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CERTIFICATE OF NEED  
PUBLIC MEETING

Held at the Homer City Council Chambers  
Wednesday, May 13, 2009 at 5:00 p.m.

1 RECORD OF MEETING

2  
3 MS. LAWFER: We're going to go on the record now. My name  
4 is Karen Lawfer and I am the Certificate of Need Coordinator  
5 with the Department of Health & Social Services for the State of  
6 Alaska. The purpose of the meeting this evening is to take  
7 public comment on a Certificate of Need application that's been  
8 submitted by South Peninsula Hospital to increase the number of  
9 skilled nursing beds from 25 to 28. The total cost of the  
10 project is estimated at \$28,000 and there is no construction  
11 involved in this.

12 The reason that a Certificate of Need is required when you  
13 are increasing bed sizes is the fact that we look very closely  
14 at skilled nursing or nursing home, which is commonly known,  
15 nursing home beds. And all nursing home beds, regardless of  
16 cost, do go through a Certificate of Need process so that we  
17 understand what the planning has been for that community.

18 The way that this evening is going to work is this is a  
19 public meeting in order to take public comments. Once you have  
20 given your public comments, please feel free to go. It will not  
21 be a reflection on you whatsoever. We are here from 5:00 until  
22 6:30. The reason that we do that is to allow people that might  
23 be working a chance to come in, give their testimony, give their  
24 comments and then leave. So I will be here until 6:30. But do  
25 no fe -- I will not be offended if you give your comments and

1 leave. Especially on such a beautiful day.

2 The other part to this is that we will be -- have a  
3 transcribed record of this. So we are being recorded. That's  
4 why I'm sitting here in front of this microphone. The two  
5 microphones that are on the tables are -- will also be used. In  
6 order to assist the person who will be transcribing the record,  
7 if you could please state your name clearly and spell it. And  
8 please refrain from using any kind of abbreviations. They may  
9 not understand what the abbreviations stand for. If you could  
10 just say it in full that would be helpful for them so that we  
11 could get an accurate record.

12 For those who have -- are not able to provide comment this  
13 evening, there is still the -- the public comment period is  
14 still open, and it is open until 4:30 on May 15th, which is  
15 Friday. I have left some copies of the public notice in the  
16 back which has all of my contact information. They can write me  
17 a letter, they can fax me a letter or they can e-mail me. All  
18 of those are perfectly acceptable. So if you know somebody that  
19 wanted to give comment on this project and was not able to do so  
20 tonight, they still have until 4:30 on Friday to provide  
21 comment. And so you can just grab a copy of the public notice  
22 and that will have all of my contact information.

23 And so with that, I would like to first open it up to  
24 Robert Letson, who is the CEO of South Peninsula Hospital.

25 MR. LETSON: Thank you for this opportunity. My name is

1 Robert Letson, L-E-T-S-O-N, and I'm CEO of the South Peninsula  
2 Hospital and Long Term Care facility. And our Certificate of  
3 Need project is a request for three additional licensed skilled  
4 nursing beds, that are Medicare and Medicaid certified, in our  
5 South Peninsula Hospital Long Term Care facility. Currently the  
6 Long Term Care facility is licensed for 25 beds. This request  
7 will increase our total number to 28.

8 Our facility currently has the ability to accommodate up to  
9 28 residents. We have 14 double occupancy resident rooms in the  
10 facility, but lack the ability to utilize all of the space  
11 because we are only licensed for 25 beds. With approval for the  
12 three additional licensed beds, we will be able to utilize our  
13 facility to its fullest potential. No additional construction  
14 is necessary to accommodate the increase in licensed beds.  
15 Support space, such as the Long Term Care day room and dining  
16 area, has the capability to accommodate the three additional  
17 residents.

18 There will be no necessary cost for construction or  
19 renovation. Any cost incurred will be from the equipment  
20 necessary and possible increased staffing level to provide  
21 quality care to our residents. Cost for the equipment will be  
22 managed internally through our Operating and Capital Budgets and  
23 is estimated at \$28,400. Any costs for additional staffing will  
24 be managed through our facility's Operating Budget. At this  
25 time we would estimate one additional staff person with a

1 probably cost of about \$45,000.

2 South Peninsula Long Term Care facility has experienced  
3 over 98% occupancy for three years. Increasing the total number  
4 of licensed beds from 25 to 28 will allow our facility to  
5 utilize our current space to the fullest potential and make us  
6 able to meet the future needs and existing needs of our  
7 community. The closest other licensed LTC -- or Long Term Care  
8 facility is 70 miles away. So residents of the service area  
9 need these additional beds with our 98% occupancy and so -- also  
10 this would not negatively impact any other facilities since the  
11 closest is 70 miles away.

12 The need is also for our Long Term Care beds to be  
13 increased in order to restore the balance between Long Term Care  
14 beds and Assisted Living facilities that is recommended in the  
15 State guidelines. There are 72 Assisted Living beds in our  
16 service area, but only 25 Long Term Care beds.

