

Sitka's Integrated Healthcare System

AUGUST 2019 — FEBRUARY 2020

Letter from Charles Clement

The SouthEast Alaska Regional Health Consortium (SEARHC) and The City and Borough of Sitka (CBS) have been working together toward a common vision of creating a premier healthcare delivery system for Sitka. Effective August 1, 2019, Sitka Community Hospital (SCH) closed and staff worked together to create an integrated team to serve Sitka's healthcare needs.

Throughout the transition, SEARHC created a collaborative and transparent transition for partners, patients, and employees, while continuing to provide quality healthcare experiences for Sitka residents and visitors.

In the spirit of collaboration and transparency, SEARHC implemented 27 transition teams during 2019, including primary care, surgery, nursing, human resources, IT, medical staff, and more, to review policies and processes from each organization and determine best practices for the merger.

Deliberate coordination and communication with key leadership of SEARHC and SCH ensured commitments from the teams, and over the last six months, transition successes include:

- Continued and expanded delivery of high-quality healthcare, including all former services and specialties highlighted by CBS
- SEARHC has filed all necessary accreditation paperwork for acquired services and has ensured that SCH has completed all regulatory hospital closure requirements
- Effective and prolific communication to the multitude of constituencies affected by the transition
- Employment offered to all SCH employees and providers who met SEARHC licensing and credentialing standards and standards of conduct
- Continued evidence of a sustainable financial model
- Establishment of the Sitka Community Health Council

Guided by our values of respect, service, cultural identity, professionalism, and compassion, SEARHC has developed a comprehensive system that responds to the needs of all community residents. Our shared goal of increasing service lines and access to care has been and will continue to be achieved. We are committed to the community of Sitka.

I am pleased to provide the following report on the status of the transition.

Sincerely,



Charles Clement



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DELIVERING HIGH-QUALITY HEALTHCARE





Delivering High-Quality Healthcare

Continuing Interim Services

Throughout the transition and into the future, all Sitka residents and visitors can expect to receive high-quality healthcare services from SEARHC, including all former services and specialties offered by SCH and highlighted by CBS.

Pursuant to Schedule 6.15(b), Continuing Interim Services, SEARHC has continued to provide all services requested by CBS, with similar or expanded scope and level of access. The following charts outline acute, outpatient, skilled nursing, specialty, and other services, as well as their service locations in Sitka.

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I really liked my job at Sitka Community Hospital and was nervous about what work would be like after the transition. When I arrived at SEARHC in August, I was greeted warmly. My co-worker Sarah even made a nice welcome back sign, which meant a lot. My co-workers have been helpful and patient so my transition has been very smooth. What a relief!

It all worked out and it's nice to have the stress, change, and uncertainty part of the last several years resolved. Because SEARHC is bigger and financially stronger, employees don't have to worry about the organization's future in the way we did at Sitka Community. To top it off, I've had very positive experiences as a patient and seen improvements like the new free health coaching program that started this month. I'm very pleased with SEARHC, my position, and how things have unfolded.

— Doug Osborne, Health Educator, Sitka

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Acute Care

Service Description	Status	Service Location
Inpatient Medical	Complete	Mt. Edgecumbe Medical Center

Ancillary and Support Services

Respiratory Therapy	Complete	Mt. Edgecumbe Medical Center
Radiology	Complete	Mt. Edgecumbe Medical Center
Laboratory (including blood bank)	Complete	Mt. Edgecumbe Medical Center

Rehabilitation Services

Physical Therapy	Complete	Mt. Edgecumbe Medical Center, Mountainside Rehabilitation Clinic, Sitka Physical Therapy
Occupational Therapy	Complete	Mt. Edgecumbe Medical Center, Mountainside Rehabilitation Clinic
Speech Therapy	Complete	Mt. Edgecumbe Medical Center, Mountainside Rehabilitation Clinic

