage 1 Meaningful Use Attestation.

Total Expenses were right at budget for the month and slightly under budget for the year. Notable negative variances were:

- Salaries and Benefits were \$9,257 (.2%) over budget.
- While Fees – Other as a category is under budget by \$25,989, this includes the account Contract Employees, which is over budget by \$43,380.
- Supplies expense continues to trend under budget due to the lower patient volumes and effective control of the supply spend. Supply expense in total was under budget by \$126,058 in February. A significant line item which is under budget is Drugs/Pharmacy cost which is \$83,196 under budget which is due to more effective utilization of the GPO and also 340B pricing. Food cost also has begun to trend under budget with the discontinuance of the Wildflower Court contract. Food cost was under budget by \$26,469 in February.
- Utilities are over budget by \$4,839 with \$2,841 of the variance in Electricity. Total Utilities are within 0.5% of budget for the year.
- Rentals & Leases are over budget by \$18,493 for the month. This includes a negative variance of \$13,581 in equipment rentals.
- Depreciation is over budget \$71,376 as the FY14 budget did not include additional depreciation for projects placed in service at or soon after the end of FY13.
- Interest expense is \$56,271 over budget as the FY14 interest expense related to the Bond Defeasance was not known in time for inclusion in the budget. This monthly variance will continue through June, 2014.
- Other expenses for the month are \$61,703 over budget which includes a negative variance of \$24,760 in “Reimbursable Costs”. Operating cash was \$19,520,371 as of February 28, 2014 and Days Cash on Hand was 165. Net A/R Days was 79.

Dr. Peimann noted that on the capital purchases list for the current fiscal year we have so far not spent much of what was budgeted and asked if we planned on purchasing the remaining items. Mr. Egbert said there are some items that will be taken off the list due

to changing priorities. Mr. Egbert said there are items that were approved in a budget that haven't been purchased that would take a good amount of that money.

Ms. Morton made a motion to approve the February financials. Ms. Borthwick seconded and they were approved.

Anesthesia Ventilators – Mr. Gardner reports

These anesthesia ventilators are used to put patients to sleep and monitor them. No surgeries can be performed without them. We have two older models of these machines that are now obsolete. They are no longer supported with replacement parts. One of these two is now down and we will not be able to do any emergency C-sections when the other one goes down. This purchase was been approved already last year by the Board, but were not purchased. We are purchasing two new ventilators. Anesthesia has requested that one of the machines be MRI compatible. The cost is \$100,193.80 for the machines.

Ms. Thomas made a MOTION to approve the Anesthesia Ventilators not to exceed \$100,200. Dr. Malter seconded the motion and the motion passed by a roll call vote.

Philips Monitors – These monitors are used post—operatively in short stay. They are a critical piece of equipment for direct patient care. They are used for recovery. We are purchasing 15 total, two for the recovery room and 13 for short stay. This purchase was also approved last year by the Board, but not purchased. We have closed two rooms for monitor failures. The ones we have now are no longer supported and cannot be repaired. The cost is \$197,687.80. This purchase includes a three year information technology service agreement.

Mr. Storer made a MOTION to approve the Philips Monitors. Dr. Malter seconded. Ms. Thomas made a friendly amendment that the purchase not exceed \$197,700. Mr. Storer accepted the amendment and the motion passed by a roll call vote.

V-Pro Max Sterilizer – The V-Pro Max is a sterilizer that uses vaporized Hydrogen Peroxide to sterilize instrumentation such as scopes, camera heads, light cords, and other instrumentation that cannot be put through a steam sterilizer. This system also has the capability of sterilizing our flexible scopes with small lumens. The V-Pro Max is more expensive upfront; however, it is a better quality product and does have the capability of sterilizing small scopes. The service contract for the V-Pro Max is \$9,000.00 compared to \$13,000.00 for the Sterrad NX for three years. The cost of the machine is \$138,120.70, this includes installation of the machine and removal of the old machine. The original amount approved last year was \$115,000.

Dr. Peimann asked if the savings were annualized or for the life of the machine. Mr. Egbert said this is an annual savings of operating due to the decrease of the other agents.

Ms. Thomas made a MOTION to approve the V-Pro Max not to exceed \$138,200.00. Dr. Peimann seconded. Ms. Borthwick asked if the \$9,000 was included. Mr. Egbert said it was not included because it's not a capital expense. Ms. Borthwick also asked what the life of the machine is. They last approximately 15-20 years. **The motion passed by a roll call vote.**

There were two unbudgeted items for approval – Mr. Gardner reports Integra Ultra 360 Patient Positioning System and Mayfield Swivel Horseshoe Headrest. This system is used during cervical spine surgeries for positioning the head and neck safely. Without the system we cannot safely do cervical spine surgeries. The one owned by BRH has been broken for a couple of months and cannot be repaired. We have a loaner system from Integra and they have called to have it returned. The cost of the system is \$13,526.00, this includes any training on the new system from the representative from Integra.

The other item is Synthes 4.0 Cannulated Screw Set. The 4.0 cannulated screw set is used by orthopedic surgeons to repair broken bones in the arms and legs. BRH currently does not own one and has a loaner set from Synthes. Other facilities are requesting the use of this set and Synthes is asking for it to be returned. If we return this set before purchasing one it could have an effect on the types of orthopedic surgeries we will be able to do and may lead to cancellation of some cases due to lack of instrumentation and implants. The purchase of the set qualifies for a set promo. With the purchase of the implants for the set, the instrumentation is provided at no charge. A cost savings of \$5,075.40. The cost of the entire set is \$18,691.20 minus the savings of \$5,075.40 for a cost of \$13,615.80. This set is frequently used during orthopedic surgeries and will pay for itself quickly. BRH could start to incur a rental fee for this set if it is not returned to Synthes.

There was a tradeoff of pediatric scopes to get equipment to do spine surgeries. We have a loaner system currently and they want it back if we don't purchase. It costs \$13,615.80. Dr. Peimann asked if Dr. Bozarth approved of this item. Mr. Gardner said yes. Ms. Thomas said there was a brief discussion if this needed to come to the Board for approval due to the dollar amount.

Ms. Thomas made a MOTION to approve the Integra Ultra 360 Patient Positioning System and Mayfield Swivel Horseshoe Headrest and the Synthes 4.0 Cannulated Screw Set for the purchase price of \$13,526.00. Ms. Davis seconded and it was approved by a roll call vote.

2014-2016 Biennial Budget progress update – Mr. Germany reported that his team has been meeting with the department directors this week. They have been getting input from the directors and reviewed the reports so the numbers are accurate. Part of it is getting up to speed on the way we do operations here and possibly looking at doing things in a different way.

Mr. Germany said in going forward as part of the financial report, to start including a payor mix report as part of the financials, splitting between inpatient and outpatient. Ms. Thomas said she thinks it would be good for the Board before the finance Committee to understand the high level assumptions that we are targeting at this point.

There was a high level of budget assumptions for FY15 reviewed. Mr. Germany said he's not anticipating a big change in payor mix from a business perspective.

Mr. Germany said he will be bringing back some different scenarios regarding the rate increase 3%, 4% and 5% analysis. Ms. Thomas asked Mr. Germany to explain the rationale behind a 5% increase. Mr. Germany directed the Board to look at the cost comparisons data that was provided in the packet, between Bartlett Regional Hospital, Alaska Mat-SU, Virginia Mason and Swedish Medical Center. Most hospitals do raise their rates every year to account for wage increases and inflation. It's specifically written in the AETNA contract that up to that point of a 5% rate increase, they will leave the reimbursement mechanisms alone.

Ms. Thomas said the reason she is asking for the explanation is because our board over the last couple of years have done a good job at controlling the rate increases and we need to understand why management originally recommended the 5% increase.

Mr. Egbert said BRH compared to other hospitals up North and some in Seattle, we are very similar. There is one hospital in Seattle that is less expensive, but they don't negotiate their rates. From our standpoint, those charges that we currently have, have room to remain competitive, without overcharging our community if we do it in the correct way. We don't want to raise rates on outpatient procedures since we tend to compete with Seattle. There's room on our inpatient procedures that remain in the area. Where we were leaving money on the table was with regard to our cost based reimbursement programs. We left about \$160,000 in costs that we could have improved and been reimbursed through the sole community provider payment scheme or under our current demonstration project with CMS. The other thing we talked about was the day's cash on hand. We are 165 and that's great, but with ICD-10 coming, we need to have more days cash on hand, especially if the implementation doesn't go well. We are looking at rate increases for employees, increases that will be passed on to us for supplies from our vendors, and shipping costs aren't going down. Our costs as an entity are going up and we need to be able to balance that to make sure the cash flow continues the coverage of operations.

Ms. Thomas said even though we are doing reasonably well on our bottom line for this year, there are recurring and nonrecurring reimbursements that are going away that are fairly large dollar amounts. Mr. Germany has indicated he will provide the Board a better break down at the budget presentation.

Dr. Malter reiterated Ms. Thomas's point that management did an excellent job at speaking to the 5% rate increase. He encouraged all board members to attend the next

couple of Finance Committee meetings, as this will be discussed in more detail. He asked management to go back and look at lower rate increases and see what it would do to the budget. He's heard a lot over the years from the community about how expensive our rates are and we should at least see what the lower rates look like in the budget.

Ms. Davis said the perception is that BRH rates are high, she was struck at looking at the comparisons, how low Bartlett's rates were compared to other places in the state. We are very similar and maybe it's because the community doesn't understand how the costs work. The hospital and the Board can do better at educating the community how the costs work here.

Dr. Peimann said we should be more forward about our costs and we should also be more forward about the explanation of that cost, what they get for that service and what it means to be a community hospital.

Mr. Egbert said a good discussion to have at the Board's retreat is how to work with the larger medical community. All that was reviewed at the Finance Committee was hospital charges compared to other hospitals. Healthcare in Juneau is very expensive, but the hospital is only one piece of it. When a patient comes to the hospital and has a colonoscopy, we have the hospital's charges, but then there are other charges by doctors, anesthesiologists, etc. All of those bills come out to the patient and the insurance company outside of what gets submitted by BRH. To be able to compete effectively for the outpatient services going to Seattle, we are going to have to get a relationship put together with our medical staff on pricing. That's something to explore over the next couple of years.

Ms. Crane asked while we look at the price increases, we also look at some of the community organizations that we work with as well. She thinks about JAMHI and what a 5% increase does to them who are getting less federal money and being squeezed in other ways as well. That 5% increase for them means less service for people in Juneau. She knows we need to charge what it costs to provide service, but she would really like us to look at some of those organizations to see if there isn't something we can do to help soften the blow for them. Mr. Egbert said he agreed and he's been working on how to help support the Front Street Clinic. As a community hospital, we need to be very sensitive to those relationships.

Quality Council – Ms. Davis reported that the first Quality Council Summit was held on March 12th. It was a great opportunity hearing from the directors on how to improve patient care and patient safety. There's a quality council folder in Egnyte if board members would like to look at that information. They looked at falls and there is an increase. This has caused the staff on Med/Surg to ramp up and look at better ways to prevent falls. We want to be less than the national average for falls. One of the suggestions is looking at it as an aggregate. It's not just patient falls. They are going to start sorting that out so we as an organization can look at that aspect. The HCAPS

scores that are reported, out of all of them, all but one went up. Ms. Davis encouraged the Board to come to the Quality Council meeting. Mr. Egbert said they are going to start asking front line staff to attend this meeting.

Ms. Bomengen encouraged the Board members to attend the Quality Council meetings whenever they can.

Dr. Pam Gruchacz' s Physician Employment Agreement – this motion was tabled earlier in the meeting as there was a missing schedule A that shows what schedule Dr. Pam Gruchacz will be working. She will not be getting paid for excessive call after July 1, 2014. Dr. Malter asked if there are concerns with doing 4 straight days of call. Currently they are doing more than 4 days a week. Dr. Peimann asked if we could go into executive session to discuss items that could have an adverse effect on the finances of the hospital with regards to this agreement.

Ms. Thomas made a MOTION at 6:35 p.m. to go into executive session to discuss matters that are confidential by law and could have an adverse effect on finances of the hospital. Dr. Malter seconded and it was approved.

Chief of Staff report – Dr. Dressel addressed the credentialing report

Back in session at 6:58 p.m. The Chief of Staff report was discussed as well as Dr. Pam Gruchacz's Physician Employment Agreement.

Ms. Davis made a MOTION to approve the credentialing report. Dr. Peimann seconded and it was approved.

Dr. Malter made a MOTION to approve the Physician Employment Agreement for Dr. Pam Gruchacz. Mr. Storer seconded. Dr. Peimann objected. The motion passed by 8-1 roll call vote.

CEO selection committee – Ms. Thomas said we have selected five candidates as finalists. There will be an executive session at the end of tonight's meeting to discuss the interview process. The interviews and other activities will begin at 8:00 a.m. Wednesday, March 26th, and will last all day.

IT Steering Committee – Mr. Egbert said we reassembled the IT Steering Committee and had a great discussion. There was not a lot of physician participation at the meeting. Mr. Egbert made a recommendation to not replace the ER component and keep the T-Systems. We were able to move into the discussions for the needs of the hospital more broadly. Mr. Egbert will bring Keith Ryan, Cornerstone Advisors, next week to talk to the medical staff. In the future CPOE has to be adopted. It's a matter of which direction we want to go, Meditech Magic upgrade or Meditech 6.x. He hopes after meeting with the Medical Staff to come back to the Board and call the questions. Dr. Peimann said the other thing the Medical staff needs to understand is that is even if we

just adopt Meditech Magic with CPOE, this is a short term plan. Down the road we are kicking the can of adoption of an EMR system down the road three to five years. As CMS goes further down this regulatory cycle, they are going to add more and more important meaningful changes to what the EMR delivers for them and for our reimbursement. As that happens and Magic is no longer supported and those updates are no longer available, we are going to be forced to move to a system that does provide us that meaningful interface. Physicians need to know that sticking with Magic will mean two changes within the next 5-10 years as opposed to adopting a new system now and having one change in the next 5-10 years.

Ms. Davis said all of the staff who were in attendance were so ready for us to move forward. They are very ready for an improvement. Dr. Malter asked if we were anticipating a big push back from the Medical Staff. Dr. Dressel said everyone is very negative when it gets brought up.

OLD BUSINESS:

Cerner Recovery Update - Mr. Egbert said that CBJ Law and Dick Monkman, Alan Germany, Jeff Egbert and Martha Palicka had a meeting and went over the documentation regarding Cerner. Mr. Egbert said he would bring back some information to the Board next month.

Front Street Clinic – Mr. Egbert said this topic was brought up at the Bartlett Foundation meeting. Mr. Egbert wanted to make sure the Board knew how BRH is helping support the Front Street Clinic thus far. We have not offered financial assistance to them, but we have offered to provide a certain number of MRI's, CT's and lab work to patients to support their efforts. The Foundation asked what the hospital would like as a focus for a fundraiser. One suggestion was to identify a project that could also assist the clinic.

Dr. Peimann said he supports the idea that we give the Front Street Clinic some support in a limited fashion and to describe to them very distinctly, if possible what those limits and circumstances are. Front Street Clinic is a full medical clinic, taking both insured and uninsured patients. They will be competing with other clinics in town for those same patients. If they can offer free services to those patients, it's probably not a competitive advantage we want to find ourselves in. Mr. Egbert said when we talked about providing free MRI's, CT's and lab work, we will bill the insured patients ourselves. We will not be giving those services to the patients for the clinic to then bill themselves.

Dr. Malter said he's supportive of the patients using the clinic; it doesn't make sense to describe supporting the clinic, but supporting the providers. We are facilitating referrals for certain procedures. If they can demonstrate to the community that there is partnership with BRH, they have a stronger position to request funding.

Ms. Davis said the word partnership is really important because BRH has participated in the medical respite approach when people can't go back on the street because they are too ill. We have been a partner on behalf of Juneau's homeless population for a couple

of years now. When she thinks about a partnership, she thinks it's a partnership for a vulnerable population in our community.

Dr. Peimann said he certainly supports the Front Street Clinic's mission. They made a recent announcement that they changed their name.

Dr. Malter asked if we have to rationalize why we would support uninsured patients who are being seen and private clinics about why we would subsidize or support patients using the Front Street Clinic as opposed uninsured patients to using other clinics in the community.

BRH Foundation – Mr. Egbert reports

There were two final candidates for an Executive Director. They did an email vote and we haven't heard the final results.

CEO Report – Mr. Egbert reports

Mr. Egbert went over the current Organizational Chart as part of the Board Education Plan. Mr. Egbert announced he recently moved the Case Management department back to the CFO. Ms. Borthwick said she sees two positions without names and asked if they were not filled at this time. Mr. Egbert said there was a change in those two positions (HIM and PFS) and they are reporting directly to our interim Revenue Cycle Director, Mike Dumont, but this is subject to change. The last administration made a change to not have a director over those two departments, but Mr. Egbert and Mr. Germany are looking at restructuring in some areas.

Ms. Davis said it seems like recently there was talk about the Case Management department being involved in the record auditing and reviewed in Quality and how they connect. Mr. Egbert said it was a great vision, but it's not working well. The goal is to fill the position of an abstractor.

Legislative update – There were two handouts from ASHNHA included in the packet.

Mr. Egbert said there has been a lot of participation at the legislature by Dr.

Pappenheim, Jennifer Brown (Director of MHU & RRC), and Billy Gardner, representing us with budget negotiations regarding the reductions, sometimes severe, of mental health funding for inpatient mental health as well as substance abuse. It sounds like the funding when it comes back to the senate, maybe close to being restored. Mr. Gardner said the indications from the Senate is it will survive.

Ms. Crane said another thing we need to be aware of is we currently have approximately 12 billion dollar unfunded liability for PERS (Alaska Public Employees' Retirement) and TRS (Teachers' Retirement System) and the governor proposed this year a 3 billion dollar deposit from the reserve account into PERS and TRS. It will require a 3/4 vote by both the House and the Senate for this to go through. One reason they are doing this is that municipalities pay 22% for PERS and TRS, and the state pays everything above that. The state amount has been going up. This year it's supposed to be \$600+ million

dollars, next year, \$760+ million and in just a few years we will go to \$1.2 billion dollars a year. The Governors deposit would limit the state's amount on an annual basis to \$500 million dollars a year. It would limit what the state is doing and it would extend out what municipalities are paying. Unfortunately, neither the House nor the Senate have included this in the state budget. They are now talking about reducing the amount of the deposit into PERS and TRS (rumor at this point), a billion 2 or a billion 4 or something like that, but what they are also talking about is raising the PERS amount what we have to pay from 22% to 24%. What that would mean for Juneau for the municipal budget, but she doesn't it includes Bartlett, is an additional \$1.5 million a year. They are working very hard to see this doesn't happen, but we should be aware of this. The Alaska Municipal League and the City are working on it.

Mr. Storer asked Ms. Crane what committee this is in. Ms. Crane said the Governor included it in the budget, both the House and the Senate have taken it out of the budget at this point. There are a couple of other bills floating around that they can attach. We are expecting some form of proposal in a week to ten days.

Mr. Johnson received a call that the Senate was going to put in a claim for the trauma fund which is half of what the Hospital Association was requesting. He's also done some additional research alternative funding that he can present to the Finance Committee.

Dr. Malter said the Planning Committee is going to start addressing oncology services and wanted to know if there's anything the Board should be thinking about more quickly to come up with a plan. Mr. Egbert said The Midnight Sun Oncology Group has applied for hospital privileges and they will be working out of the Southeast Oncology Center a few times a month whereas we only offer oncology services once a month. Mr. Egbert will be meeting with some key stakeholders from Virginia Mason to explore oncology services. We are going to continue to have our chemotherapy center remain in the hospital.

President's report – Ms. Bomengen reports

Ms. Bomengen said we heard from Barbara Sheinberg at last month's board meeting asking us to get involved in looking at the health care in Juneau for the Juneau Economic Development Plan. Ms. Sheinberg developed four questions that Ms. Bomengen forwarded to the Board members. She asked if hospital staff and board members would like to get together sometime in April or the beginning of May. Ms. Bomengen asked the Board to go to the site to sign up. April 3rd there will be a meeting to talk about the overall plan. Ms. Thomas said she would attend.

NEW BUSINESS:

The April calendar was reviewed.

There was a special Finance Committee meeting scheduled for April 3rd at 5:15 p.m. to go over the budget. There was also a special Board meeting scheduled for March 31st at 5:15 p.m., to discuss the CEO Selection process.

BOARD COMMENTS:

Ms. Borthwick reminded the Board to start thinking about reviewing the bylaws for 2015.

Ms. Morton wanted to let the Board know that the Sexual Assault Response Team training is ongoing on this week. There a lot of nurses in attendance. There are 60 people from all over Southeast Alaska including Juneau in attendance. It's been very well received. Ms. Morton thanked the Bartlett Foundation for their efforts to help fund this.

Dr. Malter made a MOTION to go into executive session at 7:45 p.m., to discuss items which are confidential by law and could have an adverse effect on the finances of the hospital. Ms. Davis seconded and it was approved.

The Board came out of executive session at 8:15 p.m. to extend the meeting to 8:45 p.m.

The Board came out of executive session at 8:35 p.m.

Meeting adjourned at 8:37 p.m.

Bartlett Regional Hospital

3260 Hospital Drive, Juneau, Alaska 99801 907.796.8900 www.bartletthospital.org

**Bartlett Regional Hospital
Special Board of Directors
Minutes
March 26, 2014**

Called to order at 8:00 a.m.

Present

Kristen Bomengen, President
Nancy Davis, Secretary
Mary Borthwick
Alex Malter, MD
Lauree Morton

Bob Storer, Vice President
Linda Thomas, past President
Nate Peimann, MD
Mark Johnson

Absent

None

Others present

Jeff Egbert, CEO

Mila Cosgrove, HR Director

The Board convened at 8:00 a.m., to interview five candidates for the Chief Executive Officer position at Bartlett Regional Hospital.

The Board went into executive session to conduct the interviews for the following CEO candidates.

1. Paul Franke, MD
2. Joe Cladhous
3. Davis Abercrombie
4. Chuck Bill
5. Craig Dahl

Meeting adjourned at 5:00 p.m.

Bartlett Regional Hospital

3260 Hospital Drive, Juneau, Alaska 99801 907.796.8900 www.bartletthospital.org

**Bartlett Regional Hospital
Special Board of Directors
Meeting minutes
March 31, 2014**

Called to order at 5:15 p.m.

Roll call

Present

Kristen Bomengen, President
Nancy Davis, Secretary
Mary Borthwick
Alex Malter, MD
Lauree Morton

Bob Storer, Vice President
Linda Thomas, past President
Nate Peimann, MD
Mark Johnson

Absent

None

Others present

Mila Cosgrove, HR Director Toni Petrie, Executive Assistant

Ms. Bomengen said there have been questions raised about votes when there is concern about personal or financial interest in the CEO candidates.

Based on that information, Ms. Bomengen contacted the Department of Law and the code said we cannot act or take part in the deliberations or vote on anything which we have a personal and financial interest.

Ms. Bomengen said we should look at it as we are obligated to vote and participate as much as possible. Ms. Bomengen encouraged anyone that has questions pertaining to a conflict, to contact the Department of Law for a consult and it would be strictly confidential.

Ms. Thomas said for the record, she serves on a board with one of the candidates at Alaska Pacific Bank, but has no financial or personal interest with this party. Ms. Thomas said she also consulted with the Department of Law.

Ms. Morton made a MOTION to go into executive session at 5:23 p.m., to discuss matters which are confidential by law and could have an adverse effect on the finances of the hospital. Ms. Davis seconded and it was approved.

DRAFT

Bartlett Regional Hospital

Board of Directors Strategic Goals

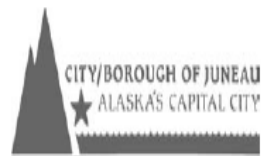


**A City and Borough of Juneau
Enterprise Fund**

Bartlett Regional Hospital provides its community with quality, patient centered care in a sustainable manner.								
<u>Goal</u>	<u>Objectives</u>	<u>Board Committee</u>	<u>Priorities</u>	<u>SLT Member</u>	<u>When</u>	<u>Measured By</u>	<u>Directors</u>	
Recruit and Hire a permanent CEO		Full Board						
Select Hospital future IT platform		Full Board						
Hospital Compliance Program	Monitor successful transition of Compliance Program	Finance						
	Review and approve annual Compliance Work Plan	Finance						
Update and adopt a 3-year strategic plan	Updated demographic and competitive analysis	Planning						
	Community needs assessment	Planning						
Financial Planning	3 year financial projection 3 year capital budget plan	Finance						
Updated Medical Staff Development Plan		Planning						
Information System Development Plan	IT Department structure and stability	Planning						
	Meaningful Use requirements/deadlines and penalties	Planning						
Mental Health Services	Inpatient mental health unit	Planning						
	RRC	Planning						
	Bartlett Outpatient Psychiatry Services	Planning						
	Feasibility analysis and recommendations for CAMHU	Planning						
Medical Surgical Services	Feasibility analysis for Hospitalist's programming options a)employed model b)contracted model	Planning						
Emergency Services	Feasibility analysis of Level III Trauma Designation	Planning						
Oncology Services	Explore tertiary affiliation/co-branding opportunities	Planning						
	Community needs assessment	Planning						
In-hospital hospice services		Planning						

Bartlett Regional Hospital

Quality Council Charter



**A City and Borough of Juneau
Enterprise Fund**

Board Quality Council Charter

Scope

The Board Quality Council is responsible for assisting the board in overseeing and ensuring the quality of clinical care, patient safety, and customer service provided throughout the organization.

Responsibilities

- Reviewing and recommending multi-year Strategic Quality Goals with long-term and annual improvement targets
- Reviewing and recommending quality/safety-related policies and standards.
- Approving and monitoring a dashboard of key performance indicators compared to organizational goals and industry benchmarks. Report in summary fashion to the full Board.
- Reviewing sentinel and significant events and recommending corrective action, as appropriate.
- Monitoring summary reports of hospital and medical staff quality and patient safety activities.
- Overseeing compliance with quality- and safety-related accreditation standards and regulations.
- Making recommendations to the Board on all matters related to the quality of care, patient safety, customer service, and organizational culture.

Meetings

The committee usually meets monthly, but meets at least ten times per year, or when necessary at the call of the committee chair. Meeting schedules include a quarterly quality summit. Meeting dates at time should be specified a year in advance.

Membership

The Board Quality Council will be comprised of at least two members of the Board of Directors, members of Senior Leadership (including CEO, CFO, CNO, and HR Director), representatives of Quality Management (including Quality Director and Risk Manager), representatives of hospital leadership (including Education Director, Safety Officer, Pharmacy Director, Ancillary Services representative), representatives of hospital staff (including Union representation and Nursing representation), and representatives of the medical staff.

Matters requiring action of the Council will include the votes of all established members, as above. Matters requiring action of the Board will be forwarded to the Board of Directors.

Other members will be invited to attend on an *ad hoc* basis as scheduled reports or committee discussions require.

The Chair of the Committee will be appointed by the President of the Board of Directors.

Confidentiality / Executive Sessions

The rules governing Executive Sessions for the Board of Directors will apply to this Council (see Attachment A, Board of Director Bylaws, Executive Sessions). Members of the public will be required to leave during Executive Sessions, and as determined by the Council Chair, non-Board members of the Council may be required to leave during Executive Sessions.

