



SPECIAL ASSEMBLY JOINT MEETING W/ BARTLETT REGIONAL HOSPITAL BOARD 2024-11 **DRAFT MINUTES**

May 29, 2024, at 5:30 PM

Assembly Chambers/Zoom Webinar

A. CALL TO ORDER

Mayor Weldon called the Joint Special Assembly and Bartlett Regional Hospital (BRH) Board meeting, held in the Assembly Chambers, to order at 5:30 pm.

B. ROLL CALL

Assemblymembers Present: Greg Smith, Alicia Hughes-Skandijs, Wade Bryson, Christine Woll, Wáahlaal Gídaag, Paul Kelly, Ella Adkison, Deputy Mayor Michelle Hale, Mayor Beth Weldon

Bartlett Regional Hospital (BRH) Board members present: President Kenny Solomon-Gross, Vice President Deborah Johnston, Shelly Deering, Lisa Petersen, Max Mertz, Hal Geiger, John Raster, James Kohn

Bartlett Regional Hospital Board members absent: Lindy Jones

Staff Present: Interim BRH CEO Ian Worden, City Manager Katie Koester, Deputy City Manager Robert Barr, City Attorney Robert Palmer, City Clerk Beth McEwen, Deputy City Clerk Andi Hirsh, Port Director Carl Uchtyl, BRH Chief Operating Officer Kim McDowell, Human Resources Director Dallas Hargrave

C. Public Participation on Non-agenda Items (*Not to Exceed a Total of 20 Minutes, Nor More than Three Minutes for Any Individual*) - None

D. AGENDA TOPICS - with the BRH Board

Public Comment:

Mark Johnson, a Douglas resident, said he formerly sat on the BRH Board and wanted to speak to funding for behavioral health. He said he had a family member with behavioral health issues. He said the current funding crisis gives BRH the opportunity to assess where they have been, currently are, and could be in the future. He said they have made a lot of progress. He said in the financial crisis they can either cut programs and services or grow to achieve economies of scale to achieve long-term financial security. He said the crisis stabilization facility only services youth; he said when the unit was being planned it was originally designed to separate youth and adults. He said other existing behavioral health services are critically needed, including Rainforest Recovery Center, Bartlett Outpatient Psychiatric Services (BOPS), the Adult Mental Health unit, and the Applied Behavioral Analysis Program. He said he recommends BRH reestablish the chief behavioral health position, because when that position was in place BRH was growing services and when the position was deleted the services started to degrade.

Aaron Surma, from North Douglas, said he was testifying as a person who has struggled with mental health since his teens. He said he has been arrested, received every type of service that Bartlett Regional Hospital provided, and is only here today because of the care he received when younger. He said he is the director of the National Alliance of Mental Illness (NAMI) Juneau and is a member of the Juneau Suicide Prevention Coalition. He said if BRH mental health services close then people with private insurance will still have a chance to find treatment right away but uninsured people or people with Medicaid will have long wait lists. He said closing BOPS will make this disparity worse. He said losing Rainforest Recovery would make treatment and hope an even more distant idea for people struggling with substance use. He said the Crisis Stabilization Center at BRH is a crucial piece of the mental health continuum of care and provided local support for the 30% of Juneau students who reported being suicidal in the past year. Mr. Surma provided quotes from people in the community who utilize these services, saying "BOPS was the only place with a psychiatrist who was willing to support my daughter while she was transitioning off a medication that is notoriously difficult to stop. No one psychiatrist in town was willing to help

her”, and “The rapport I had with staff at Rainforest Recovery was excellent and I am now four years sober because of their help”, and “In September 2022 I attempted suicide for the second time and was placed in the MHU (mental health unit) for 72 hours before transferring out of state. Bartlett’s outpatient care ensured that my recovery was not impacted by the many changes in my life and if not for these services I would not be alive today”. Mr. Surma said that mental health services at BRH are the definition of ‘an ounce of prevention is worth a pound of care’. He said he hopes we can find a solution that keeps these resources in our community.

Abby Spofford, a Valley resident, testified in support of outpatient mental health programs at BRH. She said she is a resident, homeowner, wife, daughter, and suffers from severe mental illness. She said 282 days ago she required immediate access to mental health treatment which she received at Bartlett, where she stayed for 48 hours while caseworkers found a longer-term treatment facility. She said without that help she would not be here today. She said many people advocated for her when she was unable to, so she is here advocating for those who can’t, including people unable to leave Juneau for basic medical mental health treatment. She said mental health matters and access to care matters and the cuts being proposed to BRH’s programs could have catastrophic effects on the community.

