

HB

713

HOUSE BILL NO. 713

"An Act providing for the issuance of general obligation bonds in the amount of \$6,200,000 for the purpose of paying the cost of capital improvements for health facilities; and providing for an effective date."

An analysis of the capital improvement projects proposed to be financed through the proceeds of the bonds follows:

(1) Sitka Community Hospital (Sitka) . . . \$5,600,000:

On November 22 and 23, 1977, an evaluation review was made of the Sitka Community Hospital. This evaluation was based on the requirements of current building codes, life safety, and hospital standards and regulations as adopted by the State of Alaska.

This facility is basically a one story building plus a partial basement. Construction of the upper story is wood frame nominally protected to a one-hour rating and sprinklered throughout.

The Sitka Community Hospital building was built in 1956 and rates non-conforming and inadequate by current standards of construction and medical care facility regulations.

The Sitka facility has the following physical deficiencies:

1. The hospital site, although adequate for the present facility, does not have adequate space for expansion for future needs.
2. Corridors are blocked by excessive movable equipment due to lack of adequate storage space.
3. Fire exits are inadequate to meet life safety requirements.
4. The building has no smoke barrier partition or smoke detection system required by code.
5. Hazardous areas are not adequately separated from patient care areas.
6. Patient rooms are minimum in area and do not have adequate clearances for proper patient care.
7. Toilet and bathing facilities are inadequate as are sufficient handwashing facilities for both patients and staff.
8. Provisions for the care of handicapped and critically ill patients are lacking. Space for maneuvering of stretchers and wheelchairs is lacking or inadequate.
9. The nursing station does not have adequate space, equipment or location for good patient care and control.
10. The administration department, including admitting and accounting, has

inadequate space and equipment to handle its responsibilities. Medical records has little space for dictating, transcribing or storage.

11. The nursery for new-borns is inadequate and has no separate work station as required.

12. The new-born delivery area is much too small and has no controlled access or adjoining labor room.

13. The operating suite is not adequate in space or equipment and does not have controlled access as required.

14. The emergency department is also inadequate and the lack of built-in systems requires reliance on portable units. This requires much additional space and results in clutter.

15. There is no central sterilizing and supply department for the hospital. Clean supply processing and sterilizing is accomplished along side of soiled holding and clean-up procedures. This may result in inadequate infection control and cross-contamination between clean and soiled medical articles.

16. The radiology department is inadequate in size and equipment. Installation of modern equipment is precluded by space and low ceiling height.

17. The hospital has virtually no ventilation system. Only one small unit serves the entire patient area including the operating room. Space is not available to install new equipment or ductwork.

18. The heating system operates on low pressure steam and only one boiler is functional. An additional new boiler is urgently needed to maintain adequate stand-by capability. No adequate temperature control is available in patient areas. The incinerator should also be replaced.

19. The electrical system is loaded to capacity and has no expansion capability. Ground fault detectors and isolated circuits are not available as required. Lighting of all areas is generally inadequate.

20. The hospital has no built-in oxygen or vacuum systems so that portable units must be used and kept available.

21. Adequate storage is not available close to the point of need for medical supplies and equipment. Most of the required storage is located in a separate building on the site which was intended to house an ambulance. The maintenance shop and emergency generator is inadequate.

22. The laundry is located in the basement and does not have adequate separation of soiled and clean linens. No ventilation system is provided. The linen chutes are not fire protected and separated from the exit corridor as required. An elevator is not available for transportation of supplies and equipment.

In view of the stated deficiencies the existing hospital is a poor base for a long term investment. The best option in terms of achieving the best possible functional relationships and maintaining uninterrupted service is complete replacement of the hospital. Replacement would be a much better long-term investment than major expenditures on the existing building.

- (2) Harborview Hospital Fire Prevention System (Valdez) . . . \$305,000:
- (3) Alaska Psychiatric Institute Fire Prevention System (Anchorage) \$205,100:

The planned improvement at each of the above facilities is a fire prevention and control system which is required by the Alaska Fire, Life, Safety Code (State Fire Marshal).