Hospital Services

Surgery (inpatient and outpatient)	Complete	Mt. Edgecumbe Medical Center
Obstetrical Services	Complete	Mt. Edgecumbe Medical Center
Emergency Department Services	Complete	Mt. Edgecumbe Medical Center
Swing Bed Services	Complete	Mt. Edgecumbe Medical Center

Skilled Nursing Facility

Service Description	Status	Service Location
Long-Term Care Services	Complete	Sitka Long-Term Care

Visiting Specialty Clinics *All specialty clinics are held at Mt. Edgecumbe Medical Center*

Cardiology	Complete	August 29-30, September 10-11, September 28, October 21-23, November 26-27, December 12-14, December 26-28, January 17-18, February 4, February 11-12, February 26-27
Allergy-Immunology	Complete	Q1 2020 Launch
ENT	Complete	September 19-20, September 23-27, October 21-25, November 7-8, November 11-15, December 5-6, January 22-24
Podiatry	Complete	September 25-26, November 20-21, December 5-6, January 15-16
Sleep Medicine	Complete	Q2 2020 Launch (monthly field clinic commitment from Swedish)
Rheumatology	Complete	August 22-23, October 4, October 18, November 22, January 9-10, January 13-14, January 31, February 6-7
ENT	Complete	February 20
Neurology	Complete	September 12-13, October 29-30, November 7-8, January 28-29, February 13-14, February 26-27
Pediatric Cardiology	Complete	August 6
Dermatology	Complete	August 5-6, September 16-17, October 7-8, October 28-29, December 16-17, January 22-24
Ophthalmology	Complete	September 17-19, January 28-30
Urology	Complete	September 18-19, September 26-27, October 15-16, December 10-11, January 7-8, February 18-19
Pediatric Endocrinology	Complete	September 23-24

Outpatient Services

Primary Care Clinic	Complete	Mt. Edgecumbe Medical Center, Sitka Medical Center, Mountainside Family Clinic
Walk-In Clinic	Complete	Mountainside Urgent Care
Infusion Services	Complete	Mt. Edgecumbe Medical Center
Home Health	Complete	SEARHC Home Health Office
FASD Assessment Services	Complete	Mountainside Rehabilitation Clinic

Other Services

Service Description	Status	Service Location
Attending provider assigned for Sitka Pioneer Home patients who qualify for an Intermediate Care Facility	Complete	Sitka Pioneer Home
Food Services/Dietary (including meal service to the jail)	Complete	Mt. Edgecumbe Medical Center, Sitka Long-Term Care
Laundry (including laundry for EMS and the jail)	Complete	Mt. Edgecumbe Medical Center, Sitka Long-Term Care

EXPANSIONS





Expansions

Growth in Services

Since August 2019, SEARHC has been building efficiencies to support the premier healthcare delivery system for Sitka by eliminating duplication and combining operations, thereby allowing SEARHC to staff at a better level of care.

Efficiencies have already started to allow for growth. In addition to the added offerings of SCH, SEARHC expanded specialty care access to ENT, cardiology, urology and dermatology services in Sitka during 2019. This allows the opportunity for each and every Sitka resident to receive increased access to providers here at home, including more access to specialty care than ever before.

In 2020 and beyond, we are committed to providing enhanced, quality and sustainable services to the community of Sitka that is responsive to the needs of patients and residents. Planned growth includes expansion into bariatric surgery, as well as continuing to ensure improved access to services through the development of a new hospital on the MEMC campus.

Access to service continues to improve, while Sitka patients have increased by 30 percent, wait times have not gone up. Patient surveys for FY19 Q4 and FY20 Q1 showcase an overall satisfactory rating of 99 percent.



Today I saw a visiting neurologist, the first neurologist I've seen in over a year and a half. When our small-town hospital shut down at the end of July and was purchased by SEARHC, the regional Native Health Hospital, we were worried that we'd have fewer options for healthcare. I'm happy to report that our worries seemed to be unfounded. SEARHC has added several visiting specialists to their schedule, and one of the specialties is a neurologist. Ends up that the doctor I saw today has recently retired after a long career at Swedish Hospital in Seattle. He said as a new experience, he will be coming to Sitka every three months.

