

**CITY COUNCIL JOINT WORK SESSION WITH THE
COMMUNITY HEALTH SERVICES BOARD
JULY 20, 2011 IMMEDIATELY FOLLOWING THE 7:00 PM REGULAR MEETING
LIBRARY MEETING ROOM
MINUTES**

A. CALL TO ORDER

Vice Mayor Dave Reggiani called the Council Work Session to order at 9:04 pm on July 20, 2011 in the Library Meeting Room.

B. ROLL CALL

CITY COUNCIL

Present for roll call were *Mayor James Kallander* (present via teleconference), Council members *Keith van den Broek, David Allison, Bret Bradford, EJ Cheshier* (present via teleconference), *Dave Reggiani* and *Robert Beedle*. Council member *James Kacsh* was absent.

HEALTH SERVICES BOARD

Present for roll call were President *David Allison*, board members *Sandra Aspen, EJ Cheshier* and *Tim Joyce*. Health Services Board members *Kristin Carpenter* and *Kerin Kramer* were absent.

Also present was Acting City Manager *Cathy Sherman* and Deputy City Clerk *Robyn Kincaid*. Quorums of both City Council and Health Services Board were established.

C. DISCLOSURES OF CONFLICTS OF INTEREST - None

D. COMMUNICATIONS BY AND PETITIONS FROM VISITORS

1. Audience Comments regarding agenda items - None

E. WORK SESSION TOPIC

2. Health Care RFP responses – discussion with Nichole Hunt of Coding Concepts

Allison welcomed *Nichole Hunt* to the meeting and asked her to convey to them the results of her professional analysis of the RFP's. *Hunt* informed Council that she took 4 hours to review the RFP's and took lots of notes. She was very careful to be unbiased and provide them with facts and a professional opinion. She added that she had also requested that the employees of CCMC be allowed to review the RFP's and give their input in an unbiased fashion as well. She stated that she would have liked to have seen a more competitive selection between the RFP's. She explained the rating chart she had included in the packet she used to compare between the RFP's. She felt that PERS, long-term care and expanding services had not been adequately addressed by QHR and suggested asking for more detail on those items. *Hunt* stated that CCMC does not need someone to come hold their hand but to have someone come in, take control, and make some changes. She wanted to know if anyone had been in contact with other communities that utilize QHR and Providence. She added that it really comes down to whether or not the City Council and HSB want to have a governing board or an advisory board with the hospital. If they want a governing board there will have to be some more involvement in the day to day activities of the hospital. QHR offered to train the board members on the governing board to help make them capable of making informed decisions. If Council wants an advisory board then they will have to see if QHR is willing to operate that way in order to compare apples to apples with Providence who does propose an advisory board. To give a true opinion she felt she needed to know which way they wanted to go first. She did say that as someone who is coming in and trying to help CCMC move forward it is hard because they always feel like they are in limbo. She stated that having three different administrators in the three years

that she has been involved with CCMC is too much. There is a frustration from waiting to know the fate of CCMC. *Allison* stated he would like *Hunt* to be included in the rest of the discussions tonight. The Council and Board concurred. *Joyce* stated that *Hunt* hit the nail on the head. They are trying to decide that very thing as a body on whether they want to be advisory or governing. *Kallander* stated that City Manager *Mark Lynch* had interviewed some people from other communities near the start of the process and agreed with *Hunt* that the governing or advisory board is the defining question. He suggested that they could have an advisory board with contracting authority. *Beedle* opined that for ten years it has been the same situation, the City is always bailing the hospital out with money and for some reason we are still unwilling to let go of what hasn't worked. He suggested they let the third party do its job. What we have been doing has not worked and we could always terminate the contract.

