

**3/01/12  
PRESENTATION  
ALASKA STATE  
HOSPICE &  
NURSING HOME  
ASSOCIATION**

<TARGET><BILL></BILL><SUBJECT>3-01-12 PRESENTATION  
ALASKA STATE HOSPICE and NURSING HOME  
ASSOCIATION</SUBJECT><COMM>HHSS27</COMM></TARGET>

Today is Thursday March 1st, 3pm. Present are:

- Representative Dick
- Representative Herron
- Representative Kerttula
- Representative Miller
- Representative Millet
- Representative Seaton
- And myself Representative Keller

**Today we will be having a presentation from Alaska State Hospital and Nursing Home Association: “Overview of Alaska’s Hospitals and Nursing Homes”**

**The Presenters are:**

**Karen Perdue, CEO/President**

**Mike Powers, Fairbanks Memorial Hospital, Fairbanks**

**Robert F. Letson, South Peninsula Hospital, Fairbanks**

**Elizabeth Woodyard, Petersburg Medical Center, Petersburg**

**Rick Davis, Central Peninsula General Hospital, Soldotna**

**Millie Duncan, Wildflower Court, Juneau**

# Overview of Alaska's Hospitals and Nursing Homes

House HSS Committee  
March 1, 2012



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# Alaska Hospital and Nursing Homes Testifying Today

Fairbanks Memorial Hospital – Mike Powers

Central Peninsula Hospital – Rick Davis

South Peninsula Hospital – Robert Letson

Petersburg Medical Center – Liz Woodyard

Wildflower Court – Millie Duncan

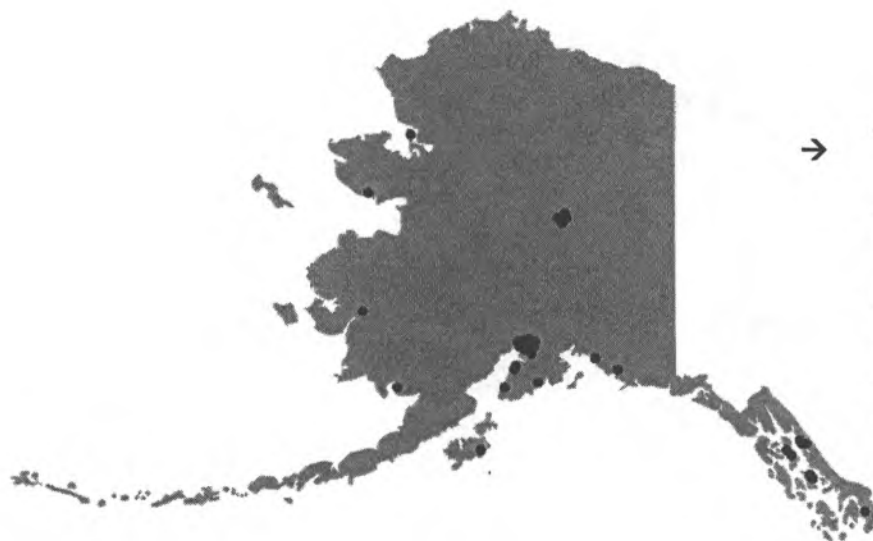


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# Alaska is Beyond Rural when compared to other States

DISTRIBUTION OF ALASKA HOSPITALS 2011



	LAND AREA <i>miles<sup>2</sup></i>	POP DENSITY <i>miles<sup>2</sup></i>	BED DENSITY <i>1,000 miles<sup>2</sup></i>	
→	AK 571,951	1.2	3.4	←
	HI 6,423	211.8	576.5	
	ID 82,747	18.9	48.7	
	MT 145,552	6.8	34.4	
	ND 68,976	9.8	55.9	
	OR 95,997	39.9	83.3	
	WA 66,544	101.1	211.97	
	WY 97,100	5.8	27.5	



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# 78% of Health Facilities in Alaska have Special Federal Designation