Frankly, I hate going to the doctor, but today was an exception and I'm looking forward to seeing him again in three months. After that visit, I'll likely plan on seeing him every six months.

ALS sucks, but life is good, and it's good to know that even in our remote little Alaskan town, we have access to excellent healthcare without having to travel out of town.

— Patient testimonial, Facebook, 2019



EMPLOYMENT





Employment

SEARHC's commitment to a smooth employee integration process is a prime objective toward being the employer of choice for clinical providers and staff, and SEARHC will apply this commitment to all current and future employees.

To create a comfortable transition environment, SEARHC provided regular communication with employees about the status of the transition, staffing changes and timeline updates to ensure all staff felt informed. Communication came via bi-weekly employee updates, staff meetings, and departmental meetings. All pertinent information about the transition was communicated to current and new staff in a welcoming tone, and with an awareness of the sensitivity surrounding the acquisition. SEARHC also used these communications to familiarize SCH staff with SEARHC's processes, history, strategic priorities and our values-based culture.

To achieve transition objectives, SEARHC brought in a variety of experts, specializing in human resources, pension, facility, IT, and more, to ensure a positive experience for both organizations.

SEARHC offered employment to each and every SCH employee and provider in good standing and guaranteed like positions and benefits.

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There is still a sadness in me that SCH is no more. However, as I make Mt. Edgecumbe Medical Center my new professional home, I have found a sense of hope and excitement for the future. I spent the last 17 years working with incredible team members, creating a sense of community within a healthcare system. That has not changed with the merger. As I walk the halls of MEMC and engage in group meetings, the people to build incredible teams are still here and the need to create community within healthcare is still the goal. The exciting thing is that there is a larger pool of people to create teams with and the geographical campus has gotten larger. Knowing our patients and communities have the best group of healthcare members leading the way is key as we face any challenges that may lie ahead.

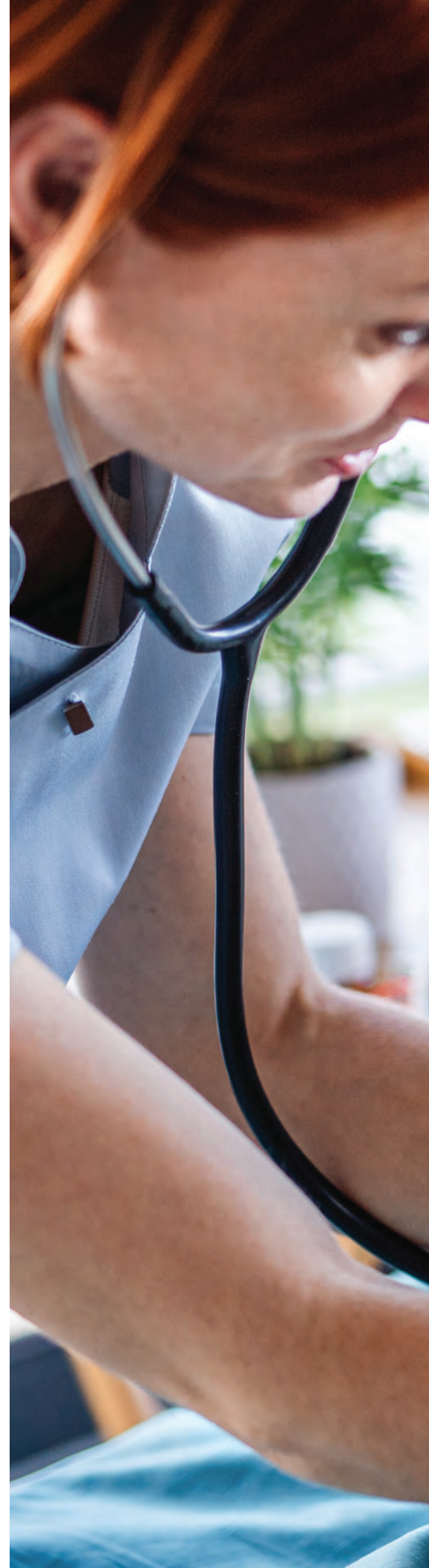
— Kateri “Kat” Richards, RN BSN, MEMC CNO, Sitka