For several years each report of the Fire Marshal's inspection of Harborview Developmental Center and the Alaska Psychiatric Institute has pointed out the need for a fire control sprinkler system at each facility. The more recent reports have required such an installation as a condition of continued use and subsequently granted a waiver until funding could be provided but not later than Fiscal Year 1979. Estimates of the cost for the installation of each system were provided by the State Department of Transportation, Division of Design and General Construction. These cost figures are the amounts provided in House Bill 713.

The Department recommends passage of House Bill 713.

Recommended by: D. Sharon Osborne
 D. Sharon Osborne, Coordinator
 Office of Planning & Research

3/2/78
 Date

Jerry L. Schrader
 Jerry L. Schrader, M.D., Director
 Division of Mental Health &
 Developmental Disabilities

3/1/78
 Date

Approved by: Helen D. Beirne
 Helen D. Beirne, Commissioner
 Dept. of Health & Social Services

3/6/78
 Date

Sitka Community Hospital

YOUR HOSPITAL

SERVING THE PEOPLE OF THIS COMMUNITY

24 HOURS A DAY

365 DAYS A YEAR

Sitka Community Hospital Board, Medical Staff, and Hospital Staff are dedicated to provide for the people of Sitka and surrounding communities the widest range of care and the highest quality of care possible. Our aim is to provide this care with the highest degree of professional skill and with a sincere regard for the personal feelings of the patient. This care is given to all patients without regard to race, creed, or financial status.

Dealing with the high costs of inflation and government regulations and documentation has in recent years placed a severe strain on the hospital in maintaining and improving quality of care while struggling to keep the cost of this care at the lowest level possible.

The following information we feel will be helpful to the public to show how health care is improving and how your hospital serves you in this community.

STAFF

Five full-time physicians and 14 consultants provide a full range of medical services. Referrals to the hospital are made from smaller communities in southeast Alaska and this hospital in turn maintains an excellent relationship with major hospitals in Seattle for the referral of major cases requiring the facilities of larger medical centers.

Eleven registered nurses, 5 licensed practical nurses and 21 other full-time and 11 part-time hospital personnel provided care to over 900 patients last year for a total of over 4,000 patient days. During the year we had a total of 84 births and our Laboratory and X-Ray departments provided care for 5,992 and 7,483 patients respectively.

HOSPITAL FACILITIES

The hospital has a total of 24 beds plus 4 bassinets in the newborn nursery. The hospital is also equipped with an Intensive Care Unit with sophisticated Cardiac Monitors, Pacemakers, and Defibrillators. The hospital building, built in 1956, has serious deficiencies and can no longer meet the state licensing standards for acute care hospitals or the

standards required by the Joint Commission on Accreditation of Hospitals.

Notwithstanding these deficiencies the staff has maintained an excellent standard of care, but it is evident that it will be necessary to build a new hospital in the very near future to enable the staff to continue to improve the quality and range of care necessary in this community, and to maintain our state license. The structural deficiencies make it uneconomical to consider renovating the existing building and it is hoped that a state bond issue of \$5.6 million will be approved this year for a new hospital.

SPECIAL EQUIPMENT

The following is some of the sophisticated equipment that your community hospital has available to improve the quality of care our staff can provide for you:

Cardiac monitors, pacemakers, defibrillators, isolette, respirators, EKG machines and a radio-page system to provide immediate contact with physicians and key hospital staff when off duty.

We have recently purchased an auto analyser for our laboratory at a cost of \$17,000. This equipment will allow our technicians to do tests here automatically that previously had to be done manually or sent to a major laboratory center in California. It usually took 2 weeks to get the results of these tests from California. Now the physician can have the results within 24 hours thereby helping him to confirm his diagnosis and immediately commence appropriate treatment with better results to the patient.

This analyser, the first of its type available for small hospitals, allows the technicians to do 17 tests automatically in a fraction of the time it would take to do these tests manually, and at a fraction of the cost. This allows your physician to order a full screening profile when appropriate at the same cost to the patient that one or two tests would cost by manual methods. A screening profile will also in some cases give an indication of some medical

problems that would not otherwise be indicated by normal routine tests thereby providing a much improved quality of care for our patients.

