

HB

342

# HOUSE COMMITTEE REPORT

3/16

(7)

Date Referred: May 5, 1989

FURTHER REFERRALS: FINANCE

Date of Committee Action: 3/15/90

The HEALTH, EDUCATION, & SOCIAL SERVICES Committee considered: HB 342

HOUSE BILL NO. 342 [GO BOND:HOSPITALS KETCHIKAN, KODIAK, SEWARD]  
"An Act providing for the issuance of general obligation bonds in the amount of \$41,400,000 for the purpose of paying the cost of hospital construction, reconstruction, renovation, and expansion of hospitals at Kodiak, Seward, and Ketchikan; and providing for an effective date."

RECOMMENDATIONS:

- [X] be replaced with CSHB 342 (HESS) [ ] the same title
- [ ] have attached amendment(s) [X] a new title
- [X] do pass
- [ ] do not pass
- [ ] no recommendation
- [ ] individual recommendations
- [ ] additional referral to the \_\_\_\_\_ Committee

ADOPTS: \_\_\_\_\_ letter of intent

ATTACHES NEW FISCAL NOTE(S): (Dept) APPROVES PREVIOUS: (Date/Dept)

- [X] fiscal impact Rev [ ] fiscal note(s) \_\_\_\_\_
- [ ] zero fiscal note \_\_\_\_\_ [ ] zero fiscal note(s) \_\_\_\_\_
- [ ] zero with analysis \_\_\_\_\_ [ ] zero fn/analysis \_\_\_\_\_

SIGNING DO PASS:

SIGNING: (Check approp. column)

	Do Not Pass	No Rec	Amend
<u>J. Ellis</u> ELLIS			
<u>W. Gruenberg</u> GRUENBERG			
<u>Cheri Davis</u> C. DAVIS			
<u>George Jacko</u> JACKO			
<u>W. Furnace</u> FURNACE			
_____			
_____			
_____			
_____			
_____			

J. Ellis  
Chairman's Signature

NOTE: SEVERAL OF THESE PROJECTS HAVE NOT YET QUALIFIED FOR CERTIFICATE OF NEED TO JUSTIFY BORROWING THESE FUNDS.

Amendment Number 1

Page 1, Line 7, after "of" Delete "\$41,400,000"  
and Insert "\$44,400,000"

Page 1, Line 8, after "hospital": Insert "and medical facility"

Page 1, Line 10, before "Ketchikan": Delete "and"

Page 1, Line 10, after "Ketchikan": Insert ", and Unalaska"

Page 1, Line 14, after "hospitals": Insert " and medical facilities"

Page 1, Line 15, before "Ketchikan": Delete "and"

Page 1, line 15, after "Ketchikan": Insert ",and Unalaska"

Page 1, Line 16, after "than": Delete "\$41,400,000"  
and Insert "\$44,400,000"

Page 2, Line 16, after "amount of": Delete "\$144,900"  
and Insert "\$155,300"

Page 2, Line 23, Insert New Section:

"\* Sec. 8. The amount of \$3,000,000 is appropriated from the "1990 Hospital Construction and Renovation Fund" to the Department of Administration for payment as a grant under AS 37.05.315 to the City of Unalaska for the construction of a medical assistance facility by the City of Unalaska."

Page 2, Line 28, after "Bonds": Delete " \$41,400,000"  
and Insert "\$44,400,000"

Page 3, Line 2, after "than": Delete "\$41,400,000"  
and Insert "\$44,400,000"

Page 3, Line 5, before "Ketchikan": Delete "and"

Page 3, Line 5, after "Ketchikan": Insert ", and Unalaska"

Renumber Sections 8 & 9.

#2

A M E N D M E N T

OFFERED IN THE HOUSE

BY REP. BOYER

TO: HB 342

Page 1, line 7:

Delete "\$41,400,000"

Insert "\$52,100,000"

Page 1, line 8, after "hospital":

Insert "improvement,"

Page 1, line 10, after "Seward,":

Insert "Fairbanks,"

Page 1, line 13, after "of the":

Insert "improvement,"

Page 1, line 14, after "Seward,":

Insert "Fairbanks,"

Page 1, line 16:

Delete "\$41,400,000"

Insert "\$52,100,000"

Page 2, following line 14:

#2

A M E N D M E N T

OFFERED IN THE HOUSE

BY REP. BOYER

TO: HB 342

Page 1, line 7:

Delete "\$41,400,000"

Insert "\$52,100,000"

Page 1, line 8, after "hospital":

Insert "improvement,"

Page 1, line 10, after "Seward,":

Insert "Fairbanks,"

Page 1, line 13, after "of the":

Insert "improvement,"

Page 1, line 14, after "Seward,":

Insert "Fairbanks,"

Page 1, line 16:

Delete "\$41,400,000"

Insert "\$52,100,000"

Page 2, following line 14:

Insert a new bill section to read:

"\* Sec. 7. The amount of \$10,700,000 is appropriated from the "1990 Hospital Construction and Renovation Fund" to the Department of Administration for payment as a grant under AS 37.05.316 to the Greater Fairbanks Community Hospital Foundation for improvement and renovation of Denali Center."

Renumber the following bill sections accordingly.

Page 2, line 16:

Delete "\$144,900"

Insert "\$182,350"

Page 2, line 28:

Delete "\$41,400,000"

Insert "\$52,100,000"

Page 3, line 2:

Delete "\$41,400,000"

Insert "\$52,100,000"

Page 3, line 4, after "hospital":

Insert "improvement,"

Page 3, line 5, after "Seward,":

Insert "Fairbanks,"

#3

A M E N D M E N T

OFFERED IN THE HOUSE

BY REP. GRUENBERG

TO: HB 342

Page 1, line 7:

Delete "\$41,400,000"

Insert "\$61,437,500"

Page 1, line 8, after "hospital":

Insert "design,"

Page 1, line 10, after "Ketchikan":

Insert "and of the Alaska Psychiatric Institute"

Page 1, line 13, after "of the":

Insert "design,"

Page 1, line 15, after "Ketchikan.":

Insert "and of the Alaska Psychiatric Institute"

Page 1, line 16:

Delete "\$41,400,000"

Insert "\$61,437,500"

Page 2, following line 14:

Insert a new bill section to read:

"\* Sec. 7. The amount of \$20,037,500 is appropriated from the "1990 Hospital Construction and Renovation Fund" to the Department of Transportation and Public Facilities for the design and construction of replacement facilities at the Alaska Psychiatric Institute."

Renumber the following bill sections accordingly.

Page 2, line 16:

Delete "\$144,900"

Insert "\$215,030"

Page 2, line 28:

Delete "\$41,400,000"

Insert "\$61,437,500"

Page 3, line 2:

Delete "\$41,400,000"

Insert "\$61,437,500"

Page 3, line 4, after "hospital":

Insert "design."

Page 3, line 5, after "Ketchikan":

Insert "and at the Alaska Psychiatric Institute"

## ALASKA PSYCHIATRIC INSTITUTE

Should \$20,037,500 million above the amount in the Governor's budget for replacement of the Alaska Psychiatric Institute (API) be available, the following could be accomplished.

With appropriation of the Governor's capital request of \$2,165,200.00, we anticipate completing the planning and preliminary design phase. This would include:

1. Comprehensive mental health services and associated statewide facility planning which will be completed cooperatively with the Alaska Mental Health Board (AMHB);
2. Specific planning regarding what services to offer in the hospital in consistent with plan and how many beds will be associated with each service;
3. Planning concerning how the services are to be configured within the hospital;
4. Preliminary design of the overall facility and
5. Public review and Certificate of Need processes (A.S. 18.07.031).

With an addition of \$20,000,000.00 in funding this year, the full design and construction of the initial replacement services could be accomplished. This would include:

1. Detailed design and construction of approximately 3-4 inpatient care units with associated support services, such as mechanical, recreational, dietary, temporary tie-ins to existing facilities, etc.
2. Equipment for the initial construction.

This strategy assumes the need to construct, as soon as possible an alternate bed capacity for API patients should all or part of the current facility be unsuitable for continued use. The specific support services to be constructed first will represent the services most likely to become unusable in the current facility. As much as possible, existing support services will be used until they can be replaced through the course of the overall project.

