

Bartlett Regional Hospital

3260 Hospital Drive, Juneau, Alaska 99801

907.796.8900

www.bartletthospital.org

December 20, 2010

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

Re: Marine Passenger Fee Proceeds Fund Proposal

Dear Mr. Swope:

We would like to participate in the Marine Passenger Fee Proceeds Fund as we provide medical services to cruise ship passengers from May to September each year. We are requesting \$164,205 from the fund to offset the direct impact to hospital operations of the increase in patient load caused by the cruise ship industry to hospital staffing requirements and revenue shortfalls.

These funds will enable us to continue to maintain excellent care of our summer visitors in 2011.

Happy New Year!

Sincerely,



Shawn D. Morrow, CEO

Attachment: Emergency Department Chart Dec 2009 – November 2010
Sample page from Case Management NPR report
Breakdown of patients by zip code “Other” non-Alaskan zip codes

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2010 Marine 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. Hospital services are significantly impacted by the marine passenger ship industry. Passenger/patients medically evacuated from Juneau must be seen at Bartlett's emergency department first. From May to September 2010, cruise ship passengers increased the patient load by 19% in the emergency department and inpatient units by 10%. Medical evacuations in the summer months accounted for 64% of the annual total. This is an indication that passenger/patients are critically ill thereby necessitating greater level of care and time in the Emergency Department. See attached chart. While every department is affected, the greatest impact is experienced by our emergency, case management, and billing departments.

Personnel Impacts

According to CBJ code 69.20.120(a)(2) "the proceeds of the marine passenger fund shall be appropriated to address the impacts caused by the industry including operating funds for personnel ... for services provided, made available to, or required as a result of marine passenger ships and marine passengers". The emergency department is the initial point of entry to the hospital for injured or ill cruise ship passengers. Some are treated and released, admitted as inpatients or evacuated to other facilities. Rarely are patients returned to the ship. Each summer our emergency department experiences a significant increase in patient load due to cruise passenger visits. Bartlett has to scale up its ER staff with contract labor to meet the increased demand placed on services by passenger.

Emergency Department

In summer 2010, the patient load increased by 19% above non-summer months due principally to cruise ship passengers. 64% of the medical evacuations occurred in May – September period. To meet this increase, certified nursing staff is contracted on a temporary basis at a cost of \$91,260. Juneau does not have an adequate skilled labor pool from which to draw certified nurses so they must be hired from out of town.

# additional RNs are required to serve the increase (19% in patient load in summer	Registered emergency room nurses are contracted through an agency. Contract rate per hr	Each RN works 36 hours per week for 13 weeks. Total 468 hrs.	Total Each RN is paid \$30,420 for those 13 weeks. Three RNs total:
3	\$65.00	486 hr x 3 RNs = 1404 hrs	\$91,260

Case Management for inpatients

In summer 2010, 909 patients were admitted to the hospital from the Emergency department. These five months accounted for 45% of the annual total. This was a 10% increase above non-summer months. The increase in volume of patients does not capture the impact these patients have on case management. Because they are not local, the logistics associated with after care and getting patients home or to a medical or rehabilitative facility is very complicated and therefore time consuming. Our case management staff does clinical and social work assessments, helps with medical and travel insurance and financial issues, arranges transportation and air ambulance services, obtains medical equipment, and facilitates out-of-home placements care at or near the patient's home. Often time arrangements are made also for accompanying family members, some of which have additional logistical and medical needs. Based on a customized internal report, where time spent with each patient is recorded, the case management department spent 776 hours from May to September 2010 on cruise ship passengers. The cost of this passenger care was \$43,517 (776 hours at \$38.41 average staff hourly wage plus benefits @ 46%). See attached report sample.

Bad Debt

The hospital's bad debt percentage of net patient revenue has increased from 5.5% in FY 02 to 6.5% in FY11 (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 follows this bad debt trend. For the past five fiscal years, cruise ship passengers have accounted for an annual average 4.3% of all Bartlett Regional hospital patients (inpatients and outpatients). FY 10 bad debt attributed to passenger/patient is \$29,428.

