STATE OF ALASKA

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

PUBLIC MEETING

Regarding:

Certificate of Need Application

for

Relocation and Expansion

of the

Sleep Disorders Center

Applicant: Providence Alaska Medical Center

June 18, 2009

Anchorage, Alaska

Meeting Conducted by:

Karen Lawfer

Reported by:
Valerie Martinez

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THURSDAY, JUNE 18, 2009

5:40 PM

OPENING REMARKS BY KAREN LAWFER

KAREN LAWFER: For everyone, my name is Karen Lawfer and I'm with the Certificate of Need program with the Department of Health & Social Services. This evening's public meeting is to take testimony regarding the application from Providence Medical Center, Providence Health Systems, for the relocation and expansion of their Sleep Disorders Center.

With that, I am going to allow Lisa Wolf with Providence to begin with the testimony.

PRESENTATION BY PROVIDENCE ALASKA MEDICAL CENTER

LISA WOLF: Good evening, everyone. Tonight we're going to have several speakers do our presentation for us. Christie Artuso and Dr. Lada will be doing the presentation for us.

And so, Christie, why don't you go ahead.

CHRISTIE ARTUSO: My name is Christie Artuso. I'm the Director of Neurosciences at Providence Alaska Medical Center. The Sleep Disorders Center does fall under the umbrella of neurosciences, so we'd like to share some of the information we've gathered over the last year and some of the details on the Certificate of Need and why we believe that this would benefit the

community.

Currently, we have an accredited Sleep Disorders Center. It is accredited by the American Academy of Sleep Medicine.

We are located in two locations. We are located in the proper hospital location. We have four beds in that location with no ability to expand because of the geographic location of the sleep center. And so we did expand and added four testing beds into a building that we call the Providence House. It was a building that's been used for multiple purposes on the campus over the past several years. But in proximity, it's close to the hospital and provides an adequate space at this time for temporarily housing patients to test for the sleep center. So we've outfitted those and we do provide testing in those beds.

Total capacity is about 4,261 square feet. We do test six nights a week and we currently and have sustained a seven-week waiting list over the past three years consistently.

We're proposing a new Sleep Disorders Center that would also maintain the accreditation by the American Academy of Sleep Medicine in one location in a medical office building on the PAMC campus that would be physically connected to the Providence Alaska Medical

Center Hospital campus.

There would be 10 testing beds with space allowed for expansion to two additional beds in the future, should that need be documented. The total amount of space would 10,360 square feet. The cost for this department is approximately $3.6 million and it is being paid for by our own operational funds.

We anticipate operation somewhere around spring of 2010 barring any unforeseen construction delays, weather delays, supply delays, coming up as the building is being constructed.

National healthcare forecaster predicts approximately in Alaska a 60 percent increase in volume between the years 2008 to 2013. And what we believe is going to happen is that there is going to be an increased demand in neurologic cases, an increased demand for preoperative screening and preoperative testing for patients who fall within a specific criteria.

There are a number of studies going on right now in the Lower 48 and they are looking at patients preoperatively, screening them appropriately, increasing the observation postoperatively, and then referring for sleep tests if they meet a set of criteria. And so they believe that they're able to decrease postop

complications by identifying these patients during the anesthesia preoperative screening process.

So that has not happened in Alaska at this point and we believe if we institute this program, it will again increase the volume that we have to see. And we do currently have a seven-week waiting list, so we're a little bit leery about adding patient populations that we have not tested in the past, even evaluating for it, because look at the length of time that we would have to go out to test these patients.

Rob, would you like to add some comments about the actual community need and the types of patients that we anticipate testing?

DR. ROBERT LADA: Yeah. I mean, I think one aspect if you look at the neurologic cases right now, the majority of the testing that we are doing are really isolated to mainly pulmonary patients, simply because of the culture of the sleep lab up until this point has mainly involved pulmonologists. And so the whole population of neurologic patients has never really entered into a common component in the sleep lab. Rarely you may have some.