This assumes that API replacement will occur on the current campus and that future phases would augment the bed capacity and complete the core services as determined through the certificate of need process.

Additional phases would augment the initial bed capacity plus complete core capacity. Total beds to be provided beyond the initial units will determined during the and facility planning and Certificate of Need processes adjusted for any impact delay in funding for design and construction of future phases.

February 26, 1990

## BACKGROUND

### HOSPITAL/NURSING HOME CONSTRUCTION

(HB 342 - GO Hospital Construction Bonds)

The 1981 Legislature authorized and funded a study by the Department of Health & Social Services of the plant condition and functional adequacy of 15 rural hospitals and nursing homes.

The result of that study was contained in a report by the Department to the Legislature in March, 1982.

Anchorage and Fairbanks hospitals were not included. Valley Hospital, Palmer and Sitka Community Hospital did not participate as they were currently under construction or reconstruction in 1982.

#### Overview of Surveyed Facilities

A study team evaluated the adequacy of the physical facilities at each hospital or long term care unit, a number of serious problems and deficiencies were discovered. Such inadequacies tended to fall into common classifications, the most important of which can be grouped as follows:

- Building, fire and life safety code deficiencies and violations;
- Lack of adequate mechanical ventilation to critical areas of the building, and mechanical and electrical inadequacies occasioned by the acquisition and use of high demand diagnostic and therapeutic equipment in laboratory and treatment programs;
- Facility inflexibility in response to changing attitudes, medical technologies and resultant changes in patterns of use; and
- Space shortage occasioned by new patterns of use, increasing complexity in information processing and records storage requirements, and growth in service area populations.

Generally, the deficiencies observed in the health care facilities surveyed are due to the advances and changing techniques in the medical field, coupled with more stringent building, fire and life safety codes which have been adopted over the last few years.

#### 1982 Prioritization of Surveyed Hospitals and Nursing Homes

In conducting the inventory and evaluation study of the fifteen hospitals and long term care facilities in 1982, architectural consultants identified six facilities which were in greater need of immediate attention than others, due to their more severe physical and functional deficiencies. To arrive at a ranking of all surveyed facilities based upon relative need for construction to correct noted deficiencies, the Department assembled a committee to review the report.

(MORE)

This committee consisted of one member of:

The Alaska Medical Facility Authority;  
The Alaska State Hospital Association;  
Southeast Alaska Health Systems Agency, Inc.;  
South Central Health Planning and Development, Inc.;  
The Medical Care Advisory Committee, and  
The Statewide Health Coordinating Council.

The ranking provided by this committee was based only upon the relative severity of all physical and functional deficiencies found at each facility and did not consider other factors such as facility utilization or population trends: The committee ranking was as follows:

- \* 1. Cordova Community Hospital and Long Term Care Facility
- \* 2. Petersburg General Hospital and Long Term Care Facility
- 3. Seward General Hospital
- 4. Kodiak Island Hospital and Long Term Care Facility
- 5. Wesleyan Nursing Home
- \* 6. Wrangell General Hospital
- \* 7. South Peninsula General Hospital and Long Term Care Facility
- 8. Ketchikan General Hospital and Island View Manor
- \* 9. Central Peninsula General Hospital
- \*10. Bartlett Memorial Hospital
- 11. Valdez Community Hospital
- 12. St. Ann's Nursing Home
- \*13. Norton Sound Regional Hospital

\* completed (Central Peninsula & Bartlett utilized local bonding)

In 1987, the Health Association of Alaska, representing hospitals and nursing homes, recommended that Kodiak, Ketchikan and Seward be ranked as the top priority facilities needing construction grants.

HB 342 by Representatives Davidson, Cato, C. Davis and Taylor

Authorizes issuance of general obligation bonds in the amount of \$41,400,000.00. This proposition to be placed on the 1990 general election ballot.

Kodiak Island Borough	\$14,500,000.00
City of Seward	9,500,000.00
City of Seward	1,200,000.00
City of Ketchikan	16,200,000.00

# # #

For More Information Contact:

Marlan Knudson  
Health Association of Alaska  
586-1790

2/26/90

SUMMARY OF SEWARD FACILITY

Seward General Hospital is a 31-bed acute care center constructed in 1955-56. Currently it serves a population of about 2,800 in Seward and the surrounding area, but the community is now experiencing substantial population growth. The hospital is centrally located in Seward, adjacent to a nursing home, retirement home and a doctors' clinic.

The building's construction must be classified as U.B.C. type V-N (non-fire rated wood), which is unsuitable for hospital use and occupancy. The structure has extensive mechanical and electrical system problems, including numerous violations of applicable codes.


The facility is also seriously short of space to house its present services.

3.1 Recommendations

- A. Make immediately-required corrections of existing hospital's incinerator and propane systems, generator and relocation of laboratory and X-ray units.
- B. Conduct a detailed planning study and produce a long-range (10- to 20-year) health facilities master plan based upon anticipated community health care needs. This plan should consider the Wesleyan Nursing Home and Outpatient Clinic which are adjacent to Seward General Hospital and examine the opportunities for joint utilization of some facilities.
- C. Construct a replacement facility to house the hospital's acute care functions, and remodel/renovate the existing building for use as a support facility to Seward General, and possibly Wesleyan. Non-direct patient-related services should then be housed there.

Reasons:

1. Seward General Hospital is a non-fire rated structure. It is seriously deficient in meeting building, fire and life safety codes, and has insufficient space to accommodate all hospital services in compliance with D.H.E.W. and AK Adm. codes.

- 
2. Seward General's proximity to Wesleyan's long-term care facilities and to an outpatient clinic make it practical to consider joint-use programming for commonly-needed services such as food preparation, heating, ventilating, incinerator, etc.
  3. New construction of acute care facilities for Seward can be accomplished more cheaply than the extensive remodeling which would be necessary to bring the current hospital up to acute care standards, plus construction of a smaller addition.

The City presently owns adjacent property to the present hospital site that appears to be suitable for hospital expansion.

The report on the neighboring Wesleyan Long-Term Care Facility recommends a renovation of the older portion of that building. Therefore, assuming that a new replacement hospital is planned for Seward General, a reasonable sequence of events could be:

1. Construct a new hospital facility adjacent to the existing facility.
2. Provide temporary housing of approximately 23 long-term patients from Wesleyan in the old hospital.
3. Renovate the old portion of Wesleyan.
4. Convert the old hospital into a support facility for Seward General, and possibly Wesleyan, housing non-direct patient-related services there.

The outpatient facility and doctors' offices could possibly be located in the old hospital as long as they maintain a close relationship to the new laboratory and X-ray units.

If the existing outpatient clinic could remain in place until new space were available, it would be beneficial. However, the existing clinic building should not be allowed to detrimentally affect the planning of the new hospital.

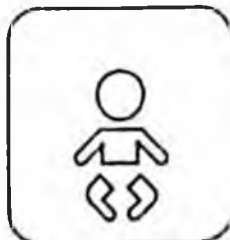
3.2 Estimated Costs Projected to Mid-1982

- A. Immediate correction of incinerator, propane systems, and generator; relocation of lab and X-ray units. Development of long-range master plan: \$ 272,205
- B. Option I (Recommended) Construct new acute care addition and remodel existing hospital for use as support facility: 9,636,060
- C. Option II (Not recommended) Remodel existing hospital for acute care use and construct addition to house additional space: 13,375,425

GRAND TOTALS:

IMMEDIATE WORK PLUS OPTION I  
(Recommended) \$ 9,908,265

IMMEDIATE WORK PLUS OPTION II  
(Not recommended) \$13,647,630



#### 4.0 DESCRIPTION OF SEWARD FACILITY

Seward General Hospital is located at the northwest corner of First Avenue and Jefferson Street in Seward, Alaska. Constructed as an acute care facility in 1955-56 and licensed for 31 beds, the facility is owned by the City of Seward and leased to the Seward General Hospital Association for management and operation. Foss and Olsen of Juneau were the architects for the original building.

Key hospital personnel are:

Keith Campbell, Administrator  
Greg Higgins, M.D., Chief Medical Officer  
Jane Kesselring, R.N., Head of Nursing  
Darrel Hollingsworth, Facility Engineer

Seward's population is approximately 1,800, with an additional 1,000 in outlying areas, which together with the town of Seward make up the hospital's service area. Summers bring an influx of tourists to the area, increasing demands made upon the hospital's emergency unit.