Christy Doyon, a Valley resident, said she is an employee of Bartlett but was speaking only for herself. She said addiction affects the lives of countless people in our communities, not only individuals but their family members, employers, and neighbors. She said Rainforest Recovery Center has improved and saved thousands of lives since it started almost 40 years ago. She said it is the only high intensity short-term program in the State of Alaska and the only 3.5 program in Southeast Alaska. She defined a 3.5 level program as one that stabilizes people both mentally and physically before they step down to a less intensive program, like Gastineau Human Service’s 3.1 level program. She said Rainforest Recovery used to receive a subsidy from CBJ of almost a million dollars a year, coming in part from alcohol and tobacco excise taxes, to help fund the program. She said amount has decreased over the last 20 years and in 2023 Bartlett received \$518,000 from the tobacco tax. She said this year Bartlett did not receive any subsidy for running the program. Ms. Doyon said behavioral health and addiction treatment programs are not profitable and have a statewide average reimbursement rate of 40% for services from Medicaid. She said Rainforest Recovery Center will continue to be developed on grant funding and subsidization to continue saving the lives of people participating in the program.

Rebekah Mills, a downtown resident, said she is an employee of Bartlett but was speaking only for herself. She said she has lived in Alaska since 2018 and in Juneau since 2021. She said in May 2021 the Centers for Disease Control and Prevention reported 188 individuals who died from drug overdoses in the previous 12-month period. She said the most recent 12-month data shows 356 Alaskans lost to drug overdoses and noted that does not include deaths due to alcohol consumption or illnesses secondary to drug or alcohol use. She said the motivation to enter a residential treatment program must be high. She said for some individuals they must resolve legal, workforce, housing, or family issues to be in the program. She said for some people the road to sustained recovery can require leaving one’s home community, if they are fortunate enough to be accepted and have an opportunity, sometimes having to wait months for it to become available. She called on the City and Borough of Juneau to explore funding solutions and to reinstate allocation of funds previously provided to support the operation of Rainforest Recovery Center.

Jeni Brown, a Valley resident, said she has lost 16 people in the last eight months, with 14 of those people to drug overdoses because they could not get into services fast enough. She said she is in long-term recovery, being sober from opiates and prescription medication for seven years. She said she was formerly incarcerated, spending 13 years in and out of Lemon Creek Correctional Center. She said she was there to advocate that Rainforest Recovery services are vital to everyone in Southeast; that it was needed to save people. She said everyone needs a helping hand. She said her sister died of a fentanyl overdose the previous August and that pills are being sold for \$3 each. She said if she was still an active addict, she would not be here able to advocate for people. She said these services are survival and Rainforest Recovery provides the resources people need to be able to take the next step to come back into the community. She said not everyone’s going to make it, but if services like this stay open there is a better chance.

Mary Alice McKeen, a downtown resident, said she was speaking on behalf and in favor of the continuation of hospice services. She said hospice services, serving dying people, was a core function. She said she could not imagine a city the size of Juneau not providing hospice care as part of its healthcare system. She said people who are dying, and their families, need specialized care. She said she was really relieved when Bartlett took over hospice care from Catholic Community Services. She said hospice was a core function for a civilized society to offer people the option to die at home with care and dignity.

Bob Urata, from the Twin Lakes area, spoke in favor of hospice and homecare systems. He said they save money overall for the healthcare system and that patients and families like it. He said the goal was to prevent institutionalization and maintain patient independence. He said home health care monitors patients at home and provides preventative care early, before they get really sick. He said the health care is provided by a team of caregivers includes physical therapists, nurses, speech therapists, social workers, and more. He said the goal of hospice care is to maintain a full life after a terminal diagnosis and that comfort, care, and dying at home with family is an important part of the process. He said he believes hospice and home care should be an important and valuable part of Bartlett's core services.

1. Introductions

The members of the Bartlett Regional Hospital (BRH) Board and Assembly introduced themselves.

2. Bartlett Regional Hospital Recovery Plan

Mr. Solomon-Gross said the hospital is currently running a \$10 million-dollar annual deficit. He said the BRH Board was looking at several options and emphasized that Bartlett is a community hospital, and the community should have opportunities to provide input about what services were available. He outlined the proposed timeline for decision making, noting several opportunities where they would be soliciting for community feedback.

