

Bartlett Regional Hospital

Agenda

Governance Committee Meeting
Monday, August 12, 2019; 12:30 p.m.
Bartlett Regional Hospital - Boardroom

Mission Statement

Bartlett Regional Hospital provides its community with quality, patient-centered care in a sustainable manner.

- I. CALL TO ORDER**
- II. APPROVAL OF THE MINUTES – July 16, 2019 Governance Committee (Page 2)**
- III. AFFILIATION ANALYSIS RFP – (Page 3)**
- IV. COMMENTS**
- V. ADJOURN**

Bartlett Regional Hospital

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**Governance Committee Meeting
Minutes
Tuesday, July 16, 2019; 12:30 p.m.
Bartlett Regional Hospital - Boardroom**

Called to order at 12:31 p.m. by Brenda Knapp, Committee Chair

Attendance:

Committee Members: Brenda Knapp, Rosemary Hagevig and Kenny Solomon-Gross

BRH Staff: Chuck Bill, CEO, Rose Lawhorne, CNO, Dallas Hargrave, HR Director, Megan Costello, CLO and Suzette Nelson, Executive Assistant

Ms. Hagevig made a MOTION to approve the minutes from May 24, 2019.

Mr. Solomon - Gross seconded and they were approved as amended.

Updates on Affiliation Options: Mr. Bill shared a handout from the Juniper Company that some board members met with at the April Governance Institute training. Mr. Bill reached out to a number of hospitals in the state and Central Peninsula has used Juniper. He will work with CBJ procurement to develop an RFP to solicit bids for this affiliation analysis. We would have to define specifically what we'd want out of the project while we put together the RFP. The medical community does have concerns with the effects and the committee is aware but wanting to be prepared for the future.

Mr. Bill acknowledged that he will come back with a detailed RFP with specific language for the committee to review. The next step will be presenting this to the full board for assessment. In the meantime, we will continue to work on expanding our affiliations.

Board Oversight of Physician Recruitment: Coming through the planning committee, we will do a thorough community healthcare needs assessment. This is a study that the federal government requires all non-governmental hospitals to do every couple of years. BRH is not required but part of the study is physician needs assessments which we think we need to update since it's been three years. The intent is to get this done before the Strategic Planning session in December. CBJ is currently working on the RFP.

Next Committee Meeting: August 12, 12:30 pm.

Future Agenda Item: Affiliation Analysis RFP

Adjourned at 1:09 p.m.

BARTLETT REGIONAL HOSPITAL AFFILIATION OPTIONS ANALYSIS

Bartlett Regional Hospital (BRH) is seeking to retain an advisor to assist its board and management in considering its situation, the feasibility of remaining independent, and available strategic alternatives. In that regard, we would like to develop an enhanced understanding of BRH's business, medical, and market circumstance, and the range of options, involving ownership change and no ownership change, which might be available.

BRH is an independent, sole community hospital owned and operated by the City and Borough of Juneau located in Juneau, AK. Its primary facility is a 73 bed full-service acute care hospital. Management and our board believe BRH has a strong financial and market position. However, in light of changes in the hospital industry, we would like to proactively consider the potential for change. Please respond to the following questions:

General qualifications

- Overview of your firm, its history, ownership, industries served, and product offerings.
- How many comparable assignments have you completed? Of these, how many clients elected to remain independent and how many sought a partner.
 - Describe several comparable engagements with similar systems, including clients in Alaska.
 - Please review your experience in advising local-government-owned hospitals in business combination transactions. These would include hospitals whose assets or business, or both, are owned by either counties, boroughs, parishes, cities, or districts.
- Which team of people from your firm would be dedicated to this project?
 - Describe their backgrounds and relevant experience?
 - How many of the assignments referred to in the previous question were these individuals involved in.
 - How long has this group of individuals worked together?
 - What is their role within your organization?
 - Are the individuals specialists in m&a or generalists?
- How will other departments at your firm work together on this project? Who will oversee the project?
- Describe a creative example of a hospital partnership or affiliation agreement developed by your firm.
- Does your firm currently have any relationships or business activities with any company that has hospital operations in Alaska?
 - Do you have existing engagements or on-going roles with any potential partners for BRH, including investor-owned companies as well as tribally-run or affiliated hospital or healthcare entities?
 - Has your firm provided advisory, underwriting, consulting services, or other products for any of these companies?

- Please provide your view of the most important elements in the selection of an advisor.

Approach to the Engagement

- Describe your approach to BRH's needs and objectives and the process you would recommend in order to consider its situation, options, and potential transaction alternatives.
 - What information needs would you have?
- Describe your anticipated interaction with the Board of BRH, including your experience working with special committees.
- Which commercial and organizational factors would you consider most relevant to helping BRH develop an understanding of its situation?
- Your view regarding the impact of market developments in Alaska, and nationally, on BRH.
- How would you expect to consider the role of BRH's medical staff in your process?
- Should BRH elect to consider some form of business combination, please provide the following input:
 - Please describe the relevant transaction forms to consider; describe the economic and cash flow implications of each.
 - What types of possible sale processes exist, describe the pros and cons of each?
 - Are there likely to be one or multiple steps in the selected process?
 - Describe the services and advice that you would provide during each step of a transaction.
 - What financial and non-financial issues are present in transactions of this sort?
 - Are there any economic tradeoffs between these?
 - What are the likely financial variables in these tradeoffs?
 - What is your experience with state Attorneys General?
 - Has a transaction you were advising on ever been challenged by a regulatory agency.
- What are typical risk exchange trade-offs in transactions of this sort?
 - Where would the largest elements of transaction risk lie?
 - Have you ever advised on a transaction where a letter of intent was signed that failed to close?
- How can we retain management during the pendency of a potential transaction?
 - Is it appropriate to grant severance arrangements?
- Please provide references, including for those clients that elected to seek a partner and those that elected to remain independent. Please include references from physicians who were not board members.
- Please estimate the amount of time involved for each phase of your proposed advisory work. What time commitment, on the part of board members and management, would you expect?

- Describe your approach and philosophy regarding compensation arrangements that you are willing to consider.
- Please provide proposed fees.
- How would this project be communicated to the Medical Staff, employees and public to minimize unwarranted anxiety?