A new \$60 million ship repair and service facility, primarily for foreign fishing fleets, is currently being constructed by the City of Seward through public and private investment. Due for completion in May, 1982, it is estimated that this project will create 250 new jobs. The Alaska Skill Center is rapidly expanding here, and South Korea is scheduled to begin exporting coal from the area early in 1982. Each of these developments is expected to cause population increases which will doubtless impact the hospital facility. The hospital's administration believes, however, its facility is large enough to handle both this expected growth and more, with respect to inpatient beds.

The structure is a single story building with a partial basement under the south and east wings. There is a grade level entrance at the basement of the south wing.

The building consists of poured-in-place 8-inch thick concrete exterior walls that run from concrete footings to the roof. The stairwells are poured-in-place concrete. The basement floor and those main level floors which have no basement below, are 4-inch concrete slabs on grade. Structural floors are

concrete over steel joists at the south wing, and structural concrete slabs at the east wing. The roof structure is composed of 2 x 6 wood decking which runs diagonally on steel joists, with joists being supported by steel beams and pipe columns at exterior wall and interior bearing (corridor wall) locations.

A review of the structural drawings indicates that the roof diaphragm is flexible. While it would have been ideal to stiffen this diaphragm with a layer of plywood over the decking when the old roofing and insulation were stripped off the roof (summer of 1981), it is now extremely impractical to consider this step since new roofing has already been installed. Because the hospital is located in a major seismic activity zone (zone 4), stiffening of the diaphragm would have given the building a greater resistance to seismic action. As a whole, however, the building is well constructed and in good condition.

Even though the shell of the building is concrete, the extensive use of wood for partitions and furring, together with the half-inch gypsum wallboard necessitate classifying the building as U.B.C. Type V-N construction. The Uniform Building Code does not allow a Type I-1 occupancy (hospital) to be housed in a Type V-N structure (non-fire rated wood).

The interior non-load bearing partitioning and furring is composed of untreated wood covered with half-inch gypsum wall board. Corridor ceilings have accoustical tile, which has been glued to the gypsum wall board.

A fire sprinkler system was installed in the building (excluding surgery) in 1975, and in 1981 the building had new roof insulation (R-20) and fire-retardant built-up roofing installed. The new roof appears to have good drainage; and windows and doors were weatherstripped and/or caulked in 1981, also. Building drawings indicate, however, that the wall insulation consists of nothing more than 3/4-inch fiberboard on the inside face of the exterior concrete walls. This is very inadequate by today's standards, and contributes to substantial energy losses.

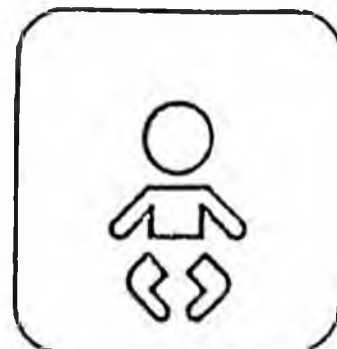
Seward General Hospital is served with City of Seward electric power which originates at diesel-powered generators. There are plans now underway to construct a relatively small hydro-electric project to provide electric power, primarily to the hospital. Seward General is equipped with two standby engine generators.

The city also provides water and sewer service to the hospital. 600 gallons of water can be stored on-site for standby use.

The square footage of the main floor of the building is 15,000. The basement has an additional 5,800 square feet for a total of 20,800 square feet. This includes the addition of a maintenance shop and emergency generator room constructed in 1964; and an emergency entrance/elevator, also constructed in 1964.

Statistics

	Total
No. of beds	31
Square footage	20,800 S.F.



KETCHIKAN GENERAL HOSPITAL  
EXPANSION AND REMODELING PROJECT  
FACT SHEET

- Hospital Building is owned by the City of Ketchikan. Hospital is operated by the Sisters of Saint Joseph of Peace.
- Ketchikan General Hospital is a regional provider serving Ketchikan, Prince of Wales Island, Metlakatla, Wrangell, and Petersburg.
- Hospital Service Area Population Projections:

<u>1986</u>	<u>1991</u>	<u>1996</u>	<u>2001</u>
23,174	25,364	27,027	28,804

- 21.2% of our admissions come from Prince of Wales, Metlakatla and greater Ketchikan areas, and 4.4% are from Wrangell and Petersburg.
- The need for expansion and remodeling was highlighted in an Inventory and Evaluation of Selected Hospitals and Long Term Care Facilities in the State of Alaska Report from the State Department of Health in 1982. They made some immediate recommendations to make life safety code related changes in our general mechanical and electrical systems, to look at installing automatic fire sprinklers and to upgrade our ventilation systems.
- The report also called for the immediate expansion of the Laboratory, upgrading energy system, and additional parking, as well as recommending the hospital undertake a complete long-range plan including future remodeling of the radiology and administrative support areas.
- That long-range plan included demographics, population forecast, and the needs of the hospital to the year 2010. Each plan concluded:

- Serious life safety code deficiencies
  - Serious space deficiencies (25,000 sq. ft.)
  - Asbestos problem
  - Lack of parking

- Areas needing renovation/expansion because of growth, technology, and minimum requirements of regulating bodies:

- Emergency Department
  - Radiology Department
  - Laboratory
  - Support Areas
  - Conference Rooms
  - Private Patient Rooms
  - Asbestos Removal

- Significant increases exist in all service areas of the hospital, with the three areas named in the recommendations shown below:

	<u>1966</u>	<u>1979</u>	<u>1987</u>	<u>1989</u>	<u>1990</u>	<u>1992</u>
Radiology -	6,642	6,010	7,773	9,184	11,302	12,224
E.R. Visits -	1,810	5,229	5,625	7,507	10,896	13,184
Laboratory -	20,595	30,549	35,911	43,658	46,625	51,333

- The twenty-four hour Emergency Room Physician staffing begun in May, 1989 will continue.
- Majority of space problems stem from the delivery of new types of care and services in a building outdated based on the delivery of care today.
- Citizens of Ketchikan have had a 1% sales tax since 1962 that has born the cost of construction and remodeling of the facility with the exception of the \$1,700,000 jobs bill grant which is being used to construct the parking structure.
- Certificate of need filed with State Department of Health & Social Services for \$18,890, ^ for the total project.
- The project will require:
  - A. Infilling between the Nursing Home and Hospital to expand Emergency, Laboratory, Radiology, Pharmacy Departments and to upgrade the existing building to fire/life safety codes.
  - B. Remodel of vacated areas for Surgery, Pos' Recovery, etc.
  - C. Adding a south addition to complete expansion of Radiology.
  - D. Expanding Data Processing, Admitting, Patient Accounts, Materials Management, Food Service and adding Conference Rooms.
  - E. Replacing existing outdated electrical switch gear, emergency power system, boilers and mechanical equipment.

If you wish further information, please contact:

Edward Mahn, Administrator  
 Ketchikan General Hospital  
 3100 Tongass Avenue  
 Ketchikan, Alaska 99901  
 225-5171

Reed Stoops  
 P. O. Box 21211  
 Juneau, Alaska 99802  
 463-3223

Harland Knudson, Executive Director  
 Health Association of Alaska  
 319 Seward Street  
 Juneau, Alaska 99801  
 536-1790

KP/provide copy to Elio'  
His HB 342



The Greater Fairbanks  
Community Hospital Foundation, Inc.

Post Office Box 1346  
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Steve Stephens  
President  
David D. Rasley  
1st Vice President  
James Matthews  
2nd Vice President  
Harry Porter  
Treasurer  
Sheila B. Nordale  
Secretary

March 8, 1990

Representative Mark Boyer  
P.O. Box V  
Juneau, AK 99811

Dear Representative Boyer:

Ron Arler  
Walter Carlo  
Edward K. Christensen  
Douglas Cole  
Jeff Cook  
Ireland D. Corkran  
William H. Daulton, M.D.  
Ira Faulhaber  
Conrad G. B. Frank  
Andrea Gelvin  
Dennis Green  
Janet Halverson  
Mike Kelley  
William W. Mendonca III  
Gunda Paden  
Richard Seiler  
William G. Stronker  
David Swanson  
Kare Tinsley  
Dale Yoder

For more than two decades the Greater Fairbanks Community Hospital Foundation has been providing for the healthcare needs of the residents of northern Alaska. We began by developing a hospital facility, but over the years we have attempted to adapt our services and facility to meet the needs of Interior residents.

