

Bartlett Regional Hospital

AGENDA

STRATEGIC PLANNING WORK SESSION – NO PUBLIC COMMENTS

Saturday, January 8, 2022; 9:00 a.m.

Bartlett Regional Hospital Zoom Video Conference

Although no public comment will be taken, public may follow the meeting via the following link

<https://bartletthospital.zoom.us/j/91432801762>

or call

1-253-215-8782 and enter webinar ID 914 3280 1762

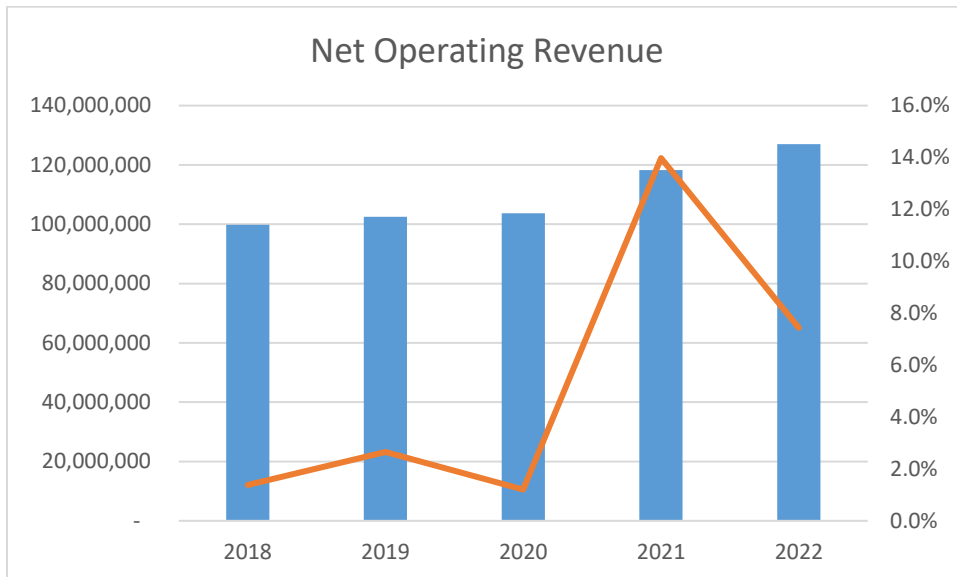
- I. Call to order
 - II. Overview of Strategic Process
 - III. Financial Update (Pg.2)
 - IV. Review Progress on Current Strategic Objectives (Pg.6)
 - V. Update Strategic Plan
 - 1) Mission, Vision, Values (Pg.9)
 - 2) SWOT Analysis
 - 3) Review/Update Strategic Objectives (Pg.10)
 - 4) Develop Board Key Goals
 - VI. Next Steps
 - VII. Executive Session
 - Campus Planning
- Motion by xx, to recess into executive session to discuss information presented that the immediate knowledge of which would clearly have an adverse effect upon the finances of BRH; that being a discussion about campus planning. (Unnecessary staff and attendees may be excused from this portion of the session.)*
- VIII. Comments and Questions
 - IX. Adjournment

Bartlett Regional Hospital Financial Review

The attached worksheet looks at the past 5 years of Income Statements for Bartlett Regional Hospital. FY2022 was also projected based on 5 months of the fiscal year. Key indicators from the Balance Sheet also added to review the cash flow of the organization. Cash generated from operations comes from two sources. Net Income remaining after payment of operating expense and depreciation expense (a non-cash expense). These sources combine to support the principal debt payments and the capital needs of the organization.