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We are excited to announce that Kateri “Kat” Richards, RN BSN, has accepted the position of MEMC Chief Nursing Officer (CNO). Kat came to SEARHC from SCH and immediately assumed the position of Assistant CNO. Kat has nearly 25 years of bedside experience, including more than a decade of service in nursing leadership positions.

We would also like to recognize SEARHC Registered Nurse Teresa Remington, who earned the national infusion nurse certification on the heels of being named a finalist for the 2019 March of Dimes Alaska Nurse of the Year Award. Remington revived the infusion program at Sitka Community Hospital and seamlessly transitioned those services to Mt. Edgecumbe Medical Center. Infusion services offered at MEMC include chemotherapy, immunotherapy and supportive care. Remington is currently serving 50 patients every month, allowing them to receive high-quality treatment closer to home.

Now that SCH employees are onboarded, SEARHC will survey key leaders periodically to gather input on their transition experience at SEARHC. Throughout the last few years, our employee satisfaction scores have continued to improve. We attribute rising employee satisfaction scores in part to frequent communication and we will continue our efforts in this realm.





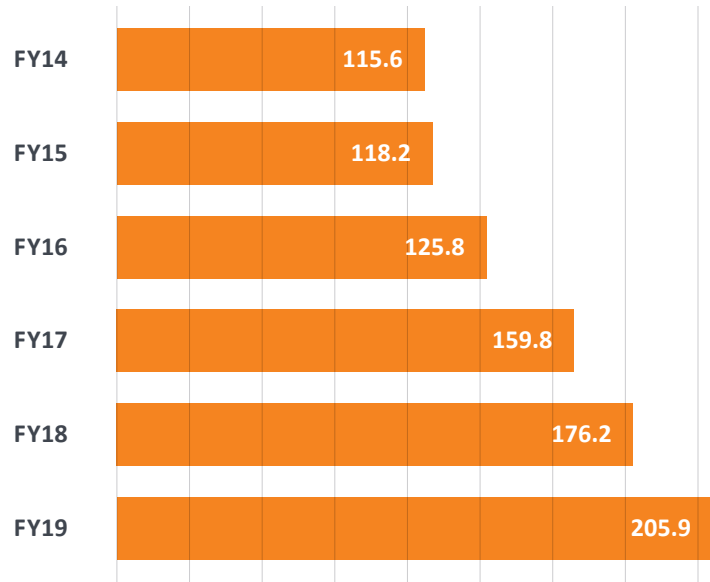
FINANCIAL SUSTAINABILITY





Financial Sustainability

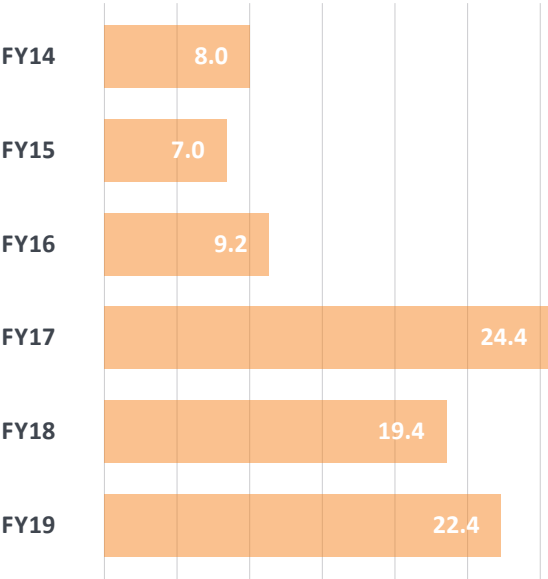
Total Revenue (\$ in MM)



SEARHC assumed all agreed to financial risk and responsibility for healthcare services in Sitka at the time of transition. The sustainable financial model allowed the CBS and SEARHC to create a thriving healthcare delivery system that everyone can count on for years to come.

