

Bartlett Regional Hospital

3260 Hospital Drive, Juneau, Alaska 99801

907.796.8900

www.bartletthospital.org

December 31, 2008

Rod Swope
City Manager
155 South Seward Street
Juneau, AK 99801
Fax: 907 586-5385

Re: Passenger Fee Proceeds Fund Proposal

Dear Mr. Swope:

We would like to participate in the Passenger Fee Proceeds Fund as we provide medical services to cruise ship passengers from April to October each year. We are requesting \$194, 810 from the fund to enable us to continue to maintain excellent care of our summer visitors in 2009.

Happy New Year!

Sincerely,



Shawn D. Morrow, CEO

Attachment:

Bartlett Regional Hospital

3260 Hospital Drive, Juneau, Alaska 99801

907.796.8900

www.bartletthospital.org

Passenger Fee Proceeds Fund Proposal

Purpose: To cover costs associated with providing timely medical care to cruise ship passengers.

Description of Need:

Bartlett Regional Hospital addresses the safety and accessibility of cruise ship passengers by providing timely medical care to passengers with serious illness, injury, or needing medical diagnosis or hospitalization. From April to October each year, our staff accommodates the increase in patient load of the cruise ship passengers with the same level of staffing we have year round. We experience this impact in our emergency, case management, and billing departments. We have been absorbing the associated expenses of these impacts.

However, in light of the downturn in the national economy, we anticipate there will be a greater number of our patients who won't be able to pay their bills and our ability to absorb the costs associated with servicing the cruise ship passenger will be lessened. The hospital's bad debt percentage of net patient revenue has increased from 5.5% in FY 02 to 7.5% in FY09 (projected). We expect this trend to continue. According to the Advisory Board Company (a membership based research/consulting firm to hospitals and health systems) increased uncompensated care will be one of the likely impacts of the economic downturn. The American Hospital Association survey indicates that the nations not for profit hospitals experienced a trend in increasing bad debt percentage from 6.0% in 2005 to 6.6% in 2007, a trend noted prior to the 2008 economic downturn. Unfortunately, Bartlett anticipates following this bad debt trend. For the past three fiscal years, cruise ship passengers have accounted for 4.5% of Bartlett Regional hospital patients (inpatients and outpatients).

Funding request:

Our proposed project is the continuance of our cruise passenger services for 2009 based on 2008 impact figures. We are requesting **\$194,810** from the Passenger Fee Proceeds Fund to offset the cost of this impact for 2009.

Emergency Department Inpatient/Outpatient Care	\$116,393
Emergency Department Liaison	\$ 5,000
Case Management Inpatient Care	\$ 50,555
Cruise Ship Passenger Bad Debt	<u>\$ 22,862</u>
TOTAL	\$194,810

Description of impacts:Emergency Department Impact

Typically ill or injured passengers are transferred from the ship to initially to our emergency department. Each summer our emergency department experiences a significant increase in patient load due to cruise passenger visits. For the past three fiscal years, cruise ship passengers have accounted for an average of 13% of the patients seen in the emergency department. For the period May through October 2008, 739 emergency department visits were by cruise ship passengers (10% of all ED visits in 2008). The average level of acuity of these patients was semi-urgent (needs to be seen by provider within one hours) with an average length of stay of 182 minutes. This accounted for 2,217 staff hours with a cost of \$116,393 (2,217 hours at \$35 average staff hourly wage plus benefits).

To meet the needs of cruise ship passenger who visit the emergency department, we contract with Juneau Emergency Medical Associates each summer to provide an emergency department liaison. The liaison conducts an education meeting at the beginning of the cruise ship season for medical representatives of the ships to describe Bartlett's services. The liaison reviews patient lab/ radiology findings for critical values, flags if significant, ensures a physician has been notified, counsels patients on follow up care and informs the ship for the need for any follow up care at another port. The cost of this contract is \$5,000.

Case Management Impact

Our social workers provide a variety of services for passengers who are admitted to the hospital. Services include assistance with insurance and financial resources, transportation and air ambulance services, obtaining medical equipment, and facilitating out-of-home placements care. We provide discharge planning and care coordination with family and physician. The cruise ship passengers come from all over the world which makes discharge planning for these patients time consuming which increases the expense. During May through October 2008, our case management department provided services to 152 inpatients from cruise ships. Cruise ship passengers accounted for 10% of our inpatients during that six month period. Our case management staff spent 874.5 hours with passenger patients or about 20% of the Case Management hours for those months. The cost of this passenger care was \$50,555 (874.5 hours at \$38.54 average staff hourly wage plus benefits).

Bad Debt Impact

For the past three fiscal years, cruise ship passengers have accounted for 4.5% of hospital patients (inpatients and outpatients). The hospital bad debt incurred through cruise ship passengers for 2008 is \$22,862.

Benefit of this proposal:

Bartlett Regional Hospital will be able to maintain the excellent level of service we currently provide the cruise passengers.