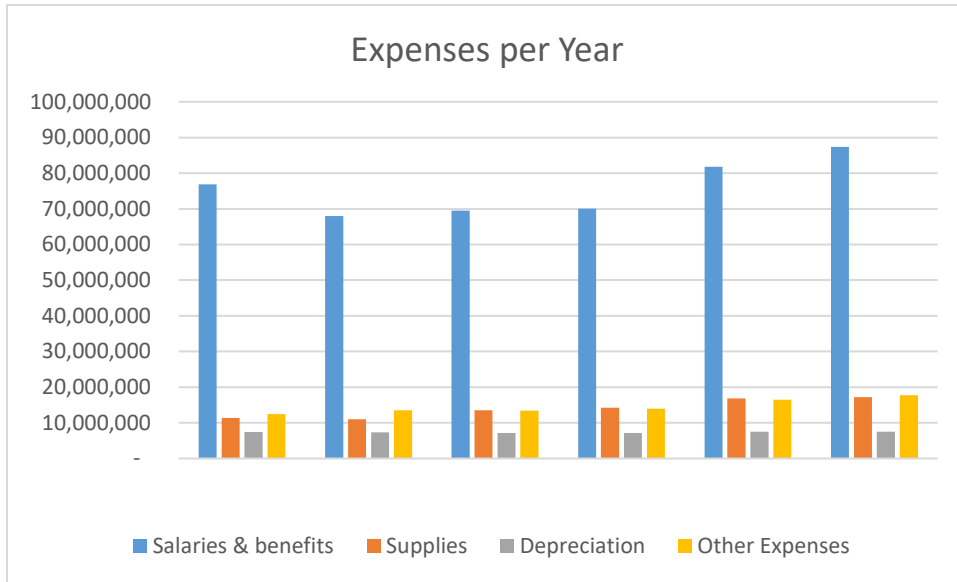
The spreadsheet shows Net Income margins for the past four years ranging from 1.9% to 7.7% but between 2 and 3% during the most two recent years.

Net Income margins are easier to achieve if patient service Operating Revenues increase. The following chart shows the generation of patient revenues over the past 5 years.



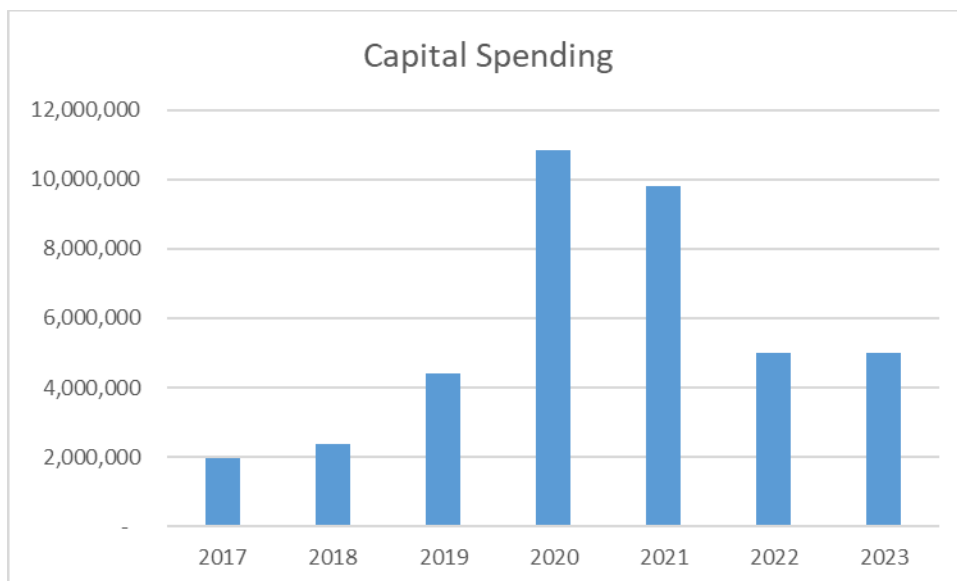
- Net Operating Revenue is increasing significantly over the past 2 years (22%).
- FY2020 was negatively impacted by the shutdown of outpatient services for 6 weeks during the COVID mitigation efforts.

Operating expenses increased significantly during FY21 primarily as a result of COVID mitigation and increased volumes. The cost increases were mainly in the staffing cost category as the following chart shows.

