

Bartlett Regional Hospital

3260 Hospital Drive • Juneau, Alaska 99801 • Telephone: 907-796-8900

December 29, 2009

Rod Swope
City Manager
City and Borough of Juneau
155 South Seward Street
Juneau, AK 99801
Fax: 907 586-5385

Re: Passenger Fee Proceeds Fund Proposal

Dear Mr. Swope:

We would like to participate in the Passenger Fee Proceeds Fund as we provide medical services to cruise ship passengers from April to October each year. We are requesting \$114,650 from the fund to offset the direct impact of the increase in patient load caused by the cruise ship industry to hospital staffing requirements and revenue shortfalls.

These funds will enable us to continue to maintain excellent care of our summer visitors in 2010.

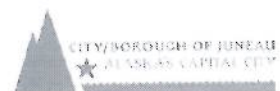
Happy New Year!

Sincerely,



Shawn D. Morrow, CEO

Attachment:



Bartlett Regional Hospital

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Passenger Fee Proceeds Fund Proposal

Purpose: To cover costs associated with providing timely medical care to cruise ship passengers.

Description of Need:

Bartlett Regional Hospital addresses the safety and accessibility of cruise ship passengers by providing timely medical care to passengers with serious illness, injury, or needing medical diagnosis or hospitalization. From May to September each year, cruise ship passengers increase the patient load by 11% in the emergency department and inpatient units by 13%. While every department is affected, the greatest impact is experienced by our emergency, case management, and billing departments.

The emergency department is the initial point of entry for injured or ill cruise ship passengers. Each summer our emergency department experiences a significant increase in patient load due to cruise passenger visits. In summer 2009, cruise ship passengers accounted for 589 emergency department visits (11% of all ED visits May through September). To meet this increase, certified nursing staff is contracted on a temporary basis at a cost of \$50,000 (\$10,000 per month for five months). Juneau does not have an adequate skilled labor pool from which to draw certified nurses so they must be hired from out of town.

Passengers who were admitted as inpatients accounted for 13% of inpatients in the summer 2009. The case management department spent 616 hours from May to September assisting these patients with insurance and financial issues, arranging transportation and air ambulance services, obtaining medical equipment, and facilitating out-of-home placements care. The case management staff handles discharge planning and care coordination with the patient's family and physician. Discharge planning for cruise ship passengers, who come from all over the world, it is complicated and therefore more time consuming than for Juneau based patients. The cost of this passenger care was \$35,018 (616 hours at \$38.54 average staff hourly wage plus benefits).

With the downturn in the national economy, a greater number of our cruise ship passenger patients weren't able to pay their bills, a 29.6% increase over 2008. This lessens our ability to absorb the costs associated with servicing the cruise ship passenger.

The hospital's bad debt percentage of net patient revenue has increased from 5.5% in FY 02 to 7.5% in FY10 (projected). We expect this trend to continue. According to the Advisory Board Company (a membership based research/consulting firm to hospitals and health systems) increased uncompensated care will be one of the likely impacts of the economic downturn. The American Hospital Association survey indicates that the nations not for profit hospitals experienced a trend in increasing bad debt percentage from 6.0% in 2005 to 6.6% in 2007, a



nations not for profit hospitals experienced a trend in increasing bad debt percentage from 6.0% in 2005 to 6.6% in 2007, a trend noted prior to the 2008 economic downturn. Unfortunately, Bartlett follows this bad debt trend. For the past three fiscal years, cruise ship passengers have accounted for an **annual average 4.5%** of all Bartlett Regional hospital patients (inpatients and outpatients).

Funding request:

Our proposed project is the continuance of our cruise passenger services for 2009 based on 2009 impact figures. We are requesting **\$114,650** from the Passenger Fee Proceeds Fund to offset the cost of this impact for 2009.

Cruise Ship Passenger Bad Debt	\$ 29,632
Summer months ED contract nursing staff	\$50,000
Case Management Inpatient Care	\$ <u>35,018</u>
TOTAL	\$114,650

Description of impacts:

Bad Debt Impact

For the past three fiscal years, cruise ship passengers have accounted for annual average 4.5% of all hospital patients (inpatients and outpatients). The hospital bad debt incurred through cruise ship passengers for 2009 is \$29,632.

Emergency Department Impact

For the past three summers (May through September), cruise ship passengers have accounted for an average of 11% increase in patient visits to the emergency department, the initial point of entry for inpatients and outpatients seen at Bartlett. In 2009, to meet this increased patient load, the hospital incurred skilled labor contract costs of \$50,000.

Case Management Impact

Cruise ship passengers accounted for 13% of inpatients from May through September in 2009. The case management department spent 616 hours providing services to these patients. The cost of staff time incurred by the hospital is \$35,018.

Benefit of this proposal:

The benefit is to offset the direct impact of the increase in patient load caused by the cruise ship industry to hospital staffing requirements and revenue shortfalls.