17 Another factor to consider is the Homer population is  
18 aging. In fact, at the hospital, our Medicare patients, who are  
19 over the age of 65, have increased from 30% to 33% in one year.  
20 Ten percent of the Kenai Peninsula residents are over 65. The  
21 Alaska average is 7%.

22 Also, there is a need for more rehabilitation and short  
23 term acute rehab beds in Long Term Care for patients such as  
24 strokes, hip and knee surgeries. Many of our Long Term Care  
25 residents have chronic diseases, and with the increase in

1 Assisted Living beds, the residents who come to our facility are  
2 generally older and have more chronic illnesses than a few years  
3 ago. And they are a higher acuity. They very much need the Lab  
4 services, Respiratory Therapy and the physician services nearby.  
5 The service area has a growing number of Assisted Living  
6 facilities and we need to make sure our facilities are prepared  
7 to take care of these residents when they need our facilities as  
8 they grow older.

9 We have support letters in our application from Dr. Eneboe,  
10 Darlene Hildebrand of Hospice of Homer, Fred Lau of Homer Senior  
11 Citizens and our own Acute Care Social Worker who helps place  
12 patients. Her name is Cris Beaudoin.

13 So in summary, I think there's a clear need. We've had  
14 over 95% occupancy for six years and 98% the last few years --  
15 last three years. And the State, I think, threshold is 90%. So  
16 I think we clearly meet the need and obviously it's difficult in  
17 the winter to travel 70 miles to another facility. So I would  
18 ask that this Certificate of Need be approved. Thank you.

19 MS. LAWFER: Okay. I will go get my list and just go down  
20 the list if that's all right. Next we have Walter Partridge.  
21 Would you like to defer to somebody else first?

22 MR. PARTRIDGE: Um, that's fine.

23 MS. LAWFER: Okay.

24 MR. PARTRIDGE: Hi, my name is Walter Partridge. That's P-  
25 A-R-T-R-I-D-G-E. I am currently on the Board of Directors for

1 South Peninsula Hospital, Inc. The operating arm of the  
2 hospital. Operating incorporated company of the hos -- that  
3 runs the hospital.

4 When the board reviewed and approved the forwarding of the  
5 CON, we approved it because there were several very obvious  
6 facts to us. One was that we had over 98% occupancy on our  
7 existing facility. Number two was that this was a very low cost  
8 increase in three beds because the facility already existed in  
9 terms of the physical facility. And the only thing we would  
10 need would be additional furniture and perhaps staffing. And I  
11 -- the third would be that the aging population we were -- had  
12 done some research and we prepared our Strategic Plan and found  
13 through the Borough and Alaska Department of Labor that we were  
14 facing an increase in population of 65 and plus of over 141% in  
15 the next 10 years. Which meant that we needed to be doing a --  
16 several things, but one of them being increasing our Long Term  
17 Care facility in terms of going for the 28 beds. And for that  
18 reason we approved it and we would -- I would like to ask that  
19 the State of Alaska also approve this Certificate of Need for  
20 Long Term Care. Thank you.

21 MS. LAWFER: Thank you. Next I have Barbara Howard.

22 MS. HOWARD: Thank you. I'm usually on the other side of  
23 the table. This is a little different for me. Welcome to  
24 Homer. We appreciate the honor and honor the public process  
25 that you're conducting today. Good evening, my name is Barbara

1 Howard, H-O-W-A-R-D. I am the President or the Board of  
2 Directors for South Peninsula Hospital. The majority of the  
3 members of my board are here with me tonight in support of this  
4 application. We thank you for this opportunity to further  
5 explain the need for additional beds in our Long Term Care unit  
6 and I recognize that you will be hearing, and probably be bored  
7 to death, with some overlapping statements.

8 The mission of our hospital is to promote community health  
9 and wellness by providing personalized high quality locally  
10 coordinated health care. Our board and staff are partners, and  
11 partners work very hard every day to fulfill that mission and to  
12 strive to do our best to meet the needs of our family, friends  
13 and neighbors in this service area.

14 As a board member, I understand that though we can't do or  
15 be everything for everyone. So when I see an opportunity for  
16 our hospital to give a little bit more, and be a little bit  
17 more, which would meet the needs of our community I am  
18 obligated, along with my fellow board members, to pursue it in  
19 the best interest of those served. When our social worker is  
20 forced to place a patient in a facility 75 miles or even 300  
21 miles away to receive care that is offered right here in our own  
22 facility, while their family is right here in the area, simply  
23 because we don't have enough beds, rather than we don't have  
24 enough room or don't offer the service. It is our obligation  
25 and responsibility then as a board to try and resolve the



1 problem which we are doing which this application for additional  
2 beds in the Long Term Care facility. South Peninsula Hospital  
3 can easily demonstrate the needs for additional beds in our Long  
4 Term Care facility and our application covers those details.

