

Bartlett Regional Hospital

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Finance Committee Meeting Minutes BRH Boardroom – December 5, 2018

Called to order at 7:02 a.m. by Finance Committee Chair, Lance Stevens.

Finance Committee & Board Members: Lance Stevens, Brenda Knapp, Marshal Kendziorek, Dr. Bob Urata.

Staff: Charles “Chuck” Bill, CEO, Kevin Benson, CFO, Karen Taug, Controller, Rose Lawhorne, Asst CCO, Bradley Grigg, CBHO, Dallas Hargrave, HR Director, and Megan Taylor, Executive Assistant

Guest: Dr. Schwarting

Dr. Urata made a MOTION to approve the minutes from the November 14, 2018 Finance Committee Meeting with a minor spelling correction. Mr. Stevens seconded and they were approved.

October 2018 Finance Review – Kevin Benson, CFO

October was a good month, consistent with expectations. Dr. Urata inquired as to why in-patient surgeries were higher than expected. Mr. Bill explains that upon reviewing the schedule, some of the busiest surgeons were on vacation in September, and that the increased numbers for October were likely a result of some “catch up”. Capital spending is at 22% for the FY and we’re 1/3rd of the way through it. Lance inquired about one of the bullet points listed in the summary regarding lawsuits that were settled, and requested clarification on them. It appeared that through CBJ Risk and Law departments, there were several nuisance settlements and a couple moderate ones (< \$100,000) that were as old as June 2016. Committee is unclear as to why these existed largely under the radar. Mr. Kendziorek expressed concern at the lack of communication between CBJ and Bartlett about these suits. Mr. Stevens encourages investigating these before the BOD Meeting on December 11, 2018 in case they have questions about it.

Robotics Discussion

Mr. Benson presented his analysis of impact on BRH operations. 1-2 cases per week would likely be eligible for robotics. Dr. Urata expressed concern about feasibility of introducing a robot to a small hospital. Dr. Schwarting spoke to his concerns of not just the cost of keeping physicians proficient enough with the technology, but of keeping staff current on different policies and procedures that will apply. Most of the OR staff is travelers because it is difficult to retain staff due to their call schedule. He expressed his support for a third party feasibility study, as well as seeking out hospitals that have implemented it and investigating if they feel it worth it – why or why not. Another area he recommended researching was whether schools in the Northwest are training for robotics and if that is an area that graduates are seeking out when they’re done. He notes Bartlett is known for our outstanding and personalized service to the community, and he questions if the same quality care can be maintained through robotics. Ms. Knapp suggests the decision be made based on future needs and recruitment potential. She recommends holding off on making a decision until a thorough third party feasibility study and assessment can be done, and we can gather more information from other entities. Mr. Bill notes that as part of the rural demonstration project we would get 20% back, and we can look into a lease type option – if the program isn’t worth it at the end of five years, we could sell it back to them to recoup much of the cost. Mr. Stevens noted hospital in Anchorage is getting a robotics program and if we are waiting, we should see what we can glean from their implementation. Insurance coverage was an additional concern. If it

would be cheaper to insurance to fly the patient elsewhere to have surgery done (non-robotically) then a spiral begins. If elective surgeries are being relocated, then local surgeons begin relying on emergency surgeries, and it becomes difficult to maintain surgeon's hours and schedule.

Final thoughts: Present to board the need to conduct a feasibility study, performed by a non-biased third party. In the meantime, research other entities' conclusions, and future market demand potential. Find out if a lease option is available, and if so, what that would mean for the rural demonstration project contribution if the lease was ended. Chuck and Kevin will meet with OR staff to come up with a list of questions that should be answered as part of the feasibility study.

Next Meeting: January 9, 2019 at 7:00 a.m. in BRH Boardroom

Adjourned – 7:58 a.m.