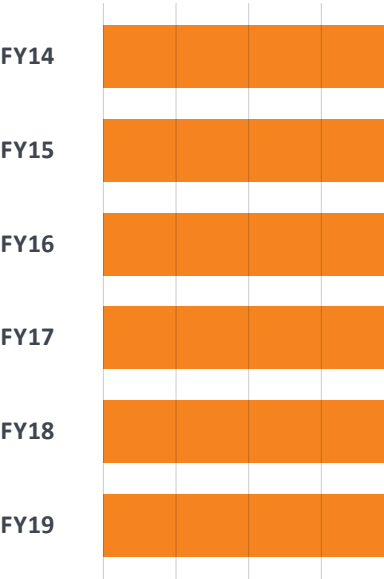


Net Income from Operations (\$ MM)

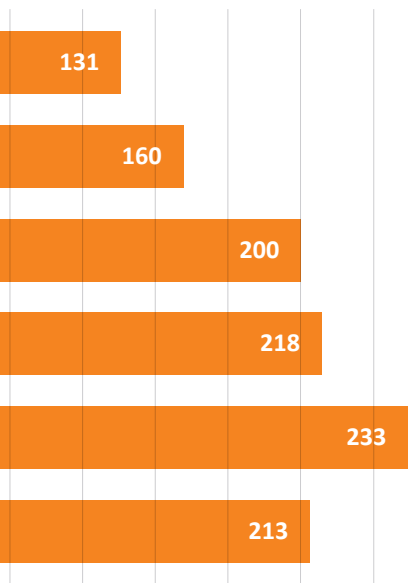


Review of SEARHC’s 5-year financial plan, annual audited statements, and key financial indicators were completed as part of the due diligence process. In addition, review of completed acquisitions and/or affiliations and the anticipated financial impact was part of the transition closing process.

Days Cash on Hand

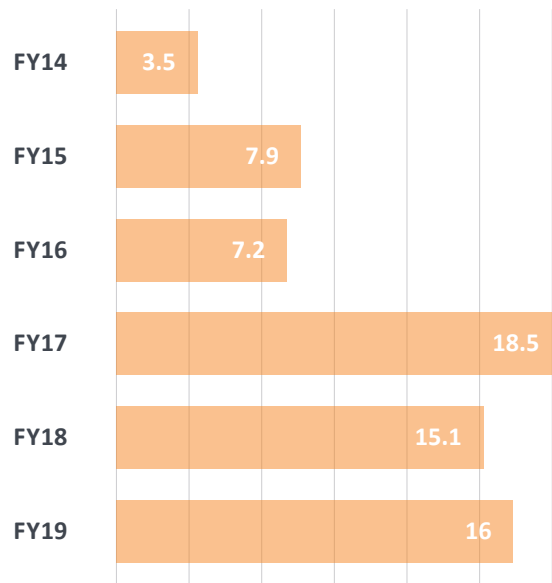


All necessary daily maintenance and repairs have been funded to support continued operations. The facility recently underwent significant capital improvements to enhance Sitka Long-Term Care and the Rehabilitation Clinic.



capital expenditures have
use at the SCH campus. The
nt remodel and upgrades to
provide space for Mountainside

Capital Spend (\$ MM)



SEARHC is committed to serving patients in difficult financial circumstances and will offer financial assistance to individuals who are unable to pay their hospital and/or clinic bills. Additionally, SEARHC offers a sliding scale discounted fee program that covers inpatient and outpatient services, including ancillary services, specialty, and surgical services.

GOVERNANCE + OVERSIGHT





Governance and Oversight

Update on Sitka Community Health Council

SEARHC's governance has established the Sitka Community Health Council to provide feedback regarding services, quality, and patient satisfaction. The Council's membership includes three members selected by SEARHC, and up to nine at-large members initially, jointly appointed by SEARHC and the CBS Assembly.

