

# Bartlett Regional Hospital

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www.bartletthospital.org

December 14, 2016

Mr. Duncan Rorie Watt  
City Manager  
155 South Seward Street  
Juneau, AK 99801  
Fax: 907 586-5385

DEC 16 2016

CBJ Manager's Office

Re: Marine Passenger Fee Proceeds Funding Proposal

Dear Mr. Watt:

Bartlett Regional Hospital appreciates the opportunity to request funds from the Marine Passenger Fee Fund to off-set its incremental costs related to cruise ship patients who seek care at the hospital. This letter provides documentation of the \$400,013 requested.

A significant change in Bartlett's request is Administration's recognition that the hospital incurs unreimbursed costs for services provided to cruise ship passengers who need hospital and physician care. In Summer 2016, Bartlett submitted \$4.8 million of claims to the non-Alaskan patients and their insurance carriers. Recent financial reports reveal that Bartlett still has \$825,000 receivable from 2016 patients originating from outside Alaska. Bartlett is asking CBJ to off-set 60% of the cost – not charges – of care.

Your funding will enable us to continue to maintain excellent care of visitors who need medical attention.

If you have any questions about the request or supporting documentation, please contact Ms. Darcy Lockhart, Mr. Alan Ulrich, Chief Financial Officer, or me.

Happy Holidays!

Sincerely,

  
Charles "Chuck" Bill  
Chief Executive Officer

Enclosure

Cc: Darcy Lockhart, Grants Coordinator  
Alan C. Ulrich, Chief Financial Officer

**Bartlett Regional Hospital  
FY 18 Marine Passenger Fee Proceeds Fund**

**Grant Request:**

To reimburse Bartlett Regional Hospital (“BRH”) \$400,013 from the Marine Passenger Fee Proceeds Fund for costs associated with providing medical care to un-insured and insured cruise ship passengers.

During the five months from May through September, BRH incurs incremental expenses and realizes uncollected claims attributed to Juneau visitors who seek medical care at BRH. The following table summarizes Bartlett’s financial exposure to non-Alaska patients treated between May and September

<u>Description of Incremental Expenditures</u>	<u>\$’s</u>
Costs of Hospitalists who Provide Coverage for In-Patients (11% of Patient Admissions times Program Losses)	\$ 35,418
50% of Stipend paid to Hospitalist Medical Director	\$ 40,000
Costs for Clinical Personnel	\$ 16,653
Cruise Ship Liaison	\$ 5,000
60% of Unreimbursed <u>Cost</u> of Services	<u>\$302,942</u>
<b>Total Request</b>	<b>\$400,013</b>

Appendix 1 provides information to support the \$302,942 request for Unreimbursed Costs. As of December 11, Bartlett has not received reimbursement totaling \$825,000 for clinical services provided to cruise ship passengers and other non-Alaskan patients. When calculating the \$302,942 request, Bartlett has reduced the receivables two times:

1. A 38.2% reduction to estimate the cost of services
2. An additional 40% to recognize future collections on the \$825,000

**Description of Need:**

As the sole hospital and Emergency Department in Juneau, Bartlett Regional Hospital provides timely physician and clinical care to cruise ship passengers having medical emergencies, serious illnesses, injuries leading to out-patient care or hospitalization.

The Emergency Department (ED) is the initial point of entry to the hospital for these passengers. Some are treated and released. Others are admitted as inpatients or, when necessary, are medically transferred to other facilities.

Each summer our Emergency Department experiences a significant increase in patient load due to cruise passenger visits. Every hospital department is affected but the greatest impact is experienced by the Emergency Department, Ancillary Services, and the Medical-Surgery and Critical Care in-patient departments.



**Personnel Impacts** The Emergency Department and Hospital's in-patient departments experience a 11% increase in average monthly patient load in Summer (May – September) when compared to non-Summer months (October – April). This increase is primarily due to cruise ship passengers. To address this increase in patient volumes, the hospital increases its physician and support staff coverage:

1. Hospitalists

Bartlett is requesting CBJ to support its “hospitalist” physician program for May through September services.