A key part of our success has been the partnership we formed with the State Legislature. Our conservative operational approach and mission of caring, combined with the legislative assistance of capital monies, has permitted us to build a system which cares for people at some of the lowest rates in the state. We take pride in our accomplishments and appreciate the actions the legislature has taken to support our mission.

Emeritus Members  
Julius A. Kornland  
C. A. Al Seeliger  
William P. Wood

In 1983 the Foundation's healthcare mission expanded to include not only Fairbanks Memorial Hospital, but Denali Center as well. It was in November of that year that we purchased Denali Center and added long term care to the services offered by the Foundation.

This commitment has been both rewarding and challenging. While we have felt good about our expanded role and our ability to serve the extended care needs of northern Alaskans, we have felt equally confused and disillusioned by our inability to fulfill our mission: to provide high quality care in every respect.

As with the hospital, we want Denali Center to provide quality of care both through appropriate programs and an appropriate environment. In terms of programs we know we still have work to do, but we have made real progress. In terms of providing an appropriate environment, we are

## LEGISLATIVE REQUEST

March 8, 1990

truly stymied. We have a facility which is deteriorating before us, but we have no hope of raising the operational funds needed to significantly impact our problem. This is due in large part to the Medical Assistance Program, which funds the care of over 75% of the residents living at Denali Center. Reimbursement through this program is problematic and does not allow us to recover true operating costs or build a capital base to improve the facility.

As we consider this challenge we cannot help but recall how the legislature helped us to build a strong healthcare system at Fairbanks Memorial Hospital. It is with this same spirit of cooperation that we can make a difference at Denali Center.

In the following pages we lay out our plan to make Denali Center a long term care facility which meets the needs of its' current residents in an efficient manner. We are not asking for money to build a luxurious environment, just an appropriate one. The heart of our request is a ten million dollar-plus capital allocation to replace the existing facility. We feel these changes will give us a solid base from which to address the service needs of Denali Center residents today and twenty years from now.

Mark, I know that you are drafting the legislation to include our request on HB 342. Although we are not sure of the appropriate legislative vehicle to best address our need for capital, we are relying on you and the other members of the Interior Delegation to determine the best method to provide Interior Alaska with an appropriate resident care facility. We hope you will realize the importance of our request and will do your best to help Denali Center, Fairbanks, and all of northern Alaska care for the elderly of today as well as tomorrow.

Sincerely,



Steve Stephens  
President

cc. Foundation Board Members  
Mark Bertilrud, Administrator, Denali Center  
Jim Gingerich, Administrator, F.M.H.

Denali Center  
Questions and Answers

1. What is the dollar amount of the request, and what does it provide?

Our request is for \$10,787,000. These funds will allow us to replace the existing structure with a new facility which will meet current industry environmental standards. The new facility design would address the living space and care needs of Denali Center's residents and allow for more efficient operation. The facility will also be designed to better address the future needs of the Interior's elderly.

The dollar figure listed above does not match the \$8.2 million estimate we provided you in December of last year, because we have worked with an estimator in Fairbanks to reflect current building costs.

2. Why replace the existing facility rather than renovate or add on to the existing structure?

There are two major reasons why renovation of the current facility would not be a wise choice.

First, the original owner designed the building with little thought for resident care or quality of life issues. As a result, some of its biggest problems, i.e., congested corridors, living space and activity space, would not be adequately remedied by renovation. Second, the current design would make it very difficult to increase the amount of living space to industry standards in any manner which would be cost efficient in terms of construction or operation. Currently, we have approximately 250 square feet of living space per licensed bed, most facilities today provide at least 400 and up to 650 square feet of living space per licensed bed.

If we were to renovate the existing facility, our calculations indicate that the cost to address the current asbestos problem, provide additional living space, and bring

the current facility up to acceptable environmental standards would not represent a significant cost saving.

A rough calculation of our requested amount is as follows:

<u>Cost Factor:</u>	<u>Sq. Feet:</u>	<u>Cost/Sq. Ft.</u>	<u>At a cost of:</u>
Facility	44,000	\$200.00	\$ 8,800,000
Equip. and Furn.			\$ 981,000
A/I/E Fee			\$ 778,000
Site Prep.			\$ <u>228,000</u>
			\$ 10,787,000

3. **Where will this new facility be located?**

On the current property near the existing building. This location is near Fairbanks Memorial Hospital and many physicians offices and is in a neighborhood of residential dwellings. Proximity to the hospital is very important because many of the Center's residents require advanced ancillary services due to their physical condition. The residential location is important as it further promotes a homelike environment rather than a commercial one.

4. **Why not move Denali Center to the empty space currently available in Fairbanks Memorial Hospital?**

While this might be viewed as a short term solution for Denali Center, it would severely restrict the ability of either facility to meet changing community health needs. While no commitment has been made, the Hospital is currently working with representatives of the Tanana Chiefs Conference to ensure that Chief Andrew Isaac Health Center will remain located within the hospital. Much of the hospital's vacant space would be utilized by the restructured clinic. In addition, there is not enough vacant space to adequately meet the needs of the nursing

5. What action has the Foundation taken to support the Denali Center?

The Foundation has subsidized Denali Center through revenues earned at Fairbanks Memorial Hospital. Dollars have been spent to address capital needs and retire long term debt that limited the Foundation's ability to make changes at Denali Center. However, this is not a long term solution as it erodes the hospital's financial base, and places any future needs of that facility in jeopardy.

In addition, the Foundation has received many private contributions of dollars and volunteer time from the public to assist Denali Center in carrying out its mission.

6. Who will benefit from a new facility in Fairbanks?

Denali Center has served residents from throughout Alaska for the past seven years. Our primary service area is the Interior region, but currently, as in the past, we serve residents from throughout the state. We commonly serve residents from Fairbanks, Holy Cross, Anaktuvuk Pass, Wiseman, Bethel, Tok, Nenana, Anchorage and the Yukon River Region.

7. From a reimbursement standpoint, who are the primary consumers of Denali Center services?

The largest consumer is and will remain the State of Alaska. Approximately 75% of our residents are funded through the Medical Assistance Program. The remainder of our residents bills are paid either privately, by Medicare, Veteran's Administration or Native Health Services.

8. The current operating lease with the Lutheran Hospitals & Homes Society makes them a 50% owner of the facility in 1993. Why should we provide a grant that will be transferred in part to a company outside of Alaska?

Any grant monies obtained through this process resulting in improved facilities will be under the sole ownership of the Foundation. Our lease arrangement is currently being restructured to accomplish this task.

