

**ASSEMBLY SPECIAL MEETING 2023-04-JOINT MEETING
WITH BARTLETT REGIONAL HOSPITAL BOARD**

DRAFT MINUTES

February 01, 2023 at 6:00 PM

Assembly Chambers/Zoom Webinar



<https://juneau.zoom.us/j/93917915176> or 1-253-215-8782 Webinar ID: 939 1791 5176

(Immediately followed by Assembly Finance Committee)

A. CALL TO ORDER

MEETING NO. 2023-04: The Special Meeting of the City and Borough of Juneau Assembly, held in the Assembly Chambers of the Municipal Building was called to order at 6:00 p. m. by Mayor Beth Weldon.

B. LAND ACKNOWLEDGEMENT

Assemblymember Bryson provided the following Land Acknowledgement: We would like to acknowledge that the City and Borough of Juneau is on Tlingit land, and wish to honor the indigenous people of this land. For more than ten thousand years, Alaska Native people have been and continue to be integral to the well-being of our community. We are grateful to be in this place, a part of this community, and to honor the culture, traditions, and resilience of the Tlingit people. *Gunalchéesh!*

B. ROLL CALL

Assembly Members Present: Mayor Beth Weldon, Michelle Hale, Wade Bryson, Greg Smith, Carole Triem, Maria Gladziszewski, Alicia Hughes-Skandijs, and Christine Woll (via Zoom)

Assembly Absent: Waahlaal Giidaak

Bartlett Regional Hospital Board Members Present: President Kenny Solomon-Gross, Vice President Deborah Johnson, Lisa Peterson, Brenda Knapp, Max Mertz, Hal Geiger, Doctor Lindy Jones, Doctor John Raster, Shelly Deering

A quorum of each group was present.

Staff Present: City Manager Rorie Watt, City Attorney Rob Palmer, Municipal Clerk Beth McKeown, Deputy Clerk Andi Hirsh, Risk Manager Chelsea Swick, Finance Director Jeff Rogers, Budget Manager Adrien Speegle, Budget Analyst Stevie Gawryluk, HRRM Director Dallas Hargrave, BRH CEO David Keith, BRH CFO Sam Muse, Kim McDowell, Tracey Dompling

D. SPECIAL ORDER OF BUSINESS

E. AGENDA TOPICS

This being a joint meeting with the Bartlett Regional Hospital Board of Directors, Mayor Weldon handed the gavel over to BRH President Kenny Solomon-Gross for a presentation.

Mr. Solomon-Gross introduced the senior staff members present. He explained that when CEO David Keith began work at BRH, there had been 19 direct reports to the CEO. Part of his 100-day plan was to do a re-organization of the management structure to provide more efficiencies. Mr. Solomon-Gross

shared their new organizational chart that was implemented effective January 3, 2023 in response to this.

Mr. Solomon-Gross then provided an overview of BRH's current financial situation which had been hit extremely hard due to the pandemic. They are gradually working their way through and trying to close the gap between the revenue coming in and the cost of doing business. Since 2019, they have increased their staff hours by 19% with 146 full-time positions. They have approximately \$71 million in cash (\$43M in unrestricted and \$28M in restricted). They are projecting that by the end of FY23 they will have approximately 6-months' worth of cash on hand. He noted that during the pandemic, BRH was receiving additional COVID monies so some of the losses they were experiencing due to the shut downs imposed by the pandemic were masked by the COVID revenues.

Mr. Solomon-Gross and Mr. Muse then answered questions from Assemblymembers noting that they are currently losing approximately \$1 to \$1.5 million in revenues per month. Mr. Muse then went on to explain that when they discovered those numbers in the fall, he started messaging to the management team and directors around Thanksgiving of last year so December 2022 was the first full month of implementation. Some of the initial belt tightening resulted in \$50,000 with the first month reduction of overtime from November to December. Other reductions included incentive bonuses coming down, making progress on some materials/commodities. While the reductions haven't been at \$1 million/month, they are cutting what and where they can to try to address that shortfall.

Ms. Gladziszewski asked when the \$1M loss began and when did they notice. Mr. Solomon-Gross said this began when they had to shut down certain services during the pandemic but then they were receiving COVID funds which in turn masked some of the impacts of those revenue losses. They currently realized the \$1M/month loss when it was brought to the attention of the board by the interim CFO and also by Mr. Keith when he first began.

