



Achieving Intentional & Strategic Growth

FY2024 Assembly Budget Presentation – April 19, 2023

Bartlett
Regional Hospital

Agenda Overview



Looking Behind: Financial Decline

COVID-19 Pandemic Impacts



Where We Are Today: A Time of Transition

Cost Saving Initiatives
Expansion of Service Lines
Patient Throughput & Technology
Workforce Development



Looking Ahead: Seamless Healthcare Delivery

Market Expansion Strategy
Specialty Service Expansion Strategy
Workforce Development Strategy
Strategic Partnerships & Affiliations
Culture of Accountability



Looking Behind

COVID-19 Pandemic Financial Impacts

Increasing Financial Pressures

Since 2019...



Net Revenue: \$19.7M



Labor: \$21.3M

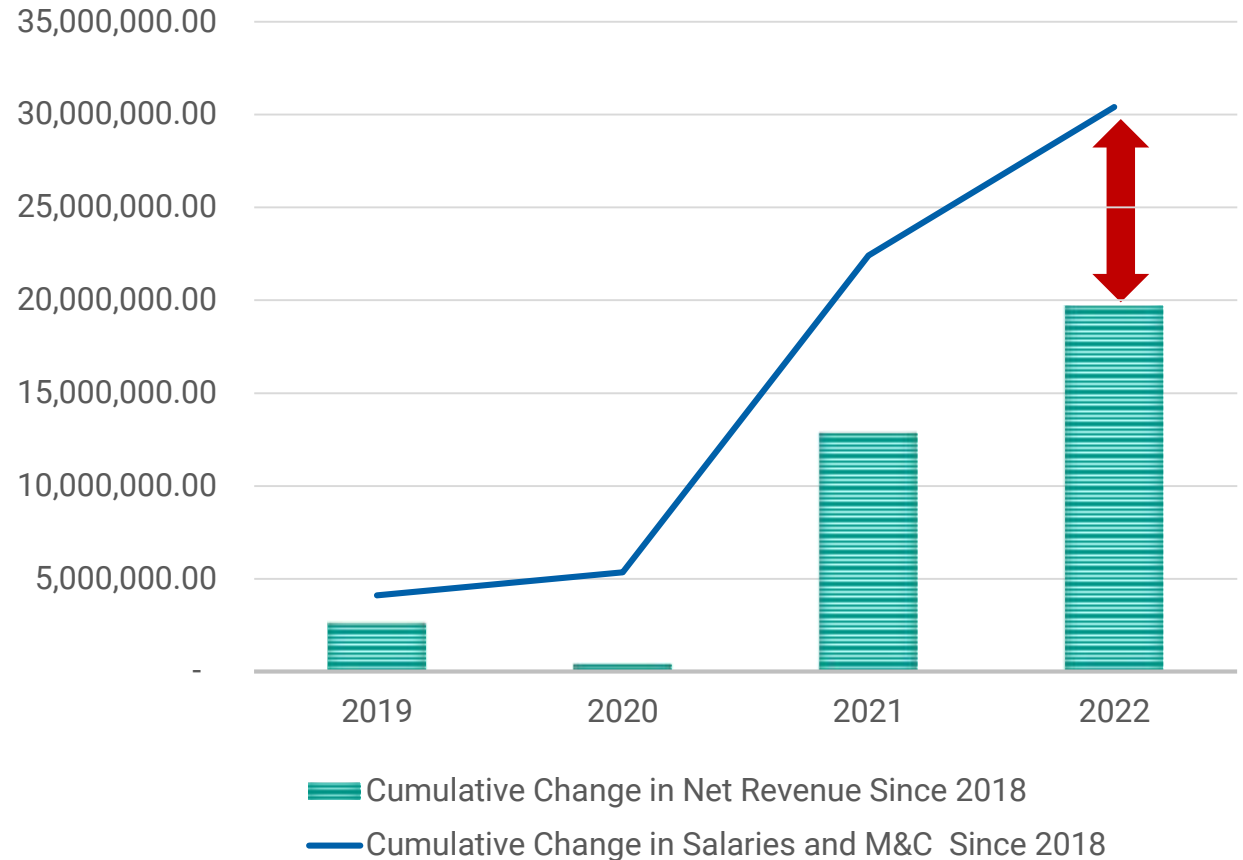


Supply Costs: \$9.1M



Recurring Operating Income: \$10.7M

GROWTH IN NET REVENUES VS. GROWTH IN SALARIES, COMMODITIES AND SERVICES COMPARED TO 2018



Financial Decline



Since 2019 we've increased our staffing hours by 19% or over one-hundred full-time positions.