## ALASKA HOSPITALS AND NURSING HOMES

	NUMBER	PERCENT
<i>Critical Access Hospitals (CAH)</i>	9	33%
<i>Tribal Hospitals<sup>1</sup></i>	6	22%
<i>Sole Community Hospitals</i>	4	15%
<i>Military/Veterans Hospitals</i>	2	7%
<b>SUBTOTAL</b>	<b>21</b>	<b>78%</b>
<i>Tertiary Hospitals</i>	3	11%
<i>Psychiatric/BH Hospitals</i>	2	7%
<i>Long Term Acute Hospitals</i>	1	4%
<b>TOTAL ALASKA HOSPITALS</b>	<b>27</b>	
<b>STAND ALONE NURSING HOMES</b>	<b>3</b>	

<sup>1</sup> Includes 4 Tribal CAH

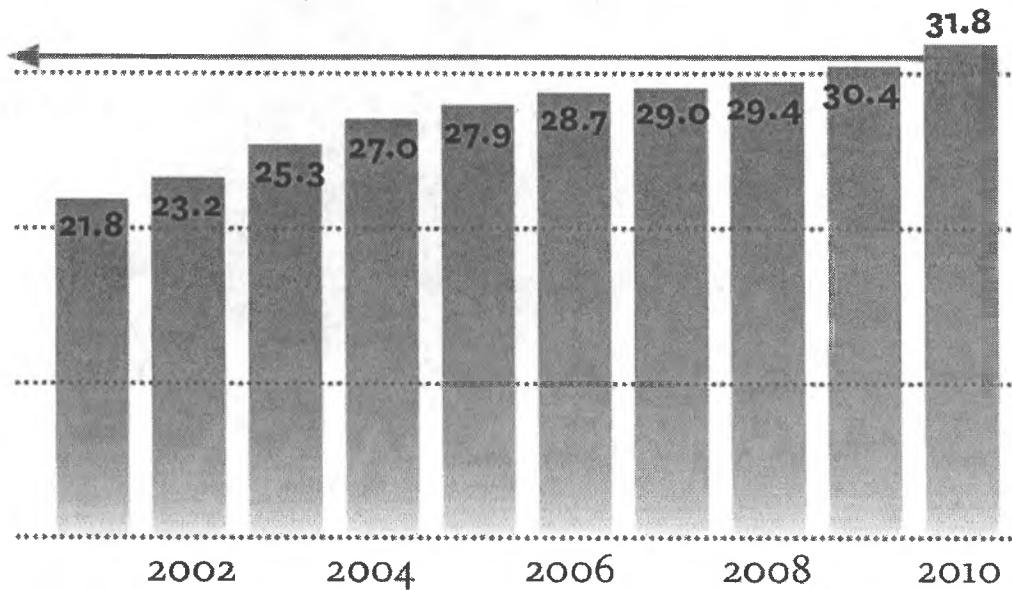


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# Health Care is a Major Employer in Alaska

HEALTH CARE EMPLOYMENT (*thousands*)

2010 payroll = \$1.53 billion ←

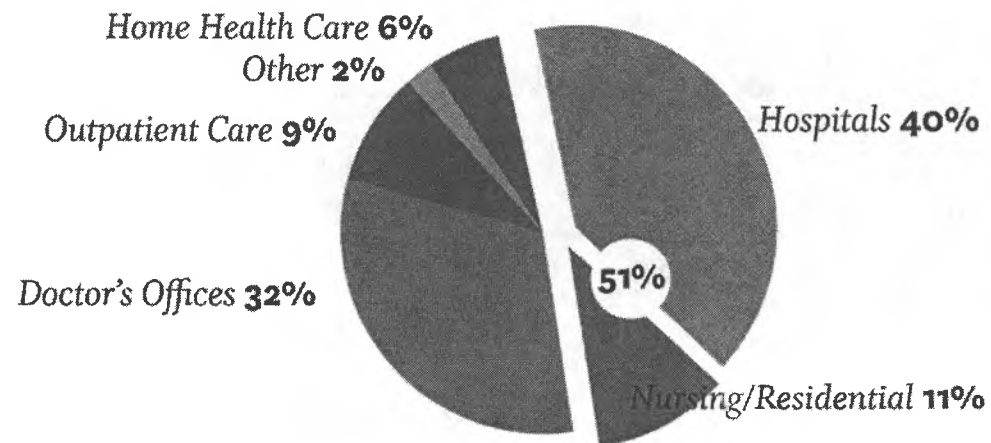


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# Half of all Health Care Employment is in Hospitals & Nursing Homes