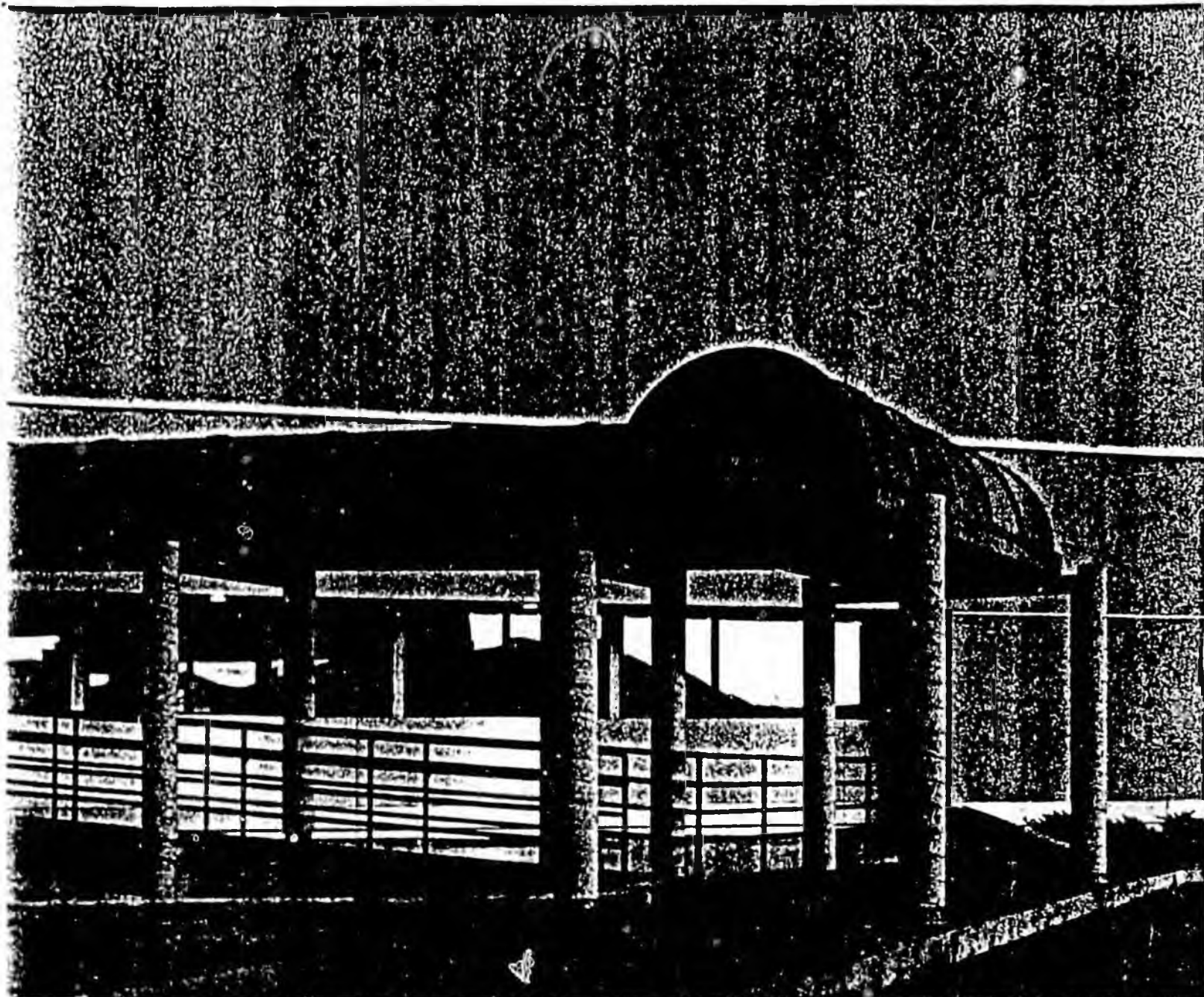
9. Have there been any other attempts to obtain money to meet the needs of Denali Center?

No alternative sources of funding have been uncovered. We have evaluated other fund raising projects and we do not believe that it will be possible to raise funds to provide an appropriate resident care facility in Interior Alaska.

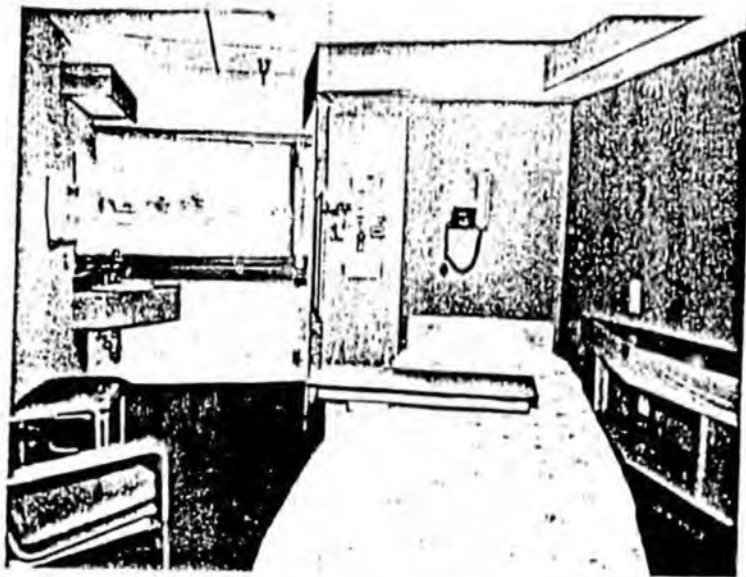
10. What will this grant do to improve the financial position of Denali Center?

Under the current rate setting structure, Denali Center would benefit by receiving a rate based on operating costs.

However, it is the plan of the Foundation to use this additional cash only to assist Denali Center's short term needs. Long range use of these funds would provide for ongoing capital replacement requirements.



**INNOVATIVE RURAL MEDICAL CENTER**

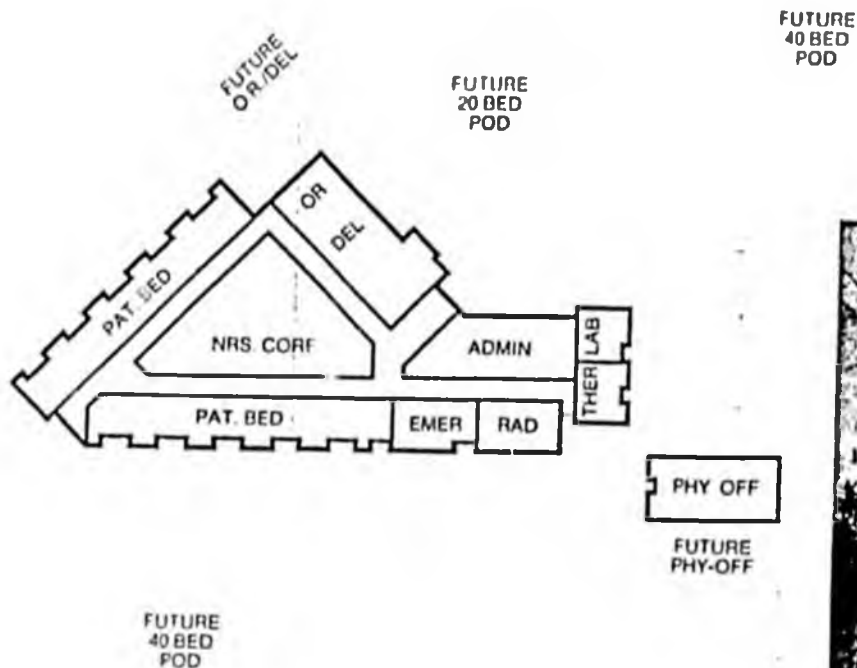


## EXPANDABILITY

*The "magic" behind the success of Design West's rural medical centers is a master plan which allows a project to start out as an ambulatory care facility and grow incrementally into an acute care facility with a maximum of 120 beds. The master plan facilitates flexibility by allowing independent expansion for every department and a circulation system which is never violated regardless of project scope.*

## TIME AND COST

*The advantage of Design West's factory built rural medical center in today's competitive healthcare market is the ability to place a facility quickly at a below market price. Nine (9) months is a reasonable construction schedule for a twenty (20) bed acute care hospital. Three recently completed facilities in Utah were built for less than \$100 per square foot including all site development, construction and design fees. The price also included such first class features as floor to floor casework, nurses stations and laboratory casework.*