This is an example of a piece of equipment that provides better care at a lower cost. Usually in hospitals new or improved equipment adds to patient costs because of the high cost of the equipment plus the new skills or special staff required to operate the equipment. But improvements in diagnosis and in a patients health is difficult to measure in dollars.

OUR HEALTH DELIVERY SYSTEM

This country without question provides the highest quality of care in the world while providing patients with free choice of physician and hospital. It is our goal to ensure that this care is readily accessible and available to all persons in need of care. All our efforts will be devoted to keeping the cost of this care as low as possible while maintaining the qualified staff and sophisticated equipment necessary to ensure that our standard of care is always improving in keeping with the advances in medical science and the availability of sophisticated diagnostic and life-saving equipment. Here are some important facts regarding our health delivery system:

- In the past 5 years the death rate has been reduced by nearly 5%.
- Medical care previously only available at major medical centers is now available in many small modern well equipped hospitals. For example, Intensive Care, unheard of a few decades ago, is now available in over 60% of our hospitals.
- Length of stay in hospitals, particularly for major surgery has decreased dramatically, with better results for the patient - and at a lower cost per patient stay.
- In 1940 more than half of America's heart attack victims did not recover. Today over 85% recover.

- In 1950 survival from the first kidney transplants was "zero". Today it is 80%.
- Life expectancy has increased 10 years since 1940.
- It is estimated that Intensive Care Units save 100,000 lives a year.

HEALTH CARE COSTS

It is estimated that the per capita hospital costs in America now average 70¢ a day. This is a small price to pay to maintain your health, but it is still higher than many people can afford, and is increasing rapidly every year due to the overall rate of inflation in this country. Hospitals, however face an inflation rate of nearly double the general rate of inflation due to the necessity to purchase new drugs, new and better medical and surgical supplies and expensive, sophisticated equipment.

These costs are necessary if a hospital is to take advantage of the advances in medical science and techniques that are developed which reduce the length of hospital stay, save lives, and in the end reduce the health care costs to the nation by keeping people healthy and more productive. Hospitals can easily reduce costs but it would be impossible at the same time to maintain the rapid improvement in the quality of care provided.

In this hospital the city, the hospital board, and the staff are dedicated to continue to improve the range and quality of health care, but we are using every method possible to control the affect of the serious inflation that we have faced in the past few years. Many innovative programs are being implemented, and others planned which will reduce the accounting, clerical and other costs which do not contribute to patient care. Many of these programs will require the approval of federal and state agencies but we expect to get full cooperation to ensure that not one unnecessary procedure is performed or one dollar spent that does not contribute directly to the overall care provided to our patients.

The American Hospital Association has estimated that 8 federal regulations alone add \$22 to every patient's bill. Last year the Department of Health, Education & Welfare issued almost 600 new or proposed health related regulations. We will exert all our efforts to reduce this waste.

COST PER PATIENT DAY

Hospitals have been under pressure from government agencies to reduce costs - while at the same time these agencies are adding to the costs. But we have not kept the public fully informed of how their health dollar is spent. Spiralling costs have placed hospitals on the defensive and, therefore, the so called "Room Rate" has not been increased to cover the cost of the services provided. This has resulted in hospitals sustaining serious losses and/or resorting to undesirable markups on chargeable items such as drugs and medical and surgical supplies. The enclosed chart, therefore, is provided to show what the average cost per patient day is in our hospital at the present time. The charge normally referred to as the "Room Rate" will in future be designated the "Basic Charge". As you will see in the enclosed chart this basic charge includes 24 hours of skilled nursing care, which requires 3 nursing shifts per day, 7 days a week, plus food, special diets, admitting, accounting and medical records services and a mass of statistical data required by numerous government agencies.

THE FUTURE

With continued inservice education and postgraduate courses and seminars our staff will be trained to use new and sophisticated equipment as it becomes available and be able to apply new techniques to continue to improve the range and quality of care we provide to you, the patient - the most important person in our hospital.