HEALTH CARE EMPLOYMENT SETTINGS 2010

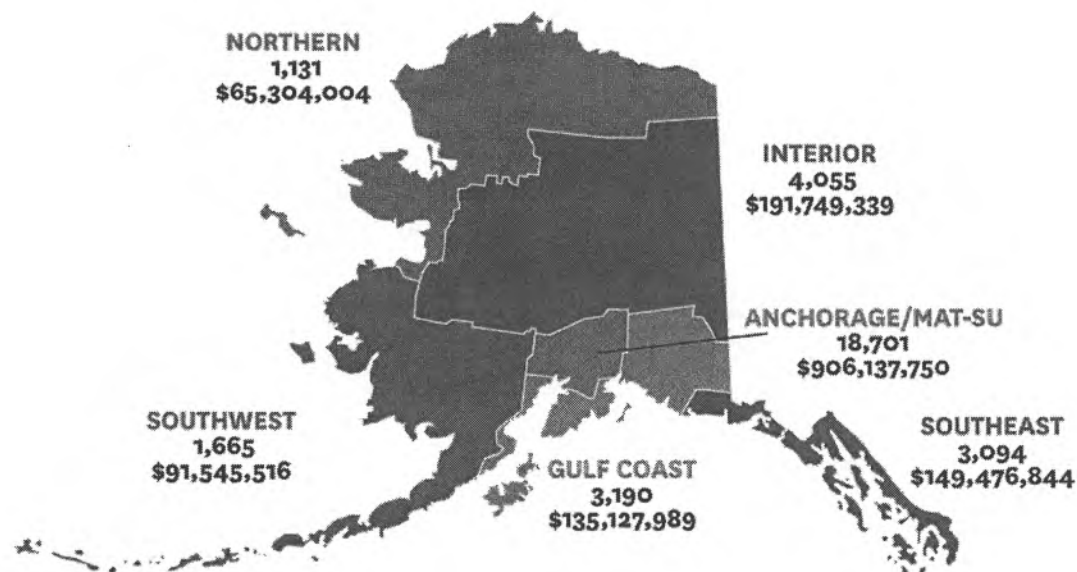


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# Health Care Employment is throughout the State

HEALTH CARE'S EMPLOYMENT AND TOTAL WAGES 2010



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# Health Facilities are Impacted by Higher Costs

## COST OF LIVING INDEX 2010

URBAN AREA	COMPOSITE INDEX	GROCERY ITEMS	HOUSING	UTILITIES	TRANSPOR- TATION	HEALTH CARE	MISC.
<i>Anchorage</i>	128.4	134.5	142.9	94.1	122.0	135.7	128.4
<i>Fairbanks</i>	137.4	127.9	148.5	193.1	118.7	144.9	118.8
<i>Juneau</i>	136.5	133.1	165.7	135.1	121.2	144.4	116.1
<i>Kodiak</i>	128.7	149.4	127.8	131.9	143.4	143.4	115.4

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# Alaska Costs Compared to Comparison States

