

# Bartlett Regional Hospital

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[www.bartletthospital.org](http://www.bartletthospital.org)

To: Assembly Finance Committee

From: Kenny Solomon-Gross, Bartlett Regional Hospital Board President

Subject: Audit Engagement

## ***Current Status:***

Bartlett Hospital has been traditionally incorporated, or grouped, with the City and Borough of Juneau and the Juneau School District for contracted audit services. For over 30 years these services have been performed by Elgee Rehfeld, LLC, a local CPA firm. For FY2022, Bartlett/CBJ/JSD signed a one-year contract with Elgee Rehfeld, with two options to renew for FY2023 & FY2024.

Elgee Rehfeld is a highly respected accounting firm with an excellent reputation for good analysis and strong customer service. Elgee Rehfeld maintains a large clientele of governments, quasi-governmental organizations, tribes and tribal organizations, non-profits, and private businesses. But they are a smaller firm with fewer resources, specifically as they relate to the healthcare industry. And healthcare has become much more complex over the last decade with respect to revenue cycle, various regulations, and the competitive environment. The need to have a uniquely experienced healthcare firm is even more important now than it was in the past.

Due to the long service of Elgee Rehfeld, the rotation to a new firm will provide a fresh perspective to the audit process. In fact, we believe that a fresh perspective from an audit firm with significant community hospital expertise and experience would provide valuable insights as to how we think about, process, account for and report on the Hospital's finances going forward. For example, a national auditing firm may possess a specialized revenue cycle division or persons that could provide a more nuanced review of our controls and processes in that arena or individuals who are versed in our specific EMR and our utilization and controls there. And, certainly, they would have personnel specifically versed on Federal and State health care legislation and its impact to the Hospital. These issues are top-of-mind as Bartlett Regional Hospital faces unprecedented financial challenges.

There are also drawbacks to consider, including the potential cost of splitting apart the engagement. Additionally, there would be a learning curve for a new audit firm which may cause some lost efficiencies or increase cost, and there could be timing/coordination issues, as Bartlett must still be included within CBJ's audit financial statements.

Moving forward, Bartlett is eager to involve the Board and the Assembly in the auditor solicitation and approval process, which hasn't been the case in the past. The Board would approve and forward any of management's recommendations on to the Assembly for final approval. As with all solicitations, we will weigh the pros against the cons and come up with the best solution for the City and for Bartlett.

***Recommendation:***

We ask for the Assembly's acknowledgement and approval to continue with our standalone solicitation of audit services so that Bartlett Hospital can move forward with a request for proposal process for auditing services for the FY2023 fiscal year.