

Bartlett Regional Hospital

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Memorandum

DATE: January 4, 2023
TO: Rorie Watt, CBJ City Manager
FROM: David Keith, BRH CEO
RE: Wildflower Court Acquisition – Bartlett Plan of Action

SUMMARY:

With the community's health needs at the forefront, and in alignment with Bartlett's (BRH) strategic growth initiatives, the acquisition of Wildflower Court should be immediately prioritized. The visions of both BRH and WFC align as each organization aims to be leaders in the healthcare services that are vital to the greater Southeast Alaska community. BRH's acquisition of WFC will expand the scope, quality and continuity of healthcare services for our residents and patients in a truly sustainable manner. Additionally, the WFC facility includes over 43k sq. ft. of medical and administrative space, much of which could be optimized through organizational and administrative efficiency gains available to BRH post-merger.

BACKGROUND:

WFC's Board of Directors determined that the challenges associated with the current healthcare market inhibit its ability to remain solvent and independent. Under this premise, WFC decided to pursue a partnership with a larger organization. WFC leadership submitted a written Request for Information to both BRH and Southeast Alaska Health Consortium on November 10th. BRH prepared the RFI response and transmitted to WFC's Interim Administrator on December 2nd. BRH was informed on December 6th that the WFC Board voted unanimously to move forward with having BRH assume operations. WFC and BRH issued a joint news release announcing the merger on December 8th. Several internal BRH meetings have taken place to commence planning the transition process. BRH is also working with WFC to establish initial transition plans and is anticipating participating in an HR "Town Hall" with WFC employees in mid-January.

PLAN OF ACTION:

In consultation and coordination with CBJ leadership, BRH intends to enter into a Management Agreement with WFC as early as March 1, 2023. A draft Management Agreement has been drafted and circulated for legal and operational review. A Management Agreement will afford CBJ and BRH additional time to perform legal and financial due diligence and will allow BRH to gain a more comprehensive understanding of WFC's organizational, operational, and administrative processes, challenges, and opportunities. While overseeing WFC operations under the management agreement, CBJ and BRH can identify the most appropriate mechanism to finalize the formal acquisition. Depending on the chosen acquisition mechanism, this process may take up to two years. BRH sincerely appreciates CBJ's partnership and support in this important endeavor.