Funding request:

Our proposed project is the continuance of our cruise passenger services for 2010 based on 2010 impact figures. We are requesting **\$164,205** from the Passenger Fee Proceeds Fund to offset the cost of this impact for 2009.

Cruise Ship Passenger Bad Debt	\$ 29,428
Summer months ED contract nursing staff	\$ 91,260
Case Management Inpatient Care	\$ <u>43,517</u>
TOTAL	\$164,205

Description of impacts:

Bad Debt Impact

For the past five fiscal years, cruise ship passengers have accounted for annual average 4.3% of all hospital patients (inpatients and outpatients). The hospital bad debt incurred through cruise ship passengers for 2010 is \$29,428.

Emergency Department Impact

The emergency department is the initial point of entry for inpatients and outpatients seen at Bartlett. Patient visits in the emergency department increased 19% May through September 2010 due primarily to cruise ship passengers. Medical evacuations increased by 64% over non-summer months. In 2010, to meet this increased patient load and patient acuity, the hospital incurred skilled labor contract costs of \$91,260

Case Management Impact

Our case management staff is impacted by 1) the increase in volume of patients and 2) the complex logistics of getting passenger/inpatient discharged and safely home. Cruise ship passengers accounted for 29.69% of inpatients from May through September in 2010. The case management department spent 776 hours providing services to these patients. The cost of staff time incurred by the hospital is \$43,517

Benefit of this proposal:

The benefit is to offset the direct impact of the increase in patient load caused by the cruise ship industry to hospital staffing requirements and revenue shortfalls.

Patients in Emergency Dept

Dec 2009 - Nov 2010

	Patients seen at ED	% of total	Daily average census	% increase	Admits to inpatient	Daily Avg of inpatients	% increase	medivac	Medivac Dec 08- Nov 09
2009-2010	1028	0.07	33.16		157	5.06		7	8
December	1116	0.08	36.00	8.56	169	5.45	7.64	7	5
January	970	0.07	34.64	-3.77	142	6.04	10.71	2	5
February	1161	0.08	37.45	8.11	174	5.61	-7.01	9	11
March	1074	0.08	35.80	-4.41	160	5.33	-4.98	5	5
April	1331	0.09	42.94	19.93	185	5.97	11.90	10	10
May	1292	0.09	43.07	0.31	188	6.27	5.01	18	15
June	1403	0.10	45.26	5.09	199	6.42	2.44	19	16
July	1294	0.09	41.74	-7.77	187	6.03	-6.03	22	13
August	1187	0.08	39.57	-5.21	150	5.00	-17.11	8	13
September	1086	0.08	35.03	-11.46	146	4.71	-5.81	6	15
October	1113	0.08	37.10	5.90	159	5.30	12.53	6	9
November	14055	1.00			2016			119	125
Total									
Summer (May - Sept) Total	6507		213		909	29.69		77	67
Summer % of Total	46%				45%			65%	54%
Annual Monthly average			38.48			5.60			
Non- Summer Monthly daily average			35.60			5.36			
Summer daily average			42.51			5.94			
% Increase in summer			19.43			10.80			