Alaska's Cost of Living: 30% higher

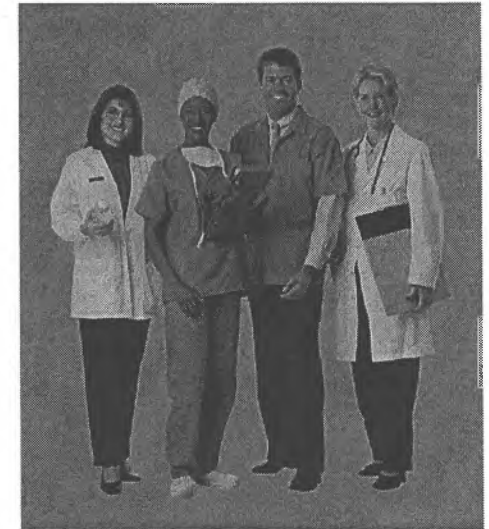
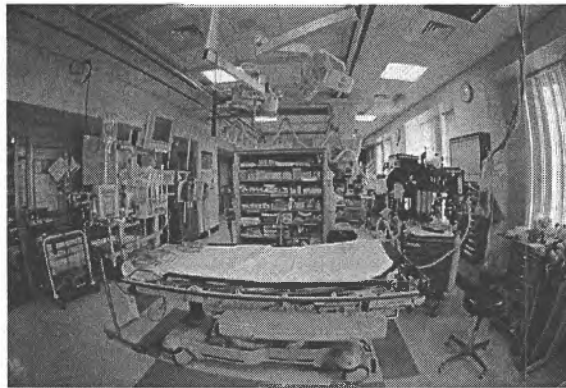
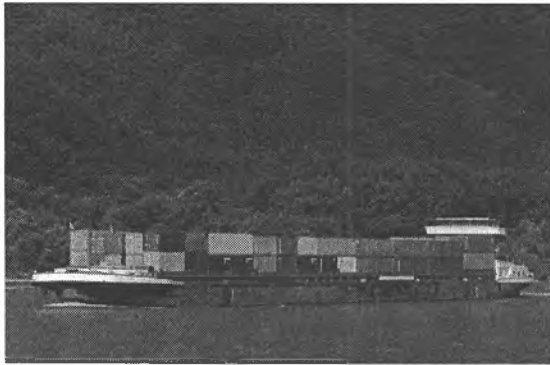
Alaska's Hospital Costs: 38% higher

The logo for the Alaska State Hospital & Nursing Home Association (ASHNHA) is a dark circular emblem containing the acronym "ASHNHA" in white, uppercase letters.

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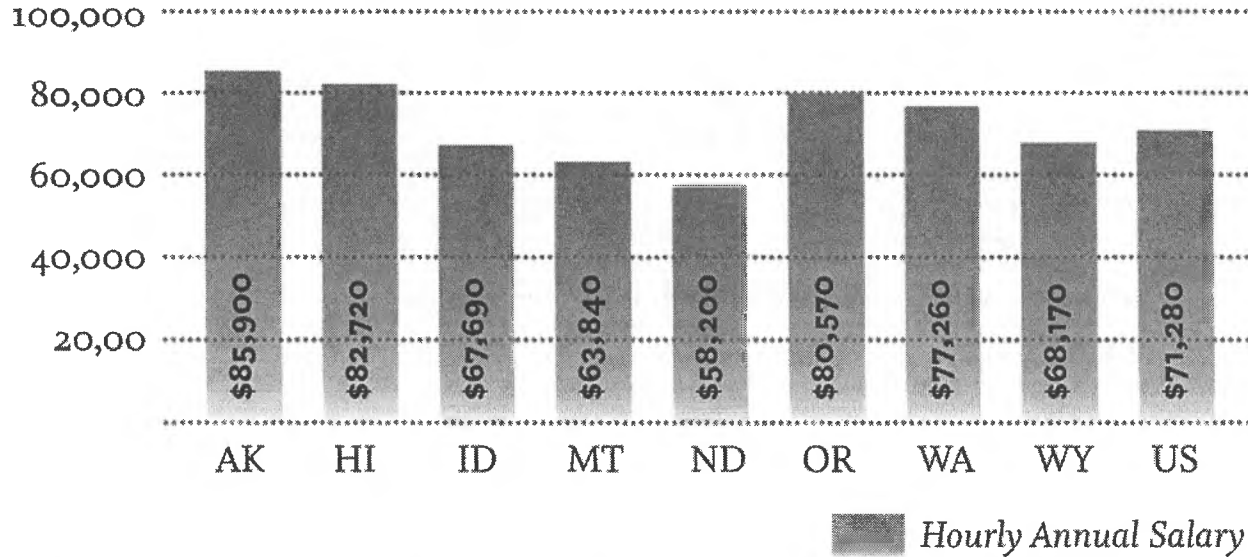
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# Cost Drivers Impacting the Cost of Care in Alaska