The rules governing protected health information (PHI) will apply to this Council. Patient-specific information will be kept confidential and in compliance with HIPAA regulations. Discussions which require disclosure of PHI will be closed to the public. Members of the Council are responsible to keep all PHI confidential.

The Board Quality Council may, as occasion requires, function as a review organization under AS.18.23.030 and AS.18.23.070 (see Attachment B). When acting as a review organization, discussions will be closed to the public. Only Board members, health care providers, and hospital staff *who are established members of the Council* may participate in discussions as members of the review organization, and are subject to misdemeanor penalties for disclosure of protected information.

Reports

The committee will report to the Board of Directors at least quarterly, including an in-depth annual quality review. Regular reports will include (at an appropriate frequency as new information is available):

- Quality indicators in dashboard format
- Progress on major performance improvements and patient safety goals
- Sentinel or significant events
- Patient satisfaction
- Accreditation

Annual Committee Goals

The Committee is charged with developing goals annually.

Attachment A
CBJ Boards, Committees & Commissions Informational Pamphlet
XII. Open Meetings and Executive Sessions

EXECUTIVE SESSIONS:

There are certain rare times when an advisory board may need to go into executive session. The allowable reasons for an executive session are: matters that would clearly have an immediate adverse impact on the finances of the CBJ; subjects that tend to prejudice the reputation and character of any person, provided the person to be discussed must be notified and may request a public discussion; and matters that are required to be confidential by law, Charter, or ordinance. The appeal boards when serving in a quasi-judicial capacity may go into executive session to discuss evidence or a decision in an adjudicatory proceeding. Except for appeal boards, no official vote or action may be taken in executive session.

The proper procedure for calling an executive session is as follows:

- 1) Make a motion in the public meeting for an executive session for one of the purposes stated above (only);
- 2) Allow for public comment on the appropriateness of the board going into executive session;
- 3) If a majority of the board approves the motion, the board will adjourn into executive session; and
- 4) At the end of the executive session, the board reconvenes in public session to vote or explain the nature of items discussed.

When taking minutes, it is important to record *with specificity* the motion and reason for executive session as referenced in step 1 above, and the final action taken in step 4 above. **“The motion to convene in executive session must clearly and with specificity describe the subject of the proposed executive session without defeating the purpose of addressing the subject in private. Subjects may not be considered at the executive session except those mentioned in the motion calling for the executive session unless auxiliary to the main question.” (OMA)**

Attachment B Alaska Statute 18.23

Alaska Statute 18.23 – Protections for Review Organizations

AS 18.23.005. Patient Access to Records:

Notwithstanding the provisions of AS [18.23.005](#) - [18.23.070](#) or any other law, a patient is entitled to inspect and copy any records developed or maintained by a health care provider or other person pertaining to the health care rendered to the patient.

Sec. 18.23.010. Limitation for persons providing information to review organization:

(a) A person providing information to a review organization is not subject to action for damages or other relief by reason of having furnished that information, unless the information is false and the person providing the information knew or had reason to know the information was false.

(b) A privilege of confidentiality arising from a physician- patient relationship may not be invoked to withhold pertinent information from review by a review organization.

Sec. 18.23.020. Limitation on liability for members of review organizations:

A person who is a member or employee of, or who acts in an advisory capacity to, or who furnishes counsel or services to a review organization is not liable for damages or other relief in an action brought by another whose activities have been or are being scrutinized or reviewed by a review organization, by reason of the performance of a duty, function, or activity of the review organization, unless the performance of the duty, function, or activity was motivated by malice toward the affected person. A person is not liable for damages or other relief in an action by reason of performance of a duty, function, or activity as a member of a review organization or by reason of a recommendation or action of the review organization when the person acts in the reasonable belief that the action or recommendation is warranted by facts known to the person or to the review organization after reasonable efforts to ascertain the facts upon which the review organization's action or recommendation is made

SEC. 18.23.030. Confidentiality of records of review organization:

(a) Except as provided in (b) of this section, all data and information acquired by a review organization, in the exercise of its duties and functions, shall be held in confidence and may not be disclosed to anyone except to the extent necessary to carry out the purposes of the review organization, and is not subject to subpoena or discovery. Except as provided in (b) of this section, a person described in AS [18.23.020](#) may not disclose what transpired at a meeting of a review organization except to the extent necessary to carry out the purposes of a review organization, and the proceedings and records of a review organization are not subject to discovery or introduction into evidence in a civil action against a health care provider arising out of the matter that is the subject of consideration by the review organization. Information, documents, or records otherwise available from original sources are not immune from discovery or use in a civil action merely because they were presented during proceedings of a review organization, nor may a person who testified before a review organization or who is a member of it be prevented from testifying as to matters within the person's knowledge, but a witness may not be asked about the witness's testimony before a review organization or opinions formed by the witness as a result of its hearings, except as provided in (b) of this section.

(b) Testimony, documents, proceedings, records, and other evidence adduced before a review organization that are otherwise inaccessible under this section may be obtained by a health care provider who claims that denial is unreasonable, or may be obtained under subpoena or discovery proceedings brought by a plaintiff who claims that information provided to a review organization was false and claims that the person providing the information knew or had reason to know the information was false.

(c) Nothing in AS [18.23.005](#) - [18.23.070](#) prevents a person whose conduct or competence has been reviewed under AS [18.23.005](#) - [18.23.070](#) from obtaining, for the purpose of appellate review of the action of the review organization, any testimony, documents, proceedings, records, and other evidence adduced before the review organization.

(d) Notwithstanding the provisions of (b) and (c) of this section, information contained in a report submitted to the State Medical Board, and information gathered by the board during an investigation, under AS [08.64.336](#) is not subject to subpoena or discovery unless and until the board takes action to suspend, revoke, limit, or condition a license of the person who is the subject of the report or investigation.

AS 18.23.040. Penalty for Violation

Other than as authorized by AS [18.23.030](#), a disclosure of data and information acquired by a review committee or of what transpired at a review meeting is a misdemeanor and punishable by imprisonment for not more than one year or by a fine of not more than \$500.

AS 18.23.050. Protection of Patient

Nothing in AS [18.23.005](#) - [18.23.070](#) relieves a person of liability that the person has incurred or may incur to a person as a result of furnishing health care to the patient.

AS 18.23.060. Parties Bound By Review.

When a review organization reviews matters under AS [18.23.070](#)(5)(A)(viii) a party is not bound by a ruling of the organization in a controversy, dispute, or question unless the party agrees in advance, either specifically or generally, to be bound by the ruling.

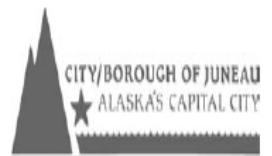
AS 18.23.070. Definitions For AS 18.23.005 - 18.23.070

In AS [18.23.005](#) - [18.23.070](#), unless the context otherwise requires,

- (1) "Administrative staff" means the staff of a hospital or clinic;
- (2) "Health care" means professional services rendered by a health care provider or an employee of a health care provider, and services furnished by a sanatorium, rest home, nursing home, boarding home, or other institution for the hospitalization or care of human beings;
- (3) "Health care provider" means an acupuncturist licensed under AS [08.06](#); a chiropractor licensed under AS [08.20](#); a dental hygienist licensed under AS [08.32](#); a dentist licensed under AS [08.36](#); a nurse licensed under AS [08.68](#); a dispensing optician licensed under AS [08.71](#); an optometrist licensed under AS [08.72](#); a pharmacist licensed under AS [08.80](#); a physical therapist or occupational therapist licensed under AS [08.84](#); a physician licensed under AS [08.64](#); a podiatrist; a psychologist and a psychological associate licensed under AS [08.86](#); a hospital as defined in AS [18.20.130](#), including a governmentally owned or operated hospital; and an employee of a health care provider acting within the course and scope of employment;
- (4) "Professional service" means service rendered by a health care provider of the type the provider is licensed to render;
- (5) "Review organization" means
 - (A) A hospital governing body or a committee whose membership is limited to health care providers and administrative staff, except where otherwise provided for by state or federal law, and that is established by a hospital, by a clinic, by one or more state or local associations of health care providers, by an organization of health care providers from a particular area or medical institution, or by a professional standards review organization established under 42 U.S.C. 1320c-1, to gather and review information relating to the care and treatment of patients for the purposes of
 - (i) Evaluating and improving the quality of health care rendered in the area or medical institution;
 - (ii) Reducing morbidity or mortality;
 - (iii) Obtaining and disseminating statistics and information relative to the treatment and prevention of diseases, illness, and injuries;
 - (iv) Developing and publishing guidelines showing the norms of health care in the area or medical institution;
 - (v) Developing and publishing guidelines designed to keep the cost of health care within reasonable bounds;
 - (vi) Reviewing the quality or cost of health care services provided to enrollees of health maintenance organizations;
 - (vii) Acting as a professional standards review organization under 42 U.S.C. 1320c;
 - (viii) Reviewing, ruling on, or advising on controversies, disputes, or questions between a health insurance carrier or health maintenance organization and one or more of its insured or enrollees; between a professional licensing board, acting under its powers of discipline or license revocation or suspension, and a health care provider licensed by it when the matter is referred to a review organization by the professional licensing board; between a health care provider and the provider's patients concerning diagnosis, treatment, or care, or a charge or fee; between a health care provider and a health insurance carrier or health maintenance organization concerning a charge or fee for health care services provided to an insured or enrollee; or between a health care provider or the provider's patients and the federal or a state or local government, or an agency of the federal or a state or local government;
 - (ix) Acting on the recommendation of a credential review committee or a grievance committee;
 - (B) The State Medical Board established by AS [08.64.010](#);
 - (C) A committee established by the commissioner of health and social services and approved by the State Medical Board to review public health issues regarding morbidity or mortality; at least 75 percent of the committee members must be health care providers.

Bartlett Regional Hospital

Alaska Hospital Mutual Aid Agreement



**A City and Borough of Juneau
Enterprise Fund**

**Alaska State Hospital and Nursing Home Association
Hospital Mutual Aid Agreement**

Alaska Hospital Mutual Aid Agreement

This document provides a logistical framework for acute care hospitals to exchange resources during a public health emergency or disaster. Execution of this document does not relieve organizations from normal due diligence nor does it relieve them of liability. At the time of signing, additional legal protections from the State of Alaska or Federal government are not in place.

The Alaska State Hospital & Nursing Home Association has developed this agreement and fostered its implementation. They are not responsible for any actions carried out as a result of this agreement.

DATE	REVISIONS TO AGREEMENT
August 23, 2011	Added the following language regarding annual review of the document. <i>“This document will be reviewed each year at the annual meeting of the Alaska State Hospital and Nursing Home Association and be revised as needed.</i>
August 23, 2011	Updated list of participating hospitals on pages 11-12.
January 2014	Updated agreement to enable Federal facilities to participate.

**Alaska State Hospital and Nursing Home Association
Hospital Mutual Aid Agreement**

1. Purpose of Mutual Aid Agreement

The purpose of this mutual aid support agreement is to aid hospitals in their emergency management by addressing the loan of medical personnel, pharmaceuticals, supplies, and equipment, or assistance with emergent healthcare facility evacuation, including accepting transferred patients. With this mutual aid agreement in place, a disaster impacted hospital can request and receive assistance from other Alaskan hospitals quickly and efficiently, resolving two key issues related to the loaning of equipment and personnel: liability and reimbursement.

This Mutual Aid Agreement (MAA) is a voluntary agreement among the hospitals in the State of Alaska for the purpose of providing mutual aid at the time of a medical disaster. For purposes of this MAA, a disaster is defined as an overwhelming incident that exceeds the effective response capability of the impacted health care facility or facilities. The disaster may be an "external" or "internal" event for healthcare facilities and assumes that each affected healthcare facility's emergency management plans have been fully implemented.

This MAA has been developed to assist one hospital providing mutual aid to another, regardless of the circumstances, in a consistent and mutually acceptable manner.

By signing this MAA each healthcare facility is evidencing its intent to make a good faith effort to abide by the terms of the MAA in the event of a medical disaster as described above. For Federal parties to this MAA, participation may be subject to, and limited by, obligations under the Stafford Act, 42 U.S.C. §§ 5121, *et seq.*, the U.S. Department of Homeland Security National Response Framework, the U.S. Department of Health and Human Services National Disaster Medical System, the provisions of 38 U.S.C. 8110(a)(1), and other applicable Federal law.

2. Coordination of This Agreement with Local Emergency Preparedness

This agreement serves as a tool that can be used by hospitals and local/state emergency management agencies. All efforts should be made to use the local established channels of communication such as the local Office of Emergency Management, and, in the event of an incident, the Incident Command and or the Unified Command to obtain needed resources and to coordinate resource allocation decisions and facilitate logistics support.

If the terms of this agreement do not provide an adequate framework for response, local policy makers (including hospital administrators) may choose to operate under a different arrangement. The terms of the agreement are valid unless otherwise noted by the organization facilitating the mutual aid request.

3. Definitions

- A. "Hospital" is an institution that provides medical, surgical, or psychiatric care and treatment for the sick or the injured.
- B. "Affected Hospital" is a party, which is impacted by an External or Internal Disaster and requests to borrow resources from another hospital or to transfer

**Alaska State Hospital and Nursing Home Association
Hospital Mutual Aid Agreement**

patients to the other hospital.

- C. "Assisting Hospital" is a party, which is available upon request to lend resources or to receive the transfer of patients from the Affected Hospital.
- D. "Borrowing Hospital" is a party which requests staff, equipment, supplies and/or other essential services from the other hospital in the event of an external or internal disaster.
- E. "Evacuation" means the process of moving patients from the Affected Hospital due to an external or internal disaster that threatens life and/or the ability of the Affected Hospital to provide health care services.
- F. "External Disaster" means a disaster occurring or imminent in the community surrounding a party. External Disasters include, but are not limited to, natural disasters such as earthquakes, and man-made disasters such as acts of terrorism. An external disaster may affect the entire facility or only a portion of the facility.
- G. "Internal Disaster" means a disaster occurring within a party's facility that materially affects the party's ability to provide patient care. Internal disasters include, but are not limited to, fires, loss of electrical power, loss of heat, or loss of water/sewer services. An internal disaster may affect the entire facility or only a portion of the facility.
- H. "Lending Hospital" is a party, which is available to provide staff, equipment, supplies, and/or other essential services to the other party in the event of an external or internal disaster.

4. Transfer Responsibilities of Affected Hospital

The parties agree that in the event it becomes necessary to transfer patients from the Affected Hospital to the Assisting Hospital, the Affected Hospital shall:

- A. Contact the Designated Representative at the Assisting Hospital as soon as the Affected Hospital becomes aware of the need to transfer patients.
- B. Comply with any limitations communicated to the Affected Hospital regarding the numbers and types/acuity of patients that the Assisting Hospital is able to accept.
- C. Triage all patients prior to transfer to verify that the types and acuity of services required are within any limitations communicated to the Affected Hospital regarding the numbers and types/acuity of patients that the Assisting Hospital is able to accept.
- D. Arrange for the transport of each patient to the Assisting Hospital, with the support of such medical personnel and equipment as is required by the patient's condition.

**Alaska State Hospital and Nursing Home Association
Hospital Mutual Aid Agreement**

- E. Deliver to the Assisting Hospital, with each patient transferred, medical records to the extent authorized under applicable law and policy, or copies thereof, sufficient to indicate the patient's diagnoses, condition, and treatment provided and planned; and

- F. If feasible, inventory the patient's personal effects and valuables transported to the Assisting Hospital with the patient. The Affected Hospital shall deliver the inventory and the patient's valuables to the personnel transporting the patient, and receive a receipt for such items. The Assisting Hospital shall, in turn, acknowledge and sign a receipt for the valuables delivered to it.

5. Transfer Responsibilities of Assisting Hospital

The parties agree that in accepting the transfer of patients from the Affected Hospital, the Assisting Hospital shall:

- A. Ensure that the Designated Representative is available 24 hours a day, 7 days a week to implement this Agreement and to communicate to the Affected Hospital regarding the numbers and types/acuity of patients who may be transferred.

- B. Accept all transfers from the Affected Hospital that are within the limitations communicated by the Designated Representative of the Assisting Hospital. The Assisting Hospital shall not be obligated to accept any patients which exceed its capacity or staffing, which shall be determined in the Assisting Hospital's sole discretion.

- C. Record in the clinical records of each transferred patient notations of the condition of the patient upon arrival at the Assisting Hospital.

- D. If personal effects and valuables of the patient are transported with the patient, check those items against the inventory prepared by the Affected Hospital, and issue a receipt for such items as are received by the Assisting Hospital to the personnel transporting the patient.

6. Return of Patients to Affected Hospital

Once the emergency conditions that required the transfer have sufficiently resolved, and if medically appropriate for the individual patients, the Affected Hospital shall make arrangements to transfer the patients back to the Affected Hospital as soon as practical. Upon re-transfer to the Affected Hospital, the Assisting Hospital will return to the Affected Hospital any original medical records, including x-ray films, transferred with the patient. The Assisting Hospital shall also provide copies of medical records regarding all care provided to the patient by the Assisting Hospital to the extent authorized by applicable law and policy.

7. Discharge

If a transferred patient is discharged by the Assisting Hospital, the Assisting Hospital will return to the Affected Hospital any original medical records, including x-ray films, transferred with the patient. If the Affected Hospital is not then able to receive the returned medical records, the Assisting Hospital will retain the records in the Assisting Hospital's records department until requested by the Affected Hospital.

**Alaska State Hospital and Nursing Home Association
Hospital Mutual Aid Agreement**

8. Charges for Services

All charges for services provided at the Affected Hospital or at the Assisting Hospital for patients transferred pursuant to this Agreement shall be collected by the party providing such services directly from the patient, third party payor or other source normally billed by the party. The parties agree to cooperate with each other in billing and collecting for services furnished to patients pursuant to this Agreement. The billing and collection of charges for transportation of the patient from the Affected Hospital to the Assisting Hospital (and to return the patient to the Affected Hospital) shall be handled among the Affected Hospital, the patient and the transporting medium. The Medicare allowable charges for outpatient and Medicare DRG for inpatient charges should be the basis of paid or received amounts, unless applicable Federal law requires a different basis.

9. Short Term Emergency Relocation of Patients

The parties agree that in some circumstances it may be necessary for the Affected Hospital to immediately relocate patients pending transfer arrangements. Assisting Hospital agrees to use its best efforts to accommodate requests for emergency relocation by providing a physical location for such patients. In such circumstances, Affected Hospital shall provide all staff, equipment, and supplies to maintain the patients until an appropriate transfer can be accomplished. Assisting Hospital shall not be charged for the use of such staff, equipment and supplies during a short- term emergency relocation. Affected Hospital will be solely responsible for care of temporarily relocated patients and for making appropriate transfer and transportation arrangements as quickly as feasible. Affected Hospital shall reimburse Assisting Hospital for any direct expenses incurred by Assisting Hospital in accommodating temporary relocation of patients.

10. Supplies

Each party agrees to use its best efforts to make medical and general supplies, including pharmaceuticals, available to a Borrowing Hospital in the event of an internal or external disaster, upon request and subject to any required sharing agreement. Supplies may be requested to address needs of transferred patients or may be requested to address internal or external disasters that require access to additional supplies without movement of patients. The Lending Hospital shall be entitled to use its own reasonable judgment regarding the type and amount of supplies that it can provide without adversely affecting its own ability to provide services. The Borrowing Hospital that receives the supplies will reimburse the Lending Hospital based on the actual cost of those supplies unless otherwise mutually agreed. Unused supplies may be returned, provided that they are unopened and in good and usable condition. The Lending Hospital makes no warranties, express, implied, or statutory, with respect to any medical or general supplies provided under this Agreement, including, without limitation, any warranty of merchantability or fitness for a particular purpose.

11. Equipment

Each party agrees to use its best efforts to make biomedical equipment (including, but not limited to ventilators, monitors and infusion pumps) available to a Borrowing Hospital in the event of an internal or external disaster, upon request and subject to any required sharing agreement. The Lending Hospital shall be entitled to use its own reasonable judgment regarding the type and amount of equipment that it can provide without adversely affecting its own ability to provide services. To the best of the Lending

**Alaska State Hospital and Nursing Home Association
Hospital Mutual Aid Agreement**

Hospital's knowledge, all equipment loaned will be in good working order. The Borrowing Hospital may request a copy of the most recent preventive maintenance records.

12. Transportation

When feasible, the Borrowing Hospital will be responsible for making arrangements for transporting the loaned equipment or personnel. If the Borrowing Hospital is unable to make these arrangements, the Lending Hospital will arrange for shipping/ transportation of loaned equipment or personnel to and from the Borrowing Hospital. All expenses of shipping/transport shall be the responsibility of the Borrowing Hospital.

13. Risk of Loss or Damage

The Borrowing Hospital assumes the risk of loss or damage to equipment while in its possession or in transit. The Borrowing Hospital will promptly notify the Lending Hospital if damage or loss of equipment occurs.

14. Return of Equipment

The Borrowing Hospital will promptly return the equipment to the Lending Hospital upon request, unless return of the equipment would be life-threatening to a patient at the Borrowing Hospital or would otherwise significantly compromise the health or safety of a patient.

15. Compensation

The Borrowing Hospital will compensate the Lending Hospital for the use of the equipment. To the extent the equipment is leased by the Lending Hospital, the reimbursement shall be at the actual lease cost, prorated based on the number of days of use lost by the Lending Hospital unless otherwise mutually agreed. If the equipment is owned by the Lending Hospital, Borrowing Hospital will compensate Lending Hospital at a negotiated rate which shall not exceed the fair market rental value of comparable equipment for the number of days of use lost by the Lending Hospital unless otherwise mutually agreed.

16. Warranty

The Lending Hospital shall exercise reasonable efforts to disclose its knowledge of any defect in the loaned equipment. The Borrowing Hospital assumes full responsibility for use of the loaned equipment. The Lending Hospital makes no warranties, express, implied, or statutory, with respect to any equipment supplied under this Agreement, including, but not limited to, any warranty of merchantability or fitness for a particular purpose.

17. Medical Staff and Allied Health Professional Staff

The Lending Hospital shall inform its medical staff members of the request for assistance and offer them the opportunity to participate in the Lending Hospital's response.

18. Credentials and Privileges for Medical Staff and Allied Health Professional Staff

The guidelines for sharing of Credentials information between facilities for the process of granting privileges is detailed in Attachment C of this agreement.

19. Patient Care Staff

The parties agree to use their best efforts to make staff available to a Borrowing Hospital in the event of an internal or external disaster, upon request. The Lending Hospital shall be entitled to use its own reasonable judgment regarding the clinical staff it can provide without

**Alaska State Hospital and Nursing Home Association
Hospital Mutual Aid Agreement**

adversely affecting its own ability to provide services. Staff subject to this agreement shall be limited to staff employed by the Lending Hospital. Agency staff must be obtained directly from the employing agency.

20. Responsibility for Personnel

The parties agree that the personnel made available to the Borrowing Hospital shall be totally under the supervision and control of the Borrowing Hospital while performing any actions in response to the Borrowing Hospital's request for personnel. The Borrowing Hospital assumes full responsibility for the actions of the employees made available by the Lending Hospitals.

21. Housing of Personnel

The Borrowing Hospital is responsible for housing and feeding personnel sent by a Lending Hospital.

22. Personnel Files

The Lending Hospital shall provide to the Borrowing Hospital upon request, to the extent authorized by law, copies of personnel files sufficient to document the licensure, training and competence of the loaned staff. The Lending Hospital shall use its best efforts to ensure that such records comply with licensure and accreditation requirements applicable to the Lending Hospital.

23. Recall of Staff

The Lending Hospital may recall its clinical staff at any time in its sole discretion. If feasible, adequate notice will be provided to allow the Borrowing Hospital to arrange staffing from other facilities or agencies.

24. Personnel Compensation

During the period of assistance, unless otherwise mutually agreed, the Lending Hospital shall continue to pay its employees according to its then prevailing ordinances, rules, and regulations. The Borrowing Hospital will compensate the Lending Hospital for the use of the staff at the current hourly rate (including shift differential and overtime) paid by the Lending Hospital to such staff.

Employees deployed from a Lending Hospital are responsible for keeping track of any airline, lodging, meals, and other miscellaneous expenses they may personally pay. These expenses will be reimbursed, to the extent authorized under applicable law, to the employee by the Lending Hospital once an expense report has been submitted by the employee to the Lending Hospital. The Borrowing Hospital is responsible for reimbursing the Lending Hospital for these expenses.

25. Ancillary Services

The parties agree to use their best efforts to make essential ancillary services, including, but not limited to, clinical laboratory and dietary services, available to a Borrowing Hospital in the event of an internal or External Disaster, upon request. When feasible, the Borrowing Hospital will be responsible for all transportation and delivery services associated with the ancillary services, such as the delivery of laboratory specimens and the pick-up and delivery of dietary supplies or pharmaceuticals. If the Borrowing Hospital is unable to provide transportation/delivery, the Lending Hospital will arrange for transportation/delivery to and from the Borrowing Hospital. All expenses of shipping/transport shall be the responsibility of

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the Borrowing Hospital. The Borrowing Hospital will compensate the Lending Hospital at 50% of standard billed charges for all ancillary services for which there are standard charges. For all other ancillary services, Borrowing Hospital will compensate the Lending Hospital based on the actual costs of the ancillary services. Where Federal entities lack statutory authority to charge at a reduced rate, Borrowing Hospital will compensate Lending Hospital at the standard rate.

26. Payment

Unless otherwise mutually agreed, the Lending Hospital shall bill the Borrowing Hospital for all reimbursable expenses with an itemized statement as soon as practical after the expenses are incurred. The Borrowing Hospital shall pay the bill, or advise of any disputed items, not later than 120 days following receipt of the statement, unless otherwise agreed upon.

27. Responsibility – Insurance

Each party shall throughout the term of this Agreement maintain comprehensive general liability insurance, workers compensation insurance, property insurance and professional liability (malpractice) insurance to cover their activities hereunder and upon request of the other party shall provide to the other party certificates evidencing the existence of such insurance coverage. Each party may at its option satisfy its obligations under this section through self-insurance programs and protections deemed by it to be comparable to the insurance coverage described herein, and upon request, provide to the other party information showing that the self-insurance programs offer such comparable protection. Independent practitioners who maintain their own professional liability insurance may be sent through their privileged facility but would come with their own liability insurance with authorization from their insurance carrier.

If an employee of the Lending Hospital is injured while working at the Borrowing Hospital's site, the employee is covered by the Lending Hospital's Workers Compensation Policy, unless otherwise determined by the Office of Workers' Compensation Program (OWCP).

Independent practitioners who maintain their own professional liability insurance may be sent through their privileging hospital, but would operate within their own insurance policies with the authorization of their insurance carriers.

28. Independent Relationship

None of the provisions of this Agreement are intended to create nor shall be deemed or construed to create a partnership, joint venture or any relationship between the signing parties, other than that of independent entities contracting with each other hereunder solely for the purpose of effecting the provisions of this Agreement.

29. Terms

This document will be reviewed each year at the annual meeting of the Alaska State Hospital and Nursing Home Association and be revised as needed. This Agreement shall be self-renewing for additional one-year terms. However, this Agreement may be terminated (a) with or without cause, by either party giving sixty (60) days prior written notice of termination to ASHNHA, or (b) immediately by any party upon a breach by any party of any term or provision of this Agreement or default by the other party under the terms of this Agreement. No termination of this Agreement shall affect any rights or liabilities accruing

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prior to the time of termination.