- A. Due to the increase of non-local patients in Summer, Bartlett contracts with physicians (also known as “hospitalists”) to direct and coordinate the in-patient care. These physicians are based in the Hospital 24/7. BRH is requesting \$35,418 – 11% of the program's losses.
- B. In addition, a physician serves as the Medical Director of this program. The Medical Director coordinates the hospitalist staffing and the patient care. BRH is requesting \$40,000 to support the Medical Director stipend. The \$40,000 represents one-half (50%) of Bartlett's expenditure.

2. Nursing and Case Management Personnel

During May – September, overtime, premium, on-call and shift differential personnel costs increased 11% above the prior five (5) months. The increased monthly cost for summer above the winter cost is \$23,353 – or \$2,569 for the 11% incremental volumes. When adding incremental benefits (FICA and PERS) totaling 29.65%, the five month impact for personnel costs during Summer months is \$16,653.

Cruise ship passengers admitted to the hospital have more complicated logistics and are thus more time consuming for case management to handle than local patients. In Summer 2016, 3% of inpatient admissions requiring case management were from foreign countries.

3. Cruise Ship Passenger Liaison

To meet the needs of cruise ship passengers, Bartlett contracts with Juneau Emergency Medical Associates to provide an Emergency Department liaison. The liaison, costing \$5,000:

- A. Conducts an education meeting at the beginning of the cruise ship season to describe Bartlett's services and protocols;
- B. Reviews patient clinical findings;
- C. Communicates results to the patient's cruise ship medical personnel; and,
- D. Counsels patients and cruise ship medical personnel for any follow up care at another port-of-entry.

**Bartlett Regional Hospital Funding Request Summary**

To ensure cruise ship passengers receive the quality clinical care from Bartlett's physicians and clinical staff, Bartlett is requesting \$400,013 from the Marine Passenger Fee Fund.

This funding will help Bartlett offset the financial impact of the increased patient load from cruise ship patients.

Bartlett Regional Hospital  
Summary of Passenger Encounters  
May to September 2016

Patient "Home" Region	Encounters May - Sept	Patient Days May - Sept	Charges May - Sept	Contractuals May - Sept	Receipts May - Sept	Remaining Balance
<b><u>In-Patient and Observation Encounters</u></b>						
Lower 48	111	306	\$2,603,304	\$859,563	\$1,294,158	\$259,683 (a)
International	31	62	\$638,233	\$28,212	\$315,460	\$294,561 (b)
<b>Visitor Activity</b>	<b>142</b>	<b>368</b>	<b>\$3,141,537</b>	<b>\$887,775</b>	<b>\$1,699,617</b>	<b>\$554,144</b>
	10%	6%				
Alaska	1,264	5,629	\$7,524,759	\$12,066,798	\$13,340,696	\$2,097,066
Unknown	-	-	\$0	\$0	\$0	\$0
<b>Total In-Patient and Observation Encounters</b>	<b>1,436</b>	<b>5,897</b>	<b>\$30,666,286</b>	<b>\$12,974,573</b>	<b>\$15,040,514</b>	<b>\$2,651,209</b>
<b><u>Emergency Department Encounters</u></b>						
Lower 48	523		\$1,415,656	\$489,748	\$709,119	\$206,788 (c)
International	120		\$282,368	\$6,605	\$211,690	\$64,073 (d)
<b>Visitor Activity</b>	<b>643</b>		<b>\$1,698,023</b>	<b>\$506,353</b>	<b>\$920,809</b>	<b>\$270,862</b>
	11%					
Alaska	5,328		\$9,931,933	\$2,731,348	\$4,493,533	\$1,707,052
Unknown	7		\$3,708	\$0	\$0	\$3,708
<b>Total E.D. Encounters</b>	<b>5,978</b>		<b>\$11,633,654</b>	<b>\$4,237,701</b>	<b>\$5,414,341</b>	<b>\$1,981,622</b>
<b><u>by for Remaining Balances Receivable from International Patients</u></b>						
Patients from Lower 48						\$466,372 (a) + (c)
International Patients						\$358,634 (b) + (d)
<b>Total Outstanding Balance</b>						<b>\$825,006</b>
Medicaid Cost to Charge for In-Patients						61.2%
Cost Associated with Outstanding Balance						\$504,904
Percentage of Cost Attributed to Passenger Head Fees - Assumed Uncollectible						60.0%
<b>Requested CBJ Support for Uncollected Receivables</b>						<b>\$302,942</b>