

**CITY COUNCIL**

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Keith van den Broek  
James Kacsh  
David Allison  
Bret Bradford  
EJ Cheshier  
David Reggiani  
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**Acting CEO**

Stephen Sundby, PhD

**COUNCIL JOINT WORK SESSION WITH THE  
COMMUNITY HEALTH SERVICES BOARD  
JULY 6, 2011 @ 6:15 PM  
LIBRARY MEETING ROOM**

**AGENDA**

**A. CALL TO ORDER**

**B. ROLL CALL**

**COUNCIL** - Mayor James Kallander, Council members Keith van den Broek, James Kacsh, David Allison, Bret Bradford, EJ Cheshier, David Reggiani, and Robert Beedle

**HSB** - President David Allison, Board members Kristen Carpenter, Sandra Cleveland, EJ Cheshier, Tim Joyce, and Kerin Kramer.

**C. COMMUNICATIONS BY AND PETITIONS FROM VISITORS**

- 1. Audience Comments regarding agenda items

**D. WORKSESSION TOPIC**

- 2. Discussion of proposals and identification of follow-up..... (page 1)  
questions (if any) to ask proposers for further clarification

**E. AUDIENCE PARTICIPATION**

**F. COUNCIL AND BOARD MEMBER COMMENTS**

**G. ADJOURNMENT**

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- General

- o QHR's strategy to increase profitability?

**QHR's operating practices (outlined in the RFP) maximizes operational efficiencies, reimbursement, and margin improvement. QHR will provide CCMC with the strong leadership and support services necessary in establishing a stable medical staff, identifying service line enhancements, reducing out-migration, and working towards a more collaborative relationship with the CHC. Immediate emphasis will be given to selection of CEO, medical staff development plan, revenue cycle performance, labor/supply expense management, service line analysis, physician alignment and patient satisfaction/outcomes.**

- o An estimated cost for any positions that you would place in Cordova that the Hospital would be required to pay? (ie. CEO)

**Even though the CEO would be a QHR employee, the hospital governing body selects the individual and establishes the salary. QHR would provide regional salary information based on facility size and geographic location. We estimate the range would be \$150,000 - \$200,000. QHR benefit expenses are 25.5%.**

- o How will any deficits be handled?

**QHR does not participate/share in facility deficits or profits in any of our 150 management affiliations. There is a reason that we have a 97% renewal rate and the average length of our relationships exceeds 20 years. QHR has a proven track record of providing solutions that ensure long term viability for its managed clients.**

- o Can you provide a detailed fee schedule for any fees that might be needed in addition to the base proposal? And if there are any, what services would additional fees be used for? (some of this may be included in the questions below)

**See individual responses below.**

- Administrative

- o Does the contracted cost include off-site Board training?

**Educational program costs, including webinars and off-site are included in the contract fee for board, medical staff, management, and employees. The facility is responsible for travel and lodging expenses for those attending off-site training.**

- o Does the contracted cost include a consultant for accreditation?

**Yes - QHR has consultants that assist with facility preparation and perform mock surveys regarding State, CAH, and JCAHO accreditations.**

- o Does the contracted cost include assistance with grant writing?

**QHR utilizes a strategic service partner ( SSP ), Strategic Healthcare Services, located in Washington D.C. Our SSP relationship provides significant discounts to our clients that utilize their services. In addition, there are numerous, very successful individuals currently performing grant writing services in our managed facilities. They often times assist with grant writing, free of charge, for hospitals within the QHR network.**

- o Does the contracted cost include a consultant for EHR implementation?

**Yes - QHR would perform an assessment of your current IT/EHR status and provide a management plan to achieve meaningful use requirements.**

- Nursing Department

- o Does contract include staff education/training?

**Yes - QHR also sponsors an annual National Nursing Conference.**

- o Does contract include policy/procedure/program development?

**Yes - The QHR nursing consultant assigned to the facility would review existing policy/procedure documents and provide suggested changes. QHR has a strong nursing network in which nursing executives routine share departmental information and ideas. Program development within the practice of nursing is enhanced when you have direct access to over 150 other CNO's.**

- o Does contract include survey prep?

**Yes - see response above related to accreditations.**

- Sound Alternatives (Behavioral Health)

- o Does the contracted cost include consulting for Behavioral Health accreditation?