30. Affiliation with Other Facilities

Nothing in this Agreement shall be construed as limiting the right of the parties to affiliate or contract with any other entity operating a hospital or other health care facility on either a limited or general basis while this Agreement is in effect. Each party acknowledges that, in the event of a large scale External Disaster, the ability of the Assisting Hospital to accept patients from the Affected Hospital will be affected by the receipt of patients from other sources, including direct admissions from the community and transfers of patients from other facilities. This Mutual Aid Agreement is not intended to establish a preferred status for patients of the Affected Hospitals. All decisions regarding allocation of available facilities will be made by the Assisting Hospital using its best judgment about the needs of its community.

31. Effect of Agreement

The execution of this Agreement shall not give rise to any liability or responsibility for failure to respond to any request for assistance, lack of speed in answering such a request, inadequacy of equipment, or abilities of the responding personnel.

32. Copy of Agreement

A conformed copy of this Agreement, with all amendments, if any, together with a copy of the current policies and procedures, referral forms and other documents adopted by the parties to implement this Agreement shall be kept in the administrative file of each of the parties for ready reference.

33. Assignment

This Agreement and the rights of the parties hereunder, may not be assigned by any party, without the prior written consent of the receiving hospital.

34. Notices

Any notices required or permitted hereunder shall be sufficiently given and deemed received upon personal delivery, or upon the third business day following deposit in the U.S. Mail, if sent by registered or certified mail, postage prepaid, addressed or delivered as follows:

Copies to:

Executing Hospital: *See Attachment A: Participating Hospitals*

Other: *Alaska State Hospital & Nursing Home Association*
President/CEO
643 W. Sixth St Suite 120
Anchorage, AK 99501 (907) 646-1444

State of Alaska, Health and Social Services Commissioners Office,
Chief Medical Officer
P.O. Box 110610
Juneau, AK 99811-0610 (907) 465-3092

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*State of Alaska, Department of Military and Veterans Affairs,
Alaska Division of Homeland Security and Emergency Management
Director, Alaska Division of Emergency Services
P.O. Box 5750
Fort Richardson, AK 99505-5750
Phone: (907)428-7000*

35. Modification of Agreement

This Agreement contains the entire understanding of the parties and shall not be modified except by an instrument in writing facilitated by ASHNHA and signed by the participating parties.

36. No Waiver

No waiver of a breach of any provision of this Agreement shall be construed to be a waiver of any breach of any other provision of this Agreement or of any succeeding breach of the same provision.

37. Governing Law

This Agreement, and the rights, obligations and remedies of the parties hereto, shall be governed by and construed in accordance with Federal Law and, to the extent not inconsistent therewith, the laws of the State of Alaska.

**Alaska State Hospital and Nursing Home Association
Hospital Mutual Aid Agreement**

Attachment A: Participating Hospitals

IN WITNESS WHEREOF, each of the parties have caused this Alaska State Hospital & Nursing Home Association Mutual Aid Agreement to be duly executed in its name and behalf by its chief executive officer, who has signed accordingly, as of the date set forth in this Agreement. The signature pages are on file at Juneau Office of the Alaska State Hospital & Nursing Home Association and are available upon request.

Organization Name	Signed By (Name, Title)	Date Signed	Point of Contact During Response
Alaska Native Medical Center			
Alaska Psychiatric Institute			
Alaska Regional Hospital			
Alaska VA Healthcare System			
Bartlett Regional Hospital			
Central Peninsula General Hospital			
Bassett Army Community Hospital			
Cordova Community Medical Center			
Fairbanks Memorial Hospital			
Joint Base Elmendorf Richardson 673d Medical Grp			
Kanakanak Hospital/Bristol Bay Area Health Corp.			
Ketchikan General Hospital			
Maniilaq Health Center			
Mat-Su Regional Medical Center			
Mt. Edgecombe/ SEARHC			
North Star Behavioral Health			
Norton Sound Health Corporation			
Petersburg Medical Center			

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Providence Alaska Medical Center			
Providence Kodiak Island Medical Center			
Providence Seward Medical and Care Center			
Providence Valdez Medical Center			
Samuel Simmonds Memorial			
Sitka Community Hospital			
St. Elias Specialty Hospital			
South Peninsula Hospital			
Wrangell Medical Center			
Yukon-Kuskokwim Health Corporation			

**Alaska State Hospital and Nursing Home Association
Hospital Mutual Aid Agreement**

Attachment B: Executing Hospital Signature Page

IN WITNESS WHEREOF, each of the parties have caused this Alaska State Hospital & Nursing Home Association Mutual Aid Agreement to be duly executed in its name and behalf by its chief executive officer, who has signed accordingly, as of the date set forth in this Agreement.

Organization Name _____

Name _____

Title _____

Phone Number _____

Signature _____

Date Signed _____

**Name of Internal
Emergency Management
Contact** _____

Title _____

Phone Number _____

Content Approved by: _____, Richard D. Monkman
Sonosky Chambers Sachse Miller & Munson, LLP

Form Approved by: _____, Law Department

Risk Management Review: _____, Risk Management

**Alaska State Hospital and Nursing Home Association
Hospital Mutual Aid Agreement**

**Attachment C: Shared Information Agreement for Credentialing
*For use during declared Emergencies/Disasters***

This Agreement (“**Agreement**”) is entered into between all the Healthcare Entities (“**Entity**”) in Alaska, who have signed in approval the Mutual Aid Agreement, for use and implementation during an emergency/disaster situation.

Each Entity desires to receive certain credentialing services per this agreement and to provide certain credentialing services to other Entities under the terms and conditions of this Agreement;

In exchange for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **Services.** The Entity engages and accepts the engagement, to perform the services set forth in this Agreement. Each Entity agrees to perform the services in accordance with the terms of this Agreement and as listed below:
 - a. The manner, means and methods of performing the Services are under the sole control of each Entity so long as they are lawful and follow the Joint Commission standards of care. For entities subject to Medicare/Medicaid conditions of participation (“**COP**”), Services shall follow the COP and any amendments thereto.
 - b. This Agreement will not be construed to create an association, partnership, or joint venture, or a principal/agent or employer/employee relationship between Entities.
 - c. Each Entity is responsible for notifying another Entity when verification of providers’ privileges is required and will request a copy of the packet for their Entity. The Entity who received the request will respond to each request as soon as is possible dependent upon the nature of the emergency/disaster. In some cases the forms may be couriered, mailed, faxed, e-mailed, as needed to expedite the application process. Once an application has been received, the Entity will begin to process the application in the order it was received in conjunction with all other applications received by the Entity.
 - d. All original documents will be maintained at the Entity that originated an application. When an application is received during a time of emergency/disaster, an Entity may request a complete copy of the applicant’s credentials file from another Entity of which the applicant has agreed in writing to provide emergency/disaster services.
 - e. Each Entity will make every effort to verify the needed information as quickly as possible to meet another Entity’s needs. However, no facility may monopolize the staff of another Entity to the detriment of the other Entity’s participating in this agreement.

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- f. If an Entity during its credentialing process discovers derogatory information about an applicant, they will immediately notify the receiving facility to the extent authorized by law.
2. **Compensation.** For Services actually performed, each Entity agrees there shall be no compensation for credentialing services during an emergency/disaster situation unless required by law.
 3. **Term and Termination.**
 - a. This Agreement shall be effective only during an emergency/disaster called by the city or state authority. This agreement shall terminate when the Entity is no longer in need of volunteers to be credentialed.
 - b. Upon termination of this Agreement, no Entity shall have further rights against, or obligations to, the other party except with respect to any rights or obligations accruing prior to the date and time of termination and any obligations, promises or agreements which expressly extend beyond the termination, including, but not limited, those set out in Sections 4, 6, 8 and 10.
 4. **Confidential Information.**
 - a. “**Confidential Information**” means, without limitation, information relating to: the Entity (including any person, corporation, partnership, general partner or other entity that directly, or indirectly through one or more intermediaries, controls or is controlled by or is under common control with the Entity), its trade secrets, proprietary information, arrangements with suppliers or payors; its patients and their personal, medical or financial information; technical data, records, compilations of information, processes and specifications or any other information or material which derives economic value, actual or potential, from not being generally known to other persons or is the subject of efforts that are reasonable under the circumstances to maintain its secrecy or confidentiality. Confidential Information shall not include information, which is in the public domain.
 - b. Each Entity agrees to comply with the Health Insurance Portability and Accountability Act of 1996, as codified at 42 U.S.C. § 1320d (“HIPAA”) and any current and future regulations promulgated thereunder including without limitation the federal privacy regulations contained in 45 C.F.R. Parts 160 and 164 (the “Federal Privacy Regulations”), the federal security standards contained in 45 C.F.R. Part 142 (the “Federal Security Regulations”), and the federal standards for electronic transactions contained in 45 C.F.R.

Parts 160 and 162, all collectively referred to herein as “HIPAA Requirements”. Each Entity agrees not to use or further disclose any Protected Health Information (as defined in 45 C.F.R. Section 164.501) or Individually Identifiable Health Information (as defined in 42 U.S.C. Section 1320d), other than as permitted by HIPAA Requirements and the terms of this Agreement. Each Entity will make its internal practices,

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books and records relating to the use and disclosure of Protected Health Information available to the Secretary of Health and Human Services to the extent required for determining compliance with the Federal Privacy Regulations. In the event any Entity discloses or uses Confidential Information in violation of this section, any Entity may terminate this Agreement.

5. **Records**. Upon any termination of this Agreement, an Entity that worked an original file will keep the original and other Entities will keep the subsequent copies. There is no need for shift or return of information for items obtained while this Agreement was in effect.

Each Entity shall, in accordance with 42 U.S.C. section 1385(v)(1)(I) and 42 C.F.R. Part 420, Subpart D section 420.300 et seq., until the expiration of four (4) years after the furnishing of Medicare reimbursable services pursuant to this Agreement, upon proper written request, allow the Comptroller General of the United States, the Secretary of Health and Human Services, and their duly authorized representatives access to this Agreement and to Entity's books, documents and records necessary to certify the nature and extent of costs of Medicare reimbursable services provided under this Agreement

6. **Governing Law**. This Agreement shall be construed under Federal Law and, to the extent not inconsistent therewith, the laws of the State of Alaska.
7. **Entire Agreement**. This Agreement and the exhibits hereto contain the entire Agreement between the parties hereto and supersede all prior agreements, contracts and understandings, whether written or otherwise, between the parties relating to the subject matter hereof. There are no representations or agreements except as set forth herein. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
8. **Partial Invalidity**. In the event any provision of this Agreement is found to be legally invalid or unenforceable for any reason, the remaining provisions of the Agreement shall remain in full force and effect provided the fundamental rights and obligations remaining reasonably unaffected.
9. **Notices**. Any notices required to be given in respect to this Agreement shall be deemed to be given upon the earlier of actual delivery to the intended recipient or its agent.
10. **Third Party Beneficiaries**. This Agreement is entered into for the sole benefit of the Entities during an emergency/disaster. Nothing contained herein or in the parties' course of dealings shall be construed as conferring any third party beneficiary status on any person or entity not a party to this Agreement, including, without limitation, Entity representative.
11. **Non-Waiver**. No waiver of any term or condition of this Agreement by either party shall be deemed a continuing or further waiver of the same term or condition or waiver of any other term or condition of this Agreement.
12. **Change of Circumstances**. In the event (i) Medicare, Medicaid, or any third-party payor or any federal, state or local legislative or regulatory authority adopts

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any law, rule, regulation, policy, procedure or interpretation thereof which establishes a material change for services under this Agreement, or if (ii) any or all such authorities impose requirements which require a material change in the manner of either party's operations under this Agreement then, upon the request of either party materially affected by any such change in circumstances, the parties shall enter into good faith negotiations for the purpose of establishing such amendments or modifications as may be appropriate in order to accommodate the new requirements and change of circumstances while preserving the original intent of this Agreement to the greatest extent possible.

13. **Representation and Warranty.** Each Entity represents and warrants to the other Entities that Entity i) is not currently excluded, debarred, or otherwise ineligible to participate in the Federal health care programs as defined in 42 U.S.C. Section 1320a-7b(f) (the "Federal health care programs"); (ii) is not convicted of a criminal offense related to the provision of health care items or services but has not yet been excluded, debarred, or otherwise declared ineligible to participate in the Federal health care programs, and iii) is not under investigation or otherwise aware of any circumstances which may result in the Entity being excluded from participation in the Federal health care programs. This shall be an ongoing representation and warranty during the term of this Agreement and CVO shall immediately notify Facility of any change in the status of the representation and warranty set forth in this section. Any breach of this section shall give Facility the right to terminate this Agreement immediately for cause.
14. **Agreement Expiration.** This agreement remains in effect until terminated by an Entity.
15. **Required Approvals.** This Agreement shall not be effective, or legally binding, by any Entity until it has been signed by the participating Entities with original signature.

Bartlett

Regional Hospital

Fox Lawson &
Associates
Class and Compensation
agreement
\$52,000



**A City and Borough of Juneau
Enterprise Fund**

MR 14-262
PROFESSIONAL SERVICES CONTRACT FOR SPECIALIZED
HUMAN RESOURCES AND COMPENSATION CONSULTING SERVICES

PART I: PARTIES

This contract is between the Bartlett Regional Hospital, a department of the City and Borough of Juneau, Alaska ("BRH") and Gallagher Benefit Services, Inc., a Delaware corporation registered and licensed to do business in the State of Alaska, through its division, Fox Lawson & Associates, hereafter "Consultant."

PART II: CONTRACT ADMINISTRATION

All communications concerning this contract shall be directed as follows, any reliance on a communications with a person other than that listed below is at the party's own risk. Notices required under this contract must be in writing and personally delivered or sent to the address shown below, or by facsimile, and will be effective upon receipt.

City & Borough of Juneau/BRH:

Attn: Mila Cosgrove
Human Resources & Risk Management Director
City and Borough of Juneau/BRH
155 South Seward Street
Juneau, AK 99801
Phone: 907-586-0225
Fax: 907-586-5392

Consultant:

Attn: Bruce G. Lawson, MPA, CCP, IPMA-CP
Managing Director
Gallagher Benefit Services, Inc.
P.O. Box 32985
Phoenix, AZ 85064-2985
Phone: 602-840-1070
Fax: 602-840-1071

PART III: CONTRACT DESCRIPTION

This contract is identified as Professional Services Contract for Specialized Human Resources and Compensation Consulting Services (MR 14-262). The following appendices are attached and are considered a part of this contract, as well as any exhibits or attachments incorporated by reference or attached to those appendices.

Appendix A: Scope of Work, Term, and Compensation

Appendix B: Standard Provisions

Appendix C: Insurance

If in conflict, the order of precedence shall be: this document, Appendix A, B, and then C.

PART IV: CONTRACT EXECUTION

BRH and Consultant agree and sign below. This contract is not effective until signed by the BRH. Consultant represents that the person signing below on its behalf has the authority to do so and that it is a valid and binding contract enforceable in accordance with its terms.


BRH:

Date: _____

By: _____

Jeff R. Egbert
Chief Executive Officer

Gallagher Benefit Services, Inc.:

Date: 11/07/14
By: 

Bruce G. Lawson, MPA, CCP, IPMA-CP
Managing Director

Content Approved by: _____, HR Department

Form Approved by: AShead 4/10/2014 for J.E.S., Law Department

Risk Management Review: _____, Risk Management

APPENDIX A: SCOPE OF WORK, TERM, AND COMPENSATION

1. SCOPE OF SERVICES

The services to be provided under this contract are described in this Appendix A and in:

ATTACHMENT 1: 02/24/14 Proposal for Compensation Services

ATTACHMENTS 1 is wholly incorporated by this reference.

2. TERM

This contract shall be effective on the date it is signed by the BRH, and it shall automatically terminate on December 31, 2014, or upon completion of the Final Report, whichever occurs first.

3. COMPENSATION AND TERMS OF PAYMENT

1. The total amount to be paid under this contract shall not exceed \$52,000.00.

2. Payments shall be made upon completion of each phase, as more fully described in Attachment 1 and as follows:

PHASE	DESCRIPTION	FEES
I	Implementation and Strategy Development	\$6,000.00
II	Job Evaluation and Classification Structure Development	\$15,000.00
III	Compensation Structure Development	\$10,000.00
IV	Compensation Plan Update	\$15,000.00
V	Final Report	\$6,000.00

3. Any additional services provided will be billed at an hourly rate based on the following rate schedule:

LEVEL	RATE	LEVEL	RATE
Managing Director	\$375.00	Consultant	\$225.00
Senior Consultant	\$275.00	Consulting Associate	\$125.00

APPENDIX B: STANDARD PROVISIONS

1. CONTRACTUAL RELATIONSHIP. The parties intended that an independent Consultant relationship will be created by this contract. The CBJ is interested only in the results to be achieved as provided in this agreement. The conduct and control of the work will lie solely with the Consultant. Consultant is not considered to be an agent or employee of the CBJ for any purpose, and the employees of Consultant are not entitled to any benefits that CBJ provides for CBJ employees. CBJ does not agree to use the Consultant exclusively. Consultant does not agree to work for CBJ exclusively.

2. PERSONNEL, EQUIPMENT AND SUPPLIES. Except as provided in the Scope of Work, the Consultant represents that it has or will secure at its own expense all personnel, equipment, and supplies required in performing the work under this contract. All of the work required hereunder will be performed by the Consultant or under its supervision. None of the work covered by this Contract shall be subcontracted except as provided in the Scope of Work.

3. CONSULTANT QUALIFICATIONS. Consultant warrants that it is fully qualified and is licensed under all applicable local, state, and federal laws to perform its obligations under this contract.

4. INSURANCE REQUIREMENTS. Consultant has secured and agrees to keep and maintain in full force and effect, at its own expense, the insurance approved by CBJ Risk Management as outlined in Appendix C. All insurance required under this contract shall name the CBJ as an additional insured, except with respect to any required Professional Liability or Workers Compensation policies, and shall require that the insurance company give prior written notice consistent with the terms of the policy, to the CBJ's Risk Management Officer prior to any cancellation, non-renewal, or reduction in the amount of coverage. If the Consultant maintains higher limits than shown below, the CBJ shall be entitled to coverage for the higher limits maintained by the Consultant. Each policy shall be endorsed to waive all rights of subrogation against the CBJ by reason of any payment made for claims under the above coverage, except Workers Compensation and Professional Liability.

a. *Deductibles and Self-Insured Retentions.* Any deductibles and self-insured retentions must be declared to and approved by the CBJ. The CBJ may require the Consultant to provide proof of ability to pay losses and related investigations, claim administration and defense expenses within the retention.

b. *Claims-Made Policies.* If any of the required policies provide coverage on a claims-made basis:

1. The Retroactive Date must be declared and must be before the date of the contract or the beginning of the contract work.
2. Insurance must be maintained and evidence of insurance must be provided *for at least one (1) year after completion of the contract work.*

3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with the Retroactive Date prior to the contract effective date, the Consultant must purchase “**extended reporting**” coverage for a minimum of one (1) year after completion of the contract work.

5. CHANGES. The CBJ may, from time to time, require changes in the scope of services to be performed under this contract. Such changes, including any increase or decrease in the amount of the Consultant’s compensation, must be mutually agreed upon in writing before they will be regarded as part of this contract. No claim for additional services, not specifically provided in this contract, performed or furnished by the Consultant, will be allowed, nor may the Consultant do any work or furnish any material not covered by the contract unless the work or material is ordered in writing by the CBJ.

6. NO ASSIGNMENT OR DELEGATION. The Consultant may not assign or delegate any interest in this contract without the prior written consent of the CBJ. Consultant may assign its rights to any payment under this contract without the prior written consent of CBJ; however, notice of any such assignment or transfer shall be furnished promptly to CBJ by Consultant.

7. TERMINATION FOR CONVENIENCE. The CBJ may, by prior written notice, terminate this agreement at any time, in whole or in part, when it is in the best interest of the CBJ. In the event that this contract is terminated by the CBJ for convenience, as opposed to termination for cause, the CBJ is liable only for payment in accordance with this agreement for work accomplished prior to the effective date of the termination.

8. DEFAULT AND TERMINATION FOR CAUSE. If Consultant fails to perform a material obligation under this contract, the CBJ may consider the Consultant to be in default (unless caused an event, circumstance, or act of a third party that is beyond Consultant’s reasonable control) and may assert a default claim by giving Consultant a written and detailed notice of default. The Consultant shall cure the default within the time frame identified in the notice of default, or, if the default is not curable within the time frame specified, provide a written cure plan acceptable to the CBJ, which shall not be unreasonably withheld. Consultant will begin implementing the cure plan immediately after receipt of notice that the CBJ approves the plan. The CBJ’s payment obligations shall be held in abeyance until the default is cured.

9. INSPECTION AND RETENTION OF RECORDS. The CBJ may inspect, in the manner and at reasonable times it considers appropriate, all of Consultant’s facilities, records and activities having any relevance to this contract. Consultant shall retain financial and other records relating to the performance of this contract for a period of six years, or until the resolution of any audit findings, claims or litigation related to the contract.

10. EQUAL EMPLOYMENT OPPORTUNITY. The Consultant will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, marital status, changes in marital status, pregnancy or parenthood. Consultant shall include these provisions in any agreement relating to the work performed under this agreement with Consultants or sub-contractors.

11. CHOICE OF LAW, JURISDICTION. The Superior Court for the State of Alaska, First Judicial District at Juneau, Alaska shall be the exclusive jurisdiction for any action of any kind and any nature arising out of or related to this Agreement. Venue for trial in any action shall be in Juneau, Alaska. The laws of the State of Alaska shall govern the rights and obligations of the parties. Consultant specifically waives any right or opportunity to request a change of venue for trial pursuant to A.S. 22.10.040.

12. COMPLIANCE WITH LAWS AND REGULATIONS. Consultant shall, at Consultant's sole cost and expense, comply with all applicable requirements of federal, state, and local laws, ordinances and regulations now in force, including safety, environmental, immigration, and security enactments, or which may be subsequently enacted. Consultant warrants that it has obtained and is in full compliance with all required licenses, permits, and registrations regulating the conduct of business within the State of Alaska and the CBJ, and shall maintain such compliance during the effective term of this agreement.

13. PAYMENT OF TAXES AND OBLIGATIONS TO CBJ. As a condition of this contract, the Consultant shall pay all federal, state, and local taxes incurred by the Consultant and shall require their payment of any sub-contractor or any other persons in the performance of this contract. Consultant shall not be delinquent in the payment of taxes, or any other obligation, to CBJ during the performance of this contract. Satisfactory performance of this paragraph is a condition precedent to payment by the CBJ under this contract.

14. CONFLICT OF INTEREST. Consultant warrants that no employee or officer of the CBJ has violated the conflict of interest provisions of CBJ code regarding this contract. Consultant also warrants that it has not solicited or received any prohibited action, favor or benefit from any employee or office of CBJ, and that it will not do so as a condition of this contract. If the Consultant learns of any such conflict of interest, the Consultant shall without delay inform the CBJ and Borough Attorney or CBJ's representative for this contract.

15. INDEMNIFICATION. The Consultant agrees to defend, indemnify, and hold harmless CBJ, its employees, volunteers, consultants, and insurers, with respect to any action, claim, or lawsuit arising out of or related to the Consultant's negligence, without limitation as to the amount of fees, and without limitation as to any damages, cost or expense resulting from settlement, judgment, or verdict, and includes the award of any attorneys' fees even if in excess of Alaska Civil Rule 82. This indemnification agreement applies to the fullest extent permitted by law and is in full force and effect whenever and wherever any action, claim, or lawsuit is initiated, filed, or otherwise brought against CBJ relating to this contract. The obligations of Consultant arise immediately upon actual or constructive notice of any action, claim, or lawsuit. CBJ shall notify Consultant in a timely manner of the need for indemnification, but such notice is not a condition precedent to Consultant's obligations and is waived where the Consultant has actual notice.

16. OWNERSHIP OF DOCUMENTS. All designs, drawings, specifications, notes, artwork, and other work developed in the performance of this contract, with the exception of the Decision Band™ job evaluation tool, become the sole property of the CBJ and may be used by the CBJ for any other purpose without additional compensation to the Consultant. The Decision

Band™ job evaluation tool will be provided to CBJ under a license with Contractor retaining full ownership of the proprietary software. The Consultant agrees not to assert any rights and not to establish any claim under the design patent or copyright laws. The Consultant, for a period of three years after final payment under this contract, agrees to furnish and provide access to all retained materials at the request of the CBJ. Unless otherwise directed by the CBJ, the Consultant may retain copies of all the materials.

17. IDENTIFICATION OF DOCUMENTS. All reports, maps, and other documents completed as a part of this contract, other than documents exclusively for internal use within the CBJ, shall carry a CBJ notation or logo as directed by the CBJ.

18. APPLICABILITY OF ALASKA PUBLIC RECORDS ACT. Consultant acknowledges and understands that the CBJ is subject to the Alaska Public Records Act (AS 40.25.120) and that all documents received, owned or controlled by the CBJ in relation to this Contract must be made available for the public to inspect upon request, unless an exception applies. Consultant may not promise confidentiality to any third party on behalf of the CBJ, without first obtaining express written approval by the CBJ. If records pertaining to this Contract are the subject of a public records request, CBJ agrees not to disclose such records without first providing notice to and opportunity for the Consultant to specifically identify confidential and/or proprietary information in the records, and to seek recourse in a court of law, to prevent or limit the disclosure of such information.

19. ENTIRE AGREEMENT. This Agreement, including all appendices and exhibits, constitutes the entire agreement of the Parties regarding the subject matter of the agreement and supersedes all previous agreements, proposals, and understandings, whether written or oral, relating to this subject matter.

20. SEVERABILITY. If a court of competent jurisdiction renders any part of this agreement invalid or unenforceable, that part will be severed and the remainder of this agreement will continue in full force and effect.

21. WAIVER. Failure or delay by the CBJ to exercise a right or power under this agreement will not be a waiver of the right or power. For a waiver of a right or power to be effective, it must be in a writing signed by the CBJ. An effective waiver of a right or power will not be construed as either a future or continuing waiver of that same right or power, or the waiver of any other right or power.

APPENDIX C: INSURANCE

INSURANCE REQUIREMENTS. The Consultant has provided certification of proper insurance coverage to the City and Borough of Juneau, attached as Attachment 2.

Consultant agrees to maintain insurance as follows at all times while this contract is in effect, including during any periods of renewal.

Commercial General Liability Insurance. The Consultant must maintain Commercial General Liability Insurance in an amount it deems reasonably sufficient to cover any suit that may be brought against the Consultant. This amount must be at least one million dollars (\$1,000,000.00) per **occurrence**, and two million dollars (\$2,000,000.00) aggregate. **The CBJ will be named as an additional insured on this policy for work performed for the CBJ.**

Contractor currently has \$20,000,000.00 General Liability coverage, which is the maximum liability payout under this contract.