Another area that has been very underserved is going to be the stroke patients that are present. In upwards of 60 to 80 percent of patients who had a stroke

have sleep apnea. Those patients who have sleep apnea and have just had a stroke are at a higher instance to have another stroke and a higher risk of dying in the next 90 days after the stroke. And so right now we don't have the ability to test, evaluate, these patients in an efficient manner in order to prevent problems from taking place in the future.

Another category of patients that we don't routinely evaluate are patients with multiple sclerosis. Also, patients with Parkinson's and dementia simply because our facilities are not capable of handling that number of patients. So up until this point, we really haven't consistently and routinely evaluated those patients for sleep disorders.

The other avenue that we have not expanded upon, partly because of space issues, is the pediatric population. And that also is an underserved population because we're not really seeing those patients coming through the sleep lab. When we look at the population in Alaska, we should be seeing more of those patients. But probably it's because of manpower issues.

But more importantly, we don't have the ability to see those patients. Right now if we do see a pediatric patient, we actually take two beds to do that because we'll close down one bed. And that also further

expands out those needs for other patients, so we do have a lack of facility for that.

LISA WOLF: Let me speak to the projected need formula that was used. It's a formula based on the current population's use rate. And we included, when we did this, the number of studies that were performed as well as the wait list in this study.

The use rate in 2008 was then applied into the future year of 2013 and that created 3,742 studies. And if you look at that number of studies and you divide that by 265 studies per year per bed, you end up with a need of 14.1 beds. Currently in Anchorage there are 10 beds, so it's in addition to the four beds.

And this need is based on what we're currently seeing. So all the kinds of patients that Dr. Lada just mentioned that we haven't started to see yet aren't in that formula, so that would be an additional demand that we would see.

CHRISTIE ARTUSO: And I would just like to add to that. With the stroke patients that he mentioned, we now as of about six months ago have the ability to provide additional interventions for stroke patients in the state of Alaska and we've built that program significantly. We're working collaboratively with six other hospitals in Alaska to deliver a higher level of

stroke care, so we also anticipate the number of stroke patients that we identify will increase.

And we probably should have introduced Dr. Lada before, but he's a stroke-certified neurologist. And so we've added that clinical capacity to the sleep lab as well. He's also the medical director of our sleep lab, so he has that additional expertise. We had the pulmonary expertise, now we've added the neurology.

We've added a level of care for stroke patients, so we're touching on what we anticipate. But with the growth of the programs, we need to be able to meet those patient's needs adequately, especially with the current science that says they have that greater risk.

So I think it's important to recognize, too, that we are connected with a number of other organizations throughout the state and we're working with them to deliver this level of care.

So, we looked at several alternatives. The first one: Do nothing. Live with what we've got, keep going along the same path, close down a bed when we have a pediatric patient, maintain the seven- to nine-week waiting list depending -- seven weeks is actually the shortest I've ever seen it -- so seven- to nine-week

waiting list, not meet the patients' needs. It didn't seem to be the best option. So we pulled that one off the table rather early.

We looked at space in our existing medical office buildings. We actually spent quite a bit of time looking at potential space that would have the capacity to expand later on if we needed to, space that would be connected physically to the hospital, space that would provide adequate parking, adequate access for patients, adequate handicapped access, all of those factors that would meet the patients' needs.

We also looked at the proximity of some of our buildings and did not find any existing space in the current office buildings that was adequate in size, connected, large enough, and provided some expandability. So that was not a great option. We had some small spaces but they didn't really allow us to create a larger setting.

We considered continuing with the split center in two locations. This is very difficult to maintain. It is not as -- I don't feel that it provides us with the ability to provide a solid continuity of care. You've got staff in two locations that don't have the benefit of communicating directly with each other all the time. They communicate certainly remotely with each

other.

You have to selectively choose which patients are in one location over another location depending -- because one is connected, the other is not. And so at times your patient mix may be more difficult to maintain and may not meet all the needs of the patients that need to come in on that day. So it does provide additional challenges. And we're limited to how much we can expand in that space.