Immediate life preserving skills and equipment must be available here when time does not permit the transfer of patients to distant medical centers. Our staff is ready and able to do their share and we will do everything in

our power to keep the community informed. We hope that everyone concerned with health care in this community will support the efforts of your Board and staff in their struggle to fund and build a modern and efficient new hospital to continue to give to this community nothing less than the highest quality of care that can be provided.

YOUR HOSPITAL BOARD

Edward J. Flynn - Chairman

Administrator -

Alex S. McAllister

Jack Parrish - Vice Chairman

Paul Arvin

Sandra Sunde

Edward D. Spencer, M.D.

Lawrence Porter

Elaine Mann

Walter Barker - Municipal Assembly Representative

SITKA COMMUNITY HOSPITAL
Breakdown of Costs
First Six Months of Fiscal Year 1977-1978

Department		Total	Cost Per Patient Day	Percentage of total cost
Inpatient Nursing Care	Salaries	\$142,125	\$ 71.03	23.4%
Other Nursing Care	Salaries	11,496	5.75	1.9%
Surgery	Salaries	27,007		
	<u>Supplies</u>	<u>6,563</u>	16.78	5.5%
Anesthesiology	Salaries	13,565		
	<u>Supplies</u>	<u>4,987</u>	9.27	3.1%
Med.Surg. Supplies		11,526	5.76	1.9%
Pharmacy		10,757	5.38	1.8%
Central Serv./Supp.	Salaries	7,462		
	<u>Supplies</u>	<u>1,949</u>	4.70	1.6%
Laboratory	Salaries	30,029		
	<u>Supplies</u>	<u>20,240</u>	25.12	8.3%
X-Ray	Salaries	25,297		
	<u>Supplies</u>	<u>4,864</u>	15.07	5.0%
Medical Records	Salaries	9,646		
	<u>Supplies</u>	<u>2,844</u>	6.24	2.1%
Dietary	Salaries	26,417		
	Food	10,764		
	<u>Supplies</u>	<u>3,039</u>	20.10	6.6%
Plant & Grounds	Salaries	12,290		
	<u>Supplies</u>	<u>4,626</u>	8.45	2.8%
Housekeeping (OR,OB,ER,etc.)	Salaries	11,936		
	<u>Supplies</u>	<u>1,828</u>	6.88	2.3%
Laundry & Linens (OR,OB,ER,etc.)	Salaries	2,190		
	<u>Supplies</u>	<u>584</u>	1.39	0.5%
Admin., Admitting, Billing, Accounting	Salaries	46,721		
	<u>Supplies</u>	<u>5,242</u>	25.97	8.6%
Data Processing		7,017	3.51	1.2%
Telephone		2,816	1.41	0.5%
Collection Fees		2,082	1.04	0.3%
Auditing Fees		2,000	1.00	0.3%
Payroll Taxes & Employee benefits		66,774	33.37	11.0%
Insurance (Malpractice & Hazard)		16,320	8.16	2.7%
Printing and Stationery Supplies		7,410	3.70	1.2%
Utilities, Surgery, OB,ER.		7,457	3.73	1.2%
Bad Debts		7,500	3.75	1.2%
Room (Includes Utilities, Laundry & Linens, Housekeeping, Maintenance)	Salaries	16,542		
	<u>Other</u>	<u>14,445</u>	15.49	5.0%
		30,987		
TOTALS		\$ 606,357	\$ 303.05	100 %

Sitka Health Association

P. O. Box 517, SITKA, ALASKA 99835

April 30, 1978

Rep. Charlie Parr, Chairman
Health, Education, and Social Services Committee
Alaska State Legislature
Juneau, Alaska 99801

Dear Representative Parr:


The Sitka Health Association is a body of volunteer citizens which concerns itself with planning for ways to meet the health and medical needs of Sitka residents. We are recognized by the Sitka Assembly as their health planning organization and we are Sitka's liaison with the South East Alaska Health Systems Agency.