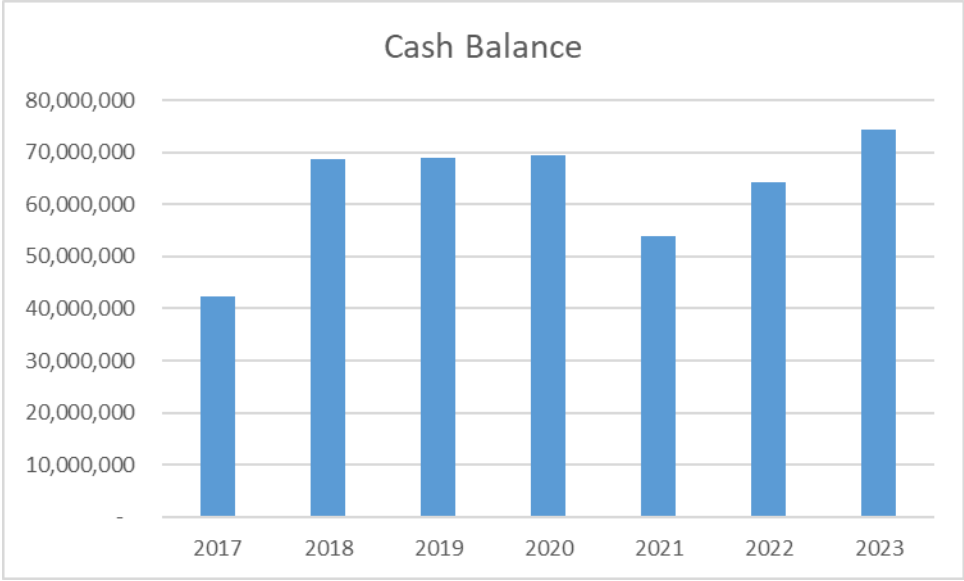


- Salaries and Benefits account for 67% of the total operating expenses of the organization. It is difficult to reduce the operating costs without addressing this expense category.
- Expense categories have remained fairly consistent except for Salaries and Benefits which increased 7% in FY20 and 17% in FY21.

The following chart shows capital spending over the past 5 years and 2 years into the future. The chart shows decreased capital spending from FY2017 through FY2019. The variability of capital spending has a corresponding impact on cash balances.



During years when capital spending was low there was a corresponding increase of cash balances. The inverse is true during years of higher capital investment.



Cash flow and balances were projected based on the following assumptions:

- Net Income for FY2022 and 2023 will be 2.1%
- Depreciation Expense will be \$7.5 million
- The routine Capital Budget will be in the amount of \$5 million
- There will be bonds proceeds in FY2022 of \$19 million
- An additional \$4 million for Crises Stabilization will be authorized
- \$12 million from bond proceeds will be paid in FY23 for the ER expansion project.

The projection shows \$23.3 million in FY22 for additional capital spending while maintaining 180 days cash on hand.

Bartlett Regional Hospital
Financial Review

	Audit 2017	Audit 2018	Audit 2019	Audit 2020	Audit 2021	Projected 2022	Forecast 2023
OPERATING REVENUES:	98,491,549	99,849,855	102,492,573	103,728,741	118,225,832	127,011,998	127,011,998
Percent Increase		1.4%	2.6%	1.2%	14.0%	7.4%	0.0%
OPERATING EXPENSES:							
Salaries & benefits	76,870,676	68,015,545	69,474,261	70,028,358	81,814,560	87,404,842	87,404,842
Supplies	11,350,496	11,012,702	13,538,180	14,263,867	16,870,960	17,241,167	17,241,167
Depreciation	7,422,119	7,359,594	7,196,120	7,185,319	7,543,194	7,540,704	7,540,704
Other Expenses	12,452,581	13,486,423	13,456,761	13,939,880	16,507,886	17,776,514	17,776,514
TOTAL OPERATING EXPENSES	108,095,872	99,874,264	103,665,322	105,417,424	122,736,600	129,963,226	129,963,226
OPERATING INCOME/LOSS	(9,604,323)	(24,409)	(1,172,749)	(1,688,683)	(4,510,768)	(2,951,228)	(2,951,228)
NONOPERATING REVENUE	1,658,758	1,950,963	5,351,917	9,686,055	8,468,390	5,656,706	5,656,706
NET INCOME	(7,945,565)	1,926,554	4,179,168	7,997,372	3,957,622	2,705,479	2,705,479
% Margin	-8.1%	1.9%	4.1%	7.7%	3.3%	2.1%	2.1%
Salaries/Benefits % of Total Expenses	71.1%	68.1%	67.0%	66.4%	66.7%	67.3%	67.3%
Capital Spending	1,975,908	2,354,493	4,399,649	10,847,791	9,813,237		
Cash Balance	42,261,609	68,679,495	69,007,166	69,529,955	54,009,787	64,255,970	74,502,152
Days Cash on Hand	153	271	261	258	171	192	222
Cash in Excess of 180	(7,385,721)	23,055,822	21,433,313	21,086,725	(2,797,920)	3,883,219	14,129,401
Net Income plus Depreciation	(523,446)	9,286,148	11,375,288	15,182,691	11,500,816	10,246,183	10,246,183
Less: Debt Principal	(765,000)	(790,000)	(820,000)	(845,000)	(846,863)	(846,863)	(1,360,000)
Less Capital Budget	-	-	-	-	-	(5,000,000)	(5,000,000)
Bond Proceeds						19,000,000	
Transfers to CIP						(4,000,000)	(12,000,000)
Cash Available for Capital Spending	(7,144,167)	33,131,970	33,628,601	37,114,416	9,549,759	23,282,538	6,015,584
Designated for Capital Projects	14,563,089	1,178,300	4,678,117	4,163,554	14,298,991	18,298,991	13,298,991