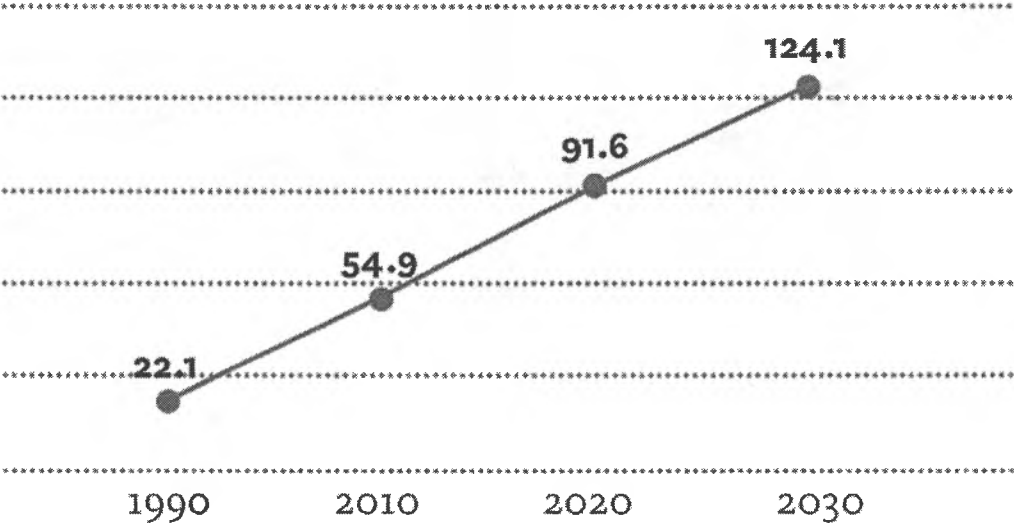
# Alaska Pays More for Health Care Practitioners than 8 Comparison States

STATE WAGE COMPARISONS FOR HEALTH CARE PRACTITIONERS AND TECH OCCUPATIONS 2010



# The Silver Tsunami

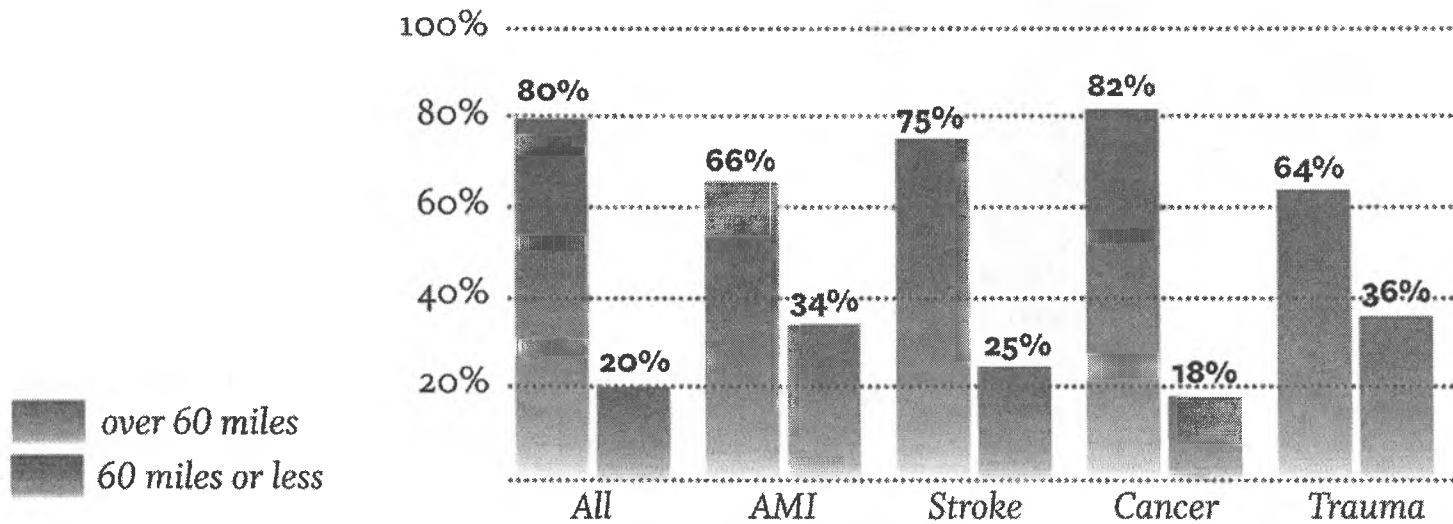
ALASKA SENIORS (*thousands*)