In answer to additional questions, Mr. Solomon-Gross said that since 2020, they increased the number of positions by approximately 145. Ms. Brenda Knapp also explained that a big driver in the loss of revenues was when they had to close down elective surgery during the pandemic. That is a major revenue source for the hospital but they had to shut that down overnight. She said they still had the expense of having all the staff on board, not knowing what was going to happen from day to day with the possibility of maybe having to expand and/or open up additional wings for pandemic response. It wasn't that it was masked from the board, but it was that they were receiving federal funds to keep hospitals open and able to respond to the pandemic. Now that they are no longer receiving those funds, getting those inpatient revenues back up has been slow. They are currently working on getting those revenues up and tightening their current expenses.

In answer to questions from Assemblymember Smith, Mr. Muse explained the terminology related to the fund balance, restricted funds and the accounting methods used by BRH.

Ms. Triem said that she totally understands the situation they were in with respect to their COVID response. She asked if the increase in FTEs (Full Time Employees) was strictly related to COVID response or if there were non-COVID positions created.

Ms. Solomon-Gross said that they were required to create the molecular lab and many of the FTEs were created for that and he also explained that a number of FTEs are more related to hours than employees. He said that they had to bring in a lot of travelers and much of the FTE monies were related to overtime for those traveling positions. He said there were also additional positions created in different

departments and when they add people and reduce services. Mr. Muse also explained that approximately 50% of the new positions were added due to the new applied behavioral health program for children and 50% were other positions such as the molecular lab and others throughout the hospital such as environmental services that were necessary for cleaning related to COVID.

Ms. Hughes-Skandijs said that she would like some follow-up data with more detail on the full-time employees. She said that while she totally understands all the things that have been happening due to and since the pandemic, she would ask that if they do have news such as the \$1M/month shortfall that it would be good for them to let the Assembly know sooner when that sort of thing is realized.

Mayor Weldon noted that in addition to the pandemic, BRH was undergoing major staff/leadership changes as well as board membership changes.

Assembly and BRH members then discussed the impacts of the pandemic response, the molecular lab, and the major changes that have happened at BRH during the height of the pandemic and also now that it is winding down. BRH is a community hospital and responded to the needs of the community, especially with the PCR molecular lab was a major part of the pandemic response that was an Assembly priority. While BRH was concerned that it may be too expensive to maintain, they are currently transitioning to be able to continue to use it now that we are on this side of the pandemic. Dr. Jones shared what a game changer the molecular lab was during the pandemic and they are looking for ways to repurpose it for some of the tests they generally have to send out. It is not like we can go back to 2020 prior to the pandemic. He also explained a secondary impact which is on the labor shortage in the health care industry. It has snowballed with no staff in nursing homes and hospice requiring more people to stay in the hospital. He noted that the need for more labor will continue into the future due to society changes since the pandemic.

Ms. Petersen spoke to the community impacts that were so important in providing testing for the school district and all the amazing work that they did as a result of having the molecular lab.

Ms. Gladziszewski asked what their plan for the future is. Mr. Solomon-Gross gave the rest of his presentation outlining a three-phase plan with the steps they have already taken and those they are working on implementing.

Mr. Solomon-Gross and Mr. Muse outlined their Phased Plan of Action as shown on page 7 of the slide show.

Mr. Solomon-Gross said that Ms. Triem had asked him "How's it going so far?" He said that they are trying to be very transparent and having open communication lines with their staff. He went over the various Phase 1 and 2 actions currently in progress. Phase 3 will be coming through streamlining leadership. Other things listed, including any program eliminations will be very strategic in reviewing and implementing those as programs are what brings in the revenues. He said they just received a draft study of the FTEs, sometimes BRH staff is at the max level. The study showed that maybe we could move staff around to other areas of the hospital. Upper management is looking at that and how to implement those suggestions. With Phase 3, at the end of March 2023, everything will be on the board for consideration. He then spoke to the various methods they have been communicating these changes with staff, such as having town hall types of meetings with their employees and asking at all levels "What can we do to tighten things up?" He said that change is hard and people will always have some good things and not great things that come out of this. The board is trying to be transparent with the employees and the community.

In response to Assemblymember questions, BRH staff and board members discussed the employee moral and the levers that can be implemented to help go through the current phasing plan. Mr. Solomon-Gross asked Ms. Dompling to explain the various service lines from the Behavioral Health area. She explained that everyone with behavioral health, with the exceptions of the In-patient behavioral health and the Rainforest Recovery Center, will eventually be located in the new building including BRH administrative staff. A lot of the services are currently being done in the school, they hope that once they are in the new building, they will be able to provide services/interventions quicker. She said that one floor will be the 23-hour crisis situation for adults which will be a recliner model and not with beds. The third floor will be the crisis residential stabilization services which will provide 24-hour services. Both the adult and adolescent with each have separate sides on that floor. She spoke to the strong need for adolescence services, and they want to be able to work with those patients and their families.