Bartlett has been losing about \$1M a month since the summer of 2020. This loss was covered up by temporary COVID funding of \$12M a year (or \$1M a month) for the past two years.



COVID funding has stopped, and operational expenses remain unsustainable.



We're expected to lose \$10-\$12M this fiscal year (averaging \$1M a month).



Patient acuity in the hospital is expected to increase, resulting in more complex and costly care.

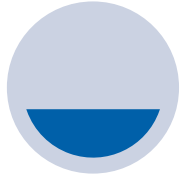


Where We Are Today

A Time of Transition

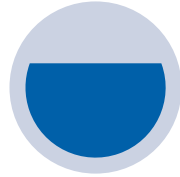
How Are We Responding? Phased Plan of Action

The goal is to begin the new fiscal year on July 1, 2023, without a deficit.



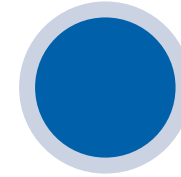
Phase 1 Actions Taken (Activated 11/23/22)

- ✓ Hiring restrictions
- ✓ Discretionary spending reductions
- ✓ Overtime reductions
- ✓ Purchasing reductions
- ✓ Travel reductions
- ✓ FY2024 budget reductions



Phase 2 Actions Taken (Activated 1/1/23)

- Incentive pay cancellation
- Traveler/Locum reductions
- Contract/Agreement reductions
- PRN/Casual reductions
- Retirement incentive
- Staffing levels and productivity study action plan



Phase 3 Considerations (Activated 3/30/23)

- Streamlining leadership
- Realignment of workforce
- Program eliminations
- Strategic initiative delays

2023 Key Areas of Fiscal Focus

Service Line Expansion

- Home Health
- Hospice
- Long-Term/Sub Acute Care - Wildflower Court Acquisition
- Crisis Services – Aurora Behavioral Health Center
- Minimally Invasive Robotic-Assisted Surgery

Patient Throughput & Technology

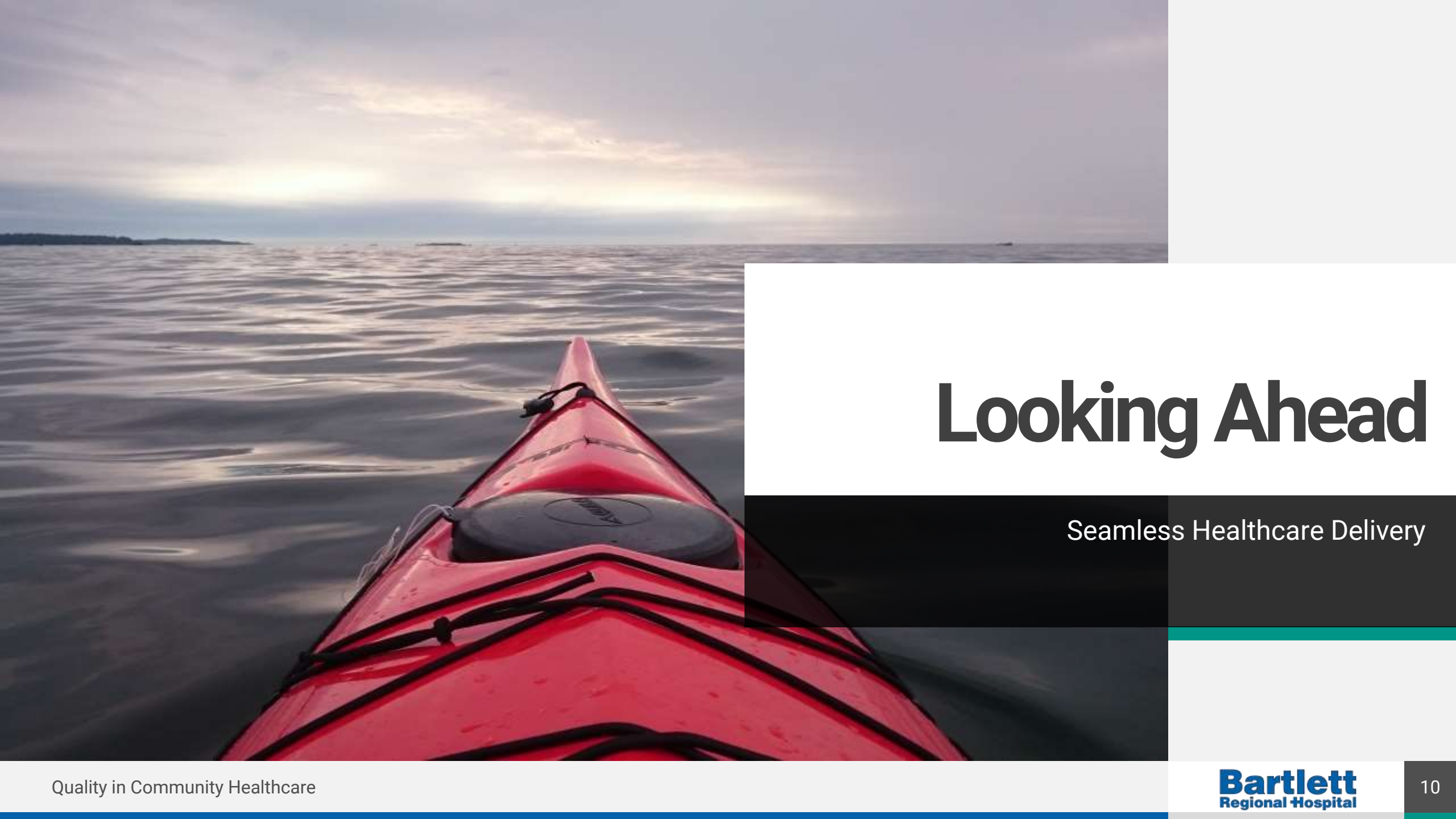
- Strengthen Surgical Services
 - daVinci Surgical System
 - Juneau Bone & Joint Center Acquisition
 - Employment of Orthopedic Physicians
- Improve intake to Mental Health Unit and Rainforest Recovery
- Improve patient movement from acute care to a post-acute care setting more efficiently
- Increase bed availability
- Integrated electronic health records