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# Patients Must Travel to Receive Care

DISTANCE TRAVEL BY SELECT CONDITIONS 2009



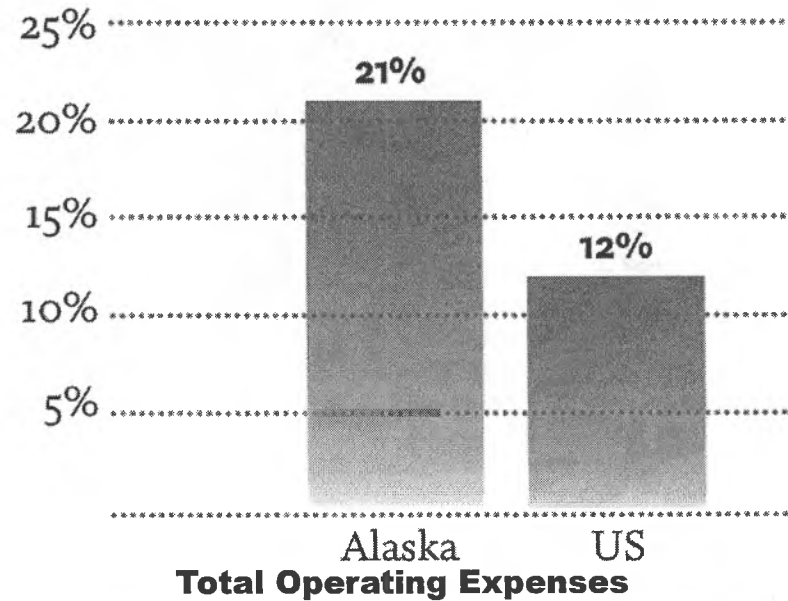
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# Hospitals Must Serve All Who Need Care

UNCOMPENSATED CARE 2009

Uncompensated care in Alaska = \$178M

Lost revenue = \$410M



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# Fairbanks Memorial Hospital



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# WHO DO WE SERVE - Fairbanks Memorial Hospital

Sole community provider for 250,000 sq miles

- 67% White, 21% AK Native, 12% Other
- 90% admissions from within 30 mile radius
- ...and Native & Military unique relationships

Top diagnoses:

- normal delivery
- psychoses,
- alcohol abuse
- Pneumonia

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# ECONOMIC IMPACT- Fairbanks Memorial Hospital

1. 1350 employees
2. Salaries/benefits: \$107M
3. Gross revenues: \$360M
4. Relentless Capital Campaign
5. 8,000 – 10,000 employees over the years



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# Fairbanks Memorial Hospital

## CHALLENGES

- “Niche” providers
- DET Beds
- Chronic Inebriates
- Assisted Living
- Evolving medical practice model
- Aging surgery facilities
- High Alaska cost structure
- Adolescent behavioral health services

## SOURCES OF PRIDE

- Community Owned
- Native partnership
- Military partnership
- No deferred maintenance
- “Growing our own” -focus on perioperative nursing
- Physician recruitment
- Continuum of care
- Disaster planning

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