## FACTORY CONSTRUCTION

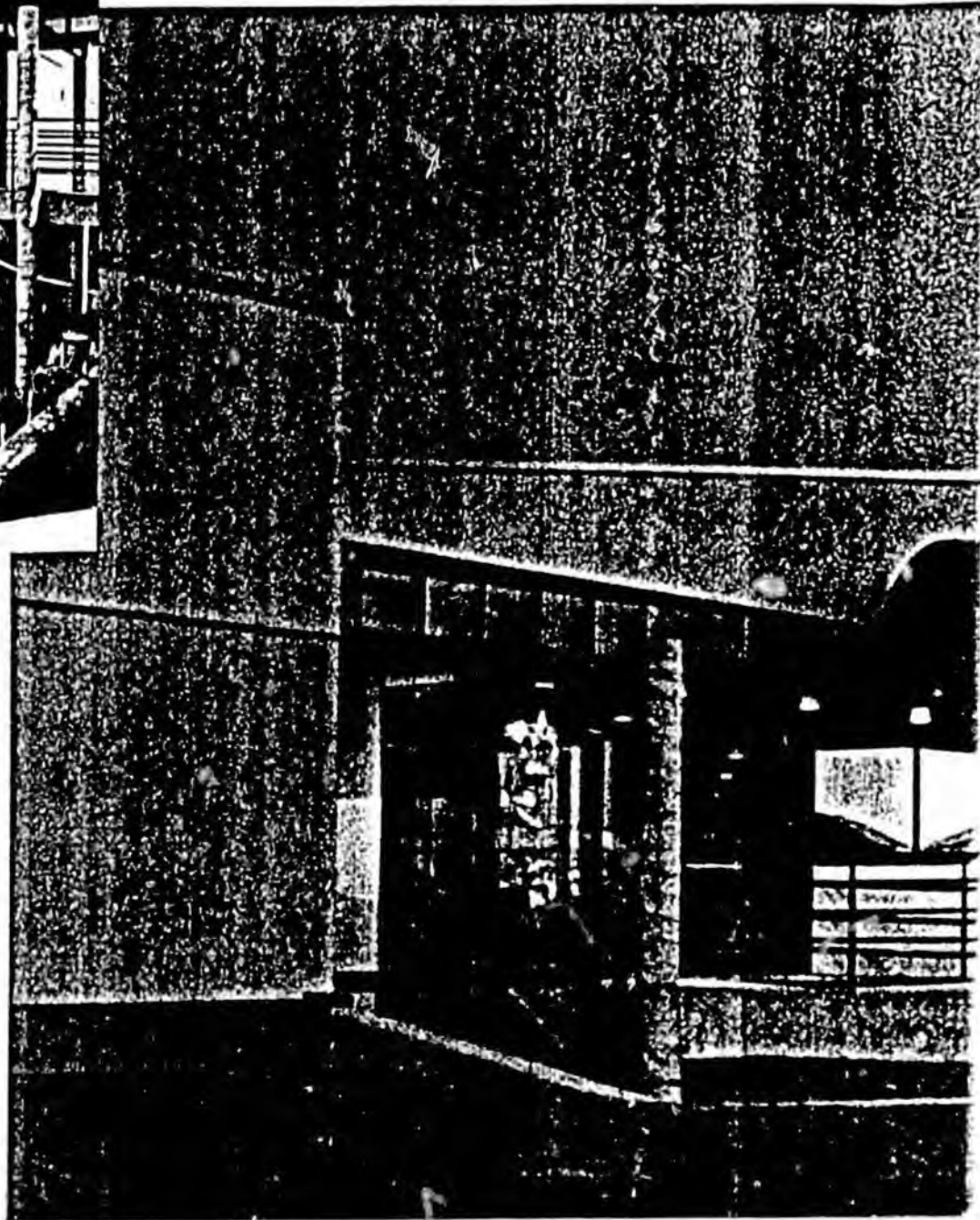
Seventy-five percent of construction can be accomplished in a factory (a controlled environment) using production line techniques. For the project shown here thirty-nine (39) modules were built in fifty-five (55) days and trucked to the construction site. The finished product shows no evidence of instability normally associated with this type of construction.

## OPERATIONAL COST

Design West's rural medical center ensures reduced operational cost. Low capital cost, efficient staffing patterns, multiple coverage work stations, low maintenance materials and energy efficient design all contribute to increased operational efficiency and decreased operational cost.

The following is operational cost data for a typical 20 bed rural medical center located in a severe (15" F. swing) climate.

Total Staff Requirements 26 FTE's for 24 hours/day  
 Electrical Cost (12 months) \$22,000 or \$1.03/sq. ft./yr.  
 L.P. Gas Cost (12 months) \$180.50 or \$0.82/sq. ft./yr.



*The project illustrated in this brochure is the Sanpete Valley Hospital located in Mt. Pleasant, Utah.*

*Owner HHC Hospitals Inc  
Admin Joseph B. May (801) 462-2441  
Completion Date July 12, 1984  
Bed Capacity 20 Acute Care Beds  
Area 20,960 G S F*

**DESIGN WEST HEALTH FACILITIES INC.  
HEALTHCARE DESIGN AND CONSTRUCTION**

95 West 100 South, Logan, Utah 84321 (801) 752-7031  
San Jose (415) 962-1199  
Salt Lake City (801) 539-8221  
Boise (208) 322-5775



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# CITY OF UNALASKA

P.O. BOX 89  
UNALASKA, ALASKA 99685  
(907) 581-1251



DATE: JANUARY 16, 1990

MEMO TO: MEMBERS OF THE ALASKA STATE LEGISLATURE

FROM: HERV HENSLEY, CITY MANGER CITY OF UNALASKA

SUBJECT: JUSTIFICATION FOR A NEW HEALTH CLINIC IN UNALASKA

I would like to introduce you to our proposal to develop a comprehensive health care center in Unalaska. The current health care system in Unalaska is undergoing severe stress in proportion to the rapidly expanding fishing industry and support services. Rapid change, accompanying the importance of the community as a seafood processing center, in combination with the fact that Unalaska is the primary population center for the Western Aleutians has created an intense demand for medical services. The highly industrial nature of the work force also causes an unusually high number of injuries, and trauma, in the clinic's patient population. The clinic's physical facility is inadequate and outdated to the point that the provision of healthcare services is often compromised.

The present facility encompasses 3,500 square feet. Incorporated in that space are three exam rooms, two offices which are shared by three medical practitioners, a closet sized room used for a pharmacy, a very small room used as a lab, a small emergency patient area, a business office and a waiting room that is frequently so crowded that patients must often wait outside on the clinic yard, or steps.

The residents of Unalaska are dependent upon the services the clinic can provide. Given the inadequate physical facility there is a real question as to the ability of the health care professional to ensure an adequate and safe level of care. There are no other health care services available in Unalaska. In addition to the permanent resident population who utilize the services of the clinic, the fact that Unalaska is centrally located within the major fishing grounds of the Northern Pacific and Bering Sea means the clinic serves a population that now exceeds 15,000.

The patient load is projected to continue to expand in proportion to the level of fishing, processing and shipping activity in the area. In addition to the large number of patients seen on an annual basis, there were 200 medevacs from the clinic during 1989. It is anticipated that number could grow to 300 during 1990. All medevacs are transported by air, and weather frequently precludes any flights in or out of the community, sometimes for days. Our present small village clinic simply cannot support the numbers of people to be medevaced, and keep them alive while waiting for transportation. Several patients lost last year could be attributed to the facility's capacity of sustaining them. Presently three major processing plants are either being built, or expanded. One new processing plant is completing a facility that will employ up to 400 new workers. This, along with the 60% growth in population over the last two years, and expected future growth, demand that we provide sufficient medical services.

As with other projects we have asked for, it is not our intention to request the full amount of this project to be funded by the State. However, given the major infrastructure needs of Unalaska, we cannot build the needed clinic on our own. It is our desire to create a project that is supported financially by the City, private industry and the State.

As you can see this is a basic community need, not fluff. For this reason and the fact that Unalaska is working toward accomplishing the stated goal of bringing fishing on shore, and providing jobs and revenue from a renewable resource, I kindly ask that you support funding this project.

**PROPOSAL TO DEVELOP A  
COMPREHENSIVE HEALTH CARE FACILITY  
FOR UNALASKA**

**PREPARED FOR  
ILIULIUK FAMILY & HEALTH SERVICES INC. AND  
THE CITY OF UNALASKA**

**BY**

**EPGS PROFESSIONAL GROWTH SYSTEMS, INC.  
327 E. FIREWEED LANE, SUITE 202  
ANCHORAGE, AK 99503  
276-4414**

**AND**

***Kumta Associates, Inc.*  
3000 "A" STREET, SUITE 202  
ANCHORAGE, AK 99503  
563-8877**

## BACKGROUND

The recent growth in Bering Sea fisheries brought about by expanding bottom fish markets and increased use of on shore facilities by foreign fleets has brought explosive changes to the community of Unalaska. As the primary support community for the Bering Sea fishing efforts, some 40,000 persons involved in foreign or domestic fishing ventures look to Unalaska for services including health care.

Over the last three years the resident population of Unalaska has grown by 41%.

TABLE I  
POPULATION CITY OF UNALASKA/DUTCH HARBOR  
1987-89

<u>YEAR</u>	<u>POPULATION EST.</u>
1987	1,354
1988	1,908
1989	2,265

Source: City of Unalaska, PGS Inc.

The need for health care services has outstripped the ability of the present clinic facility to provide those services. The situation at the clinic has become a true crisis. Owned and operated by Iliuliuk Family and Health Services, Inc., the facility is managed by a community governing board and serves the entire resident population as well as the transient fishing fleets.