5 I'd like to review just a few highlights of that need. We  
6 are currently licensed for the utilization of 25 beds, and we  
7 have experienced the average occupancy rate of 98%, as has been  
8 mentioned in previous speakers. Our staff regularly has  
9 inquiries and requests for admissions that we cannot  
10 accommodate. There are currently 71 licensed beds offering  
11 Assisted Living in the service area to accommodate the needs of  
12 our citizens before they need a skilled nursing home like ours.

13 Our 25 bed nursing home is certainly not large enough to  
14 accommodate the demand created from those Assisted Living beds  
15 and does not meet the State suggested ratio of Assisted Living  
16 beds to nursing beds.

17 This growth in our Long Term Care will simply be responding  
18 to our community's wishes and demands as follows: we are the  
19 only skilled nursing facility in the community. As mentioned,  
20 the closest one is approximately 75 miles away. And the vast  
21 majority of the patients in our Long Term Care are from this  
22 service area. The community is relying on our organization to  
23 make the appropriate decisions to accommodate them and their  
24 growing demand. In a Community Needs Survey done in 2006, 82%  
25 or 331 out of 400 people surveyed, said South Peninsula Hospital

1 should broaden and expand our Long Term Care.

2 The market is growing. According to statistics from Alaska  
3 Department of Labor, the number of senior citizens aged 65 and  
4 older on the Peninsula, is expected to grow by 87% over the next  
5 10 years. Applying that growth to the estimated numbers of  
6 seniors in our service area we could expect 20% of our entire  
7 service area to be in the senior population within this decade.  
8 This ratio is much higher than the projected senior population  
9 of the State of 10% or the national average of 12%.

10 Our partners support this. Hospice of Homer and Homer  
11 Senior Citizens are key partners in support of this expanded  
12 service. These organizations are intimate with the care and  
13 service provided in our Long Term Care and the role the facility  
14 plays. Both agree that additional beds are not only needed,  
15 they are critical for continued quality of life for our citizens  
16 and residents in our shared service area.

17 And finally, South Peninsula Hospital can easily  
18 incorporate this growth into our regular operation. Again,  
19 there are many details in our application which demonstrate the  
20 ability to execute this plan. Since it was built in 1999, our  
21 facility has had the ability to accommodate a minimum of 30  
22 residents. We are, however, only licensed for 25 beds as  
23 mentioned. With approval of the three additional beds, we will  
24 be able to utilize our facility to its fullest potential with no  
25 additional construction costs. Maximizing hospital services to

1 the residents, expanding our program and services, and  
2 responding to the needs of our community are all goals in the  
3 hospital's current Strategic Plan. A fully utilized Long Term  
4 Care facility is an integral part of the meeting, whose goals,  
5 and has been since the facility Master Plan was updated in 2003.

6 Our facility offers a family like setting with a spacious  
7 day room and dining area overlooking Kachemak Bay. It offers  
8 regularly scheduled activities and personal care services such  
9 as a massage and hair dresser. The common space and the support  
10 programs such as these, have the capacity to easily accommodate  
11 the three additional residents.

12 The Long Term Care is connected to the hospital, offering  
13 medical service such as Imaging, Rehabilitation, and Laboratory,  
14 handily, right next door. We have trained and skilled staff in  
15 place to accommodate this increase including Certified Nursing  
16 Assistants, a skilled nursing staff, nurses trained in wound  
17 care, a social worker and a medical director. All of the  
18 infrastructure and support facilities are already in place so  
19 cost to add three beds is minimal. Limited equipment and  
20 furniture and additional staffing will be covered through the  
21 Operating and Capital Budget.

22 The continuing Long Term feasibility of this proposed  
23 operation is very favorable because it adds some additional  
24 capacity to an already established strong base of operation and  
25 increases overall hospital use.

1 On behalf of the Board of Directors of South Peninsula  
2 Hospital, thank you for this opportunity to permit South  
3 Peninsula Hospital to use the facility and services already in  
4 place to further meet the needs of the community and to improve  
5 the quality of life in our service area. Thank you.

6 MS. LAWFER: I have other people signed in, but they have  
7 said that they do not wish to testify. And you in the green  
8 shirt, you came in later. And I -- I can just have you sign in.  
9 Do you wish to provide any public comments?

10 UNIDENTIFIED: No.

11 MS. LAWFER: No. Okay. So with that we can go off the  
12 record until we have additional people to come.

13 (Off record)

14 END OF RECORDING  
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TRANSCRIBER'S CERTIFICATE

I, Marsha Kinney, hereby certify that the foregoing pages numbered 1 through 11 are a true, accurate and complete transcript of the Certificate of Need Public Meeting, transcribed by me from the cassette tape recording to the best of my knowledge and ability.

\_\_\_\_\_  
Date

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Marsha Kinney, Transcriber

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I, Marsha Kinney, hereby certify that the foregoing pages numbered 1 through 11 are a true, accurate and complete transcript of the Certificate of Need Public Meeting, transcribed by me from the cassette tape recording to the best of my knowledge and ability.

5/20/09  
Date

Marsha Kinney  
Marsha Kinney, Transcriber