Max Mertz, the BRH Finance Committee chair, said BRH finances were relatively stable in FY18 and FY19, with almost \$4 million in profit, but that the healthcare section was hit hard by the COVID-19 pandemic. He said during that time many traditional services the hospital provided had to be set aside which included several mental health programs. He said there was a paradigm shift in how funding was provided for services that were not reimbursable. He noted there was also a lot of turnover and drama in the management of the hospital during this period, including multiple CEOs.

Mr. Mertz said BRH had three years of cash reserves left and needed to make significant adjustments to the way they were operating. He said that is why the Board was looking at reducing non-core services. He defined core services to include the types of things normally done by a hospital, like the Emergency Room, inpatient recovery, oncology, labor and delivery, and more. He said non-core services are still important but are typically done by other providers in the community.

Mr. Mertz said the hospital's core services are currently budgeted to lose \$2.85 million this year; he wanted the Assembly and public to know that they are working on changes in this area. He outlined two changes they are working on: being designated as a critical access hospital which would allow the hospital to be reimbursed for actual costs instead of on a fee schedule and changing staffing levels. He said the goal was to reduce FTEs back to pre-Covid levels and specified they are not laying people off but using vacancies to realign staffing levels between programs. He said optimistically they might be able to close the deficit in core operations in about two years and hoped to generate approximately 4% annual profit which would allow for equipment and facility replacement.

Mr. Mertz provided some history on Rainforest Recovery Center (RRC), a 16-bed residential and outpatient treatment center for people with substance use disorders. He said RRC was formed as the Juneau Recovery Hospital in 1980 and was operated by CBJ until 2000; after 2000 different parts of the operation went to JAMHI, Juneau Youth Services, and Bartlett Regional Hospital. He said in its last year of operation under CBJ there was about a \$1 million loss and when BRH took over the program CBJ provided about \$937,000 subsidy funding plus funding from a state grant that covered that \$1 million loss. He said over time the subsidy from CBJ has gone away. He said the first time that BRH operated it, there was a \$1.6 million subsidy, and that subsidy has gone

away. In BRH's FY25 budget, they expect an anticipated loss of approximately \$800,000. Approximately 40% of patients are Juneau residents and 60% are from elsewhere in Southeast Alaska. He said almost 90% are on Medicaid and about half are SEARHC beneficiaries. He said most people only utilize the program once; only a very small minority of people received care multiple times in the last three years. Mr. Mertz outlined various BRH Board recommendations, which was to look for a third party to operate the program and if no third party could be found to close the program. He noted that the program could be retained if CBJ chose to provide a dedicated subsidy and noted that any organization that took over this program would probably require a dedicated subsidy. He said if BRH closed RRC there are other providers in Alaska, including seven in Anchorage, but there is no other care of this level in Juneau.

Ms. Hughes-Skandijs asked if RRC was operating at capacity. Kim McDowell, Chief Operating Officer, said RRC had been operating at eight beds for a variety of reasons but has recently returned to 16 beds. Mr. Worden noted that adding additional Medicaid patients increases the total deficit as the reimbursement rate is lower than the cost of the program, so it does not help from a financial standpoint but does help provide more services to the community. Mayor Weldon asked if other communities that are sending residents could help provide subsidies. Mr. Mertz said it would be complicated and suggested that perhaps they could create a negotiated agreement with SEARHC to cover the cost of some of their beneficiaries.

Mr. Mertz talked about the Applied Behavioral Analysis (ABA) program, which provided support services to children on the autism spectrum. He said this was a Juneau School District program until 2021 when it was moved to BRH. He said the ABA's two board certified providers have given their resignation effective in June and notified Bartlett that they plan to go into private practice. He said the Board's recommendation was to support the departing staff in the start up of the new ABA program through private practice. He noted that under BRH, this program had been estimated to produce a \$650,000 deficit for FY25. Ms. Hughes-Skandijs asked what support BRH could offer. Mr. Worden said they could sell the current program equipment to the new provider at a low price and make sure patients are moved over seamlessly.

Mr. Mertz talked about the adolescent Crisis Center which is split between Crisis Observation Services (COS) and Crisis Stabilization Services (CSS). He said Bartlett had a new building for the Crisis Center which cost \$60 million to build. He said the FY25 budget estimated a \$2.2 million deficit for the two crisis services, which did not include the debt service for the building or administrative overhead. He said the original projections before opening the building in FY24 assumed 150% of the national average for revenue, but they are realizing less than the national average in revenue. He said this program is new and in a couple of years it may be revenue neutral, but that BRH does not have the time to wait. Ms. Hughes-Skandijs asked if this program could be scaled back to reduce operating costs. Mr. Mertz said they are currently staffing the program at minimal levels and mostly with contract labor. He said there are operational issues because of the layout of the facility. Ms. Woll asked if there were other services in the community that are similar. Mr. Mertz said there are no other services at this level in town. Ms. McDowell said one limitation they have is that they are a seven-day residential facility, and many adolescents need four to six weeks of residential treatment. Ms. Hughes-Skandijs asked if this unit could become a longer-term unit. Ms. McDowell said the current unit is not a locked unit and it would require a significant redesign of the building to allow for different services. Mr. Mertz said the Board's recommendation was to close the Crisis Center and use the building for other programs. He said the Crisis Center programs could be retained if CBJ chose to provide a subsidy.