Workers Compensation Insurance. If required by Alaska Statute (*see* Alaska Statute 23.30), the Consultant must maintain Workers Compensation Insurance to protect the Consultant from any claims or damages for any bodily or personal injury or death which may arise from services performed under this contract. This requirement applies to the Consultant's firm, the Consultant's sub-contractors and assignees, and anyone directly or indirectly employed to perform work under this contract. The Consultant must notify the City as well as the State Division of Workers Compensation immediately when changes in the Consultant's business operation affect the Consultant's insurance status. Statutory limits apply to Workers Compensation Insurance. The policy must include employer's liability coverage of one hundred thousand dollars (\$100,000.00) per injury and illness, and five hundred thousand dollars (\$500,000.00) policy limits. Consultant also agrees to provide evidence of Longshore and Harbor Worker's Insurance and Jones Act coverage if applicable to the work required. **If the Consultant is exempt from Alaska Statutory Requirements, the Consultant will provide written confirmation of this status in order for the CBJ to waive this requirement. The policy shall be endorsed to waive subrogation rights against the CBJ.**

Professional Liability. The consultant must maintain Professional Liability insurance in an amount not less than one million dollars (\$1,000,000.00) aggregate to protect the CBJ from any claims or damages for any error, omission, or negligent act of the Consultant, the Consultant's firm, employees, or sub-consultants, which results in a financial loss to the CBJ.



Fox Lawson & Associates
a Division of Gallagher Benefit Services, Inc.
Compensation and Human Resources Specialists

P.O. Box 32985
Phoenix, AZ 85064-2985
Phone 602-840-1070
Fax 602-840-1071
www.foxlawson.com

February 24, 2014

Mila Cosgrove, IPMA-CP, SPHR
Human Resources & Risk Management Director
City and Borough of Juneau
155 S. Seward Street
Juneau, Alaska 99801
Mila_Cosgrove@ci.juneau.ak.us

Re: Proposal for Compensation Services

Dear Mila:

Gallagher Benefit Services, Inc. (Fox Lawson/FLA) a publically traded corporation organized in the State of Delaware, is pleased to submit our proposal to assist the City and Borough of Juneau in:

- Providing a classification structure for jobs within the CBJ Hospital including cleaning up the existing classification structure into a more reasonable and manageable number of job classifications and provision of a structured methodology that can be used on an ongoing basis for pegging new classifications to the pay scale. The CBJ currently uses the whole job classification system.
- Developing a Pay Plan Structure that will have a more reasonable and manageable number of pay ranges and have differences between pay ranges that are meaningful. The CBJ may also want to look at the percentage increment between steps and the length of time between steps.
- Peg New Classes to New Pay Structure

The CBJ is also interested in conducting market analysis including identification of benchmark positions and comparisons to recent and relevant market based data. The CBJ will provide access to the Alaska State Hospital Association compensation data. This task can be performed either by FLA or the CBJ.

The study will cover approximately 525 employees (420 FTE) in approximately 150 current job classifications. This equates to a ratio of fewer than four positions per class which indicates a very narrow and difficult to manage structure. Contemporary structures will have an average minimum of ten (10) positions per class in organizations the type and size of the CBJ Hospital.

Additional information regarding Fox Lawson, our services and our clients, is available at www.foxlawson.com. A summary of our organization and a list of references and clients are included as an attachment.

The scope of services, as outlined below, has been broken down into five phases. The scope of work is detailed below.



Fox Lawson & Associates
a Division of Gallagher Benefit Services, Inc.

1

SCOPE OF WORK

- **PHASE I:** Meetings with appropriate stakeholders to confirm compensation philosophy and project details. Gather and review data provided by the CBJ, including organizational charts, job descriptions, current pay structures and any available market compensation data. These meetings can be held either on-site or via teleconference/web-link to reduce cost.
- **PHASE II:** Using a structured job evaluation tool, the Decision Band™ Method of Job Evaluation, develop a model job classification structure based on current and accurate job descriptions to be provided by the CBJ. The draft structure will then be reviewed with the CBJ and modified as appropriate. New job descriptions will then be prepared (either by FLA or the CBJ) and individual positions allocated to the appropriate classification in the new structure.
- **PHASE III:** Using the new classification structure developed during Phase II, develop a new compensation structure model using the current salary levels as the basis for the bottom and top of the proposed structure. The new model structure will be designed to make clear distinctions between the levels of work performed. The model structure can then be updated to reflect current market conditions as outlined in the next project phase.
- **PHASE IV:** Gather health care specific and public sector market data for existing classifications via the Alaska Hospital Association survey, the Joint Alaska survey that FLA conducted in February 2013, and other published data as appropriate. Analyze data against the CBJ's current rates of pay and pay ranges. Perform a comparative analysis of pay rates and ranges. Propose recommendations based on findings.
- **PHASE V:** Preparation and presentation of final report. Presentation can be done either on-site or via teleconference/web-link.

PROPOSED WORK PLAN & DELIVERABLES

<u>Study Phase</u>	<u>Summary Tasks/Deliverables</u>
I. Study Initiation and Strategy Development.	<ul style="list-style-type: none"> ▪ Organization & salary material collected. ▪ Confirmed or updated compensation philosophies and strategies. ▪ Identification of possible study barriers. ▪ Client communication process confirmed. ▪ Project timetable confirmed.

II. Job Evaluation and Classification Structure Development	<ul style="list-style-type: none"> ▪ Evaluate all current job classifications using the Decision Band™ Method of job evaluation in order to identify jobs that perform the same type and level of work. ▪ Develop a model job classification structure that combines current classes that perform the same type and level of work. Establish job families and appropriate distinguishing characteristics between the levels within each class series. ▪ Review and discuss the model structure with the CBJ and make revisions as appropriate. ▪ Develop new job descriptions based on the approved class structure and allocate each position to the appropriate class within the structure.
III. Compensation Structure Development	<ul style="list-style-type: none"> ▪ Using current salary grades and rates, combined with the results of the job evaluation and new classification structure process, develop a new model compensation structure. ▪ Review model structure with CBJ and make revisions as appropriate.
IV. Compensation Plan Update	<ul style="list-style-type: none"> ▪ Identification of labor market(s) for market analyses [accomplished during Phase I]. ▪ Conduct of data collection using the Joint Alaska survey, Alaska Hospital Association data, and other available published source surveys relevant to compensation. ▪ Analysis of the competitive position regarding the CBJ's compensation and benefits offerings ▪ Determine whether CBJ jobs lead, lag or are consistent with the market. ▪ Development of recommendations for the CBJ incorporating pay structure [including ranges based on internal equity, comparator medians and means] and benefits program with associated implementation costs (excluding the benefits component.)
V. Project Finalization	<ul style="list-style-type: none"> ▪ Ongoing conferencing with CBJ staff regarding study results and recommendation development. ▪ Recommendations regarding employee communications. ▪ Development of draft report for review and approval. ▪ Final report. ▪ Presentation of final report upon request.

Deliverables

Deliverables include:



- Confirmed compensation philosophy and strategies.
- Provision and installation of a structured job evaluation tool (the Decision Band™ Method).
- Development of new job classification structure.
- Development of new compensation structure model.
- Market compensation study and integration of results with the new job classification structure.
- Preparation of final report summarizing study findings and recommendations.

Quality Assurance

In conducting salary studies, we follow professionally accepted compensation principles and practices as outlined by *WorldatWork*, SHRM, the U.S. Department of Justice and the Federal Trade Commission. Some of these guidelines are listed on the following pages. We have also authored many articles on various aspects of conducting salary studies; please refer to our website www.foxlawson.com for these specific articles.

- We follow guidelines for benchmark selection in terms of how many benchmarks should be selected; either at least 30% if utilizing a formal job evaluation methodology or at least 50% if using a pure market approach. We include representation of all job families and levels throughout the organization; highly populated jobs; jobs found in most comparator organizations; and jobs with recruitment or retention problems.
- We review job descriptions to ensure the duties and responsibilities are understood as well as to make sure we understand the level that the job is functioning at and that reporting relationships are understood so that participating organizations can match their classifications to the benchmark jobs. We will draw on our 20+ years of salary and benefits survey experience to determine if we believe a comparable job can be found in the labor market.
- We follow guidelines for job matching (match only those jobs that match at least 70% of the duties, responsibilities and functions as outlined in the benchmark job summary).
- We follow professionally accepted guidelines for defining labor markets and selecting organizations to survey. We factor in that different jobs will have different recruiting markets, by type of organization, size of organization, and geographic location.
- Any published sources utilized must meet the following criteria:
 - Conducted by a reputable salary survey firm.
 - Survey data is not self-reported.
 - Survey is conducted on a continual basis instead of a one-time event.
 - Survey reports its data sources, the effective date of the data, and was tested to ensure accurate matches and data.
- For surveys, the questions in our data collection form have been field tested through over 30 years of salary and benefits experience to produce valid and accurate data. We pose questions in a fashion easy for participants to answer, as well as providing ease for quantification and analysis. Participants are given the option of completing the survey electronically or in hardcopy.

- We follow-up with participants to ensure data quality and validity of matches and data being reported. If there are questions, we seek job descriptions, organizational charts and other information and weekly status updates on the progress of the compensation study are provided.
- We perform several reviews of the data as well as statistical tests to identify any extreme data and to ensure the validity of the data.
- We utilize trend factors for aging data so that all data is consistent to a current point in time. The trend factors are derived from either the U.S. Department of Labor data or *WorldatWork* Surveys.
- We apply geographic differentials as appropriate and necessary to ensure that the data are reflective of your labor market and economic conditions. We use third party resources (Economic Research Institute) to identify the appropriate geographic differentials.
- We calculate various statistics for summarizing the data (means, medians, highs, lows, percentiles).
- We follow the U.S. Department of Justice and Federal Trade Commission guidelines that 5 matches should exist per job in order to draw reliable conclusions. Therefore we do not calculate statistics (means, medians, etc.) on jobs with fewer than 5 job matches.
- We submit our survey analysis and draft report internally through our firm's quality control process for review before it is submitted to our clients.
- We document and explain our methodology and processes in written reports and also provide electronic copies of the reports. All of the data and conclusions are transparent and auditable.

FLA has comprehensive quality and performance standards. Each deliverable is reviewed by two individuals in the firm for quality control. If clients have issues that need to be addressed, the first contact is the project manager who will attempt to resolve the issues with, as necessary, the assistance of one of the Managing Directors.

FLA RESUMES

Summary resumes follow for FLA's managing director as well as for the FLA consulting team working on the project.

BRUCE G. LAWSON, MPA, CCP, IPMA-CP

Mr. Lawson is a Managing Director of the firm. In this capacity, Mr. Lawson serves as project director and/or technical advisor, providing technical direction and quality assurance. He is responsible for all consulting activities in the areas of job evaluation and compensation, organization analysis, personnel systems and policy development. Mr. Lawson has been directing classification and compensation studies for more than 25 years. Prior to forming Fox Lawson, he spent 15 years with the firm of Ernst & Young LLP where he served as the national director of their public sector compensation consulting practice. He also served as City Manager in two California cities (Los Altos Hills and Belvedere), was the County Administrative Officer in Multnomah County (Portland) Oregon, Assistant City



Manager/Personnel Director in Corvallis, Oregon, and Assistant to the City Administrator/Personnel Director in Placentia, CA. Mr. Lawson served on the City of Phoenix (AZ) Public Safety Employees Retirement Board for 12 years. Mr. Lawson has a Master's Degree in Public Administration from the California State University at Fullerton, is a.b.d. in Public Administration from Golden Gate University in San Francisco, and has earned his CCP certification from *WorldatWork*. He is also an active member of several professional associations including the College & University Professional Association for Human Resources, the International City & County Management Association, the International Public Management Association for Human Resources, the Society for Human Resources Management and *WorldatWork*. Mr. Lawson co-authors a monthly compensation article called the CompDoctor™.

LORI MESSER, MA, CCP

Ms. Messer is a Senior Consultant of the firm. She is responsible for conducting classification and compensation consulting projects. She has been conducting classification and compensation studies for 20 years and specializes in the areas of classification, job evaluation and compensation, and focus group facilitation. Ms. Messer has worked with and for a variety of public and private sector organizations, including states, cities, counties, school districts, colleges, universities, and special districts. Prior to joining the firm, Ms. Messer worked for one of the largest healthcare systems in the State of Arizona, which has a branch healthcare location in Fairbanks, AK. Additionally, she has held a variety of consultative human resources and compensation positions in high tech, distribution, and local government organizations. Ms. Messer has a Bachelor's Degree in Business Administration from Arizona State University and a Master's Degree in Education from the University of Phoenix. She is also a member of *WorldatWork* and has earned her CCP certification.

BARBARA SNYDER, CCP

Ms. Snyder has over 10 years of experience in compensation analysis and design in the public, private, non-profit and government sectors. Barbara's experience includes: over 6 years in the health care system industry, including working for one of the largest U.S. health care systems headquartered in Arizona with facilities in 7 states, including Alaska; over 2 years of corporate experience in the food manufacturing and consumer goods industry; and 1.5 years of experience in the government sector. Barbara's compensation skills include providing competitive market pricing, job description development, job evaluation and consolidation, pay structure analysis and design, market survey participation, and base and variable pay program administration. Barbara graduated magna cum laude from Arizona State University with a Bachelor's Degree in Business Administration, and a major in Computer Information Systems. Barbara is a member of *WorldatWork* and has earned her CCP certification.

PROJECT FEES

We understand the importance of this analysis. Therefore, we have proposed a fee schedule that is sensible and that generates project results that will add value to the City and Borough of Juneau.

PHASE	DESCRIPTION	FEES
I	Implementation and Strategy Development	\$6,000
II	Job Evaluation and Classification Structure Development	\$15,000
III	Compensation Structure Development	\$10,000
IV	Compensation Plan Update	\$15,000
V	Final Report	\$6,000
	TOTAL COST	\$52,000

*The above fees assume all work will be done via teleconference or webinar and are exclusive of any on-site visits. In the event on-site visits are requested, they will be billed at actual cost. As outlined in the work plan, preparation of new job descriptions based on the model structure that is developed in Phase II will be the CBJ's responsibility although we would be happy to prepare them at an additional cost.

Our study costs are directly derived from estimating the number of hours needed to perform the work and the level of consultant charged with the work. Fox Lawson typically bills on a monthly basis up to the maximum of each deliverable. Any additional services provided will be billed at an hourly rate.

Our billing rates for 2014 are listed below:

LEVEL	RATE	LEVEL	RATE
Managing Director	\$375	Consultant	\$225
Senior Consultant	\$275	Consulting Associate	\$125

PROJECT SCHEDULE

PHASE	DESCRIPTION	MONTHS				
		1	2	3	4	5
I	Study Initiation and Strategy Confirmation					
II	Job Evaluation and Classification Structure Development					
III	Compensation Structure Development					
IV	Compensation Plan Update					
V	Final Report					

I am authorized to commit the firm and negotiate the services provided to the City and Borough of Juneau. My contact information is as follows:

Company Name	Fox Lawson & Associates, A Division of Gallagher Benefit Services, Inc.
Contact Person	Bruce G. Lawson, MPA, CCP, IPMA-CP
Business Address	PO Box 32985 Phoenix, AZ 85064-2985
Telephone Number	602-840-1070
Fax Number	602-840-1071
Email Address	bruce_lawson@ajg.com ; www.foxlawson.com

Gallagher Benefit Services, Inc. is registered and licensed to conduct business in the State of Alaska. This study will be performed from our Phoenix, AZ office.

While we are flexible and open to modifications to the proposed work plan, our approach is tailored to your requirements and designed to achieve your objectives for this project. We appreciate having the opportunity to submit this proposal and look forward to assisting the CBJ with their compensation needs. If you have any questions regarding any of the above information, please contact Lori Messer directly at 480-845-6204 or lori_messer@ajg.com. If you approve of the contents contained herein,



please provide an approved purchase order or sign and return a copy of this letter and we can begin to move forward.

We look forward to working with you on this project.

Sincerely,



Bruce G. Lawson, MPA, CCP, IPMA-CP
Managing Director

ACCEPTED BY:
The City and Borough of Juneau, AK

Authorized Signature

Title

Date

ATTACHMENTS

DESCRIPTION OF THE COMPANY

Arthur J. Gallagher & Co. was formed in 1927. Gallagher Benefit Services, Inc. is a wholly owned subsidiary of Arthur J. Gallagher. The corporation was established in Delaware and is publicly traded on the NYSE under the symbol AJG. Our firm (Fox Lawson & Associates) began in 1981 as the public sector compensation consulting practice at Arthur Young & Company. In 1989, Arthur Young merged with Ernst & Whinney to become Ernst & Young. In January 1995, Ernst & Young elected to sell its public sector compensation consulting practice and Fox Lawson became the successor firm to Ernst & Young LLP's public sector compensation and human resources consulting practice. On October 1, 2009, Fox Lawson was acquired by, and became a division of, Gallagher Benefit Services, Inc. Fox Lawson & Associates has 30 years of experience conducting compensation & benefits studies for cities, counties and other public sector organizations.

The FLA Division serves clients nationally from the following locations:

PHOENIX, AZ
Post Office Box 32985, Phoenix, AZ 85064-2985 (602) 840-1070; bruce_lawson@ajg.com Managing Director: Bruce Lawson, MPA, CCP, IPMA-CP
ST. PAUL, MN
1335 County Road D Circle East, St. Paul, MN 55109-5260 (651) 635-0976; jim_fox@ajg.com Managing Director: James Fox, Ph.D., IPMA-CP

We serve our clients on a variety of classification, compensation, and human resources issues, including

- Classification and Compensation Studies
- Organizational Change Management
- Performance Planning and Evaluation
- Human Resources Planning and Audits
- Executive Compensation Planning
- Human Resources Re-engineering
- Benefits and Retirement

Fox Lawson is part of the Human Resources Consulting Division of Gallagher Benefit Services, Inc. GBS been one of the leading human resources and compensation consulting firms for decades, and the firm continues to expand its scope of services. In addition to the job classification and compensation provided by Fox Lawson, client services include evaluation, design and implementation of all HR subject areas that cover the life cycle of employment.

Over the years, we have worked across all industries bringing a diverse scope of best practices and expertise. Our team specializes in:

- Human Resources Assessments
- Organizational Development and Design
- Payroll Assessments



- Process Flow and Technical Audits
- Compliance of the HR and Payroll Functions
- Workforce Planning, Analytics, and Strategic Staffing
- Policy Formulation

We have earned a reputation in the industry of having unquestionable integrity and an unmatched focus on customer service. We are highly recognized for the quality and depth of our analysis, for the ethical integrity of our practices, for our extensive capabilities and products in compensation and benefits surveys and analytics, and for the fair pricing of our services. This is validated by Arthur J. Gallagher receiving the Ethisphere award for Ethical Companies in 2012 and again in 2013.

While we have a broad understanding of human resource systems, our firm primarily specializes in classification and compensation studies. These studies typically include, developing new classification structures and job descriptions, evaluating jobs with a job evaluation methodology to determine the internal equity, conducting a custom-tailored salary survey, developing a competitive pay system, recommending strategies to implement the new compensation structure, and ensuring appropriate administrative and procedural guidelines are in place to maintain the system. We ensure that our clients are in compliance with applicable laws and regulations, such as the Fair Labor Standards Act (FLSA), the Americans with Disabilities Act (ADA), and Equal Employment Opportunity (EEO) standards and have pay systems that are appropriate for their organization and market strategy.

Gallagher Benefit Services, Inc. ranks among the top five benefits providers in the country with more than 2,000 employees nationwide.

REFERENCES & QUALIFICATIONS

Our firm has assisted several hundred public sector clients throughout the country with a variety of human resource issues. These projects have included from less than one hundred to more than 100,000 employees. Below is a sampling of clients we have assisted with similar needs. Several of these projects are described in detail in the References section of this proposal. These projects are relevant in demonstrating our ability to meet the needs of the City and show considerable experience reviewing and developing functional classification and compensation systems. Our references will attest to the timeliness, quality and responsiveness of services we provide, as well as our knowledge of public sector organizations, the functions under study, and our skill and ability of dealing with organizations of your size and needs. We continue to provide ongoing services and complete additional projects for many of our clients. Our parent organization, GBS, serves approximately 1,300 public sector clients, including more than 420 cities, as well as a number of public sector organizations in Alaska.

ALASKA CLIENTS

CITY AND BOROUGH OF SITKA, AK

In 2014, we have been retained to conduct a market compensation study using data from the Joint Alaska Survey we conducted in 2013. Mark Danielson
Director of Human Resources, markd@cityofsitka.com

PRINCE WILLIAM SOUND REGIONAL CITIZEN'S ADVISORY COUNCIL – ANCHORAGE, AK

In 2009, we were engaged by the RCAC to conduct a comprehensive compensation and HR review for all Council positions. We were then retained again in 2012 to provide an update to the original compensation study and to conduct a total compensation assessment for all RCAC positions. Gregory Dixon, Financial Manager, 907-273-6232, or dixon.gregory@pwsrca.org.

CITY OF KODIAK – KODIAK, AK

In 2011, we were hired by the City to conduct a comprehensive classification and compensation study. The study included the development of a new job classification structure, determining appropriate internal equity using the Decision Band™ Method of job evaluation, conducting a market compensation study, developing a new compensation plan for the City, and providing appropriate policies and procedures to manage the new compensation program. Aimee Kniazowski, City Manager, (907) 486-8640, or akniazowski@city.kodiak.ak.us.

CITY OF UNALASKA – UNALASKA, AK

In 2012, we were hired by the City to conduct a comprehensive classification and compensation study. The study included the development of a new job classification structure, determining appropriate internal equity using the Decision Band™ Method of job evaluation, conducting a market compensation study, and developing a new compensation plan for the City. Chris Hladick, City Manager, (907) 581-1251, or chladick@ci.unalaska.ak.us.

KODIAK ISLAND BOROUGH – KODIAK, AK

In 2012, we were hired by the Borough to conduct a comprehensive classification and compensation study. The study included the development of a new job classification structure, determining appropriate internal equity using the Decision Band™ Method of job evaluation, conducting a market compensation study, and developing a new compensation plan for the Borough. Karl Short, Director of Finance, (907) 486-9320, or kshort@kodiakak.us.



Fox Lawson & Associates
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KENAI PENINSULA BOROUGH – KENAI, AK

In 2012, we were hired by the Borough to conduct a compensation study. The study included conducting a market compensation study and developing compensation recommendations for the Borough based on findings. Stormy Brown, Director of Human Resources, (907) 714-2131, or sbrown@borough.kenai.ak.us.

CITY OF SOLDOTNA – SOLDOTNA, AK

In 2012, we were hired by the City to conduct a compensation study. The study included conducting a market compensation study and developing compensation recommendations for the City based on findings. Mark Dixon, City Manager, (907) 714-2131, or mdixon@ci.soldotna.ak.us.

ALASKA INTERNATIONAL AIRPORT SYSTEM – ANCHORAGE, AK

In 2011, we were retained to assist the AIAS in assessing the job classification and compensation levels for positions at Anchorage and Fairbanks International Airport. We continue to provide support to the AIAS. Steven D. Hatter, PMP, CM, Deputy Commissioner – Alaska DOT&PF, (907) 269-0730 or steve.hatter@alaska.gov.

KENAITZE INDIAN TRIBE – KENAI, AK

In 2010, and again in 2013, we conducted a compensation study covering all tribal jobs and positions. The study included determining appropriate internal alignment of all job classifications using the Decision Band™ Method of job evaluation, conducting a market compensation study, developing a new compensation plan for the tribe, and providing appropriate policies and procedures to manage the new compensation program. Christina Hall, Director of Human Resources, (907) 335-7225 or chall@kenaitze.org.

STATE OF ALASKA – PERSONNEL AND LABOR RELATIONS DIVISION

In 2009, we conducted a statewide compensation survey covering 175 benchmark job classifications and more than 60 participants. This study included both a custom salary survey and market pricing to supplement the custom survey. Nicki Neal, Director, Division of Personnel and Labor Relations, (907) 465-4429 or nicki.neal@alaska.gov.

ALASKA PERMANENT FUND CORPORATION

In 1996/97, we were retained to develop a new compensation program for the APFC. The study involved development of a new classification and compensation philosophy, as well as development of new classification and compensation programs. The plans that were developed during the project have been implemented as recommended. We were subsequently retained to assist the APFC in updating the compensation plan including conducting market surveys for them in 1999, 2003 and 2005. In 2010, we conducted a review of the APFC compensation program. Joan Cahill, Administrative Officer, 907-465-2058 or jcahill@alaskapermfund.com.

MATANUSKA-SUSITNA (MAT-SU) BOROUGH SCHOOL DISTRICT – PALMER, AK

In 1985, we were retained to develop a new classification and compensation program for the District. In 1990, we were retained to assist the District in the update of the program. From 1991 to the present, we have continued to assist the District by reviewing jobs. In 2001, we provided refresher training in the use of the Decision Band Method of job evaluation. Katie Gardner, Personnel Supervisor, 907-761-4052 or katherine.gardner@matsuk12.us.

KENAI PENINSULA BOROUGH SCHOOL, AK

In 2009/2010, we are conducting an analysis of the Kenai Peninsula Borough School District's classification and compensation systems covering all of the District's classified positions. Tim Peterson, Director of Human Resources, 907-714-8888 or TPeterson@KPBSD.k12.ak.us.

OTHER PACIFIC NORTHWEST CLIENTS:

COWLITZ PUD, WA

In 2013, we have been retained to conduct a classification and compensation study covering all non-represented positions at the District. Lora Provolt, Human Resources Analyst at (360) 577-7582 or lprovolt@cowlitzpud.org.

BENTON COUNTY, OR

In 2010-11, we have been retained to conduct a classification and compensation study covering all management positions in the County. Connie Holmes, PHR, Human Resources Analyst at (541) 766-6802 or Connie.Holmes@co.benton.or.us.

OREGON UNIVERSITY SYSTEM

In 2012, we are developing a new classification and compensation philosophy and strategy covering all 4,400 classified positions within the OUS. This phase is the first step in developing a new classification and compensation program for classified employees at the seven universities within the OUS as a result of the legislature authorizing the OUS to establish its own job classification and compensation system separate from the State system. In 2006, 2008 and 2010, we conducted a compensation survey covering classified position within the system. Jay Kenton, Vice Chancellor for Administration, 541-737-3646 or Jay_Kenton@ous.edu.

LEWIS & CLARK COLLEGE, OR

We were retained in 2005 to assist the College in developing a new job classification and compensation program covering all non-represented and non-faculty positions. Carl Vance, VP of Finance and Administration, 503-768-7803.

LINFIELD COLLEGE, OR

In 2009/10, we were retained to assist the College in updating its job classification and compensation program. Linda Powell, Sr. Director of Human Resources, 503-883-2627.

CITY OF SPRINGFIELD, OR

In 2008, we were retained to conduct a classification and compensation study covering all positions in the City. Greta Utecht, Director of Human Resources, (541) 726-3787 or gutecht@ci.springfield.or.us.

JACKSON COUNTY, OR

In 2008, we were selected to conduct a classification and compensation study covering all exempt and SEIU represented positions in the County. Sasha Grafensrtein, Human Resources Analyst, (541) 774-66455 or GrafenSK@jacksoncounty.org.

LANE COUNTY, OR

In 2006, we conducted a classification and compensation study covering all management positions in the County. In 2010, we conducted a classification and compensation study of IT and Administrative/Professional jobs within the City. We are currently conducting a compensation study



covering non-represented positions within the County. Cindy Tofflemoyer, Human Resources Manager, (541) 682-2689 or Madilyn Zike, Human Resources Director at Madilyn.Zike@co.lane.or.us.

MULTNOMAH COUNTY, OR

In 2008, we were selected to conduct a classification and compensation study covering all executive and management positions in the County. This is a multi-year project and the contract will run through 2013. Joi Doi, Compensation Manager, (503) 988-3241 or joi.doi@co.multnomah.or.us.