**QHR does not have consulting services for behavioral health accreditation. We have a strategic service partner relationship with Diamond Healthcare who provide our clients access to the service at a discounted rate.**

- o Does the contracted cost include assistance with recruiting staff?

**The contact provides access to our strategic service partners who perform recruitment at a significantly discounted fee. These SSP's were vetted based on recruitment process and placement success rate. QHR facilities are considered a priority in their recruitment efforts.**

**1. What is Providence's strategy to increase profitability?**

Providence's approach would be to focus first on opportunities to increase revenues:

- We would look at is whether Cordova is doing everything it can to maximize Medicare swing bed volumes;
- Secondly, we would implement eICU as a mechanism to care for a few additional patients locally instead of transferring them to a larger facility;
- We would look at adding new services that meet community needs and increase revenue – examples from other communities include, "fit for duty" occupational health testing, self-directed lab testing and bone density testing;
- We would work to increase visiting specialist services;
- We would analyze the current cost reports to ensure that no opportunities are missed;
- We would work closely with the FQHC to ensure that both programs meet community needs while sharing resources and avoiding unhealthy competition.

At the same time we will be looking at expense control and will make necessary changes to ensure that City money is spent efficiently and effectively. That said, we understand the importance of the hospital and nursing home as economic engines in small communities. In Valdez, we reduced the City subsidy to the hospital and nursing home from over \$1M to zero over the course of several years while increasing FTEs during the same period from 57 to 78. At this time we don't know if something similar is possible in Cordova, but this is what we would strive for.

**2. What is the length of your proposed contract?**

Four years.

**3. An estimated cost for any positions that you would place in Cordova?**

Administrator - \$200,000 with benefits included, Finance Manager - \$125,000 with benefits included.

**4. How will deficits be handled?**

The City will know at the time the budget is approved each year what, if any, projected deficit will be. Providence will budget conservatively; therefore the actual deficit should be less than the budgeted deficit. For example, in Valdez, Providence has always been able to perform well ahead of the budgeted deficits. We operate on the premise that the City Council should have "no surprises." If we ever anticipate that the deficit will be larger than budgeted, we would alert the City Manager and arrange to present to the City Council the reasons for the unanticipated deficit. Should this ever occur, the City will need to cover the deficit.

**5. What is the fee schedule for the additional services listed in your proposal?**

We are unable to offer an absolute number in the absence of detailed gap analysis and prioritization. However, any additional services will be detailed to include labor, benefit and any other costs whether paid to Providence or other unrelated entities.

We want to reiterate here that it is our intention to carefully review the current operation and prioritize areas needing attention so we can present a budget to the City that fits within the City's means and expectations.

**6. Can you provide ratios of additional fee costs to base contract costs?**

We would look to the City to tell us what the City can afford. For example, if the City said, you can spend no more than \$100,000 on additional services this year, we would go to our prioritized list and budget based on the most pressing needs.

**7. Does contracted cost include off-site Board training?**

Providence will provide Board training in Cordova to a local advisory board as part of the management fee. We would also offer one or two advisory board members the opportunity to attend our yearly governance retreat.

**8. Does contracted cost include a consultant for accreditation?**

Providence will conduct a Core Survey (this is essentially a mock Joint Commission survey) as we do in Valdez and Seward and provide consultation along with that survey process. This is included in the management fee.

**9. Does contracted cost include assistance with grant writing?**

No, grant writing would be part of additional services if it received a high prioritization.

**10. Does contracted cost include a consultant for EHR implementation?**

Providence is making a significant investment in the EPIC product and we are committed to that product. We can provide consultation of Cordova's readiness for this product as part of the management fee. Consultation will consist of readiness assessment, capital and operating cost estimates.

**11. Does contract include staff education and training?**

Providence offers a significant volume of training through an online system called HealthStream. We are checking to see whether this training could be made available to CCMC employees at a very minimal cost.

**12. Does contract include policy and procedure and program development?**

Yes.

**13. Does contract include survey prep?**

Yes.

**14. Does contract include consulting for Behavioral Health Accreditation?**

Yes.

**15. Does the contracted cost include help with recruiting staff?**

Yes, when part of a larger recruitment campaign. For example, if we are advertising for LCSW's in Anchorage, Kodiak and Wasilla, we can add Cordova to the list. A Cordova-specific campaign would be a separate charge.