We feel that Sitka needs a new community hospital facility as the present one does not meet minimum standards for the federal Medicaid/Medicare programs and cannot get State accreditation because of the wooden frame. These standards and accreditation requirements were enacted to provide for patient safety. Alex McAllister, hospital director, and Ed Flynn, chairman of the Hospital Board, are in Juneau at this time and can be more specific about this. If we don't get a new hospital, the present one will have to eventually close if the federal government decides not to renew the waivers which are currently granted. This would lead to all Sitka residents who are not PHS beneficiaries leaving their community for hospital care. We believe hospitals belong under local control and that it would not be appropriate for us to request PHS to change their policies so that non-beneficiaries could be admitted. We hope the State of Alaska will help us keep our hospital under this local control.

We feel badly that there was a communication problem and we did not indicate our concerns prior to your consideration of this matter last week. We hope this will not affect your appreciation of our plight and that you will reconsider the matter.

Thank you.

Sincerely,



Nancy Eliason, President

CITY AND BOROUGH OF SITKA

RESOLUTION NO. 78-121

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF SITKA URGING THE ALASKA LEGISLATURE TO AUTHORIZE A STATE BOND ELECTION TO PROVIDE FUNDS FOR A NEW SITKA HOSPITAL.

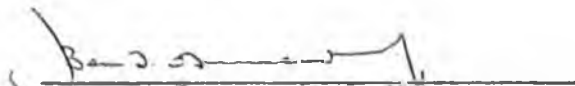
WHEREAS, the present Sitka Community Hospital is over twenty years old and in urgent need of major repairs to the heating and other systems; and

WHEREAS, Sitka is a rapidly growing municipality in need of a modern hospital but without the tax base necessary to finance a new hospital without major outside aid;


NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF SITKA:

THAT the Alaska Legislature respectfully be asked to authorize a State Bond Election to provide funds for a new Sitka Community Hospital.

PASSED, APPROVED AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska on this 25th day of APRIL, 1978.


Ben F. Grussendorf, Mayor

ATTEST:


Esther Middleton, Acting Clerk

SITKA COMMUNITY HOSPITAL

P. O. BOX 100 • SITKA, ALASKA 99835 • (907) 747-3241

April 27, 1978

Honorable Charlie Parr
Chairman, Health Education and Social Services Committee
House of Representatives
Pouch V
Juneau, Alaska 99801

Dear Sir:

We regret that we did not have any representatives from our area present when your committee met to consider a Bond issue for a new community hospital in Sitka.

Unfortunately I was not aware that the committee meeting had been scheduled, and I was also informed that the Governors office and/or the State Planning and Research office had all the documentation to support our request for this Bond issue.

I have only been Administrator of this hospital for 3 months and I apologise therefore for not taking steps to see that our application was better supported, and I very much regret any delay or inconvenience to your committee.

I am enclosing a package of letters and reports that I hope you will find helpful and we will definitely have persons available to provide any additional information at your next meeting at 3 P.M. on Monday May 1.

I very much appreciate your help in this important issue and I will be pleased to work closely with you and your committee and staff to help this community obtain a modern health care facility.

Sincerely,



A. S. McAllister
Administrator

ASM/klk



GREATER SITKA

Chamber of Commerce, Inc.

April 27, 1978

Honorable Charlie Parr, Chairman
Health Education and Social Services Committee
Alaska House of Representatives
Pouch V
Juneau, Alaska 99801

Dear Sir,

May we take this means to assure you and your Committee that the Greater Sitka Chamber of Commerce strongly supports the request of the Board of Directors of the Sitka Community Hospital for funding for construction of a new hospital facility in Sitka.

It is our understanding that your Committee feels it does not have enough data in hand and is somewhat reluctant to act on the little information it has. This is understandable and commendable. However, we cannot understand this shortage since we have been assured by the agencies involved that they have forwarded copies of all their data to you. But be that as it may, we urge you to please await the presentation of this material before making a final decision.