CITY OF EUGENE, OR

In 2007, we were retained to assist the City in addressing issues related to its compensation philosophy and strategy. We have also been retained to conduct classification reviews for selected positions within the City. Glenda Maxwell Surdam, SPHR, Compensation Manager, (541) 682-5792 or glenda.m.surdam@ci.eugene.or.us.

CITY OF ROSEBURG, OR

In 2001, we conducted a market compensation study for the City. In 2006, we were retained to conduct another compensation study for the City and to update their compensation plan. Barbara Gershon, Director of Human Resources, (541) 672-7701 or bgershon@cityofroseburg.org.

CITY OF GRANTS PASS, OR

In 2007, we conducted a classification and compensation study covering all positions within the City. Ms. Laurel Samson, Assistant City Manager at (541) 474-6360 or lsamson@grantspassoregon.gov.

PORT OF COOS BAY, OR

In 2005, we were retained to conduct a market compensation study covering all positions within the Port. We also developed a new salary schedule for the Port. Donna Nichols, Director of Finance and Administration, (541) 267-7678 or DNichols@PortofCoosBay.com.

CITY OF BEND, OR

In 2006/2007, we conducted a classification and compensation study covering all positions represented by the City of Bend Employees Association, as well as additional non-represented positions. Janice Grady, Human Resources Manager, (541) 388-5502.

METRO – PORTLAND, OR

In 2004, we were retained to assist Metro with development of a new performance management program. The project includes developing a revised pay program for non-represented employees that ties pay to performance. Ms. Ruth Scott, Human Resources Director at (503) 797-1572 (now retired).

City of Vancouver – Vancouver, WA

In 2007, we were retained to conduct a review of the City's compensation and classification systems, policies and procedures. In 2009, we conducted a classification study of Customer Service positions within the City. In 2012, we have been retained (under a five year contract) to provide classification and compensation consulting services to the City. Under this contract, we have completed a diagnostic review of the City's classification and compensation program and have conducted four occupational group classification studies. We also conducted a market compensation covering all city jobs. Dave Mercier, Deputy City Manager at Dave.Mercier@cityofvancouver.us.

PORT OF TACOMA – TACOMA, WA

In 2010, and again in 2013, we were retained to conduct an internal equity assessment of all jobs, to conduct a market compensation study, and to develop a new compensation program covering all jobs within the Port. Christina Roberts, Senior HR Analyst at (253) 592-6757 or croberts@portoftacoma.com.

CITY OF TACOMA – TACOMA, WA

In 2008, we were retained to assist the City in developing a new job classification structure covering all City positions, as well as to develop a new compensation program using data to be collected by another consulting firm. Joy St. Germaine, Human Resources Director at (253) 591-2060 or jstgermain@ci.tacoma.wa.us.

CITY OF FEDERAL WAY – FEDERAL WAY, WA

In 2008, we assisted the City in developing a new job classification structure covering all City positions, as well as to develop a new compensation program. Mary McDougal, former Human Resources Director at (253) 591-5576 or mmcdougal@cityoftacoma.org.

CITY OF LONGVIEW – LONGVIEW, WA

In 2008, we were retained to assist the City in developing a new job classification structure covering all City positions, as well as to develop a new compensation program. This study included both a custom salary survey and market pricing to supplement the custom survey. Robbie Berg, former Human Resources Director at (360) 430-1400 or rberg@cowlitzpud.org.

COMMUNITY TRANSIT - EVERETT, WA

In 1994, we conducted a classification, job evaluation and compensation study covering all non-bargaining unit positions within the Snohomish County Transportation Agency (Community Transit/CT). In 2000/2001, we assisted CT in updating and streamlining the classification system. In 2006, we conducted a comprehensive market compensation study. In 2007 we conducted an executive compensation study covering the CEO and other senior executive level positions for the Board of Directors. In 2009, we conducted a market compensation study and assisted in updating the District's compensation plan. These studies included both a custom salary survey and market pricing to supplement the custom surveys. We also provide, under a five-year agreement, as needed classification and compensation services. Lynn Starcher, Human Resources Manager, (425) 348-7116 or lynn.starcher@commtrans.org.

WESTERN WASHINGTON UNIVERSITY, WA

In 2005 and 2006, we were retained to assist the University in addressing internal equity issues and redesigning its compensation program. This project included market pricing of University jobs. Chyerl Wolfe-Lee, Director of Human Resources, 360 650-3630 or chyerl.wolfe-lee@wwu.edu.

CITY OF TUKWILA, WA

In 2000/2001, we assisted the City in developing a new classification and compensation program for represented positions. In 2002, we assisted in the development of a skill based pay program for represented employees. In 1997, we conducted a market compensation study and development of a new compensation program for all non-bargaining unit positions. Stephanie Brown, Human Resources Director at (206) 433-1831.

WASHINGTON CITIES INSURANCE AUTHORITY - RENTON, WA

In 1995, we developed a new classification and compensation program for the WCIA. In 1997, 2004, 2009 and 2013, we were again retained to update the system at the request of the Board of Directors. These studies included market pricing in addition to a custom salary survey. Jill Marcell, Deputy Executive Director, (206) 575-6046 or jillm@wciapool.org.

HEALTH CARE CLIENTS:

Hennepin County Medical Center - Minneapolis, MN

We have provided job classification and compensation services to the Hennepin County Medical Center for several years beginning when they were part of the County and continuing since they became an independent entity. Ann Eilbracht, Support Services Sr. Director, Administration, Ann.Eilbracht@hcmcd.org.

Northern Arizona Regional Behavioral Health Agency - Flagstaff, AZ

In 2012, we were engaged to conduct a classification, job evaluation and market pricing study related to all jobs within the organization. Carol McFadden, HR Project Director, 602-506-7670 or carol.mcfadden@narbha.org

Dignity Health - San Francisco, CA

In 2012, we were engaged to provide ongoing assistance regarding classification of system-wide information technology positions including the development of a management series. Mary Taska, HR Manager, IT Division, 602-406-3000, mary.taska@dignityhealth.org.

In addition to the above, following are two clients served by our sister practice within Gallagher. In each case, they have been long term clients where we have provided a spectrum of services, including performance management, staff/management compensation assessments, executive compensation, and they rely on us for ad hoc compensation advice throughout the year.

Decatur County Memorial Hospital - Greensburg, IN

Ms. Amy Wickens
Executive Director, Human Resources, 812-663-4331, Amy.Wickens@dcmh.net

Dickinson County Healthcare System - Iron Mountain, MI

Mr. Mitch Merkel, Director, Human Resources, 906-774-1313, mmerkel@dchs.org

Following is a listing of additional FLA city clients:

FLA CITY CLIENTS	
Ann Arbor, MI, City of	Mandan, ND, City of
Arlington, MN, City of	Maplewood, MN, City of
Asheville, NC, City of	Mason City, IA, City of
Ashland, OR, City of	Medford, OR, City of
Atlanta Traffic Court, GA	Mercer Island, WA, City of



FLA CITY CLIENTS	
Baltimore, MD, City of	Mesa, AZ, City of
Barnesville, MN, City of	Mill Creek, WA, City of
Bellevue, WA, City of	Missoula, MT, City of
Bellingham, WA, City of	Montrose, CO, City of
Bend, OR, City of	Mount Pleasant, MI, City of
Beverly Hills, CA, City of	Mountain View, CA, City of
Billings, MT, City of	Murray City Corporation, UT
Bismarck, ND, City of	Newcastle, WA, City of
Burlington, IA, City of	North Branch, MN, City of
Butte-Silver Bow, MT, City & County of	North Lauderdale, FL, City of
Carlsbad, CA, City of	Northfield, MN, City of
Carson, CA, City of	Oceanside, CA, City of
Casper, WY, City of	Orinda, CA, City of
Cave Creek, AZ, Town of	Palo Alto, CA, City of
College Station, TX, City of	Paradise Valley, AZ, Town of
Colorado Springs Attorney's Office, CO	Pella, IA, City of
Colorado Springs, CO, City of	Peoria, AZ, City of
Concord, NC, City of	Phoenix, AZ, City of
Cumberland, MD, City of	Plymouth, MN, City of
Dallas, TX, City of	Prescott, AZ, City of
Danville, VA, City of	Pulaski, VA, Town of
Davis, CA, City of	Queen Creek, AZ, Town of
Desert Hot Springs, CA, City of	Rancho Cucamonga, CA, City of
Des Plaines, IL, City of	Redmond, WA, City of
Dickinson, ND, City of	Richland, WA, City of
District of Columbia Government	Rifle, CO, City of
Durham, NC, City of	Riverside, CA, City of
Eden Prairie, MN, City of	Roanoke, VA, City of
Edmond, OK, City of	Rochester, MN, City of
Encinitas, CA, City of	Roseburg, OR, City of
Eugene, OR, City of	Sacramento, CA, City of
Fargo, ND, City of	San Clemente, CA, City of
Farmington, MN, City of	San Francisco, CA, City of
Fayetteville, NC, City of	San Jose, CA, City of
Federal Way, WA, City of	San Ramon, CA, City of
Fergus Falls, MN, City of	Santa Ana, CA, City of

FLA CITY CLIENTS	
Flagstaff, AZ, City of	Santa Cruz, CA, City of
Fremont, CA, City of	Schaumburg, IL, Village of
Fresno, CA, City of	Scottsdale, AZ, City of
Ft. Lauderdale, FL, City of	Seattle, WA, City of
Glen Ellyn, IL, Village of	Shakopee, MN, City of
Goodyear, AZ, City of	Sheboygan Falls, WI, City of
Grand Forks, ND, City of	Sioux City, IA, City of
Grand Junction, CO, City of	Sioux Falls, SD, City of
Grants Pass, OR, City of	Solano Beach, CA, City of
Greensboro, NC, City of	Springfield, OR, City of
Hamilton, OH, City of	Surprise, AZ, City of
Hanford, CA, City of	Tacoma, WA, City of
Hartford, CT, City of	Telluride, CO, Town of
Healdsburg, CA, City of	Thief River Falls, MN, City of
Hercules, CA, City of	Tucson, AZ, City of
Hilton Head, SC, Town of	Tukwila, WA, City of
Huber Heights, OH, City of	Walnut Creek, CA, City of
Huron, SD, City of	Washington DC, City of
Issaquah, WA, City of	Upper Arlington, OH, City of
Jackson, MN, City of	Valley City, ND, City of
Kalamazoo, MI, City of	Vancouver, WA, City of
Kalispell, MT, City of	Walnut Creek, CA, City of
Kansas City, MO, City of	Washington DC, City of
Kennewick, WA, City of	Watertown, NY, City of
Kingman, AZ, City of	West Fargo, ND, City of
Kirkland, WA, City of	West Hollywood, CA, City of
Lake Havasu City, AZ, City of	West Jordan, UT, City of
Lake Oswego, OR, City of	Wichita, KS, City of
Lakewood, CO, City of	Wilmington, NC, City of
Larkspur, CA, City of	Windom, MN, City of
Liberty, MO, City of	Windsor, CA, Town of
Litchfield Park, AZ, City of	Woodland Park, CO, City of
Longview, WA, City of	Yuma, AZ, City of
Los Angeles, CA, City of	

March 2014 Financial Results

**Bartlett Regional Hospital
Monthly Financial Reporting Package
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Bartlett Regional Hospital

Monthly Financial Reporting Package

Narrative

Excess of revenues over expenses for the month of March 2014 was \$400,216 which was \$131,605 better than the budget of \$268,611. March's performance brings the year to date actual to \$5,259,811 which exceeds the budget of \$2,255,547 by \$3,004,264 or 133%.

Total gross patient revenue for the month was \$243,263 worse than budget and is within .4% of budget on a year to date basis. This negative variance is primarily due to the Acute Average Daily Census (ADC) dropping from 11.3 in February to 10.1 in March. Deliveries totaled 26 in March, averaging slightly less than the 1 delivery per day seen in February. Total surgeries were 437 in March, 1 higher than prior month. Emergency Department visits averaged 39 per day in March, 1 visit per day higher than February.

Deductions from revenue for March are under budget by \$204,636 and were positively impacted by the receipt of the annual FY14 allotment of the Disproportionate Share (DSH) funds from the State. For the year thus far, deductions from revenue are \$1.9 MM under budget, primarily due to cost report settlements received earlier in the fiscal year, as well as the DSH monies received in March. For the month, Bad debt expense was \$1.6 million, higher than budget by \$804,543. This is primarily due to fully reserving all self-pay accounts greater than 120 days. For the fiscal year to date, bad debt expense is \$696,748 under budget.

Other Operating Revenue for the month is under budget by \$16,267, primarily due to the loss of the Wildflower Court food service contract. For the year, Other Operating Revenue is \$1.0 MM over budget due to the receipt of an Electronic Health Record incentive of \$898,281 in December. This payment was the result of Stage 1 Meaningful Use Attestation.

Total Expenses were under budget for the month by 2.6% and slightly under budget for the year. Notable variances were:

- While Utilities expense was \$185,158, over budget by 6.8%, the March expense was in line with the prior year amount of \$181,927. Expenses related to Fuel Oil were \$4,776 higher than prior year, which mainly accounts for the variance to prior year.
- Depreciation is over budget by \$30,501 as the FY14 budget did not include additional depreciation for projects placed in service at or soon after the end of FY13.
- Interest expense is \$56,244 over budget as the FY14 interest expense related to the Bond Defeasance was not known in time for inclusion in the budget. This monthly variance will continue through June, 2014.

From a cash receipts perspective, March was an excellent month, with total cash inflows of \$9.5 million. That included a strong month by the Patient Financial Services group, bringing in \$6.3 million in cash (\$1.1 million higher than February). March also included the DSH payment (as indicated above) of \$2.15 million, as well as a cost report settlement of \$529,240.

Operating cash was \$24,448,635 as of March 31, 2014 and Days Cash on Hand was 142. Net A/R Days was 76.

BARTLETT REGIONAL HOSPITAL
 STATEMENT OF REVENUES AND EXPENSES
 FOR THE MONTH AND YEAR TO DATE OF MAR 2014

MTD ACTUAL	MTD BUDGET	MTD \$ VAR	MTD % VAR	PRIOR YR MTD ACTUAL		YTD ACTUAL	YTD BUDGET	YTD \$ VAR	YTD % VAR	PRIOR YTD ACTUAL	PR YTD % VAR
1,679,266	1,882,368	(203,102)	(10.8)%	1,756,894	Gross Patient Revenue:						
1,756,279	2,108,950	(352,672)	(16.7)%	1,722,773	1. Inpatient Revenue - Routine	15,411,957	17,052,536	(1,640,579)	(9.6)%	16,814,211	(9.1)%
					2. Inpatient Revenue - Ancillary	19,102,847	18,916,944	185,903	1.0%	16,780,723	12.2%
3,435,545	3,991,318	(555,774)	(13.9)%	3,479,667	3. Total Inpatient Revenue	34,514,804	35,969,480	(1,454,676)	(4.0)%	33,594,934	2.7%
5,337,238	5,009,207	328,031	6.5%	4,749,668	4. Outpatient Revenue	45,743,855	44,610,111	1,133,744	2.5%	44,485,072	2.8%
8,772,783	9,000,525	(227,742)	(2.5)%	8,229,334	5. Total Patient Revenue - Hospital	80,258,659	80,579,591	(320,932)	(0.4)%	78,080,006	2.7%
342,255	378,023	(35,769)	(9.5)%	385,594	6. RRC Revenue	3,285,365	3,245,342	40,023	1.2%	3,277,668	0.2%
1,369,238	1,348,990	20,248	1.5%	1,128,433	7. Physician Revenue	11,003,636	11,062,535	(58,899)	(0.5)%	11,171,771	(1.5)%
10,484,275	10,727,538	(243,263)	(2.3)%	9,743,362	8. Total Gross Patient Revenue	94,547,660	94,887,468	(339,808)	(0.4)%	92,529,445	2.1%
					Deductions from Revenue:						
1,621,329	2,860,044	1,238,715	43.3%	2,981,418	9. Contractual adjustments	24,033,580	25,504,333	1,470,753	5.8%	25,486,123	6.0%
		0	0.0%		10. Prior year settlements			0	0.0%		0.0%
8,191	19,738	11,547	58.5%	6,999	11. Other deductions	112,275	176,015	63,740	36.2%	139,750	24.5%
429,409	188,326	(241,083)	(128.0)%	152,016	12. Charity care	2,046,713	1,679,389	(367,324)	(21.9)%	1,927,224	(5.8)%
1,597,939	793,396	(804,543)	(101.4)%	422,452	13. Bad debt expense	6,378,339	7,075,087	696,748	9.8%	5,715,222	(10.4)%
3,656,868	3,861,504	204,636	5.3%	3,562,885	14. Total deductions from revenue	32,570,907	34,434,824	1,863,917	5.4%	33,268,318	2.1%
6,827,407	6,866,034	(38,627)	(0.6)%	6,180,477	15. Net patient revenue	61,976,754	60,452,644	1,524,110	2.5%	59,261,127	4.4%
159,003	175,270	(16,267)	(9.3)%	206,002	16. Other operating revenue	2,610,419	1,562,982	1,047,437	67.0%	1,783,022	31.7%
6,986,410	7,041,304	(54,894)	(0.8)%	6,386,479	17. Total operating revenue	64,587,172	62,015,626	2,571,546	4.1%	61,044,148	5.5%
					EXPENSES:						
2,695,927	2,803,894	107,967	3.9%	2,719,857	18. Salaries and wages	25,194,848	24,631,485	(563,363)	(2.3)%	25,145,996	(0.2)%
1,406,920	1,308,765	(98,155)	(7.5)%	1,580,324	19. Employee benefits	11,715,368	11,554,782	(160,586)	(1.4)%	11,877,179	1.4%
439,686	508,872	69,186	13.6%	417,235	20. Fees - Physician	4,299,790	4,406,361	106,571	2.4%	4,065,297	(5.5)%
296,337	293,960	(2,377)	(0.8)%	204,229	21. Fees - Other	2,267,068	2,628,716	361,648	13.8%	2,902,169	28.0%
655,531	757,853	102,322	13.5%	572,246	22. Supplies	5,977,551	6,752,427	774,876	11.5%	6,217,578	4.0%
185,158	173,312	(11,846)	(6.8)%	181,927	23. Utilities	1,564,243	1,559,100	(5,143)	(0.3)%	1,567,079	0.2%
185,561	262,160	76,600	29.2%	170,466	24. Repairs & maintenance	1,624,559	2,373,545	748,986	31.6%	1,696,986	4.5%
45,191	43,341	(1,850)	(4.3)%	34,679	25. Rentals & leases	349,096	369,012	19,916	5.4%	335,645	(3.9)%
45,079	60,912	15,833	26.0%	45,692	26. Insurance	419,165	522,842	103,677	19.8%	490,326	17.0%
597,549	567,048	(30,501)	(5.4)%	588,084	27. Depreciation & amortization	5,345,435	5,005,186	(340,249)	(6.8)%	5,313,167	(0.6)%
158,161	101,917	(56,244)	(55.2)%	103,660	28. Interest expense	1,443,341	917,244	(526,097)	(57.4)%	943,405	(34.6)%
9,590	17,702	8,112	45.8%	27,897	29. Other expenses	349,031	172,282	(176,749)	(102.6)%	113,573	(67.5)%
6,720,688	6,899,736	179,048	2.6%	6,646,296	30. Total expenses	60,549,495	60,892,982	343,487	0.6%	60,668,400	0.2%
265,722	141,568	124,154	87.7%	(259,816)	31. Income (loss) from operations	4,037,678	1,122,644	2,915,034	259.7%	375,749	90.7%

BARTLETT REGIONAL HOSPITAL
 STATEMENT OF REVENUES AND EXPENSES
 FOR THE MONTH AND YEAR TO DATE OF MAR 2014

MTD ACTUAL	MTD BUDGET	MTD \$ VAR	MTD % VAR	PRIOR YR MTD ACTUAL		YTD ACTUAL	YTD BUDGET	YTD \$ VAR	YTD % VAR	PRIOR YTD ACTUAL	PR YTD % VAR
					Non-operating revenue						
14.420	6.091	8.329	136.7%	10.375	32. Interest income - general	82.748	54.309	28.439	52.4%	90.985	(10.0)%
120.074	120.952	(878)	(0.7)%	123.433	33. Other non-operating revenue	1,139,385	1,078,594	60,791	5.6%	1,279,796	(12.3)%
134.495	127.043	7.452	5.9%	133.808	34. Total non-operating revenue	1,222,134	1,132,903	89,231	7.9%	1,370,780	(12.2)%
400.216	268.611	131.605	49.0%	(126.009)	35. Excess (deficit) of revenues over expenses	5,259,811	2,255,547	3,004,264	133.2%	1,746,529	66.8%

BARTLETT REGIONAL HOSPITAL
 BUDGETED STATEMENT OF REVENUES AND EXPENSES
 FOR THE FISCAL YEAR 2014

	JULY BUDGET	AUGUST BUDGET	SEPTEMBER BUDGET	OCTOBER BUDGET	NOVEMBER BUDGET	DECEMBER BUDGET	JANUARY BUDGET	FEBRUARY BUDGET	MARCH BUDGET	APRIL BUDGET	MAY BUDGET	JUNE BUDGET	YTD BUDGET	PRIOR YTD ACTUAL	% VAR
Gross Patient Revenue:															
1. Inpatient Revenue - Routine	1,972,337	2,177,247	1,971,204	1,847,132	1,765,067	1,871,921	1,810,299	1,754,961	1,882,366	1,736,386	2,011,478	1,958,987	22,759,387	22,672,244	0.4%
2. Inpatient Revenue - Ancilla	2,220,858	2,328,151	2,162,180	2,057,639	1,961,018	2,103,649	2,015,266	1,959,233	2,108,950	2,122,491	2,229,336	2,278,426	25,547,197	24,652,360	3.5%
3. Total Inpatient Revenue	4,193,195	4,505,398	4,133,384	3,904,771	3,726,085	3,975,570	3,825,565	3,714,194	3,991,318	3,858,877	4,240,814	4,237,413	48,306,584	47,324,604	2.0%
4. Outpatient Revenue	5,254,940	5,473,316	5,054,877	4,873,753	4,612,251	4,962,695	4,760,064	4,609,008	5,009,207	5,047,604	5,302,223	5,407,501	60,367,439	59,428,746	1.6%
5. Total Patient Revenue - Hos	9,448,135	9,978,714	9,188,261	8,778,524	8,338,336	8,938,265	8,585,629	8,323,202	9,000,525	8,906,481	9,543,037	9,644,914	108,674,023	106,753,350	1.8%
6. RRC Revenue	356,165	377,595	359,593	365,594	390,453	363,880	325,733	328,306	378,023	343,307	373,309	324,020	4,285,978	4,520,933	(5.5)%
7. Physician Revenue	1,356,646	1,310,734	1,283,081	1,123,357	1,103,278	1,223,189	1,201,781	1,111,479	1,348,990	1,248,249	1,335,805	1,379,155	15,025,744	14,972,076	0.4%
8. Total Gross Patient Revenue	11,160,946	11,667,043	10,830,935	10,267,475	9,832,067	10,525,334	10,113,143	9,762,987	10,727,538	10,498,037	11,252,151	11,348,089	127,985,745	126,246,359	1.4%
Deductions from Revenue:															
9. Contractual adjustments	2,957,211	3,159,186	2,895,178	2,784,331	2,671,752	2,802,836	2,724,317	2,649,478	2,860,044	2,880,235	3,079,070	3,032,047	34,495,685	31,340,299	(9.1)%
10. Prior year settlements															0.0%
11. Other deductions	20,408	21,804	19,980	19,216	18,438	19,344	18,801	18,286	19,738	19,877	21,250	20,925	238,067	199,820	(16.1)%
12. Charity care	194,724	208,023	190,640	183,340	175,928	184,558	179,389	174,461	188,326	189,655	202,748	199,652	2,271,444	2,847,114	25.3%
13. Bad debt expense	820,352	876,380	803,145	772,393	741,164	777,526	755,746	734,985	793,396	798,998	854,156	841,113	9,569,354	9,222,925	(3.6)%
14. Total deducts from revenue	3,992,695	4,265,393	3,908,943	3,759,280	3,607,282	3,784,264	3,678,253	3,577,210	3,861,504	3,888,765	4,157,224	4,093,737	46,574,550	43,610,158	(6.4)%
15. Net patient revenue	7,168,251	7,401,650	6,921,992	6,508,195	6,224,785	6,741,070	6,434,890	6,185,777	6,866,034	6,609,272	7,094,927	7,254,352	81,411,195	82,636,201	(1.5)%
16. Other operating revenue	181,227	193,606	177,426	170,628	163,735	171,766	166,954	162,370	175,270	176,511	188,694	185,813	2,114,000	2,404,124	(13.7)%
17. Total operating revenue	7,349,478	7,595,256	7,099,418	6,678,823	6,388,520	6,912,836	6,601,844	6,348,147	7,041,304	6,785,783	7,283,621	7,440,165	83,525,195	85,040,325	(1.8)%
EXPENSES:															
18. Salaries and wages	2,839,546	2,947,888	2,821,036	2,687,378	2,585,360	2,728,572	2,644,111	2,573,700	2,803,894	2,734,699	2,890,779	2,874,744	33,131,707	33,659,588	1.6%
19. Employee benefits	1,306,938	1,306,852	1,266,338	1,305,932	1,263,867	1,307,864	1,307,391	1,180,835	1,308,765	1,265,169	1,307,467	1,266,567	15,393,985	20,044,676	30.2%
20. Fees - Physician	564,389	545,697	499,441	453,979	450,296	475,639	465,502	442,546	508,872	491,770	536,712	546,846	5,981,689	5,552,655	(7.2)%
21. Fees - Other	297,257	306,144	292,721	292,157	282,726	293,358	289,893	280,500	293,960	294,318	303,250	299,526	3,525,810	3,609,635	2.4%
22. Supplies	766,114	808,625	761,883	740,737	714,455	756,710	730,475	715,575	757,853	770,239	790,017	791,472	9,104,155	8,133,422	(10.7)%
23. Utilities	173,521	173,990	173,387	173,108	172,840	173,169	172,981	172,792	173,312	173,342	173,809	173,709	2,079,960	2,076,019	(0.2)%
24. Repairs & maintenance	264,551	270,787	275,189	269,992	255,976	260,327	259,108	255,455	262,160	263,171	274,807	270,811	3,182,334	2,271,712	(28.6)%
25. Rentals & leases	40,119	42,684	45,783	40,447	36,703	41,912	40,167	37,856	43,341	41,338	44,299	44,491	499,140	455,225	(8.8)%
26. Insurance	59,031	58,725	58,068	58,168	56,183	59,120	59,246	53,389	60,912	57,958	59,687	58,427	698,914	606,462	(13.2)%
27. Depreciation & amortization	565,968	566,283	548,498	565,783	548,154	566,474	565,643	511,335	567,048	547,810	566,454	547,961	6,667,411	7,001,295	5.0%
28. Interest expense	101,918	101,921	101,917	101,915	101,914	101,915	101,914	101,913	101,917	101,916	101,920	101,919	1,222,999	2,021,462	65.3%
29. Other expenses	18,019	21,561	25,724	23,449	16,797	16,153	15,999	16,878	17,702	19,120	24,056	20,008	235,466	384,731	63.4%
30. Total expenses	6,997,371	7,151,157	6,869,985	6,713,045	6,485,271	6,781,213	6,652,430	6,342,774	6,899,736	6,760,850	7,073,257	6,996,481	81,723,570	85,816,882	5.0%
31. Income (loss) from ops	352,107	444,099	229,433	(34,222)	(96,751)	131,623	(50,586)	5,373	141,568	24,933	210,364	443,684	1,801,625	(776,557)	143.1%