Mr. Mertz discussed Bartlett Outpatient Psychiatric Services (BOPS), which includes services such as psychiatric evaluations, psychotherapy, medication-assisted treatment, and more. He said it has been provided by Bartlett since the 1990s and worked well until Covid. He said FTEs increased from 5.41 in 2019 to 11.67 in 2020 and is 12.4 in 2024. Mr. Mertz said the FY25 budget forecasted a \$1.2 million deficit, down from the previous year's almost \$3 million deficit. He said the Board recommends managing this as a core service of the hospital and that management is working to realign the staffing of this program.

Mr. Mertz discussed home health and hospice services and noted that he was talking about these programs together because staff worked in both fields and the programs share leased space. He provided some history on

Hospice and Home Care (HHC) in Juneau, including their transition between three different entities over time. He said hospice especially tends to have a lot of community support and noted that the Juneau Community Foundation currently has a fund created by local philanthropist Verna Carrigan for hospice care. He said when looking at home health and hospice budget numbers, it does not include any community support or donations but that is an area of potential growth. He said for FY25 they are estimating a combined loss of \$1.3 million. He said BRH started operating hospice and home care services in July and are still going through a certification process – after that certification process is complete, they can start billing for services. Ms. Hughes-Skandijs asked about billing. Mr. Worden said reimbursement for hospice favors longer stays. He said home health programs are relatively unprofitable and the only places where he has seen it be profitable were when entities paid on a per-visit basis and not a salary basis. He said the assumption was that hospice would buoy home health, which is why they combined the programs. Mr. Mertz said the Board understands the importance of these programs to the community and will work to make them financially break even, or look for a third-party operator, or pursue permanent subsidization.

Mr. Mertz said in the last two years they have gone from having 160 days of cash on hand to 70 days of cash on hand; he said best practices put cash reserves at 160-180 days. Mr. Kohn said since Covid about 125 hospitals have closed a year. He noted in other communities you could go to a different hospital, where in Juneau you cannot. Ms. Peterson said they love and care about all of the programs and do not want to close any of them but must because otherwise the entire hospital is at risk.

3. Discussion on Fiscal Sustainability of BRH Programs

Mayor Weldon summarized that potential Assembly subsidization of Rainforest Recovery Center, Crisis Center, and Home Health and Hospice would come to \$4.4 million. Mayor Weldon said she would like to see BRH hold on to Home Health and Hospice for a while more to see if it could be profitable, as they only started operating it in July 2023.

Mr. Bryson asked about SEARHC's impact on the hospital. Mr. Mertz said SEARHC has dramatically changed healthcare in Juneau in the last five years, but it has had more impact on small providers than the hospital. He said Juneau does not want to end up with one organization having a monopoly on health care. Wáahlaal Gídaag said most rural communities in Alaska have a single option for health services and are doing fine.

Ms. Hale said it is common for communities to provide a subsidy for community hospitals. She said any subsidy provided needs to be stable.

4. Next Steps

Mr. Solomon-Gross talked about community opportunities for input before final decisions will be made by the BRH board.

E. AGENDA TOPICS - Assembly Only

5. City Attorney Recruitment

MOTION by Ms. Hale to establish a City Attorney Search Committee with Christine Woll as Chair and members Michelle Hale, Wade Bryson, and Ella Adkison and asked for unanimous consent.

Hearing no objection, the motion passed by unanimous consent.

Mr. Hargrave asked for direction on how the Assembly wanted the recruitment process to look, with the option of selecting an executive search firm, in-house recruitment, or a blended effort where the city only pays if the Assembly selected a final candidate found by a recruitment firm.

After discussion, the Assembly decided to use a blended effort.

F. SUPPLEMENTAL MATERIALS

G. ADJOURNMENT

There being no further business to come before the Assembly, the meeting adjourned at 8:36 pm.

Signed: _____

*Elizabeth J. McEwen
Municipal Clerk*

Signed: _____

*Beth A. Weldon
Mayor*