Workforce Development

- Certified Nurse Aide Program
- UAA Associate Nursing Degree Clinical Rotations
- APU Licensed Practical Nursing Program (**NEW!**)
- High School & College Summer Internships (**NEW!**)

FY24 Proposed Budget

	FY22 Actuals	FY23		FY24	
		Amended Budget	Projected Actuals	Approved Budget	Revised Budget
EXPENDITURES					
Personnel Services	\$ 85,115,600	94,008,200	84,549,400	94,008,200	93,062,000
Commodities and Services	38,036,100	37,923,800	39,889,400	37,965,700	37,317,300
Capital Outlay	3,335,100	8,266,400	2,400,000	2,112,300	1,928,200
Debt Service	1,537,600	2,865,000	2,616,100	3,018,500	2,841,000
Support to:					
Capital Projects	27,800,000	4,185,900	4,185,900	7,500,000	2,000,000
Total Expenditures	155,824,400	147,249,300	133,640,800	144,604,700	137,148,500
FUNDING SOURCES					
Charges for Services	118,109,500	137,251,600	118,150,000	137,251,600	130,752,300
State Revenue	3,684,100	3,619,100	1,000,000	3,619,100	750,000
Federal Revenue	5,355,400	-	-	-	-
Land Lease Revenue	-	-	-	-	-
Investment and Interest Income/(Loss)	(2,030,100)	531,300	867,700	531,300	1,000,000
Bond Proceeds	21,497,200	-	-	-	-
Support from:					
Capital Projects	4,000,000	-	7,026,000	-	-
Liquor Tax	-	-	-	-	4,482,000
Tobacco Excise Tax	518,000	518,000	518,000	-	518,000
Total Funding Sources	151,134,100	141,920,000	127,561,700	141,402,000	137,502,300
FUND BALANCE					
Debt Reserve					
Beginning Reserve Balance	1,806,500	3,139,000	3,139,000	3,139,000	3,139,000
Increase (Decrease) in Reserve	1,332,500	-	-	-	-
End of Period Reserve	3,139,000	3,139,000	3,139,000	3,139,000	3,139,000
Available Fund Balance					
Beginning of Period	56,735,200	50,712,400	50,712,400	44,633,300	44,633,300
Increase (Decrease) in Fund Balance	(6,022,800)	(5,329,300)	(6,079,100)	(3,202,700)	353,800
End of Period Available Fund Balance	\$ 50,712,400	45,383,100	44,633,300	41,430,600	44,987,100



Looking Ahead

Seamless Healthcare Delivery

Seamless Healthcare Delivery

- Market Expansion Strategy
 - Reverse outmigration of care from Juneau
- Specialty Service Expansion Strategy
 - Cardiology
 - Neurology
 - Nephrology
 - Oncology
- Workforce Development Strategy
 - Grow Our Own/Keep Our Own Initiatives
- Strategic Partnerships & Affiliations
 - BRH as 'First Tier'
- Culture of Accountability
 - Managing by Metrics
 - Technology Advancements