RUN DATE: 04/11/14
 RUN TIME: 1029
 RUN USER: BRFIN.MAK

Bartlett Regional Hosp. GL **LIVE**

PAGE 2
 RUN: CWB RPT: ISBUDGET FMT: MBMBUD

BARTLETT REGIONAL HOSPITAL
 BUDGETED STATEMENT OF REVENUES AND EXPENSES
 FOR THE FISCAL YEAR 2014

	JULY BUDGET	AUGUST BUDGET	SEPTEMBER BUDGET	OCTOBER BUDGET	NOVEMBER BUDGET	DECEMBER BUDGET	JANUARY BUDGET	FEBRUARY BUDGET	MARCH BUDGET	APRIL BUDGET	MAY BUDGET	JUNE BUDGET	YTD BUDGET	PRIOR YTD ACTUAL	* VAR
Non-operating revenue															
32. Interest income - general	6.298	6.726	6.165	5.929	5.689	5.968	5.802	5.641	6.091	6.133	6.557	6.456	73.455	175.648	(139.1)%
33. Other non-operating revenue	125.062	133.603	122.440	117.751	112.991	118.533	115.213	112.049	120.952	121.807	130.216	128.227	1,458,844	5,886,415	(303.5)%
34. Total non-operating revenue	131.360	140.329	128.605	123.680	118.680	124.501	121.015	117.690	127.043	127.940	136.773	134.683	1,532,299	6,062,063	(295.6)%
35. Excess (deficit) of revenue over expenses	483.467	584.428	358.038	89.458	21.929	256.124	70.429	123.063	268.611	152.873	347.137	578.367	3,333.924	5,285.506	(58.5)%

**Bartlett Regional Hospital
Dashboard Report for March 2014**

Facility Utilization:	CURRENT MONTH			YEAR TO DATE		
	Actual	Prior Year	Budget	Actual	Prior Year	Budget
Inpatient:Patient Days						
Patient Days - Med/Surg	256	307	329	2,590	3,052	3,112
Patient Days - Critical Care Unit	57	67	69	517	746	715
Avg. Daily Census - Acute	10.10	12.06	12.84	11.34	13.81	13.97
Patient Days - Obstetrics	62	75	98	710	689	891
Patient Days - Nursery	67	52	63	598	561	557
Births	27	24	30	253	272	274
Patient Days - Mental Health Unit	245	244	289	1,984	2,251	2,416
Avg. Daily Census - MHU	7.90	7.87	9.32	7.24	8.19	8.82
Inpatient: Admissions						
Med/Surg	66	70	74	596	679	672
Critical Care Unit	24	30	47	284	348	439
Obstetrics	26	32	31	295	298	310
Nursery	27	24	30	283	272	274
Mental Health Unit	29	28	38	278	270	315
Surgery:						
Inpatient Surgery Cases	53	56	54	477	530	532
Same Day Surgery Cases	192	212	226	1,824	1,974	1,947
Total Surgery Cases	245	268	280	2,301	2,504	2,479
Total Surgery Minutes	18,171	16,398	19,205	154,255	169,823	170,039
Outpatient:						
Total Outpatient Visits (Hospital)						
Emergency Department Visits	1,208	1,147	1,201	10,598	11,004	10,704
Cardiac Rehab Visits	41	30	30	309	245	283
Lab Tests	6,818	7,380	8,848	67,820	69,350	79,429
Radiology Procedures	2,198	2,115	2,191	18,747	19,810	20,248
Sleep Studies	18	14	24	155	192	222
Rain Forest Recovery:						
Patient Days - RRC	390	379	395	3,573	3,331	3,389
Avg. Daily Census - RRC	12.58	12.23	12.74	12.99	12.11	12.32
Outpatient visits	306	483	N/A	3,596	3,359	N/A
Physician Clinics:						
Specialty Clinic Visits	675	672	685	4,696	5,491	5,243
Other Operating Indicators:						
Dietary Meals Served	12,544	21,706	20,553	174,846	180,822	181,666
Laundry Pounds (Per 100)	306.87	311.74	316.67	2,612.20	2,848.49	2,850.00
Financial Indicators:						
Revenue Per Adjusted Patient Day	5,588.63	4,932.65	5,634.21	6,512.44	5,137.18	5,567.21
Contractual Allowance %	15.54%	21.36%	26.84%	25.54%	22.74%	27.06%
Bad Debt & Charity Care %	19.34%	7.53%	9.15%	8.91%	10.42%	9.23%
Wages as a % of Net Revenue	31.41%	37.80%	35.79%	35.33%	36.25%	35.65%
Staff Hours Per Adjusted Patient Day	37.79	40.62	38.59	45.34	39.78	38.26
Overtime/Premium % of Productive	2.50%	4.55%	3.50%	2.50%	6.63%	3.50%
Days Cash on Hand	142	125	120	142	125	120
Days in Net Receivables	76	69	55	76	69	55

BARTLETT REGIONAL HOSPITAL
 BALANCE SHEET
 AS OF MAR 2014

MAR 2014

FEB 2014

JUN 2013

CHANGE FROM
 PRIOR YEAR

	MAR 2014	FEB 2014	JUN 2013	CHANGE FROM PRIOR YEAR
ASSETS				
Current Assets:				
1. Cash and cash equivalents	24,448,635	19,598,132	17,314,454	7,134,180
2. Board designated cash	14,493,678	14,965,359	8,569,877	5,923,801
3. Patient accounts receivable, net	16,946,702	19,592,537	20,267,251	(3,320,549)
4. Other receivables	1,479,219	1,425,455	1,617,388	(138,169)
5. Inventories	1,640,620	1,611,668	1,560,684	79,936
6. Prepaid Expenses	1,158,807	1,229,832	1,752,514	(593,707)
7. Other assets	0	0	302,023	(302,023)
8. Total current assets	<u>60,167,662</u>	<u>58,422,982</u>	<u>51,384,192</u>	<u>8,783,470</u>
Appropriated Cash:				
9. CAMHU and other funds	<u>5,484,920</u>	<u>5,484,920</u>	<u>5,484,920</u>	<u>0</u>
Property, plant & equipment				
10. Land, bldgs & equipment	143,932,704	143,743,315	143,233,828	698,876
11. Construction in progress	<u>2,736,396</u>	<u>3,210,927</u>	<u>2,826,314</u>	<u>(89,919)</u>
12. Total property & equipment	146,669,099	146,954,242	146,060,142	608,957
13. Less: accumulated depreciation	<u>(74,292,993)</u>	<u>(73,978,915)</u>	<u>(69,231,030)</u>	<u>(5,061,964)</u>
14. Net property and equipment	<u>72,376,106</u>	<u>72,975,327</u>	<u>76,829,113</u>	<u>(4,453,007)</u>
15. Total assets	<u>138,028,688</u>	<u>136,883,230</u>	<u>133,698,225</u>	<u>4,330,463</u>

RUN DATE: 04/11/14
 RUN TIME: 1022
 RUN USER: BRFIN.MAK

Bartlett Regional Hosp. GL **LIVE**

PAGE 2
 RUN: CWB RPT: BALSHEET FMT: BALSHEET

BARTLETT REGIONAL HOSPITAL
 BALANCE SHEET
 AS OF MAR 2014

	MAR 2014	FEB 2014	JUN 2013	CHANGE FROM PRIOR YEAR
LIABILITIES & FUND BALANCE				
Current liabilities:				
16. Payroll liabilities	1,370,939	1,199,768	768,586	602,353
17. Accrued employee benefits	2,495,015	2,448,765	2,723,577	(228,561)
18. Accounts payable and accrued expenses	1,901,760	1,667,591	2,163,973	(262,213)
19. Due to 3rd party payors	1,795,002	1,774,168	957,970	837,032
20. Deferred revenue	(716,720)	(919,109)	113,313	(830,033)
21. Interest payable	155,202	77,601	285,562	(130,360)
22. Note payable - current portion	725,000	725,000	840,000	(115,000)
23. Other payables	826,245	813,320	761,490	64,754
24. Total current liabilities	8,552,442	7,787,105	8,614,470	(62,028)
Long-term Liabilities:				
25. Bonds payable	22,095,000	22,095,000	22,820,000	(725,000)
26. Bonds payable - premium/discount	2,546,259	2,566,355	2,733,579	(187,321)
27. Total long-term liabilities	24,641,259	24,661,355	25,553,579	(912,321)
28. Total liabilities	33,193,701	32,448,459	34,168,049	(974,348)
29. Fund Balance	104,834,987	104,434,770	99,530,176	5,304,811
30. Total liabilities and fund balance	138,028,688	136,883,230	133,698,225	4,330,463

Bartlett Regional Hospital

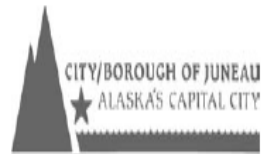
Cash Summary for March 2014

	Increase/(Decrease) in Cash	
	<u>Current Month</u>	<u>Year-To-Date</u>
CASH RECEIPTS	\$ 9,839,405	\$ 69,027,899
CASH DISBURSEMENTS:		
Payroll (Net Pay)	\$ 1,695,173	\$ 16,590,563
Accounts Payable	\$ 3,195,225	32,495,740
CBJ Cash Transactions	\$ 573,438	
Capital Reserve Fund	\$ (471,681)	
Total Cash Disbursements	<u>\$ 4,992,155</u>	<u>\$ 61,886,731</u>
NET CHANGE IN CASH	<u>\$ 4,847,251</u>	<u>\$ 7,141,168</u>
BEGINNING BALANCE	\$ 19,520,371	\$ 62,319,864
NET CHANGE IN CASH	4,847,251	7,141,168
ENDING BALANCE - OPERATING CASH	<u>\$ 24,367,621</u>	<u>\$ 69,461,032</u>
<u>Board Designated Funds</u>		
Capital Reserve Fund	\$ 10,617,327	
BRH CAMHU	\$ 2,500,000	
Insurance Deductible Fund	\$ 125,764	
Contributions	\$ 9,772	
New Bond Debt Service Reserve	\$ 1,686,975	
BRH Deposits	\$ 25,521	
	<u>\$ 14,965,359</u>	
	<u>\$ 39,332,981</u>	
<u>CBJ Appropriated Funds</u>		
CIP	\$ 484,920	
CAMHU	5,000,000	
	<u>\$ 5,484,920</u>	
TOTAL CASH	<u>\$ 44,817,901</u>	

Bartlett

Regional Hospital

Operating Room
Olympus Cameras
\$27,670.92



**A City and Borough of Juneau
Enterprise Fund**

Purchase vs. Repair of the Olympus OTV-S7PROH-HD-LO8E

This piece of equipment is a camera, used in laparoscopic and arthroscopic procedures. This allows the surgeon to see inside a body cavity or joint during a procedure. We currently have two cameras down and in need of repair or replacing. The cost to replace the camera's, which were purchased in February of 2010 and March of 2010, is \$13,831.75 each for a total of \$27,663.50. The cost to repair the camera's, is \$10,365.00 each for a total of \$20,730.00. The camera's need to be replaced or repaired as we are currently reprocessing camera's in between cases, which will eventually lead to a delay between cases. We currently have one loaner camera. Please be aware, beginning April 16th, 2014, we will be billed \$1000.00 a month for up to 3 months while we have a loaner camera in place after 3 months we will be billed for the purchase price.



Your Vision. Our Future

Olympus America Inc.
3500 Corporate Parkway
P.O. BOX 610
Center Valley, PA 18034-0610

TEL: (800) 848 9024
FAX: (800) 228 4963

haakon.johnson@olympus.com
www.olympusamerica.com

Quote Number: 270647

Please refer to this number on all correspondence

Quote Name: Bartlett Rt Angle Camera

Effective Date: March 31, 2014

Expiration Date: May 30, 2014

Customer Information

Contact Name: George Kuhar
Contact Email: gkuhar@bartlettshospital.org

Account Name: BARTLETT REGIONAL HOSPITAL

Customer Address: 3260 HOSPITAL DRIVE
JUNEAU, AK 99801

Customer Number: 81504

Olympus Representative Information

Name: Haakon Johnson
Phone: (907) 317 1983
Email: haakon.johnson@olympus.com

Payment Terms: Net 30 days subject to Olympus credit approval

F.O.B. Shipping Point

Tax Applicable taxes are not included in this quote and are the responsibility of the customer.

Comments

Quoted Products							
#	Item Type	Model and Description	Qty	List Price	Contract Price	Unit Price	Total Price
1	New	OTV-S7PROH-HD-L08E:OTV-S7PROH-HD-L08E HD ULTRA LT BUILT IN BS,X 0.8 EYE-PIECE	1	\$16,900.00	\$13,831.75	\$13,831.75	\$13,831.75

Pricing may be based on a local agreement or the following contract(s):
Novation CE01051 Tier 1-GI

BARTLETT REGIONAL HOSPITAL

Signature: _____

Name: _____

Title: _____

Effective Date: _____

Purchase Order #: _____

Total List Price: \$16,900.00
 Total Selling Price: \$13,831.75
 Total Trade-In(s): \$0.00
 Sub Total: \$13,831.75
 Freight: \$3.71
Total: \$13,835.46

- I. Olympus Standard Terms and Conditions apply to this quote, unless otherwise mutually agreed upon in writing.
- II. Errors & Omissions Excepted. Price quotes and the total package prices are for the quoted items only.
- III. Changes and additions to, or deletions from this quote may cause pricing adjustments.
- IV. Service manuals and additional operator manuals are not included and may be ordered by contacting the Customer Care Center at (800) 848 9024.
- V. If freight charge is included, the freight charge may not necessarily reflect the exact charge paid by Olympus to the carrier due to the volume incentive discount agreements entered into between Olympus and carrier, unless otherwise mutually agreed upon in writing.

QUOTE FOR NEW ONE
OLYMPUS
AGE OF THIS ONE

Service Order
14033495
Please refer to this number on all correspondence, or other communications.

To: GEORGE KUHAR

From: Jacqueline Whittenburg

Fax: 907-796-8405

Fax: 408-935-5084

Date: 03/26/2014

Phone: 1-800-537-5739 x463125

Page: 1

E-Mail: jacqueline.whittenburg@olympus.com

Purchased February 2010

Thank you for sending your equipment to Olympus for repair service. If you would like us to proceed with the repair, please complete the Customer Repair Authorization section below (please include a Purchase Order Number) and fax it to Olympus America Inc. at 408-935-5084. **IF, FOR ANY REASON, YOU DO NOT WISH TO PROCEED WITH THIS REPAIR, PLEASE CALL US IMMEDIATELY.**

Please contact us if you require further assistance. Thank you for the opportunity to serve your endoscopy needs.

CUSTOMER REPAIR AUTHORIZATION

Facility Name	BARTLETT REGIONAL HOSPITAL	Model Number	OTV-S7PROH-HD-L08E
Phone Number	907-796-8958	Serial Number	7011188
Purchase Order #		Order Amount	10365.0
Approval Name		Approval Signature	

(Please Print Clearly)

PLEASE INITIAL TO CONFIRM BILL TO/SHIP TO LISTED ON ATTACHED PAPERWORK _____.

This estimate is based on our initial external inspection. As the scope is disassembled there may be additional repair items identified that may require an adjustment to this estimate.

NEW SERVICE AVAILABLE!

For timely information on the status of your Olympus repair, to check equipment inventory, to review repair histories, to utilize free inbound shipping for repairs, or to submit a new Repair and/or Loaner request, check out Olympus on the web at:

<http://www.olympusamerica.com/serviceportal>

If your facility is not registered yet, ASK US HOW!

Thank you for your business!

OLYMPUS AMERICA INC.



Quality Inspection Results

Service Order #	Model Number	Serial Number	Ship To Number	Ship To Name
14033495	OTV-S7PROH-HD-L08E	7011188	81504	BARTLETT REGIONAL HOSPITAL

User Requests Cloudy image

Index	Item	Condition	Description / Comments
1	HOUSING	OK	
2	BIO-HAZARD	OK	
3	ELECTRICAL SYS critical-Damaged Cable Insulation	Critical	cable is damaged
4	CONNECTIONS	OK	
5	MECHANICAL SYS	OK	
6	ELECTRONICS critical-Damaged CCD	Critical	damaged ccd (moisture inside the lens)
7	HARDWARE	OK	
8	SIGNALS	OK	
9	IMAGE QUALITY critical-Blurry image	Critical	blurry image
10	LENS	OK	
11	OTHERS	OK	
12	LABELS	OK	



SO - Estimate

Today's Date	Branch	Order Date	Order #	
03/26/2014	B11	03/14/2014	14033495	BTO



Bill To: 53874 BARTLETT REGIONAL HOSPITAL 3260 HOSPITAL DRIVE JUNEAU AK 99801 Office:	(OED BT)	Ship To: 81504 BARTLETT REGIONAL HOSPITAL 3260 HOSPITAL DRIVE JUNEAU AK 99801 Office:	Fax:
--	----------	--	------

Model Number	Serial Number	Customer AB#	Sales Representative	Technician
OTV-S7PROH-HD-L08E	7011188	798234590460	JOHNSON HAAKON K	kaurs

Contact	Reference Number	Factory # / Serial # Issued	Customer PO Number
GEORGE KUHAR	771447		

Accessories received With Product:

Box NO ACCESSORIES

Note To Customer

Thank you for choosing Olympus.

CD	Repair / Work Performed	Material Charges	Discount	
28E	Electronic Equipment Refurbishment	10250.0	0.0	10250.0
		Labor Charges 100.0	0.0	100.0
FREIGHT	FREIGHT and HANDLING	Material Charges 15.0	0.0	15.0
		Total 10365.0	0.0	10365.0

Contract Status Information					Do not pay from this Est.
Contract #	Contract Amt	Charge To Contract	Contract Bal.	Shipping Charge	Invoice to Follow
0	0.0	0.0	0.0		

Customer Accepts Repair	<input type="checkbox"/>	Authorized Name	<input type="text"/>
Customer Declines Repair	<input type="checkbox"/>	Authorized Signature	<input type="text"/>

Plus applicable sales tax

This estimate is based on our initial external inspections. As the scope is disassembled there may be additional repair items identified that may require an adjustment to this estimate.

Please fax signed form

The terms and conditions on the reverse side hereof represent the total understanding between the parties governing the sale herewith except as modified by the terms of any dealer agreement, sales representative agreement, or any similar agreement in writing between Olympus and the purchaser.



Service Order
14037478
Please refer to this number on all correspondence, or other communications.

To: **GEORGE KUHAR**

From: **Jacqueline Whittenburg**

Fax: **907-796-8405**

Fax: **408-935-5084**

Date: **04/01/2014**

Phone: **1-800-537-5739 x463125**

Page: **1**

E-Mail: **jacqueline.whittenburg@olympus.com**

March 2nd 2010

Thank you for sending your equipment to Olympus for repair service. If you would like us to proceed with the repair, please complete the Customer Repair Authorization section below (please include a Purchase Order Number) and fax it to Olympus America Inc. at 408-935-5084. **IF, FOR ANY REASON, YOU DO NOT WISH TO PROCEED WITH THIS REPAIR, PLEASE CALL US IMMEDIATELY.**

Please contact us if you require further assistance. Thank you for the opportunity to serve your endoscopy needs.

CUSTOMER REPAIR AUTHORIZATION

Facility Name	BARTLETT REGIONAL HOSPITAL	Model Number	OTV-S7PROH-HD-L08E
Phone Number	907-796-8958	Serial Number	7011187
Purchase Order #		Order Amount	10365.0
Approval Name		Approval Signature	

(Please Print Clearly)

PLEASE INITIAL TO CONFIRM BILL TO/SHIP TO LISTED ON ATTACHED PAPERWORK _____.

This estimate is based on our initial external inspection. As the scope is disassembled there may be additional repair items identified that may require an adjustment to this estimate.

NEW SERVICE AVAILABLE!

For timely information on the status of your Olympus repair, to check equipment inventory, to review repair histories, to utilize free inbound shipping for repairs, or to submit a new Repair and/or Loaner request, check out Olympus on the web at:

<http://www.olympusamerica.com/serviceportal>

If your facility is not registered yet, ASK US HOW!

Thank you for your business!

OLYMPUS AMERICA INC.



Quality Inspection Results

Service Order #	Model Number	Serial Number	Ship To Number	Ship To Name
14037478	OTV-S7PROH-HD-L08E	7011187	81504	BARTLETT REGIONAL HOSPITAL

User Requests **Components that are stuck**

Index	Item	Condition	Description / Comments
1	HOUSING	OK	
2	BIO-HAZARD	OK	
3	ELECTRICAL SYS	Critical	cut on cable
	critical-Damaged Cable Insulation		
4	CONNECTIONS	OK	
5	MECHANICAL SYS	OK	
6	ELECTRONICS	Critical	damaged ccd (moisture inside the lens)
	critical-Damaged CCD		
7	HARDWARE	OK	
8	SIGNALS	OK	
9	IMAGE QUALITY	Critical	blurry image
	critical-Blurry image		
10	LENS	Critical	coupler is damaged
	critical-Coupler damaged		
11	OTHERS	OK	
12	LABELS	OK	



SO - Estimate

Today's Date	Branch	Order Date	Order #	
04/01/2014	B11	03/24/2014	14037478	BTO



Bill To: 53874
 BARTLETT REGIONAL HOSPITAL (0ED BT)
 3260 HOSPITAL DRIVE
 JUNEAU AK 99801
Office: **Fax:**

Ship To: 81504
 BARTLETT REGIONAL HOSPITAL
 3260 HOSPITAL DRIVE
 JUNEAU AK 99801
Office: **Fax:**

Model Number	Serial Number	Customer A/C #	Sales Representative	Technician
OTV-S7PROH-HD-L08E	7011187	822051709850	JOHNSON HAAKON K	kaurs

Contact	Reference Number	Factory # / Serial # Issued	Customer PO Number
GEORGE KUCHAR	771447		

Accessories received With Product:

Box NO ACCESSORIES

Note To Customer

Thank you for choosing Olympus.

CD	Repair / Work Performed	Material Charges	Labor Charges	Discount	
28E	Electronic Equipment Refurbishment	10250.0	100.0	0.0	10250.0
				0.0	100.0
FREIGHT	FREIGHT and HANDLING	15.0		0.0	15.0
		Total		0.0	10365.0

Contract Status Information					Do not pay from this Est.
Contract #	Contract Amt	Charge To Contract	Contract Bal.	Shipping Charge	Invoice to Follow

Customer Accepts Repair:	<input type="checkbox"/>	Authorized Name:	<input type="text"/>
Customer Declines Repair:	<input type="checkbox"/>	Authorized Signature:	<input type="text"/>

Plus applicable sales tax

This estimate is based on our initial external inspections. As the scope is disassembled there may be additional repair items identified that may require an adjustment to this estimate.

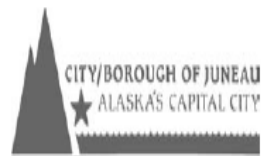
Please fax signed form

The terms and conditions on the reverse side hereof represent the total understanding between the parties governing the sale herewith except as modified by the terms of any dealer agreement, sales representative agreement, or any similar agreement in writing between Olympus and the purchaser.

Bartlett

Regional Hospital

System 6 Sagittal Saw, Oscillating
Saw and Drill
Operating Room
\$24,273.24



**A City and Borough of Juneau
Enterprise Fund**

The System 6 is our power (Sagittal Saw, Oscillating Saw, and Drill) used in Orthopedic cases. We currently have one set completely down and is being sent out for repair. The other set has a malfunctioning Sagittal Saw; it will need to be sent out for repair as well. The System 6 is used frequently and is often turned over between cases. The cost of a new System 6 is \$24,273.24. This price includes a trade in credit of \$999.97.

Jeff Woolcott

Instruments

Kalamazoo, Michigan 49001
 jeff.woolcott@stryker.com
 1-907-250-0789

PROPOSAL

DATE: 04/09/2014

PROPOSAL SUBMITTED TO:

BARTLETT REGIONAL HOSPITA (ACCOUNT 20045)
 3260 HOSPITAL DRIVE
 JUNEAU, AK 99801

We are pleased to submit our quotation on the following Stryker Instruments products.

EQUIPMENT

Item No.	Part No.	Description	U/M	Qty	List Price	Discount	Sell Price	Total
1	6203-126-000	ADJ PIN COLLET 2.0-3.2mm	EA	1	\$3,351.44	58.94%	\$1,376.02	\$1,376.02
2	6203-226-000	ADJ PIN COLLET 3.0-4.2mm	EA	1	\$3,351.44	40.92%	\$1,980.00	\$1,980.00
3	6203-131-000	1/4" CHUCK W/KEY	EA	2	\$2,827.03	58.96%	\$1,160.25	\$2,320.50
4	6203-135-000	HUDSON/MODIFIED TRINKLE ATTACH	EA	1	\$2,827.03	58.96%	\$1,160.25	\$1,160.25
5	6203-110-000	AO SMALL ATTACHMENT	EA	1	\$2,827.03	58.96%	\$1,160.25	\$1,160.25
6	6208-000-000	SYSTEM 6 SAGITTAL SAW	EA	1	\$11,835.66	54.09%	\$5,434.00	\$5,434.00
7	6206-000-000	SYS 6 RECIP	EA	1	\$11,835.66	54.09%	\$5,434.00	\$5,434.00
8	6205-000-000	DUAL TRIGGER ROTARY	EA	1	\$14,727.21	59.60%	\$5,950.00	\$5,950.00
9	6102-454-000	SYS 6 STERILIZATION CASE	EA	1	\$998.88	54.13%	\$458.19	\$458.19

Total List Price	\$57,408.42
Total Discount	55.98%
Equipment Total	\$25,273.21

Total List Price	\$57,408.42
Total Discount	55.98%
Subtotal	\$25,273.21
Trade In	\$999.97
Discount After Trade In	57.72%
Grand Total	\$24,273.24

Pricing does not include applicable taxes and shipping.

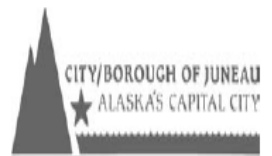
F.O.B.: Shipping Point
 Prices: In effect for 60 days
 Terms: Net 30 Days
 Ask your Stryker Sales Rep about our flexible financing options.

Comments
Includes Stryker standard warranty on all parts, labor, and repairs.
Please forward PO information to Jeff Woolcott via e-mail at jeff.woolcott@stryker.com
Thanks-
Jeff Woolcott Stryker Surgical 907-250-0789

Bartlett

Regional Hospital

McKesson PACS Project
\$164,224



**A City and Borough of Juneau
Enterprise Fund**

McKesson PACS Architecture Project in the amount of \$164,224:

The McKesson PACS (Picture Archiving and Communication System) is used in our radiology department for image management and study workflow. The PACS equipment was purchased in 2007 and is overdue for a refresh. The refresh was requested last year, but it was not approved. We have worked with McKesson and applied some credits to get very aggressive pricing. We especially need the ability to upgrade to version 12 and upgrade our servers for the following reasons:

- With version 12, we can eliminate the technologist workstations. These workstations cost roughly \$4000 each, and we have 16 stations. The stations are running Windows XP, which, as of April 8th, is no longer supported by Microsoft. Version 12 is web-based, so the tech workstations are no longer required.
- We have had recent issues with freezing and slowness on the radiologist workstations. The refresh provides high performance radiologist workstations.
- Diagnostic monitors would again be covered by warranty, currently they are not, and the monitors are qualified for Mammography workflow.
- Servers are upgraded from Windows Server 2003 32bit to Windows Server 2008 R2 64bit

- BUDGETARY QUOTATION -

**Quotation For:
Bartlett Regional Hospital**



Quotation Reference Number:	H14BAR001-07
Quotation Date:	April 4, 2014
Quotation Expiry Date:	July 3, 2014
Quotation Revision Date:	April 7, 2014
Quote Description:	McKesson Radiology 12 Upgrade
Facility Description:	Bartlett Regional Hospital

This quotation is for budgetary purposes only. A purchasable configuration can be supplied based on a thorough site walkthrough of a customer site to confirm all quantities and items required.