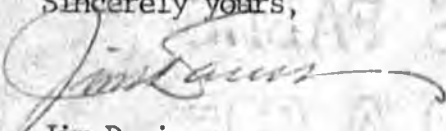
Realizing that Sitka is in a uniquely unfavorable position regarding its hospital, may we offer the following for your consideration? (1) Federal Governmental activities have been and continues to erode our base. The use of the Public Health Hospital by the Native and Armed services communities creates a population/use picture that is very misleading. Our tax base is also being diminished in the same way. (2) Due to the poorly designed facility that we now occupy, we are working under waivers by the various rating and qualifying Boards. Should these be withdrawn we would lose thereby several sources of revenue, such as Medicare etc. (3) We have been told that engineering studies indicates that with the present construction accreditation is impossible, and that it will require a new facility. (4) Sitka's growth projections require a sizable facility increase, yet we must fund on the present population figures. (5) Our present tax structure, though low in millage rate, is high in valuation, with the result that we are paying dollar value taxes that are equal to most and more than some cities of comparable situation. This presents an unrealistic picture when viewed with the customary eye to millage rate only. To be forced to bond for such a large sum of money would create an impossible hardship.

We are proud of the quality of patient care being rendered, even under our adverse conditions. Our acute care capabilities are excellent and for such short term patients we could demonstrate a considerable savings to the Federal people on a contractual basis at present, and this could even increase with a new facility.

There are many other compelling reasons for requesting your help, such as the impossibility of 100 % scheduled occupancy due to the arrangement and shortage of rooms and equipment.

We therefore urgently request that you give favorable consideration to our need. Please be assured that there is absolutely no lack of support for this project in Sitka.

Sincerely yours,



Jim Davis,
Executive Director
For the Board of Directors

JD/cb

cc: Mr. Rocky Gutierrez
Mr. Alex McAllister

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03025 ANCHORAGE ALASKA 89 04-27 1130A AST
PMS ALEX MCALLISTER ADMINISTRATOR SITKA COMMUNITY HOSPITAL
BOX 500 PH 747-3241
SITKA AK 99835

THE ALASKA STATE HOSPITAL ASSOCIATION SUPPORTS ANY DECISION
FOR CONSTRUCTION OF HEALTH FACILITIES THAT IS MADE BY THE STATES
PLANNING AGENCIES AND IS SUPPORTED BY THE COMMUNITY INVOLVED.
WHEN THE PLANNING AGENCIES AND THE LOCAL CITIZENS DEEM A
FACILITY NECESSARY, EVERY EFFORT SHOULD BE MADE BY THE STATE,
CITY AND/OR BOROUGH TO FUND THE PROJECT IN A TIMELY MANNER
ESPECIALLY IF THE PROJECT INVOLVES THE REPLACEMENT OF A
STRUCTURALLY UNSAFE BUILDING. IF YOU WISH TO SHARE THIS TELEGRAM
WITH OTHER, YOU ARE WELCOME TO DO SO

DONNA BRADY, ACTING EXECUTIVE DIRECTOR ALASKA
STATE HOSPITAL ASSOCIATION

PHONED NUMBER	3241
PHONED	<i>Adler</i>
TIME	235
BY	<i>CD</i> DSPN <i>Blue</i>
UNRAISED	(time) (date) (initials)

SITKA COMMUNITY HOSPITAL

P. O. Box 500 • SITKA, ALASKA 99835 • (907) 747-3241

April 4, 1978

Senator Ted Stevens
U.S. Senate
411 Russell Building
Washington D.C. 20510

Dear Senator Stevens:

As requested by Mr. Richardson we are providing you with the information required regarding the services which Sitka Community Hospital provides for this community.

1. This hospital was built in 1956. We have 24 beds and provide acute care in medicine, surgery, obstetrics, and pediatrics. We have no long-term facilities, but we do provide care for alcoholics and psychiatric patients.
2. With only two-bed patient rooms and one four-bed ward, it is very difficult to cover a full range of acute care and adequately separate surgical, medical, obstetrical, and isolation cases. We have no isolation rooms or newborn isolation facilities, and although we have occasionally been filled to capacity, many times all our rooms are full when our census is at fifty percent occupancy, which was our average occupancy rate during 1977. The rooms are small and do not have closets for patients' clothing and personal belongings. There is no doubt that if we had better facilities our census would increase.
3. The hospital plant is obsolete and does not meet current accreditation or state licensing requirements. A copy of the State Architect's report is attached. Apart from structural and design deficiencies, our staff are particularly hampered in their efforts to maintain quality care by inadequate space and design for coronary care, surgery, obstetrics, lack of isolation and security rooms.
4. We have no space for inservice education, physical or inhalation therapy, or space for an auxiliary or for pulmonary function services. This makes it difficult for our staff to give the range and quality of care which they are capable of providing for this community.