Ms. Gladziszewski said it would be helpful if they could provide the Assembly with information about what services have been in place all along as well as what the new services are. Mayor Weldon noted that she had the privilege of seeing a presentation of just that type of information by Ms. Dompling and she suggested that it would be beneficial for Ms. Dompling to share that with the rest of the Assembly.

Mr. Solomon-Gross asked Ms. Kim McDowell to come and share with the group about the moral issues with staff and how those are being addressed. Ms. McDowell shared that these past few years has seen so many life-changing events that have happened over the past 3 years and it has taken a toll on their staff. BRH has not charted these waters before and everyone is scared and nervous and management/senior leadership is trying to provide the support staff needs. Asking all the staff to be leaders and be proactive in helping share ideas. She shared they are trying to make changes in scheduling to care for staffing work/life balance.

Mr. Solomon-Gross then did a roundtable asking BRH Boardmembers to share with the Assembly anything that hadn't previously been brought up.

Mr. Geiger said that when they first started talking about the financial issues, they talked about slamming on the brakes. However, the direction they have taken to improve community behavioral health services as well as responding and keeping people at the hospital now that the hospice/homecare program has shut down has added many layers and pieces to the puzzle. They are meeting community needs and BRH need to continue to move forward and adapt with those needs in mind.

Ms. Johnston said the board was anxious going into COVID, what it was going to mean to them. They spoke about the molecular testing and worried about a piece of equipment that would have ongoing operational expenses that could not be recovered post-COVID with the level of testing that would be coming their way. As a board, they had many of the same anxieties and concerns as staff. She said that between the existing senior leadership and the board, they saw it coming and were a little behind the 8 ball to get in front of it. She said that she has every confidence and impressed with the current senior leadership that are now in place and she has confidence that they will help pull them out of this on the operational side. She said that she has not heard any idea that was rejected out of hand. They will be able to pull BRH out of the current fiscal situation. She said they will be providing greater service to the community, in particular through the Hospice/Home care and Wildflower Court situation that they are just taking over. She said that she a family member that had been waiting in the med/surg care unit for 7 weeks waiting to find a bed in a hospice or long-term care unit to be able to have him leave the hospital. She said that what they are moving forward to is greater service to the community and more stable and

sustainable hospital that will serve the community as a borough-owned community hospital as they move forward.

Mr. Solomon-Gross called on Dr. Jones next and asked Dr. Jones if he can share the date in May that the pandemic is supposed to be officially over.

Dr. Jones said he has heard that it will be declared over as of May 19, 2023. He said that he has been with BRH for approximately 30 year and he was very impressed with the current leadership and was very confident that they will take us through the rough patch BRH is currently in.

Ms. Peterson said that she has been a nurse for over 30 years and in Juneau for 15 years. She has seen throughout her career that health care has constantly been changing. Even though people are anxious about change, there is also opportunity and all the new programs will need staff and we need to hire them from within our community from graduates from UAS, from JSD. She said that the currently leadership has been very open in looking ways to solving these issues. Ultimately in the end they will fix this and there will be jobs for people.

Ms. Mertz echoed what Dr. Jones said, when Mr. Keith came 6 months ago, he has established a great team within that time and are coalescing around the new vision at BRH. Mr. Muse was BRH's gain and hit the ground running. He predicted that in a year or two, we will see a very different discussion about what BRH looks like.

Mr. Keith said he has worked with a lot of boards and the Assembly won't find a better board than this – they are very engaged and steeped in the operations. This has been a learning experience for him and it will be a little bit of Storming and Norming with CBJ. He said he has worked with CBJ leadership and they are responsive and trying to be nimble and agile in adjusting and it shows strength in community. He said they have a great team of employees and CBJ is a great community. The in turn provides for great opportunities and he is thankful to have this team to meet the challenges before them.

Mr. Solomon-Gross said that with respect to the Wildflower Court service line, they have been meeting regularly with Wildflower board and staff to make sure they are working on the transition plan. He said that he wanted to get it on the Assembly's radar that they will be coming to the Assembly for an appropriating ordinance for \$1.4 million to cover their bond in the future and a possible resolution to allow them to continue to work with the BRH/Wildflower Court boards to complete this transition.

Mayor Weldon thanked everyone for coming and all that they are working on to get them out of tough times. They will want to check in on them again in April during the budget season. Mayor Weldon said that they will be looking at what might be termed "loss leaders" but that are important to the community such as Wildflower Court and the Behavioral Health program coming online.

H. ADJOURNMENT

Mayor Weldon then adjourned the meeting at 7:09 p.m. so they could begin the Assembly Finance Committee meeting.