McKesson Enterprise Medical Imaging Contact Information

General Switchboard	Fax	Contact Name
(800) 661-5885	(800) 261-5432	Diana Bradbury
(604) 279-5422	(604) 279-5468	604.279.5422 x7466

To confirm receipt of your fax, please email: migsalescontracts@mckesson.com

The McKesson Radiology System is manufactured in Canada. Installation and Training Services are provided by McKesson Enterprise Medical Imaging Company Ltd, based in Richmond, BC, Canada.

The information in this document is confidential and the property of McKesson Technologies Inc. It is intended for the sole use of the designated recipients and may not be transmitted to other parties without prior permission from McKesson Technologies Inc.



Bartlett Regional Hospital
 3260 Hospital Drive

 Juneau, AK

 99801
 Customer No. 1010935

Quotation: **H14BAR001-07**
 Revision Date: April 7, 2014
 McKesson
 Radiology 12
 Quote Description: Upgrade
 Bartlett Regional
 Facility Description Hospital
 Contact Name: Diana Bradbury
 Contact Number: 604.279.5422 x7466

Quotation Summary

Primary Quotation #H14BAR001-07

Third Party Software	2,814
Equipment	113,364
One Time quipment Discount	(5,669)
Net Equipment	107,695
Implementation Services	58,250
Implementation Services Discount	(8,737)
Education Services	12,000
Education Services Discount	(1,800)
Freight	1,360
Net Services	61,073
Subtotal Primary Quotation	\$ 171,582

Test System Quotation #H14BAR001-07TS

Equipment	7,400
One Time Equipment Discount	(370)
Net Equipment	7,030
Implementation Services	1,000
Professional Services Discount	(150)
Freight	250
Net Services	1,100
Subtotal Test System Quotation	\$ 8,130

Net Total **\$ 179,712**

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Bartlett Regional Hospital

3260 Hospital Drive
 Juneau, AK
 99801
 Customer No. 1010935

Quotation: H14BAR001-07
Quote Description: McKesson Radiology
 12 Upgrade
Facility Description: Bartlett Regional
 Hospital
Contact Name: Diana Bradbury
Contact Number: 604.279.5422 x7466
Revision Date: April 7, 2014

- BUDGETARY QUOTATION -

Scope / Assumptions / Requirements

- This system does not include server racks or Uninterruptible Power Supply (UPS); Customer must provide environment for McKesson-supplied physical servers.
- Requires new archive system. Microsoft 2008 OS does not support tape archive
- Requires Powerscribe 360 1.0 or higher
- Requires MagView 6.0 or higher
- Sono Report and VOXAR are not supported by McKesson Radiology 12

ITEM NO.	QTY	PART NO.	DESCRIPTION	UNIT PRICE Includes Applicable Discounts	TOTAL PRICE Qty x Unit Price
Third Party Software					
1	1	ORC101 72008210	ORACLE SOFTWARE LICENSE Oracle Standard Edition ONE license for 1x CPU	1,758	1,758
2	1	ORC115 72016211	ORACLE SOFTWARE LICENSE Oracle Diagnostic Pack	1,056	1,056
Subtotal Third Party Software					2,814
Equipment					
3	2	WKS500DW7 80007461	MCKESSON RADIOLOGY STATION - DELL - STANDARD PLUS CHASSIS, WITHOUT SUPPORT TOOLS - RADIOLOGIST STATION Workstation chassis, to be paired with video cards and displays To replace CDIRAD1, CDIRAD2 32GB Windows 7 workstation The Customer is responsible for installation and support of all equipment and 3rd party software associated with this workstation. The customer may contract directly with the hardware vendors for ongoing hardware maintenance.	2,313	4,626
4	2	GDS520B 80001445	DISPLAY SYSTEM: DUAL BARCO CORONIS 5MP / MFGD5421 21" Greyscale 5 Mpixel Diagnostic Flat Panel with auto DICOM calibration, embedded front light sensor and protective glass. Approved by FDA for Mammography use.	21,554	43,108
5	2	ADI213DB 80006160	AUXILIARY DISPLAY SYSTEM: DELL U2412M 24" Colour 1920 x 1200 Desktop Flat Panel with Barco Display Controller	565	1,130
6	2	WKS-MAMM-UPL 80007257	MCKESSON RAD STATION - MAMMO UPLIFT PACKAGE	361	722
7	1	CAL400 80001194	BARCO DISPLAY CALIBRATION KIT	585	585
8	1	NHA101D2K8x64 80005110	MCKESSON RADIOLOGY HIGH AVAILABILITY INTEGRATED SERVER - UP TO 200,000 EXAMS PER YEAR - DELL Equipment: Dual servers in failover configuration to provide failover services in the event of single unit hardware failure. Windows Server license, Rack mountable servers, Gigabit ethernet adaptor, requires a copper Gigabit ethernet connection. UPS and Racks to be supplied by customer unless otherwise specified in this quotation. Requires 2x ORC101 Oracle Software License. To replace BRH-HORIZON1/BRH-HORIZON2 (BRH-PACSARCH - to remain in production until tape archive is replaced)	44,300	44,300
9	1	NSD650D 80005371	NETWORK ATTACHED STORAGE - 19,000 GB - NL-SAS - DELL Includes: Network storage appliance with 19,000 GB usable space, 1000BaseT network connection. UPS and Racks to be supplied by customer unless otherwise specified in this quotation. To replace BRH-PACSNAS1 (Requires separate Professional Services data move quote)	13,224	13,224
Subtotal Equipment					107,695
Implementation Services					



Bartlett Regional Hospital

3260 Hospital Drive
 Juneau, AK
 99801
 Customer No. 1010935

Quotation: H14BAR001-07
Quote Description: McKesson Radiology 12 Upgrade
Facility Description: Bartlett Regional Hospital
Contact Name: Diana Bradbury
Contact Number: 604.279.5422 x7466
Revision Date: April 7, 2014

- BUDGETARY QUOTATION -

Scope / Assumptions / Requirements

- This system does not include server racks or Uninterruptible Power Supply (UPS); Customer must provide environment for McKesson-supplied physical servers.
- Requires new archive system. Microsoft 2008 OS does not support tape archive
- Requires Powerscribe 360 1.0 or higher
- Requires MagView 6.0 or higher
- Sono Report and VOXAR are not supported by McKesson Radiology 12

ITEM NO.	QTY	PART NO.	DESCRIPTION	UNIT PRICE Includes Applicable Discounts	TOTAL PRICE Qty x Unit Price
10	1	SUP250 74041435	REMOTE SOFTWARE UPGRADE SERVICES - 40 OR LESS DEVICES - WEEKDAY Remote upgrade services to be performed by McKesson Customer Support Staff.	4,250	4,250
11	1	UPG225 74041346	MCKESSON RADIOLOGY SYSTEM REFRESH Project management coordination of technical requirements and preparation. Includes: - Remote support for hardware & virtual hardware installation - Remote Q/C and configuration of new servers - Remote Q/C of new workstations New Servers - Redesign of configuration files for new architecture and recommendations on modality IP updates DB Upgrade - Remote upgrade of Oracle database server - Remote upgrade of Oracle clients on all workstations and servers	45,263	45,263
12	1	TRN003 75006482	SOFTWARE UPGRADE TRANSITION TRAINING - 2 DAYS Includes: 2 consecutive days of on-site post-upgrade training on front-end application, may include McKesson Radiology and/or other McKesson applications.	10,200	10,200
13	1	FRE200 74007667	FREIGHT Includes shipping and handling charges for shipment from McKesson to customer site	1,360	1,360
Subtotal Implementation Services					61,073
Grand Total					171,582

System Configuration Settings					
(A)	1x	ORC101	ORACLE SOFTWARE LICENSE		
			Oracle Standard Edition ONE license for 1x CPU		
			Third Party Software to be upgraded; Customer is paying for Third Party Software maintenance.		



Bartlett Regional Hospital

3260 Hospital Drive
 Juneau, AK
 99801
 Customer No. 1010935

Quotation: H14BAR001-07
Quote Description: McKesson Radiology 12 Upgrade
Facility Description: Bartlett Regional Hospital
Contact Name: Diana Bradbury
Contact Number: 604.279.5422 x7466
Revision Date: April 7, 2014

- BUDGETARY QUOTATION -

Scope / Assumptions / Requirements

- This system does not include server racks or Uninterruptible Power Supply (UPS); Customer must provide environment for McKesson-supplied physical servers.
- Requires new archive system. Microsoft 2008 OS does not support tape archive
- Requires Powerscribe 360 1.0 or higher
- Requires MagView 6.0 or higher
- Sono Report and VOXAR are not supported by McKesson Radiology 12

ITEM NO.	QTY	PART NO.	DESCRIPTION	UNIT PRICE Includes Applicable Discounts	TOTAL PRICE Qty x Unit Price
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Please note that the design of the McKesson Radiology is sensitive to the underlying network bandwidth available. In order to operate in accordance with the Documentation, the proposed McKesson Radiology must be installed on a network that satisfies the following criteria:

- All existing or new structured cabling must conform to the Registered Category 5 standard; i.e. Category 5E (TIA 568A Addendum 3, March 1998) or Category 6 specification.
- All McKesson Radiology workstations require a switched 100BaseT network connection running at full-duplex mode. McKesson Radiology workstations cannot be connected using NAT (Network Address Translation), the Internet, or through a firewall.
- All McKesson Radiology servers require a switched Copper Gigabit Ethernet port (1000BaseT) network connection.
- The McKesson Radiology Servers must be connected to a network fabric, or backbone, that is capable of providing a minimum of Gigabit Ethernet (1000Mbit/sec), or equivalent, aggregate throughput dedicated to McKesson Radiology network traffic to the switch fabric that feeds the McKesson Radiology workstations.
- If the McKesson Radiology is interconnected to the hospital network, the image management system should be kept on a subnet, isolated from the primary network.
- All sites and locations that will have connectivity to the McKesson Radiology must be inside the facility's firewall. Locations outside the firewall will be unable to access McKesson Radiology. A wide area network connection must be provided between locations, campuses and buildings (high-speed connectivity recommended).
- All McKesson Radiology (servers, workstations, NAS) should have reliable network connectivity to all other components of the PACS network; therefore, it is essential to have properly configured network routing between all primary and/or remote sites. Network performance and latency times are the responsibility of the customer. McKesson recommends network speed ping packet tests to be within round trip < 2 msec for in-house workstations and within round trip < 200 msec for remote workstations otherwise image access, file access or database access operations will correspondingly experience decrease in performance.

Confidential and Proprietary to McKesson Technologies Inc

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Bartlett Regional Hospital

3260 Hospital Drive
 Juneau, AK
 99801
 Customer No. 1010935

Quotation: H14BAR001-07TS
 McKesson Radiology
 12 Upgrade
 Bartlett Regional
 Hospital

Contact Name: Diana Bradbury
 Contact Number: 604.279.5422 x7466
 Revision Date: April 7, 2014

**- BUDGETARY QUOTATION -
 MCKESSON RADIOLOGY TEST SYSTEM**

ITEM NO.	QTY	PART NO.	DESCRIPTION	UNIT PRICE <i>Includes Applicable Discounts</i>	EXTENDED PRICE
Equipment					
1	1	TST400D2K8x64 80004910	MCKESSON RADIOLOGY TEST SERVER - DELL Hardware: Windows Server license, Rack mountable server, Gigabit ethernet adaptor. UPS and Racks to be supplied by customer unless otherwise specified in this quotation. Requires ORC110 Oracle Software License Server requires a copper Gigabit ethernet connection and a copper Gigabit switch.	7,030	7,030
Subtotal Equipment					7,030
Implementation Services					
2	1	UPG225 74041346	REMOTE IMPLEMENTATION SERVICES	850	850
3	1	FRE210 74007667	FREIGHT Includes shipping and handling charges for shipment from McKesson to customer site	250	250
Subtotal Implementation Services					1,100
Grand Total #H14BAR001-07TS					8,130
System Configuration Settings					
(A)	1x	ORC110	ORACLE SOFTWARE LICENSE Oracle Standard Edition Named User license, 5 users Third Party Software to be upgraded; Customer is paying for Third Party Software maintenance.		



Bartlett Regional Hospital

3260 Hospital Drive

Juneau, AK

99801

Customer No. 1010935

Quotation: **H14BAR001-07 and ...07T!**

Revision Date: April 7, 2014
McKesson Radiology 12

Quote Description: Upgrade

Facility Description: Bartlett Regional Hospital

Contact Name: Diana Bradbury

Contact Number: 604.279.5422 x7466

Maintenance Quotation Summary

Equipment Maintenance Not Provided	\$	-
Oracle Maintenance	\$	507

**Bartlett Regional Hospital**3260 Hospital Drive
Juneau, AK
99801**Quotation: H14BAR001-07**Quote Description: McKesson Radiology 12 Upgrade
Facility Description: Bartlett Regional HospitalContact Name: Diana Bradbury
Contact Number: 604.279.5422 x7466
Revision Date: April 7, 2014**OPTIONAL ITEMS - NOT INCLUDED IN SYSTEM PRICING****INSTALLATION AND TRAINING CHARGED SEPARATELY**

ITEM NO.	QTY	PART NO.	DESCRIPTION	TOTAL PRICE
1	3	UPS100D 80000403	RACK MOUNTABLE UPS	2,793
2	1	RCK200D 80000761	42U RACK AND RACK COMPONENTS - DELL Includes: A 42U rack with rack mountable LCD display, keyboard, mouse and KVM switch.	5,045
3	1	UPG180 74034199	MCKESSON RADIOLOGY UPGRADE ONSITE TRAVEL Travel and onsite effort for Workstation deployment during go-live (servers to already be racked and staged by Customer).	11,900
4	1	UPS100D 80000403	RACK MOUNTABLE UPS	931



Archive Data Move

Customer	Bartlett Regional Hospital	Address	3260 Hospital Dr
Siebel/Contract	1-11N33Q		Juneau, AK - 99801
Customer Number	1010935	Sales Rep	Diana Bradbury
Quoted on	2/7/2014	Phone	60427954227466
Quote Number	2014-3401	Email	diana.bradbury@mckesson.com
Quote Expiry	5/8/2014	Initial CS# Initial CS Date	1-TKQ8V 12/27/2007



One Time Fees Summary				
Quote Reference	Product	Facility	Professional Services	Net Price
2014-3401-1	Radiology	Bartlett Regional Hospital	25,330.00	25,330.00
Totals			25,330.00	25,330.00

Recurring Annual Fees Summary						
Quote Reference	Product	Facility	McKesson Software	Third Party Software	Equipment	Total Annual Maintenance
2014-3401-1	Radiology	Bartlett Regional Hospital				
Totals						

All prices are stated in USD .

Customer	Bartlett Regional Hospital	Address	3260 Hospital Dr
Siebel/Contract	1-1IN33Q		Juneau, AK - 99801
Customer Number	1010935	Sales Rep	Diana Bradbury
Quoted on	2/7/2014	Phone	60427954227466
Quote Number	2014-3401	Email	diana.bradbury@mckesson.com
Quote Expiry	5/8/2014	Initial CS# Initial CS Date	1-TKQ8V 12/27/2007



Quote #2014-3401-1 Summary By Item Radiology							Unit Price	Extended Price		Recurring Fees (Annual Maintenance)	
Bartlett Regional Hospital											
No.	Qty	Part	SAP	Maint	Description	Type	List	List	Net	List	Net
1	1	PCS1123	74042056	NA	McKesson Radiology data Rearchive to non-DICOM Archive. 200K < Total Exams <= 400K. DICOM Images, Scan Documents, Voice Clips and Event logs moved to new archive as stored without modification. HMI version 11.8 or above	PSVC	22,080.00	22,080.00	22,080.00		
2	1	PCS1180	74042129	NA	McKesson Radiology data retrieval from Non-Tape Archive. Total Exams up to 50K. DICOM Images, Scan Documents, Voice Clips and Event logs moved to new archive as stored without modification.	PSVC	3,250.00	3,250.00	3,250.00		
TOTALS:								25,330.00	25,330.00		

Summary by Type	Extended Fees			Recurring Fees		
	List	Discount	Net	List	Discount	Net
Professional Services	25,330.00	0.00	25,330.00			
Total:	25,330.00		25,330.00			

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Customer	Bartlett Regional Hospital	Address	3260 Hospital Dr
Siebel/Contract	1-1IN33Q		Juneau, AK - 99801
Customer Number	1010935	Sales Rep	Diana Bradbury
Quoted on	2/7/2014	Phone	60427954227466
Quote Number	2014-3401	Email	diana.bradbury@mckesson.com
Quote Expiry	5/8/2014	Initial CS# Initial CS Date	1-TKQ8V 12/27/2007



Bartlett Regional Hospital

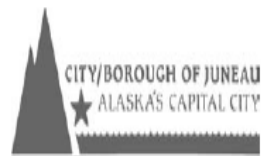
Data Move				
Item	Qty	Part	SAP	Description
1	1	PCS1123	74042056	McKesson Radiology data Rearchive to non-DICOM Archive. 200K < Total Exams <= 400K. DICOM Images, Scan Documents, Voice Clips and Event logs moved to new archive as stored without modification. HMI version 11.8 or above
2	1	PCS1180	74042129	McKesson Radiology data retrieval from Non-Tape Archive. Total Exams up to 50K. DICOM Images, Scan Documents, Voice Clips and Event logs moved to new archive as stored without modification.

Bartlett

Regional Hospital

NetApp Expansion Project

\$67,280



**A City and Borough of Juneau
Enterprise Fund**

NetApp Storage Expansion & PACS Archive Migration in the amount of \$67,280:

We currently have NetApp in our environment, and we are looking to leverage this technology. The PACS image archive is end-of-life, it is no longer under warranty, and we will reach capacity in the next one to two months. When that happens, studies will be pushed to tape archive, which would then require a manual process of tape retrieval for a comparison study. This is a quality and workflow management concern. Migrating the archive system to the NetApp allows for an online, disk-based, storage model that is much more accessible and eliminates the consumable media tapes that cost roughly \$5000 annually.



WSCA Product Quote

Rev 12-28-2010

April 9, 2014

This Quote was prepared for:

Mr. Peter Morrisette
 Bartlett Regional Hospital
 3260 Hospital Drive Juneau, AK 99801

pmorrisette@bartletthospital.org
 (907) 796-8988

This Quote was prepared by :

Dick Jablonowski
 Network Business Systems
 3000 C Street, Suite 210
 Anchorage AK, 99503
 Phone 907-272-2888
 Fax 907-272-7117

No	Manufacturer Part #	Description	Qty	Total List Price	Discounted Price
Two shelves of 24x2TB SATA (96TB raw)					
Premium maintenance with 4 hour parts replacement					
1	DS424X-R6		2	\$112,982.84	\$41,950.00
2	X5526A-R6	Rackmount Kit,4-Post,Universal,R6	2		
3	DS4246-0748-24A-QS-R6	DSK SHLF,24x2.0TB,7.2K,6G,QS	2		
4	X800E-R6	Power Cable North America,R6	4		
5	X6558-R6	Cable,SAS Cntrlr-Shelf/Shelf-Shelf/HA,2m	4		
6	X6561-R6	Cable,Ethernet,2m RJ45 CAT6	4		
7	CS-O2-NOINSTALL-4HR-VA	SupportEdge Premium 4hr Onsite, w/o Install,VA	2		
Total Discounted Price					\$41,950.00

This Quote will Expire on: April 23, 2014

Professional Services outside of normal work hours will be billed/consumed at time and a half. All Professional Services must be used within 12 months of purchase. Professional Services not used within 12 months will no longer be available. If Trade-In discounts are offered, Client is required to have all equipment they are trading in returned to the manufacturer at Client's expense. If quantities or items are changed, the pricing may change. This quote represents hardware and software estimates only and is subject to technical review. All hardware and software returns by Client, for any reason, may be subject to a 20% shipping and handling fee. Network Business Systems will return products on a best efforts basis. Many hardware and software products may not be returned for any reason due to manufacturer return policies. Most products after being opened are no longer returnable to the manufacturer. Defective products are returned according to each manufacturer's warranty policies.

Please add to PO: "WSCA/NASPO NetApp Inc. MPA # B27170"

1. Please make PO out to NBS, please note this is a WSCA order Agreement Number B27170 on your PO
2. **Freight is included**, do not specify or pay for freight

Customer P.O. Number _____

Bartlett Regional Hospital

Fusion Dictation Upgrade Project \$19,614



**A City and Borough of Juneau
Enterprise Fund**

Fusion Dictation Upgrade Project in the amount of \$19,614:

Fusion is our dictation system. This may sound familiar, because it was an item that was requested and approved for fiscal year 2013. The software for the project was purchased in December, 2012; however, the hardware was never purchased. Discussions on outsourcing and other pending changes led to the project being placed on hold by Senior Leadership, and FY 2013 ended without the hardware purchase. The Fusion system is well beyond end-of-life and is not supported. We cannot get replacement parts. Also, the current Fusion system runs on Windows XP. It is urgent that we remove Windows XP from our environment to mitigate potential risks to our data and our network. This capital request is for dual servers to allow for some redundancy and associated licensing.



Electronic Medical Records Recommendations



**A City and Borough of Juneau
Enterprise Fund**

BARTLETT REGIONAL HOSPITAL ADMINISTRATION'S EMR RECOMMENDATION

In 2009, the Health Information Technology for Economic and Clinical Health Act (HITECH Act) changed the landscape of health care with \$25.9B in incentives to promote and expand the adoption of health information technology. In 2010 in an effort to take advantage incentive funds and avoid the future payment penalties to be assessed for failure to meet meaningful use levels I & II by 2015, Bartlett began the process of selecting a new health information system and electronic medical record (EMR). Over the course of the next two years, six systems were evaluated, one of which was keeping and upgrading the current Meditech Magic system. After an extensive process, the Bartlett team narrowed the decision to two superior products, Meditech 6.0 and Cerner Community Works. A steering committee, with the aid of a facilitator, chose Cerner by a narrow margin because of its strength as a clinical system. The Board of Directors approved this recommendation and the Cerner contract was signed in December 2011.

For various reasons, the Cerner project was delayed and ultimately defunded by the CBJ Assembly in May of 2013. Talks began with Cerner to renegotiate the contract and reconstruct the product into a more affordable solution for Bartlett Regional Hospital. Unfortunately, it soon became clear that the only way to reduce price was to remove key features that originally differentiated Cerner as the superior product. Some of the features sacrificed in this process included Auto-Pump programming, automated messaging, CareAware Vitals Link, and Care Management that allowed the integration of clinical

and financial data. Other features, like the infection control module and CareMobile, were either removed or sunseted by Cerner. Through the negotiation process the relationship deteriorated with Cerner to the point where they are no longer considered a viable option as a long term information system partner.

During this same timeframe, Meditech was rewriting, enhancing, and further developing their 6.X product. The Meditech package, currently 6.1, is markedly better than when initially considered, and contains many of the important aspects that were felt to be lacking before. One significant addition is the standardized content that comes with the system. Examples include over 90 care plans, more than 600 assessments, over 150 order sets, and more than 60 physician templates. Further key clinical content includes

specialty disease and surveillance clinical panels. While delivering this best practice, standardized content, Meditech has maintained the ability to customize the system to meet our needs. The billing and revenue cycle has seen vast improvements since the 6.0 product was reviewed in 2011, and additional modules and redesigns are apparent across the system. Meditech is a true, enterprise-wide solution that is fully integrated.

Another area that Meditech has improved is the prescriptive method for

successful system builds and installations. Meditech requires the engagement of a Meditech Ready Implementation Partner to provide quality implementation consultants on-site for all phases of the project. A number of key consultants are provided including a project manager, a

physician advisor, a CPOE trainer, and several other implementation specialists. These people will work with the Bartlett team to ensure success.

Meditech has not only improved their product, but they have also made it more affordable for hospitals our size. The current Meditech proposal is \$4,117,369 and includes \$895,000 for the implementation consultants.

At its meeting in November 2013 the Board instructed management to work with the IT steering committee to pursue consensus from the various stakeholder groups for the Meditech 6.1 recommendation. Cornerstone Advisors Group was retained to provide IT subject matter expert knowledge and to facilitate the decision making process of the group. The discussions over the course of three committee meetings included exploration of available IT solutions for BRH, implementation timelines, eligibility for meaningful use incentive dollars and associated timelines. Cerner, Epic, Meditech 6.1 as well as remaining with Meditech Magic were all discussed. The consensus and recommendation of the IT Steering Committee was to proceed with Meditech 6.1. The committee agreed with managements recommendation that in order to move the project forward, we remove the ED system conversion from TSystem to Meditech from consideration until a future date when all other systems are fully implemented and further integration needs dictate that change.

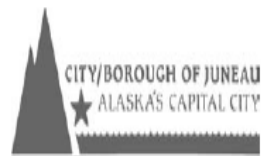
The recommendation of the IT Steering Committee was then brought to the Medical Staff meeting in April presented by Management and Cornerstone Advisors. After the presentation and following a very productive discussion of meaningful use requirements and the associated impact to physician practice, the Members of the Medical Staff voted in favor of proceeding with Meditech 6.1 over remaining on Meditech Magic for Bartlett Regional Hospital.

Should the Board accept the recommendations of Management, the IT Steering Committee, and the Medical Staff, and vote to proceed with Meditech 6.1, the next steps include:

1. Negotiation and signing of the Contract with Meditech resulting in the setting of an implementation schedule to begin work.
2. Chartering an IT Implementation Committee to oversee the system implementation.
3. Extending a Request for Proposals and selection of eligible Meditech Ready Implementation Partners. The amount for his work currently in the proposal from Meditech is \$895,000 which Cornerstone Advisors feels is "a bare bones proposal". Management feels that this critical component needs to be further explored and facility implementation needs defined by the IT Implementation Committee through the RFP process. It is expected that this number will approach \$1.5M when needs are further defined bringing the total expenditure to \$4.7M which has been developed into the 2014-2015 capital budget.

Bartlett Regional Hospital

Chief of Staff report



**A City and Borough of Juneau
Enterprise Fund**

Credentials Committee
Hospital Privileges for Board of Director Staff Consideration
Tuesday, April 1, 2014 12:15 p.m. – Robert F. Valliant Center Boardroom

INITIAL APPOINTMENT APPLICATIONS:

<u>Name</u>	<u>Category</u>	<u>Privileges In</u>
1. Janice R. Carrick, DO	Active	Psychiatry, Child/Adolescent Psychiatry, and Chemical Dependency Detox

Dr. Janice R. Carrick graduated from the Western University of Health Sciences in 1985. Dr. Carrick is a physician for BRH MHU/BOPS.