5. We have two excellent Surgeons on staff who do a wide range of surgery. We have three General Practitioners, one trained in Internal Medicine, one who has recently been re-certified for seven years by the American Board of Family Practice, and the third General Practitioner has had medical, surgical, and obstetrical experience.
6. Acute health care is provided for all members of the community, including native population. The lack of adequate facilities has obstructed our efforts to obtain referrals from outlying areas. There is no doubt that we do have the support of the community and all health care agencies, and if we can obtain the Bond issue and build a new facility, I know that we can dramatically improve the services which we provide and which are needed in this community.
7. The Governor and the Department of Health are fully in support of a \$5.6 million state Bond issue, which will probably be presented in the legislature within the next two months. The city is also fully supporting the need for a new hospital and we feel will definitely supply the additional funds needed to build a modern health facility for this community.
8. We believe that it is only economically feasible to have one modern health care facility in this community, that can be operated at a level of efficiency which will provide a high quality of care at a reasonable cost to the community. The city is contributing to the operation of the existing hospital and has over the past two years provided \$200,000 per year for capital and operating subsidy.
9. We believe there is a great need in this community for long-term care services, rehabilitation and alcoholic programs and we believe that the local Public Health Service hospital could provide all these services and avoid costly duplication of services to the community. We are working in cooperation and harmony with the P.H.S. hospital, and are planning more programs to share services, reduce operating costs in both facilities, and provide the optimum care for the community.
10. In planning the new hospital, provision will be made for working in complete cooperation with the physicians, other health care organizations, and the native community. We will plan on the highest quality and widest range of health care possible, and this care will be available and accessible to all members of this community, including, of course, the native population. We will coordinate our acute care with the rehabilitation, long-term care and other special health services which we hope the Public Health Service hospital will provide.
11. Increased operating efficiency will reduce the costs to the patients, and plans already implemented will, we project, save \$20,000 per year on costs of billing, accounting, and computer operations. More changes can be made which will improve efficiency and reduce costs without in any way affecting the quality of patient care.

Senator Ted Stevens

3

April 4, 1978

We would be pleased to keep you fully informed regarding our funding and planning for a new health care facility in Sitka and we would like to work with you and local, state and federal agencies in planning for the most modern and sophisticated health care facility that we can design and build for the future benefit of this community.

Sincerely,

Edward J. Flynn
Chairman of the Hospital Board

Edward D. Spencer
Chief of the Medical Staff

ASM:hm

SITKA COMMUNITY HOSPITAL

P. O. Box 500 • SITKA, ALASKA 99835 • (907) 747-3241

POSITION PAPER
of the
MEDICAL STAFF OF SITKA COMMUNITY HOSPITAL
on
THE FUTURE HEALTH DELIVERY SYSTEM FOR THIS COMMUNITY

- A. TO EXPRESS THE OPINIONS AND POSITION OF THE MEDICAL STAFF OF THE SITKA COMMUNITY HOSPITAL WE FIRST REITERATE THE GENERALLY ACCEPTED PRINCIPLES TO PROVIDE THE COMPLETENESS NECESSARY IN THIS TYPE OF DOCUMENT:
1. The highest standard of care which we can provide must be made available and accessible to every person in this community in accordance with his or her needs without regard to race, color, creed or financial circumstances.
 2. We believe that health care, including preventive medicine, is the right of everyone, as far as is necessary for the maintenance of health. However, preferred accommodation and other optional extras in health care facilities should be provided for those who wish to pay for them.
 3. Care necessary to provide for basic health needs, we believe, should rank equally with food, shelter, and basic education as necessities of life. Facilities and services to provide for these basic health needs must be equally available to all without financial sacrifice.
 4. The present health delivery system in this area is inadequate for the needs of the community; it is fragmented, and the cost of health care delivered is too high due to the unnecessary duplication of acute care services by the P.H.S. hospital and the community hospital.
- B. WE MAKE THE FOLLOWING RECOMMENDATIONS TO STIMULATE HEALTH CARE PROVIDERS, CONSUMERS, AND PERSONS OF EVERY POLITICAL PARTY AND ORGANIZATION TO COORDINATE THEIR EFFORTS TO IMPLEMENT CHANGES WHICH WILL PROVIDE A COMPREHENSIVE PLAN OF HEALTH CARE FOR THE PEOPLE OF THIS COMMUNITY.
1. The people, who in the end pay directly or indirectly for health care, must work together to provide the very best health delivery system that providers, consumers, experts and politicians can devise.
 2. Consumer education of health needs and the cost of providing health services, and consumer involvement and responsibility are essential for the success of any health program.