Bartlett Regional Hospital
Recent Accomplishments and Progress Made on Strategic Objectives
January 8, 2022

- 1. Services: Develop and maintain a service portfolio that meets community needs and is sustainable.**
 - a. Leadership at the hospital continues to participate in Alaska State Hospital and Nursing Home Association (ASHNHA) workgroups and in leadership positions with other Alaskan healthcare organizations.
 - b. Collaborative partnerships with state, local and private entities were developed to support BRH Crisis Intervention Services and the Crisis Stabilization Residential Facility (i.e. funding received from Alaska Mental Health Trust Authority; Department of Health and Social Services; Rasmuson Foundation; Premera).
 - c. Crisis Intervention Services have been developed, including 24/7 Psychiatric Emergency Services; BRH participates in the Juneau Community Crisis Service Planning group, developing the Crisis Now model (includes Juneau Police Department; Capital City Fire and Rescue; City and Borough of Juneau Housing; JAMHI, etc.).
 - d. Applied Behavioral Analysis (ABA) services have been developed and are fully operational utilizing evidence-based treatment protocols.
 - e. The use of telemedicine is well established in Behavioral Health Outpatient Services (BOPS) and has expanded access to the community.
 - f. The Roche Cobas 6800 Analyzer was installed in February of 2021 and has allowed the Laboratory to run over 30,000 COVID-19 tests for the community. Additionally, this has provided automation and lab efficiency giving us great returns on our investment.
 - g. Hospital leadership continues to work daily with State partners on COVID mitigation and planning for BRH and community needs.
 - h. This hospital has continued to develop a partnership with University of Alaska Anchorage and is exploring a new partnership with Alaska Pacific University to increase nursing student cohorts here in Juneau, thus hiring graduate nurses and keeping nurses here in Juneau.

- 2. Financial: Improve net income to \$3.7 million by the end of FY2020.**
 - a. The hospital achieved a Net Income of \$8.0 million in FY20, \$4.0 million in FY21.
 - b. We have implemented Chart Document Improvement (CDI) to improve patient care documentation and reimbursement by increasing the case mix index by 10%.
 - c. The Information Technology (IT) processor has been upgraded, replacing equipment of 7 to 9 years old.
 - d. We have completed a price comparison to other hospitals showing BRH has a very competitive price structure.
 - e. We systematically implemented a 5-year capital equipment purchase and replacement plan to plan for equipment replacement to match available funds.
 - f. The new 4-bed Withdrawal Management Unit (WMU) opened on November 20, 2021. It is designated a 3.7 American Society of Addiction Medicine (ASAM) Medically Monitored Inpatient Withdrawal Management.

- 3. Facility: Update the existing campus plan to identify major replacement needs and options for future revenue growth.**
 - a. The campus plan was completed and presented to the Board in 2020.

Bartlett Regional Hospital
Recent Accomplishments and Progress Made on Strategic Objectives
January 8, 2022

- b. Construction for the Crisis Stabilization building has started with an estimated completion date of March 2023.
- c. Business plans have been drafted in December 2021, identifying potential properties to purchase to strategically meet current and future community health needs and address space issues at the hospital.
- d. Phase 1 of the road replacement project was completed in the summer of 2021. Phase 2 is scheduled for the summer of 2022.
- e. In September 2021, the hospital entered into an agreement to purchase two new Computerized Tomography (CT) scanners and a Magnetic Resonance Imaging (MRI) machine from Siemens, which will bring a new level of service and technology for patients in Juneau and surrounding communities in Southeast Alaska.
- f. Bonds of \$20 million will be issued in January 2022 to provide funding the Emergency Room expansion and Crisis Stabilization projects.

4. People: Create an atmosphere that enhances employee and physician satisfaction and improves our ability to recruit and retain.