2. Charles S. Lee, MD	Consulting	Anesthesia
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Dr. Charles S. Lee graduated from the University of New Mexico School of Medicine in 1985. Dr. Lee is a physician for Anesthesia Care Associates in Palmer, AK

3. Jose C. Suarez, MD	Consulting	Oncology and Conscious Sedation
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Dr. Jose C. Suarez graduated from the Superior Institute of Medical Sciences - Havana Cuba in 1992. Dr. Suarez is a physician for Midnight Sun Oncology in Palmer, AK.

REAPPOINTMENT APPLICATIONS:

<u>Name</u>	<u>Category</u>	<u>Privileges In</u>
1. Samuel L. Abbate, MD	Consulting	Endocrinology

Dr. Samuel L. Abbate graduated from the University of IL at Chicago College of Medicine in 1984. Dr. Abbate is an endocrinologist for Adonai Diabetes & Endocrinology Center in Wasilla.

2. Amy E. Dressel, MD	Active	Pediatrics and Newborn, Lumbar Puncture, Pediatric Resuscitation, UVC/UAC Insertion
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Dr. Amy E. Dressel graduated from the University of Colorado School of Medicine in 1996. Dr. Dressel is a pediatrician for Glacier Pediatrics.

3. Alvin J. Fineman, MD	Locum	Psychiatry, Adolescent Psychiatry, and Chemical Dependency Detox
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Dr Alvin J. Fineman graduated from the Ruprecht-Karls-Universitat in 1977. Dr Fineman is a physician for Locum Tenens.com.

4. Alan S. Gross, MD	Associate	Orthopedic Surgery and Flouroscopy
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Dr. Alan S. Gross graduated from the University of Washington School of Medicine in 1989. Dr. Gross is an orthopedic surgeon for Petersburg Medical Center.

5. Peter B. Hulman, MD Consulting Nephrology

Dr. Peter B. Hulman graduated from the University of Texas Medical School at San Antonio in 1983. Dr. Hulman is a physician for Alaska Kidney Consultants.

6. Lindy M. Jones, MD Active Family Medicine w/Obstetrics, Tubal Ligation, C-Section, D&C, 4th Degree Repair, Conscious Sedation, and Emergency Medicine and Flouroscopy (pending proof of training)

Dr. Lindy M. Jones graduated from the University of Washington School of Medicine in 1987. Dr. Jones is a family medicine physician for Valley Medical Care and an emergency medicine physician for the BRH Emergency Department.

7. Paul Skan, MD Active Anesthesia

Dr. Paul M. Skan graduated from the University of CA at San Francisco School of Medicine in 1985. Dr. Skan is an anesthesiologist for Bartlett Regional Hospital.

CLOSURE OF FILE:

1. **Charles Ivester, MD** – (Telemedicine; The Alaska Hospitalist Group; eICU)

TELEMEDICINE:

1. **Shadi Battah, MD** – (The Alaska Hospitalist Group; eICU)
2. **Matthew Berenson, MD** – (The Alaska Hospitalist Group; eICU)
3. **Alexis Delgado, MD** – (The Alaska Hospitalist Group; eICU)
4. **Lior Dolgonos, MD** – (The Alaska Hospitalist Group; eICU)
5. **Javid Kamali, MD** – (The Alaska Hospitalist Group; eICU)
6. **Edwin Lee, MD** – (The Alaska Hospitalist Group; eICU)
7. **Marek Martynowicz, MD** – (Pulmonary Associates; eICU)
8. **Ryan McGhan, MD** – (The Alaska Hospitalist Group; eICU)
9. **Julian Rojas, MD** - - (The Alaska Hospitalist Group; eICU)
10. **Jose Zelaya, MD** – (The Alaska Hospitalist Group; eICU)

BOARD REPORTS

Executive Committee Minutes 4/10/2014

Quality Council Minutes 4/09/2014

Planning Committee Minutes 4/11/2014

Finance Committee Minutes 4/15/2014



**A City and Borough of Juneau
Enterprise Fund**

Bartlett Regional Hospital

3260 Hospital Drive, Juneau, Alaska 99801 907.796.8900
www.bartletthospital.org

Bartlett Regional Hospital Executive Committee Minutes April 10, 2014

Ms. Bomengen called the meeting to order at 5:20 p.m.

Attendance: Ms. Bomengen, Bob Storer, Nancy Davis, Mary Borthwick, Jeff Egbert, CEO, Billy Gardner, CNO, Mila Cosgrove, HR and Toni Petrie, Executive Assistant

APPROVAL OF THE MINUTES

Mr. Storer made a motion to approve the minutes. Ms. Davis seconded and they were approved.

CBJ LAW DEPARTMENT PROJECTS

BRH Projects that CBJ Law worked on during the month of March 2014 was reviewed. Ms. Thomas asked if we could get an update on Norcal on a quarterly basis. Mr. Egbert said he would work with Sara Parker and provide quarterly updates with the Compliance report. It would be a confidential document.

STANDING COMMITTEE AGENDAS

The committee agendas were reviewed.

Ms. Davis said at the Quality Committee meeting yesterday a Quality Council Charter was developed. Ms. Davis suggested that we might want to incorporate the Charter into the board bylaws.

The Planning Committee agenda was reviewed. No changes were made.

The Finance Committee agenda was reviewed – The Biennial and Capital Budget review will move to old business.

A consent agenda for the next board meeting was reviewed and discussed as well as the standard agenda format.

There are items that can be pulled off the consent agenda if a board members wishes to discuss it.

Ms. Thomas asked to move the consent agenda forward for the next board meeting.

Mr. Storer said he sees value to adding time limits on each agenda item.

Ms. Bomengen agreed, but she would like to move into that as we go forward while getting used to the consent agenda format. The committee likes the idea of going to a consent agenda to help tighten up the board meeting and to be able to adjourn at a reasonable time.

Ms. Bomengen noted the CEO Selection Committee is no longer a standing committee so it should be removed from the Board agenda.

Ms. Thomas would like to see CAMHU addressed at the upcoming board meeting. There will be budget recommendations by the CBJ Finance Committee on April 28th and may be a topic that will come up.

The May calendar was reviewed. The Executive Committee meeting was moved to May 9th at Noon.

OLD BUSINESS

IT Decision Framework – Mr. Egbert reported that the IT Steering Committee had a really good discussion. Mr. Egbert pulled the ER component from the EMR to keep T-Systems. The committee felt Meditech 6.1 was the way to go. He brought the recommendations to the Medical Staff meeting last week and they had a great discussion. The Medical Staff voted (not unanimously but with no objections) in favor of Meditech 6.1. Mr. Storer asked if there was a significant amount of support at that meeting and Mr. Egbert said yes it was a well-attended meeting.

Ms. Bomengen asked if there were physician offices that had already signed on with Cerner. Mr. Egbert said there are only two practices and we are paying for that. Eventually, we will need to get modules that will talk to those clinics' EMR's.

The committee renewed a proposal for implementation done by Cornerstone Advisors that was reviewed.

Ms. Thomas sent an email to CBJ Law disclosing that she has a relative that works with a sub-contractor that works with Meditech. She is taking steps to make sure she has no conflicts that would require her to recuse herself from the decision making.

Mr. Egbert said he is going to discuss an IT Steering Committee Charter with the Planning Committee tomorrow.

Ms. Davis asked for a written proposal confirming the real numbers for the implementation.

Mr. Storer said he would like to see a narrative that shows what got us to this decision.

Ms. Thomas doesn't feel we have made it clear that we have chosen Meditech to the full Board. Ms. Borthwick would like it be known that not only is the Medical Staff in support of this, but there is broad support amongst hospital staff.

Mr. Egbert asked Mr. Ryan to take a look at the IT Department's structure. The committee received a recommendation to get an interim CIO from Cornerstone to help advise us with an IT Steering Committee. He also suggested an ongoing relationship with a consultant as a virtual CIO.

Mr. Egbert also met with Amy Mead, Jane Sebens and Martha Palicka regarding Corner.

Assignments for 2014 goals – The Planning Committee asked the Executive Committee to make committee assignments for the years goals.

The Board will have a strategic planning retreat on October 18th at the Shaible House and Dennis McMillian from The Foraker Group will attend.

Physician employment agreement – Mr. Storer said he has an issue with the employment agreement that was recently approved at the Board for a part-time surgeon. He feels that we are a community hospital and our physicians should be in the community, not spending a half a year in another state. Mr. Storer would like to explore recruiting for a general surgeon sooner rather than later.

Marine Passenger Fees – Ms. Thomas voiced her concern regarding the Marine Passenger Fees. She said we submitted a larger dollar amount then what we will be receiving. She wants to understand why our amount was reduced so significantly and why we didn't comment on that. Next year if we are going to submit an amount we need to be able to support and argue it. Ms. Bomengen asked if there was a process that we could find out how they came up with the rationale.

NEW BUSINESS

Ordinance of the City and Borough of Juneau 2014-18 – The board was apprised of changes to CBJ Ordinance 44.05, Personnel Management Code. 44.05 is being changed to remove an exclusion for Bartlett Regional Hospital. Moving forward, BRH will be fully subject to those provisions, the most significant of which is a requiring a personnel management system in compliance with the merit system of employment. Ms. Cosgrove pointed out that the ordinance provisions for the Hospital Administrator already require that personnel rules be adopted consistent with 44.05. The change eliminates the inconsistency between the two code provisions.

Ms. Cosgrove asked the committee what would be helpful to have at the Board meeting regarding this. The committee suggested getting all the attachments with bullet points for the full board.

Alaska Hospital Mutual Aid Agreement – This document provides a logistical framework for acute care hospitals to exchange resources during a public health emergency or disaster.

This was reviewed and approved by CBJ Law and the hospital attorney. Mr. Egbert said we renew this every year.

Ms. Thomas made a MOTION to move this to the full board for approval. Mr. Storer seconded and it was approved.

Class and Compensation study – Ms. Cosgrove brought a contract for Fox Lawson and associates, to do a class and compensation study of the hospital. She said it didn't have to go through the RFP process. They will give us a structure that we can look at regarding our current positions and refresh our market data we can make sure our positions are being paid appropriately. The cost is \$52,000. Most of this can be done long distance so we will avoid paying extra travel costs.

Ms. Thomas made a motion to move this to the finance committee. Ms. Davis seconded. Ms. Cosgrove said there is a meeting scheduled in May to get started. ***Ms. Cosgrove will supply bullet points for the Finance Committee. Motion passed.***

Mr. Storer made a motion to go into executive session at 7:35 p.m. Ms. Davis seconded and it was approved.

The committee came out of executive session at 8:05 p.m. and the meeting was adjourned.

Bartlett Regional Hospital

3260 Hospital Drive, Juneau, Alaska 99801
907.796.8900 www.bartletthospital.org

Board Quality Quarterly Summit
DRAFT Minutes
Wednesday, April 9, 2014, 1200-1300

Called to order: at 1200 by Nancy Davis (BOD)

Present: N. Davis (BOD), B. Rogers (QM), T. Duncan (QM), L. Bishop (Nursing), S. Parker (Risk Mgr.), K. Vermedal (QM), R. Free (Ancillary), Mark Johnson (BOD), M. Dunker (QM), U. Iha (Pharmacy), M. Borthwick (BOD), J. Egbert (CEO), B. Gardner (CNO), S. Free (QM) D. Bigge (QM)

Excused/Absent: K. Bomengen (BOD), S. Hunter-Joerns (Med Staff), B. Vanderbilt (Med Staff)

Minutes: March 12, 2014 minutes reviewed – approved as written

ITEM	DISCUSSION / ACTIVITY	ACTION / RECOMMENDATION	RESPONSIBILITY
NEW BUSINESS			
None			
OLD BUSINESS			
Draft Quality Council Charter	Jeff recommends making a more generic statement about annual goals in the charter so that the charter does not require revision every year, but that the specific goals could be included in the Council's annual work plan. Nancy would like a member from Med/Staff to participate in the committee (of note, both Dr. Susan Hunter-Joerns and Dr. Burton Vanderbilt sit on this Council, but neither were present at today's meeting). Nancy will bring the charter to the Executive Committee on April 10 th for approval.	<i>Board Quality Council Charter adoption approved by unanimous vote. Nancy will present to BoD Executive Committee on 4/10/14.</i>	<i>Resolved as Assigned.</i> Nancy Davis 4/10/14
UR/CM Plan	Nancy inquired as to the many delays on the Council approving this Plan. Bethany and Jeff clarified that the CMS changes to the two-midnight rule and ICD-10 implementation were likely part of the delay in finalizing the plan. Nancy would like to hear the plan; draft state is OK, but would like the presentation given in May.	<i>Tabled to May 14, 2014</i>	<i>Tabled.</i> Betty Stidolph 5/14/14
STANDING REPORTS			
A. Safety, Risk, Regulatory Reporting			
i. Medication Safety Events	Ursula presented ongoing Medication Safety events. Ursula reviewed and explained the total errors and total doses dispensed in pharmacy and explained each occurrence. Jeff suggested that Ursula follow a new format for reporting medication safety events, citing the incident, investigation findings, and action taken to correct the cause, as appropriate.	Informational	<i>Ongoing.</i> Ursula Iha
ii. Occurrence Report Trends	Sara reported on Occurrence trends for March. Trends are	Informational	<i>Ongoing.</i>

<p>iii. Patient Complaints</p> <p>iv. Significant/Sentinel Events</p> <p>B. Quality Operations and Structure</p> <p>i. Regulatory Compliance Update</p>	<p>now reported using the RL Solutions system. Sara is actively working with a Fall Prevention team on decreasing our number of inpatient falls, and she continues to monitor employee incidents. Per the Board request Sara broke out the falls into inpatient, outpatient, and visitor. Not all occurrence reports involve adverse outcomes or errors, but are included in the report. Sara continues to monitor all areas of occurrences.</p> <p>Sara reviewed specific patient complaints. Sara monitors complaints and associated improvement actions, along with follow up to specific patients.</p> <p>Sara reviewed Sentinel and Significant events. There were no Sentinel events in the month of March. Sara reviewed one significant event related to a HIPAA privacy breach. Appropriate actions were taken to address the breach and disclose to the affected parties. There were no notable events to report.</p> <p>Bethany gave the regulatory compliance update: Compliance Committee has been on hold since January due to program restructure. Meetings will reconvene April 17th, 2014. The program and Committee have been redesigned. Board reports will commence in June.</p> <p>College of American Pathologists survey expected prior to April 24th, 2014.</p> <p>Clinical Alarm Safety update; Risk Assessment process will begin in April/May 2014. The Patient Safety Committee will initiate the process.</p> <p>The Joint Commission; next anticipated survey July 2015. We will start ramping tracer activity up this summer to identify deficient areas and correct them. Bethany to give updates at future Council meetings.</p> <p>State of AK Department of Behavioral Health (DBH) Regulation requiring third-party accreditation of behavior health residential treatment center goes into effect in April 2015. Bethany has contended with DBH that BRH current TJC accreditation meets this standard. State of AK Legal</p>	<p>Informational</p> <p>Informational</p> <p>Informational</p> <p>Informational</p> <p>Informational</p> <p>Informational</p> <p>Informational</p> <p>Informational</p>	<p>Sara Parker</p>
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<p>ii. Medical Staff Quality Update</p>	<p>Advisor, Stacie Kraly is currently reviewing and will advocate for us with the DBH.</p> <p>Bethany gave the Medical Staff Quality Update MSQIC - OPPE: recommending MIDAS Statit product to replace discontinued Press Ganey OPPE product. This is a long process and, once approved, we will need to rebuild the program and process. FPPE – no issues, proceeding per policy. PHWC – Referrals being addressed by Committee. No issues to report.</p>	<p>Informational</p>	
<p>iii. Bartlett Microsystems</p>	<p>Reducing Waste and Increasing Efficiency Spring 2014 training currently taking place. Started in March; three sessions; last session for the Spring is April 11th. Good projects and a good group of participants. Next session will take place in the Fall.</p>	<p>Informational</p>	
<p>iv. Board Strategic Plan Quality Goals</p>	<p>Bethany and Nancy spoke to the Quality goals. Updates noted since last report: VTE order set revision completed; PI Team reviewing and addressing systems related to pneumonia antibiotic selection failures, including revising order set; Waste Reduction Workshop implemented in Spring 2014 and planned again for Fall 2014. Nancy asked for the committee to think about goals that the Board should consider in the October planning meeting. If there are areas in need of Board support, please bring to the next Board Quality Council meeting.</p>	<p>Informational</p>	
<p>OTHER DISCUSSION</p>			
<p>None.</p>			
<p>ADJOURNMENT</p>			
<p><i>Next Meeting: May 14, 2014 1200-1300</i></p>		<p>Submitted by: Tamiko Duncan, QM</p>	
<p><i>Abbreviations Used: BOD – Board of Directors; QM – Quality Management; RM – Risk Management; UR/CM – Utilization Review, Case Management; PI – Process Improvement; MSQIC- Medical Staff Quality; CMS – Centers for Medicare and Medicaid Services; HIPAA – Health Information Portability and Accountability Act; DBH – Department of Behavioral Health; OPPE- Ongoing Professional Practice Evaluation; FPPE- Focused Professional Practice Evaluation; PHWC – Physician Health and Wellness Committee; VTE – Venous Thromboembolism; PI – Process Improvement</i></p>			

Bartlett Regional Hospital

3260 Hospital Drive, Juneau, Alaska 99801 907.796.8900
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Planning Committee April 11, 2014 Minutes

Called to order at 12:11 p.m.

Attendance: Mark Johnson, Bob Storer, Mary Borthwick

Staff attendance: Jeff Egbert, Billy Gardner and Toni Petrie

Approval of the minutes – Ms. Borthwick made a motion to accept the minutes as presented. Mr. Storer seconded and they were approved.

OLD BUSINESS:

Planning Committee Charter - A draft Planning Committee Charter was reviewed. Mr. Egbert went through it in detail with the committee members.

IT Steering Committee Charter – Mr. Egbert discussed putting together an IT Steering Committee Charter, outlining the work for the committee.

Goals and assignments – The goals were reviewed. The Executive Committee made assignments for goals for the Finance Committee and the Planning Committee. Mr. Egbert recommended this document go to the full board for approval.

Strategic updates – Mr. Egbert said that the old strategic plan needs to be updated.

Southeast Radiation Oncology is renting space to some oncologists from Palmer. They would be able to provide weekly patient visits. We currently contract with an oncologist from Seattle.

Mr. Egbert is going to have meetings with each major physicians practice to discuss a possible hybrid model for the summer providing a hospitalist.

Hospice – Mr. Egbert said the Board will need to look at the possibility of providing an in-service hospice program. Hospice and Homecare is not doing well financially. Mr. Egbert said the Board might want to consider taking that over, including billing and staffing.

ADJOURNED: 1:00 p.m.

Bartlett Regional Hospital

3260 Hospital Drive, Juneau, Alaska 99801 907.796.8900
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Finance Committee April 15, 2014 Minutes

Attendance: Lauree Morton, Alex Malter, MD, Kristen Bomengen

Absent: Linda Thomas

Also in attendance: Jeff Egbert, Interim CEO; Billy Gardner, CNO, Alan Germany, CFO, Marise Knock, Controller, Kris Muller, Accounting Supervisor, Tami Lawson-Churchill, PFS Director, Dawn Bailey, OR Director, Martha Palicka, IT Director and Toni Petrie, Executive Assistant

Ms. Morton called the meeting to order at 5:16 p.m.

APPROVAL OF THE MINUTES – Dr. Malter made a MOTION to approve the minutes from the April 7, 2014 budget work session as amended and they were approved.

Mr. Germany introduced Tami Lawson-Churchill as our new Patient Financial Services Director. Tami is now responsible for all billing and collections in the hospital.

CAPITAL PROJECTS

Olympus OTV-S7PROH-HD-LO8E

This piece of equipment is a camera used in laparoscopic and arthroscopic procedures. We currently have two cameras down and in need of repair or replacing. The cost to replace the cameras, which were purchased in February of 2010 and March of 2010, is \$13,831.75 each for a total of \$27,663.50. The cost to repair the cameras is \$10,365.00 each for a total of \$20,730.00. The cameras need to be replaced or repaired as we are currently reprocessing cameras in between cases, which will eventually lead to a delay between cases. We currently have one loaner camera. Beginning April 16th, 2014, we will be billed \$1,000.00 a month for up to 3 months while we have a loaner camera in place and after 3 months we will be billed the purchase price.

System 6

The System 6 is our power (Sagittal Saw, Oscillating Saw, and Drill) used in Orthopedics cases. We currently have one set completely down and is being sent out for repair. The other set is malfunctioning and it will need to be sent out for repair as well. The System 6 is used frequently. The cost of a new System 6 is \$24,273.24; this price includes a \$999.97 trade in credit for two pieces we do not use in our current sets. With the

potential of 2 cases going at the same time requiring a System 6, it would be the safe thing to do to have a third one in case one goes down during the case.

The Finance Committee recommended approval of these items to the full board.

McKesson PACS Architecture Project in the amount of \$164,224:

The McKesson PACS (Picture Archiving and Communication System) is used in our radiology department for image management and study workflow. The PACS equipment was purchased in 2007 and is overdue for a refresh. The refresh was requested last year, but it was not approved. We have worked with McKesson and applied some credits to get very aggressive pricing. We especially need the ability to upgrade to version 12 and upgrade our servers for the following reasons:

- With version 12, we can eliminate the technologist workstations. These workstations cost roughly \$4000 each, and we have 16 stations. The stations are running Windows XP, which, as of April 8th, is no longer supported by Microsoft. Version 12 is web-based, so the tech workstations are no longer required.
- We have had recent issues with freezing and slowness on the radiologist workstations. The refresh provides high performance radiologist workstations.
- Diagnostic monitors would again be covered by warranty, currently they are not, and the monitors are qualified for Mammography workflow.
- Servers are upgraded from Windows Server 2003 32bit to Windows Server 2008 R2 64bit

NetApp Storage Expansion & PACS Archive Migration in the amount of \$67,280:

We currently have NetApp in our environment, and we are looking to leverage this technology. The PACS image archive is end-of-life, it is no longer under warranty, and we will reach capacity in the next one to two months. When that happens, studies will be pushed to a tape archive, which would then require a manual process of tape retrieval for a comparison study. This is a quality and workflow management concern. Migrating the archive system to the NetApp allows for an online, disk-based, storage model that is much more accessible and eliminates the consumable media tapes that cost roughly \$5,000 annually.

Fusion Dictation Upgrade Project in the amount of \$19,614:

Fusion is our dictation system. This item that was requested and approved for fiscal year 2013. The software for the project was purchased in December, 2012; however, the hardware was never purchased. Discussions on outsourcing and other pending changes led to the project being placed on hold by Senior Leadership, and FY 2013 ended without the hardware purchase. The Fusion system is well beyond end-of-life and is not

supported. We cannot get replacement parts. Also, the current Fusion system runs on Windows XP. It is urgent that we remove Windows XP from our environment to mitigate potential risks to our data and our network. This capital request is for dual servers to allow for some redundancy and associated licensing.

Ms. Bomengen asked what was included in our capital budget and what we might have to substitute in order to buy these items. Mr. Germany said we have adequate cash flow to cover these items and nothing will be substituted. By next month the capital items report will be updated and it will show what items we are not going to purchase.

The Finance Committee recommended approval of these items to the full board.

CAMHU – Ms. Morton spoke with Jeff Jesse at Alaska Mental Health Trust Authority.

He's still positive about the project and was waiting for the new leadership to get in place at BRH before exploring any further. They will get together next week and talk more about this. He still sees it as viable, but was concerned about the initial cost.

Fox Lawson and Associates agreement – Ms. Cosgrove said they will give us a structure that we can go to and look at for our current positions, develop a pay plan and conduct a market study to make sure our positions are being paid appropriately. The cost is \$52,000. The start date will be the week of May 26th.

The Finance Committee recommended approval of these items to the full board.

NEW BUSINESS:

The March 2014 financials were reviewed. See attached.

The Finance Committee approved the March financials statements.

FY15 BUDGET:

The FY15 Budget was reviewed. Ms. Morton indicated she appreciated the comprehensive nature of the document. Mr. Germany discussed some of the more material line items.

- Assumptions
- Income Statement – Baseline Scenario
- Income Statement – Scenario A (3% rate increase)
- Income Statement – Scenario B (4% rate increase)
- Income Statement – Scenario C (5% rate increase)
- Financial Ratios for Income Statements & FY15 Scenarios
- Cash Flow Projection for FY15 Budget
- Benefits Detail

- A list of budget justification for new requested positions. They were;
 1. ED registrar
 2. Physical Therapist
 3. Chargemaster reporting analyst
 4. Pharmacist
 5. Coding manager
 6. Financial analyst

Mr. Germany will be supplying a staffing productivity report in the future finance packets.

Mr. Germany and Mr. Egbert are recommending a 5% rate increase.

Ms. Bomengen asked to have other Alaska hospital pricing comparisons that were reviewed at a prior budget work meeting included for review in the board packet.

Ms. Bomengen asked Mr. Egbert and Mr. Germany if they could put together some information on what we are doing to contain healthcare costs.

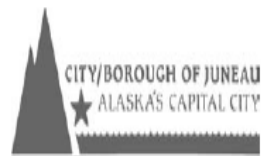
There was significant discussion around the level of rate increase that will be most appropriate in the FY15 budget.

Dr. Malter made a MOTION to recommend a 4% rate increase for FY15 to the full board for approval. Ms. Bomengen seconded for the purpose of discussion. The motion passed by a roll call of two in favor and one against.

Adjourned at 7:30 p.m.

Bartlett **Regional Hospital**

Conflict of Interest Policy



**A City and Borough of Juneau
Enterprise Fund**

VII. CONFLICT OF INTEREST

The CBJ has a Conflict of Interest Code, which applies to members of all boards as well as the Assembly and CBJ employees. Code section 01.45 provides that any board member who has a conflict of interest with regard to a matter under consideration by the body on which he or she serves must make a disclosure on the public record and ask to be excused from the discussion and official action on the matter. A board member with a conflict of interest shall not deliberate or vote on any matter in which he or she has a conflict. There are criminal penalties for violations of this ordinance.

01.45.100 Disclosures of conflicts by municipal officers other than employees.

- (a) A municipal officer other than an employee, who is involved in a matter that may result in a violation of sections 01.45.010--01.45.080 shall disclose the matter on the public record and ask to be excused from the discussion and official action on that matter. The presiding officer shall determine whether the member's involvement would violate sections 01.45.010--01.45.080. If the presiding officer determines that a violation would exist if the member continues to participate, the member shall refrain from voting, deliberating, or participating in the matter. The presiding officer's decision may be overridden by a majority vote of the body.
- (b) An Assembly member, School Board member, or a member of any board or commission shall, whenever practical, request guidance, which may include a written advisory opinion, from the City and Borough Attorney when determining whether a member is involved in a matter that may result in a violation of sections 01.45.010--01.45.080. (Serial No. 91-04, § 2, 1991) **Cross References:** Manager, CBJ Code ch. 03.05; departments, CBJ Code ch. 03.10.

The full Conflict of Interest Code is quite extensive, to review the full text of the Conflict of Interest Code please go online to the CBJ Law Department website at <http://www.juneau.org/law/code/code.php>. If a board member has a question on whether or not a conflict exists, they are encouraged to contact the City Attorney at 586-5242 for confidential advice on this issue.