3. Money must be injected into this health delivery system at some point to pay for the medically indigent and other persons unable to pay for the quantity and quality of care they need to maintain adequate health.
4. Free service without some form of control will be abused.
5. A health program financed and controlled federally will create such a mass of bureaucratic controls that the cost will be astronomical - and the quality will surely deteriorate because the dedicated professional providers will lose their incentives and professional relationships. Providers will be swamped by the mass of paper work and bureaucratic controls that a government must unfortunately always impose in the hope of avoiding abuse and discrimination, but in actual fact these controls only add to the cost of providing health care.
6. We believe that it is only economically feasible to have one modern health care facility in this community, that can be operated at a level of efficiency which will provide a high quality of care at a reasonable cost to the community.
7. Unnecessary duplication of acute care services provided by the Sitka Community Hospital and the Public Health Service Hospital adds to the cost of health care in this community. These two outmoded facilities are difficult to operate efficiently and we believe that we need one modern acute care facility to serve the health care needs of all the people in this community. Such a facility operated by the community will provide the ultimate in health care services, maintain our free enterprise health care system, and allow patients freedom of choice of physician.
8. We believe that optimum standards of health care can only be provided in a free enterprise system where community hospitals are responsive to, and accountable to, the community which they serve. The layers of bureaucracy which control any Public Health Service Hospital inevitably add to the high cost of delivery of health care and alienate the community whose voluntary efforts built the health service in this country and whose help we require in the future if we want to continue to improve the quality of our health delivery system and avoid any National Health Program.

C. THE PRESENT FACILITY DOES NOT MEET CURRENT LICENSING OR ACCREDITATION STANDARDS.

1. The hospital plant is obsolete and does not meet current accreditation or state licensing requirements. Apart from structural and design deficiencies, the medical staff is particularly hampered in its efforts to maintain quality care by inadequate space and design for coronary care, surgery, obstetrics, and lack of isolation and security rooms.

2. We have no space for inservice education, physical or inhalation therapy, or space for an auxiliary or for pulmonary function services. This makes it difficult for our physicians and nurses to give the range and quality of care which they are capable of providing for this community.
3. Accreditation status can not be maintained in an obsolete building with the number of deficiencies that we have in this facility. Notwithstanding these difficulties and deficiencies, however, we have continued to provide a high quality of care to this community. For example, our length of stay has been reduced from 5.41 days in 1974 to 4.48 in 1977. It is generally accepted by all health authorities that this reduction in length of stay is an indication of a superior quality of health care. Financially, of course, this reduces the cost-per-stay to patients, and since the national average length of stay is between 6 and 7 days, our high standard of health care is delivered to patients in this community at a lower cost per-patient-stay than the national average.
4. Sitka, like other communities in SE Alaska, has to provide a more sophisticated level of care due to the relative isolation of our community than would be expected in a comparably sized hospital closer to major health centers. Our patients need to have this range and quality of care available for emergencies.
5. We are dedicated to provide the highest quality of care possible, and to deliver this care to all members of this community at the lowest cost possible. Programs and efficiency controls now being implemented will ensure that this hospital maintains a cost control program that provides the highest standard of efficiency with the highest standard of professional care.

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