Members include:

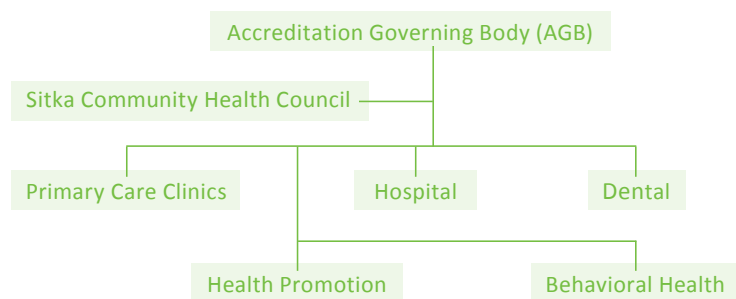
- John Leach, CBS Municipal Administrator
- Dave Miller, CBS At Large Member (1)
- Jay Sweeney, CBS At Large Member (1)
- Mary Ann Hall, SCH Hospital Board At Large Member (2)
- Dr. David Lam, SCH Hospital Board At Large Member (3)
- Dr. Richard Wein, SCH Hospital Board At Large Member (2)
- Fred Olsen Jr., STA At Large Member (2)
- Cayrn Coleman, STA At Large Member (3)
- Dr. Elliot Bruhl, SEARHC Representative
- Maegan Bosak, SEARHC At Large Member (3)
- Martha Pearson, SEARHC At Large Member (1)

Term limits identified in parentheses, in years.

The Council's responsibilities include providing:

- Feedback and information concerning the clinical and healthcare needs of the community to ensure these needs can be built into the planning process for SEARHC activities in Sitka
- Input relative to programs and services, quality of care, quality improvement, and patient satisfaction
- Input to ensure access to care, hiring practices, and core services remain the same

SEARHC Governance Structure



The Sitka Community Health Council met in November 2019 and is scheduled to meet in March 2020.

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SEARHC did great job taking care of my daughter. They are very good and I recommend to anyone who needs healthcare.

— Patient testimonial, Facebook 2019

I’ve learned many things working for SEARHC and the company has helped me remain responsible for my duties. They trust their employees and don’t micromanage.

— Staff testimonial, Indeed.com

I was able to get everything I needed from the SEARHC Patient Representative. The service was very fast and I much appreciated the follow-up call.

— Patient testimonial, SEARHC Hotline

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COMMUNICATIONS + MARKETING





Communications and Marketing Through the Transition

SEARHC's joint transition communications team collaborated with CBS and SCH to communicate pertinent information about the transition of SCH services to MEMC in a welcoming tone and with an awareness of the sensitivity surrounding the acquisition.

Communication to State and Local Agencies:

In accordance with state regulations, SEARHC and SCH completed all accreditation and regulatory requirements for closing the hospital, including providing the required notification of termination for all healthcare licenses and notification to appropriate federal and state agencies.

Communication to Sitka Residents:

Given the multitude of stakeholders affected by Sitka's medical system, communication with various groups was critical throughout the closure process. Key stakeholder groups included residents, patients, staff, community organizations, regional businesses, board members, and elected officials. To effectively reach all Sitka residents and visitors, SEARHC utilized a combination of paid, earned, and grassroots marketing tactics, including:

- Press releases
- Public service announcements
- External building signage
- Internal facility signage
- Direct mailer
- Newsprint ads
- Radio ads
- Digital paid search, display, and retargeting ads
- SCH transition website
- In-person presentations
- Distributed print pieces, including
 - Transition information cards
 - Flyers
 - A guide to healthcare in Sitka

Key messages included:

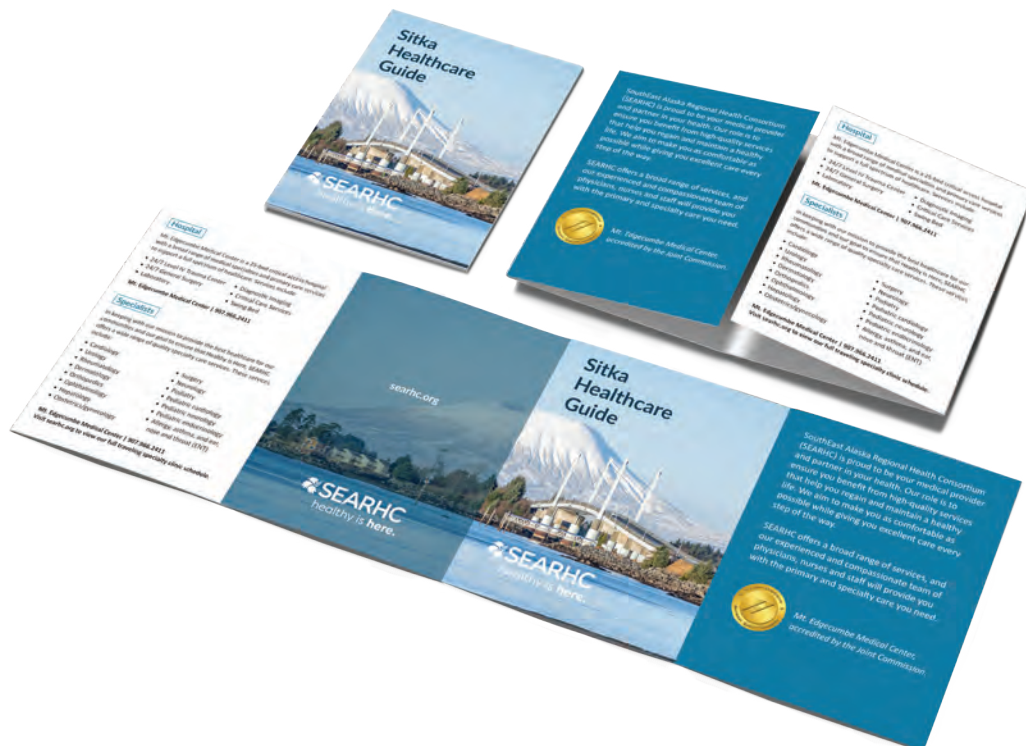
- Clearly communicating the dates of departmental shifts and closures
- Efficiently communicating the names and locations of all Sitka facilities

As part of the transition, there were name changes to a variety of facilities, including:

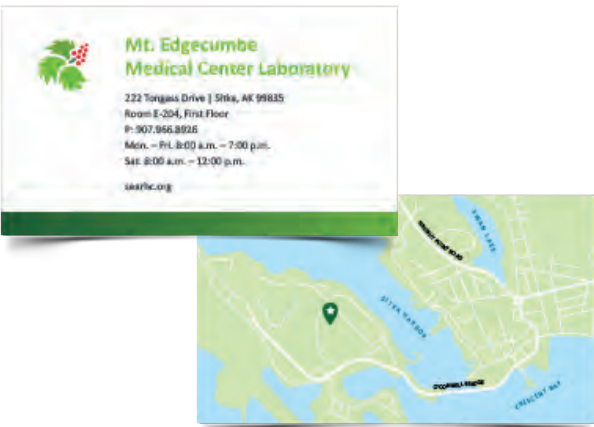
- Mt. Edgecumbe Hospital is now Mt. Edgecumbe Medical Center or MEMC
- Sitka Medical Center Express Care Clinic is now Mountainside Urgent Care
- Sitka Community Hospital is now Sitka Long-Term Care
- Oceanside Therapy Center is now Mountainside Rehabilitation Clinic

In addition, a hotline call in number and email address were created to address any questions or concerns. There were approximately 40 calls in total, all responded to or resolved within a 24 hours.

Healthcare Guide



Map Card



Print Ad



Direct Mailer





SEARHC

SOUTHEAST ALASKA REGIONAL HEALTH CONSORTIUM

searhc.org