- a. Quality /Medical Staff are partnering to create a more robust physician onboarding and training. This has led to identifying gaps in continued regulatory medical staff requirements. The gaps have been identified, and ongoing education processes are in the process.
- b. We have developed in house Certified Nurse Aide (CNA) training program that received Alaska Board of Nursing approval this summer. We have successfully trained two classes of CNAs and have partnered with Wildflower Court to provide classes for both facilities. This is also a financial goal since we actively assist them with workforce development to transfer to LTC from inpatient status quickly.
- c. An in house surgical tech program has been reestablished between Staff Development and Operating Room services.
- d. We have implemented retention programs such as temporary student loan repayment assistance and bonus payments for taking extra shifts to address the staffing pandemic.
- e. Quality created a more efficient way for physicians to report safety concerns through RL Solutions. This has led to increased reporting from the Medical staff to address electronic medical records (EMR) issues, collaboration of care, requests for review from the Medical Staff Quality Improvement Committee (MSQIC) and other staffing concerns.
- f. The hospital has initiated a Chemical Dependency Certification program for Bartlett Behavioral Health Assistants, Behavioral Health Technicians, and Community Navigators through the Alaska Native Tribal Health Consortium (ANTHC). Certification of staff will help ensure compliance with new requirements under the 1115 Medicaid waivers.

5. Quality and Safety: Meet Joint Commission requirements and Alaskan and national quality and safety measures.

- a. The Joint Commission Survey was completed in December 2021. The final report has yet to be received by BRH. We were recognized for outstanding work and compliance compared to prior years.

Bartlett Regional Hospital
Recent Accomplishments and Progress Made on Strategic Objectives
January 8, 2022

- b. The Laboratory College of American Pathologists (CAP) survey was completed in October 2021 with successful accreditation. They received their reaccreditation from this visit, and their next survey is in 2024.
- c. Bartlett received an overall 5-star rating in April 2021 from Medicare. This rating is based on areas of quality such as treating heart attacks, pneumonia, readmission rates, and safety of care.
- d. The Accreditation Commission for Healthcare (ACHC) reaccredited the Sleep Lab in 2021, and we have a steady demand.
- e. We continue to improve the Patient Family Engagement Metrics by adding a role to Board Quality meetings for community members.
- f. The hospital has implemented or is close to finalizing safety initiatives such as: an Asbestos Management Plan and hazard assessment; a Water Management Plan (waterborne pathogens); and a hearing conservation program.
- g. Ongoing work toward enhancing the Work Place Violence program, including a visual notification system for ED rooms. Updates and maintenance of patient safety information to the Emergency Department Information Exchange (EDIE) for patients with a history of violence or drug abuse.
- h. An Employee Health and Safety Manager position was established.

6. Compliance: Maintain compliance at all levels while accomplishing the above goals.

- a. An external review and evaluation of the BRH Compliance Program, including risk assessment was completed in 2021. As a result, we are currently addressing the recommendation to devote further resources towards staffing the Compliance Program.
- b. We have implemented a 340B Oversight Committee to manage and maintain BRH's 340B program compliance.
- c. The hospital has begun to identify a comprehensive preemptive vetting process for operational and compliance reviews of new service lines and a retrospective review of recently activated service lines. Compliance elements have been identified, and a proposed policy and outline for a committee are circulated.
- d. Recent compliance improvements have been implemented or are in the process of being implemented, such as an internal risk-based audit committee to include revenue cycle team members to audit registration, coding, and billing accounts for compliance with federal and state requirements, and a contracted coding reviewer for Health Information Management and Physician Services.

**Bartlett Regional Hospital
Mission, Vision and Values
Strategic Planning
January 8, 2022**

Mission

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

Vision

Bartlett Regional Hospital will be the best community hospital in Alaska.

Values

At Bartlett Regional Hospital, we **C.A.R.E**

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

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

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

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

Bartlett Regional Hospital
Previous Strategic Objectives of the Board of Directors from FY2020
January 8, 2022

- 1. Services: Develop and maintain a service portfolio that meets community needs and is sustainable.**
 - This includes collaborations with national, state, and local agencies to maximize community benefits.

- 2. Financial: Improve net income to \$3.7 million by the end of FY2020.**
 - Enhance efficiencies of current services and develop new profitable services lines and funding sources that allow BRH to perform at break even or better without the Rural Demonstration Project funding (\$3.7 million) by the end of FY2020

- 3. Facility: Update the existing campus plan to identify major replacement needs and options for future revenue growth.**
 - Update the existing campus plan to identify major replacement needs and options for future revenue growth.

- 4. People: Create an atmosphere that enhances employee and physician satisfaction and improves our ability to recruit and retain.**
 - Create an atmosphere that enhances employee and physician satisfaction and improves our ability to recruit and retain.

- 5. Quality and Safety: Meet Joint Commission requirements and Alaskan and national quality and safety measures.**
 - Provide safe, quality patient care as evidenced by maintaining Joint Commission and other certifications and benchmarking against Alaskan and national quality and safety measures.

- 6. Compliance: Maintain compliance at all levels while accomplishing the above goals.**