At the request of the corporation and City, the State conducted a site review in August. The group, headed by Commissioner of Health & Social Services, Myra Munson, offered the following finding:

- "Although well maintained, the facility is dated and a few improvements have been made since its construction. It is too small to handle the number of visits, hold adequate supplies, or to appropriately accommodate visiting specialists and limits the potential advantages for co-locating related community services."

The explosion of health care demand has prompted the Corporation and City to seek a new facility on an emergent basis. The City has agreed to donate a parcel of land for the new facility. Major processors in the area have agreed in concept to participate in the capital construction cost of the facility. The goal set by the City is a \$500,000 local share of the capital construction burden.

## THE CURRENT SITUATION

During the past three years, especially this past year, clinic utilization has risen even more sharply than the population. Both after-hours emergencies and medical evacuations to Anchorage have risen more sharply still. Table II details these developments.

TABLE II  
ILIULIUK CLINIC UTILIZATION  
1987-1989

<u>Year</u>	<u>Clinic Visits</u>	<u>After Hrs. Emergencies</u>	<u>Medical Evacuations</u>
1987	6,491	491	44
1988	6,651	818	154
1989*	14,085	1,700	200

\* 1989 Estimate based on actual figures and extrapolation to year-end

Source: Iliuliuk Clinic and PGS Inc.

The community sees the current crisis arising from off shore fleet growth. The unforeseen explosion to some 40,000 has placed an undue burden upon the community infrastructure, most notably health services.

The present clinic facility is beset with the following physical and operational problems:

- Only three exam rooms are available to the two physician assistants practicing in the clinic. These rooms must also accommodate the visiting physicians which travel twice a month for a one week period each. No less than five exam rooms are needed to meet present demand.
- The emergency room can accommodate only two patients. Recent experience bears out that on any given day, there is an 80% chance of a multiple casualty situation resulting in treatment of some in hallways or on the floor.
- There is capacity to hold two patients while awaiting medical evacuation to Anchorage. Given the number of multiple casualties seen by the clinic this meets about half the need. The present holding area is at the opposite end of the clinic from the emergency room making spill over into the emergency room facility or visa versa an unworkable solution.
- There is no facility for health personnel to sleep in the facility while on call. Emergencies now number better than five per night on a seven-day-a-week basis.
- The waiting area will accommodate only ten patients (or family members) at a time. The clinic is averaging 45 patients per day currently and waiting area is inadequate.
- Medical supplies are now being stored in the attic, crawl spaces under the building and a donated trailer unit.
- Virtually all the medical equipment is inadequate. There is only a portable x-ray machine when more than one is needed. The patient delays for x-rays is considerable.
- There is no emergency electrical generation. Power surges in the community utility system have damaged almost all of the equipment. Further, due to power outages the staff has had to deal with emergencies without power. Over the last three months, minor surgery using flashlights has been performed on several occasions.
- Space for administrative staff to carry out patient appointments, billing etc. is inadequate

- The present roof is in need of major repairs or replacement to deal with recurring leaks
- Medical supplies and pharmaceuticals are located at opposite ends of the building
- Visiting dentists are currently holding clinic outside the facility due to lack of space
- The clinic has no audiometric or spirometric testing capacity to deal with environmental and occupational hazards arising from the fishing industry. Such facilities are a requirement of employers to meet Federal OSHA standards.
- Present staffing of medical providers as well as laboratory and x-ray technicians is inadequate. However, with present facilities, additional staffing could not be accommodated.

## THE FUTURE

Three major expansions of processing plants on the Island are already under construction or have been committed too. One processor is completing a facility that will need 200-400 workers to operate. Another is 40% complete on a project that will need an additional 200 workers upon completion. A third processor awaits construction permits on a plant of similar size.

A preliminary estimate of population growth is that increases of 15% and 10% are foreseen for the next two years and 7% each for the next three years. By the end of 1994, the population of the Island will have nearly doubled to 4,293. These estimates will be refined and substantiated in future planning efforts by the City.

In summary, the present situation has reached a true crisis. The clinic cannot accommodate present demand. Meeting growth already planned for the next two years will not be possible. The City and Clinic is

faced with an explosive on shore development and off shore expansion it cannot control but must accommodate.

## PROPOSAL

To accommodate the increases in numbers of visits, the high rate of emergencies, needed holding capacity for medical evacuations, as well as integrate other health providers into a central facility the following changes in the physical plant are recommended:

### EXPANSION NEEDED TO ACCOMMODATE PRESENT SCOPE OF SERVICES

1. Exam Room: Increase from 3 to 8 exam rooms plus a triage room
2. Emergency Room - Expand from 2 to 4 treatment stations
3. Holding Beds - Increase capacity from 2 to 3 beds plus a room that could also be used for isolation or psychiatric patients
4. Radiology - Expand from an existing portable machine to two permanent diagnostic rooms/machines as well as a new portable
5. Laboratory - Expand capacity to over 700 net square feet and assume separate staffing of lab and x-ray
6. Physical Therapy - Provide space for this much needed service to include whirlpool. The space would also be used for casting of bone breaks
7. Pharmacy - Assume operation of a full-time dispensing facility versus the present closet with dispensing by nursing personnel
8. Support - Significant expansion of administrative areas and storage
9. Provision of emergency electrical generation

## ADDITIONAL SERVICES

To accommodate present and future needs, the following additional spaces and services are needed:

1. Audiometry and spirometry room
2. Dental operatory
3. Apartment for visiting physicians as well as on-call practitioner
4. Development of an optometry service
5. Relocation of State Public Health Nursing to the clinic under a lease arrangement with the State
6. Relocation of the Community Health Aide to the clinic under a lease with the Aleutian Pribilof Islands Association (A/PIA)
7. Lease of office space to the A/PIA mental health and alcohol counselors, social worker, WIC program, patient educator

Over the next 2-3 months, these findings and recommendations will be further refined through an extensive feasibility study, functional plan and as well as cost estimate. Further, the feasibility of relocating State and other agencies to leased space within the new clinic will be determined.

**UNALASKA CLINIC**

**Project Cost Summary**

I	Site development costs (Estimate prepared by Department of Public Works, City of Unalaska)	\$ 60,000.
II	Construction of clinic (Estimate prepared by HMS, Inc., based on Kumin Associates' space summary and description of systems)	\$ 3,026,000.
III	Medical Equipment (Estimate prepared by Bill Dann of PGS, Inc.)	\$ 420,000.
IV	Non medical furnishings & equipment (Estimate prepared by Kumin Associates, Inc.)	\$ 45,000.
V	Overhead Costs @ 20% of above includes soils investigation, survey, design, construction administration and inspections, insurance, legal and other administrative expenses.	\$ 792,000.
VI	Project Contingency - @ 5% of above	\$ 220,000.
	Total Estimated Project Cost	\$ 4,563,000.

# ALASKA CLINIC

## Summary of Spaces

1.	Clinic - 2500 SF. + 300 SF. interior circulation includes 8 exam rooms, triage, PHS house, reception, etc.	2800 SF.
2.	Emergency Area - 1225 SF. + 200 SF. interior circulation includes treatment stations, waiting etc.	1425 SF.
3.	Miscellaneous support spaces - 4000 SF. + 700 SF. interior circulation holding beds, psych. room, patient bath, kitchen, laundry, lab areas, pharmacy	4700 SF.
4.	Offices - 2000 SF. + 300 SF. interior circulation, physicians, counselor, administration, conference records storage	2300 SF.
5.	Physicians apartment - 750 SF.	750 SF.
	<b>Subtotal</b>	<hr/> 11,975. SF.
6.	Non-program spaces	
	Vertical circulation	500 SF.
	Circulation, between units & entry vestibules	1198 SF.
	Mechanical room, electrical room, & emergency generator	600 SF.
	General storage	400 SF.
		<hr/>
	<b>GROSS FLOOR AREA</b>	<b>14, 673. SF.</b>



# STATE OF ALASKA

HOUSE OF REPRESENTATIVES

Box V, Juneau, Alaska 99811

(907) 465-2487 • 465-2498

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REPRESENTATIVE CLIFF DAVIDSON • DISTRICT 27 • Box 746, Kodiak, Alaska 99615 • (907) 486-8250

**TO:** Representative Johnny Ellis, Chairman  
House Health, Education & Social Services Committee

**FROM:** Representative Cliff Davidson

**DATE:** March 1, 1990

**SUBJECT:** House Bill 342 - Issuance of GO Bonds for  
Hospital Construction, Reconstruction and Repair

Economic diversification and wise use of our State's abundant resources depend on a healthy population with access to health care facilities which address local health care needs. Physical plants in a number of Alaska's hospitals and nursing homes have been allowed to deteriorate while other State priorities have been addressed. It is time to correct this imbalance with passage of HB 342.