3. HSB recommendation to City Council in re Health Care RFP responses

Allison stated that the HSB has decided to continue with the proposals from QHR and Providence for further discussions towards a decision. It comes down to what kind of board we want to have. No matter the decision a Charter change will have to be made, which will be a vote by the people. He added that non-voting members at the HSB meeting favored QHR because of a fear of Providence's reputation with their employees. If they decide to do a governing board then they will need to be trained and involved in the day to day activities. HSB had never had the status of being a trained and qualified board. He does feel that either choice will be a huge step forward from where we are now. He leans towards turning it over completely to a qualified trained company. *Bradford* inquired if QHR would work with an advisory or governing board. The answer was, yes, they could work with either and either choice would require a code change. *Allison* stated that QHR's proposal was not to take over completely; it was to provide a CEO for CCMC and utilize other services QHR has available. *Kallander* stated that having served several years on the HSB he is a strong proponent of a governing board. He has very strong feeling of turning it over to a third party because of all the internal and political issues in our community. He added that he thinks QHR and Providence both have pluses and minuses. He suggested that if there is any interest in QHR then to ask them if they would allow an advisory board. *Joyce* stated that even if QHR can manage the hospital/govern it with an advisory board both the proposals are for 4-5 year contracts. We would not want to just turn around and break a contract with them before they can really get going. The employees made some good points at the last HSB meeting. They were impressed with QHR and got a good feeling from them when they came to visit the hospital. He pointed out that with Providence we will never have a full-time long-term "this is my doctor" scenario. They rotate. If you want a consistent doctor you would still have to go to Anchorage. *Beedle* stated that the City Council does not work with employees other than the City Manager and the City Clerk, perhaps an advisory board could work the same way. The third party will have a Human Relations department to handle any employee grievances and issues. He stated they will have to let go of some of the control to the administrator or CEO. *Aspen* brought to their attention a news article from the Seward City news stating that Providence is requesting from them an additional \$750K for implementing and installing an Electronic Medical Records system. *Cheshier* agreed with *Kallander* on contacting QHR to see if they will be willing to work with an advisory board instead of a governing board. He added that he feels inadequate on the HSB to make decisions and a new governing board will have the same issues so he is leaning away from a governing board. *Reggiani* said he had two questions. Do we want a governing board or an advisory board? The RFP's are not comparative so it is hard to compare them to each other. The community has tried a governing board and it has not worked. He does not like the term "turn it over" because they will still have a contract. We are just hiring professionals to run the operations of the hospital for us. He stated that the HSB sounds complicated and it would be hard to be completely informed on that board in order to make good decisions. He would like to hire a professional to do all that work for them. He added that going to QHR with these questions will help the two proposals be more comparable. He stated that it sounds like

everyone is leaning towards an advisory board and away from a governing board. *Joyce* stated that he does not think the City can have a governing board any longer and make it function. We just aren't trained enough to be able to govern it appropriately. This process won't be cheap to start but he feels will be a big payoff in the end. *Allison* stated that the HSB would like to get the City Council's help in getting congressional help to acquire an Electronic Medical Records system. This will need to be done eventually, no matter what decisions are made. He leans towards an advisory board. *Beedle* inquired if the proposals included maintenance to the building. *Allison* stated that both proposals said they would bring a proposal to Council with a budget for facility maintenance and upgrades. *Bradford* said it sounds like everybody is interested in an advisory board and agreed that they should go back to QHR with the questions. *Aspen* agreed. *Allison* suggested they also ask the questions *Hunt* had in regards to PERS. *Hunt* added that they should also ask about long term care and expanding services. She agreed that the questions should go back to the proposers which will help in making the two comparable.

F. AUDIENCE PARTICIPATION

Mark Frohnafel, 828 Woodland Drive, stated that the hospital affiliations should be considered. QHR is affiliated with hospitals in Juneau and Providence with hospitals in Anchorage. Traveling for medical will still happen, it would be nice to know if QHR has options if we choose to go to Anchorage for extended medical care.

Jennifer Gibbens, 305 Browning Street, is in agreement with previous *Mayor Joyce* that we do not need a local governing board. She liked what *Nichole Hunt* had to say. She added that, as a patient, she is a big advocate of Providence because she has had fantastic experience with them. Don't forget the patient.

G. COUNCIL AND BOARD MEMBER COMMENTS

Joyce asked who will be going back with the questions. *Cathy Sherman*, Acting City Manager, stated that she can send a follow up letter to QHR with the list of questions and clarified that they would like a response by the August 3rd Regular Council Meeting. She received a response in the affirmative.

Kallander suggested that *Hunt* work with *Sherman* on the letter since she is here for two weeks.

Reggiani agreed to meet with *Sherman* and *Hunt* to produce the letter.

Beedle stated that the point about Seward having to pay \$750K for an EMR system should be backed with more research as it could just be a bad snapshot. *Aspen* clarified that she did not intend for it to look like a bad snapshot just as a reminder that these things can and will come up no matter who we choose.

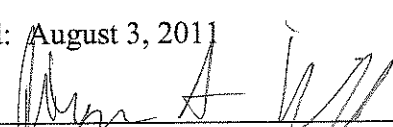
H. ADJOURNMENT

M/Allison S/Bradford to adjourn the work session at 10:05 pm.

Hearing no objection, the work session was adjourned.

Approved: August 3, 2011

Attest:


Robyn Kincaid, Deputy City Clerk