Case Management NPR report

ACCOUNT#	ADM_DATE	DIS_DATE	PT_STATUS	LOCATION	ZIP	UR_DATE	UR_TIME	COMPLEX*	HOURS	TOTAL_HOI
V0005185194	8/20/2010	8/21/2010	INO	MSI	1008	8/21/2010		3	1.5	
V0005185194	8/20/2010	8/21/2010	INO	MSI	1008	8/23/2010		1	0.5	
V0005151048	7/22/2010	7/27/2010	IN	MSI	3801	7/23/2010		1	0.5	
V0005151048	7/22/2010	7/27/2010	IN	MSI	3801	7/23/2010		2	1	
V0005151048	7/22/2010	7/27/2010	IN	MSI	3801	7/24/2010		2	1	
V0005151048	7/22/2010	7/27/2010	IN	MSI	3801	7/26/2010		1	0.5	
V0005151048	7/22/2010	7/27/2010	IN	MSI	3801	7/26/2010		5	2.5	
V0005151048	7/22/2010	7/27/2010	IN	MSI	3801	7/27/2010		0	0.25	
V0005208814	9/9/2010	9/14/2010	IN	MHUI	5146	9/10/2010		2	1	
V0005208814	9/9/2010	9/14/2010	IN	MHUI	5146	9/10/2010		1	0.5	
V0005208814	9/9/2010	9/14/2010	IN	MHUI	5146	9/13/2010		3	1.5	
V0005208814	9/9/2010	9/14/2010	IN	MHUI	5146	9/13/2010		0	0.25	
V0005208814	9/9/2010	9/14/2010	IN	MHUI	5146	9/14/2010		3	1.5	
V0005208814	9/9/2010	9/14/2010	IN	MHUI	5146	9/14/2010		2	1	
V0005084769	5/29/2010	5/30/2010	INO	CCUI	6121	5/30/2010		0	0.25	
V0005084769	5/29/2010	5/30/2010	INO	CCUI	6121	6/1/2010		4	2	
V0005150602	7/22/2010	7/26/2010	IN	MSI	8701	7/23/2010		1	0.5	
V0005150602	7/22/2010	7/26/2010	IN	MSI	8701	7/23/2010		3	1.5	
V0005150602	7/22/2010	7/26/2010	IN	MSI	8701	7/24/2010		2	1	
V0005150602	7/22/2010	7/26/2010	IN	MSI	8701	7/25/2010		1	0.5	
V0005150602	7/22/2010	7/26/2010	IN	MSI	8701	7/26/2010		0	0.25	
V0005150602	7/22/2010	7/26/2010	IN	MSI	8701	7/26/2010		3	1.5	
V0005150602	7/22/2010	7/26/2010	IN	MSI	8701	7/27/2010		2	1	
V0005150602	7/22/2010	7/26/2010	IN	MSI	8701	7/28/2010		1	0.5	
V0005154190	7/26/2010	7/27/2010	IN	CCUI	8863	7/27/2010		3	1.5	
V0005154190	7/26/2010	7/27/2010	IN	CCUI	8863	7/28/2010		0	0.25	
V0005180351	8/16/2010	8/17/2010	SDC	MSI	9024	8/17/2010		3	1.5	
V0005180351	8/16/2010	8/17/2010	SDC	MSI	9024	8/18/2010		1	0.5	
V0005159389	7/30/2010	8/1/2010	IN	MSI	15644	8/1/2010		1	0.5	
V0005159389	7/30/2010	8/1/2010	IN	MSI	15644	8/2/2010		0	0.25	
V0005105077	6/14/2010	6/17/2010	IN	CCUI	18944	6/15/2010		1	0.5	
V0005105077	6/14/2010	6/17/2010	IN	CCUI	18944	6/15/2010		1	0.5	

Source: Bartlett Regional Hospital

PRINT DATE: 12/16/10
 PRINT TIME: 1507

Bartlett Regional Hospital ESS **LIVE**
 BREAKDOWN SCREEN

PAGE 1
 USER: Croll, Sheri

View: ABS Period Data
 Field: ABS # Patients
 Time Scale: 1 Fiscal Year

Function: Value
 Sort Order: D FY 10

Zip Code	FY 06	FY 07	FY 08	FY 09	FY 10
99801 - JUNEAU	24481	23707	22950	23651	24036
99803 - JUNEAU	4759	4596	4515	4525	4237
99802 - JUNEAU	3439	3376	3207	3197	2904
99824 - DOUGLAS	2259	2206	2118	2116	2323
~Other	1884	1754	1850	1639	1645
99821 - AUKIE BAY	1402	1279	1388	1399	1298
99827 - HAINES	718	711	793	770	719
99840 - SKAGWAY	476	507	472	426	429
99829 - HOORNAH	323	316	355	360	340
99826 - GUSTAVUS	331	330	301	236	292
99833 - PETERSBURG	269	331	262	263	274
99835 - SITKA	289	250	219	239	233
99901 - KETCHIKAN	127	144	146	134	159
99820 - ANGOON	100	106	123	139	151
99929 - WRANGELL	130	136	122	164	141
99689 - YAKUTAT	127	115	119	131	108
Total	42066	40697	39595	40073	39964

Selections & Breakdowns

(None)

4.2% 4.3% 4.7% 4.1% 4.1%

4.3% - 5 year average