No two Alaskan communities are alike. Seasonal population growth from tourism, fishing or logging seriously taxes health care facilities in many communities. Facilities now find that, without renovation or replacement, the State's own standards for health and safety are violated. This is counter to our public policy goals which seek to ensure access to high-quality health care services for all Alaskans.

The rising cost of health care is on everyone's mind. In Alaska, as elsewhere, recruitment and retention of skilled health care professionals is very costly, as is delivery of products and services necessary for responsible diagnosis and treatment. Nevertheless, from the report of the Governor's Interim Commission on Health Care, health care still accounts for only about 4 percent of all state and local government spending in Alaska, compared to the average for all states of close to 12 percent. We need to re-examine our priorities.

In many Alaskan communities access to adequate health care services will continue only if skilled health care professionals can be retained or recruited. Physicians, nurses and ancillary service professionals don't want to practice in facilities that lack compliance with basic health and safety codes.

Sound planning can only be based on the assurance that adequate funding will be available to bring facilities into code compliance to fund renovation and remodeling which can emphasize more cost-effective outpatient services, and to create facilities which can accommodate radical seasonal population shifts without heavy reliance on extremely expensive medical evacuation by air for all but the most basic treatment services.

The process used to identify priority needs has been a long and thorough one. It goes back to a study authorized and funded by the 1981 Legislature. Fifteen rural hospitals and nursing homes were assessed for plant condition and functional adequacy. Anchorage and Fairbanks facilities were not included, nor were Sitka Community Hospital and Valley Hospital in Palmer. The latter two facilities were under construction or reconstruction at the time.

Ranking was based on the severity of all physical and functional deficiencies found at each facility, and did not consider other factors such as facility utilization or populations trends. In 1990, we find that seven of the 15 facilities have completed major renovation or reconstruction projects. Five are co-located facilities in Cordova, Petersburg, Wrangell, Nome and Homer, where both acute care services and long-term care services are combined in one facility. Other acute care facilities in Juneau and Soldotna have completed all or a major portion of required renovation. In some cases, local communities provided their own funding when the Legislature cut allocations in these areas.

Ten years is along time to wait to address identified deficiencies which can only be corrected by major renovation. House Bill 342 would move us toward a more adequate statewide network of health care facilities. Here's what House Bill 342 would accomplish:

- In Kodiak, Kodiak Island Hospital would receive \$14 million toward the \$14.5 million replacement cost of a facility which includes both acute and longer term care services.

- In Ketchikan, Ketchikan General Hospital and its long-term care facility would receive \$16.0 million toward a total facility replacement cost of \$19 million.

- In Seward, Seward General Hospital would receive \$10.7 million to replace its aging and inadequate facility.

To provide appropriate health care to our Alaskan citizens, we must have adequate facilities. We need to be secure in the knowledge that emergency services for trauma victims and primary care services for the ill or injured are available in Alaska's communities. Our senior citizens and the disabled, as well as their loved ones, deserve to know that long-term care is available close to home.

In smaller Alaskan communities, health care facilities are a major source of year-round employment and an innovative health education resource for all citizens. These facilities, with payrolls of at least \$1 million, reinvest those dollars in the local community. Payroll dollars are estimated to turn over at least three times before they become part of the state of national economy. Sometimes we're so busy looking for "quick fix" solutions to health care costs, we forget the contributions these facilities make to a community's continued economic health.

Rather than generalizing about the need to control the cost of health care in Alaska, we must learn to differentiate between those costs we can control and those we cannot. When communities are providing services in substandard facilities, it is time for these projects to go back to the priority list where they were in 1982.

People continue to be Alaska's most important natural resource. There is nothing more worthy of our attention and our dollars. Alaska's economic health and social health depend on our ability to nurture a healthy and productive population. I urge your support for House Bill 422.

February 26, 1990

## BACKGROUND

### HOSPITAL/NURSING HOME CONSTRUCTION

(HB 342 - GO Hospital Construction Bonds)

The 1981 Legislature authorized and funded a study by the Department of Health & Social Services of the plant condition and functional adequacy of 15 rural hospitals and nursing homes.

The result of that study was contained in a report by the Department to the Legislature in March, 1982.

Anchorage and Fairbanks hospitals were not included. Valley Hospital, Palmer and Sitka Community Hospital did not participate as they were currently under construction or reconstruction in 1982.

#### Overview of Surveyed Facilities

A study team evaluated the adequacy of the physical facilities at each hospital or long term care unit, a number of serious problems and deficiencies were discovered. Such inadequacies tended to fall into common classifications, the most important of which can be grouped as follows:

- Building, fire and life safety code deficiencies and violations;
- Lack of adequate mechanical ventilation to critical areas of the building, and mechanical and electrical inadequacies occasioned by the acquisition and use of high demand diagnostic and therapeutic equipment in laboratory and treatment programs;
- Facility inflexibility in response to changing attitudes, medical technologies and resultant changes in patterns of use; and
- Space shortages occasioned by new patterns of use, increasing complexity in information processing and records storage requirements, and growth in service area populations.

Generally, the deficiencies observed in the health care facilities surveyed are due to the advances and changing techniques in the medical field, coupled with more stringent building, fire and life safety codes which have been adopted over the last few years.

#### 1982 Prioritization of Surveyed Hospitals and Nursing Homes

In conducting the inventory and evaluation study of the fifteen hospitals and long term care facilities in 1982, architectural consultants identified six facilities which were in greater need of immediate attention than others, due to their more severe physical and functional deficiencies. To arrive at a ranking of all surveyed facilities based upon relative need for construction to correct noted deficiencies, the Department assembled a committee to review the report.

(MORE)

This committee consisted of one member of:

The Alaska Medical Facility Authority;  
The Alaska State Hospital Association;  
Southeast Alaska Health Systems Agency, Inc.;  
South Central Health Planning and Development, Inc.;  
The Medical Care Advisory Committee, and  
The Statewide Health Coordinating Council.

The ranking provided by this committee was based only upon the relative severity of all physical and functional deficiencies found at each facility and did not consider other factors such as facility utilization or population trends: The committee ranking was as follows:

- \* 1. Cordova Community Hospital and Long Term Care Facility
- \* 2. Petersburg General Hospital and Long Term Care Facility
- 3. Seward General Hospital
- 4. Kodiak Island Hospital and Long Term Care Facility
- 5. Wesleyan Nursing Home
- \* 6. Wrangell General Hospital
- \* 7. South Peninsula General Hospital and Long Term Care Facility
- 8. Ketchikan General Hospital and Island View Manor
- \* 9. Central Peninsula General Hospital
- \* 10. Bartlett Memorial Hospital
- 11. Valdez Community Hospital
- 12. St. Ann's Nursing Home
- \* 13. Norton Sound Regional Hospital

\* completed (Central Peninsula & Bartlett utilized local bonding)

In 1987, the Health Association of Alaska, representing hospitals and nursing homes, recommended that Kodiak, Ketchikan and Seward be ranked as the top priority facilities needing construction grants.

HB 342 by Representatives Davidson, Cato, C. Davis and Taylor

Authorizes issuance of general obligation bonds in the amount of \$41,400,000.00. This proposition to be placed on the 1990 general election ballot.

Kodiak Island Borough	\$14,500,000.00
City of Seward	9,500,000.00
City of Seward	1,200,000.00
City of Ketchikan	16,200,000.00

# # #

For More Information Contact:

Harlan Knudson  
Health Association of Alaska  
586-1790

STATE OF ALASKA  
THE LEGISLATURE

POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907-465-3800

LEGISLATIVE AFFAIRS AGENCY  
LEGISLATIVE REFERENCE LIBRARY

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

H. HESS

3-2-90

H. HESS

3-15-90