At this time, we anticipate the Providence House will no longer be available in about one year. And so we would have to move those beds out of Providence House anyway.

Leasing space off campus, another potential that we looked at. We costed out the cost, looked at the possibility. One of the challenges is that it's no longer connected. So then we have to still have a second location on campus to provide care to in-patients or patients that might have special needs or pediatric patients where we do provide a little different level of service for those pediatric patients because they need special equipment.

So we identified all of the barriers that would occur if we were off campus and not connected with Providence Alaska Medical Center and felt that that was

not the best option. It was certainly one that was weighed.

And then we looked at leasing space in a new medical office building on the PAMC campus, which is under construction right now. It provided us with the opportunity to maintain connectivity, to design a sleep center that would meet the patients' needs. I think that was a real driver for us, to look at a design that would optimize our ability to provide the service for the patients, that would provide adequate access, that would allow them to be comfortable while they were undergoing their sleep studies, that would provide staff with a central location where they could communicate with each other, perform the sleep studies, and also collaborate with other health care professionals.

It allowed us the possibility of developing rooms for specific patient populations. And in the design, we looked at designing rooms specific to the bariatric patient, we were able to design rooms specific for pediatric patients. We were able to look at different elements that would meet needs of those patient populations as well as provide a comfortable environment for them to have their sleep study done under optimal situations.

And when we looked at the costs between the

two, they were relatively equal between that and leasing space off campus. Leasing space off campus, we had no control really over the type of space. So when we looked at the actual costs of implementing this, it made the most sense to look at space in a new medical office building that we could design to meet patient needs and to meet the current standards at a high level as well as give ourselves the opportunity to expand if that was necessary down the line.

So our request is to take our current two sites -- we're proposing that we move to a single location located in a new medical office building on the PAMC campus that is connected to the hospital. We would like to provide 10 testing beds with space for two more in the future. A total of 10,360 square feet which allows us to provide for pediatric testing as well as additional space for patient, family support, bariatric rooms. Total cost of the project is $3.6 million that is paid for by operational funds. And we anticipate certificate of occupancy by May of 2010.

LISA WOLF: That concludes our presentation.

KAREN LAWFER: All right. Would anyone else like to speak specifically?

For the record, I'd like to note that earlier it was Dr. Lada; right?

DR. ROBERT LADA: Yes.

KAREN LAWFER: And how do you spell your name? I'm trying to do this for the record.

DR. ROBERT LADA: Oh, sure. It's Dr. Robert Lada. And it's L-a-d-a.

KAREN LAWFER: I want to make sure we have all the testimony as to who said what.

And Mr. Trotter, would you like to --

JERRY TRODDEN: Trodden.

KAREN LAWFER: Trodden, yes. Would you like to say something as well?

PUBLIC COMMENT

JERRY TRODDEN: I wasn't prepared to speak, but of course I'm very excited about it. I've been with the sleep center now for 12 years. And the evolution that we've gone through has been pretty amazing and the excitement about seeing a more varied group of patients.

It's been difficult to not be able to treat the population that we need to. The preoperative patients that you mentioned, the program, it's important to be able to see those patients so that they can get the surgery they need in a timely manner, and it's very difficult to schedule patients so far out.

DR. ROBERT LADA: I think just to kind of reiterate, the whole aspect of once a diagnosis is under

suspicion is to be able to attack that problem as fast as possible. And I think that's one of the biggest limiting factors in a lot of folks that we're seeing are coming in from outlying areas. They're driving, they're transferring into here, and we right now don't have the ability to evaluate and institute a treatment in rapid fashion. And a lot of these folks are at risk out in the community waiting for a study to be done that in any other circumstance would be done, if not within a week or so, and decrease that risk.

That's the one that always concerns me both as a physician and seeing patients, where I'm seeing them, there's a treatment that's potentially available for them, but I can't get the patient and the treatment together in a timely fashion. So they're going off and I'm hoping the best for them. And I'm putting my license at risk each time I see the patient as well. So this sort of speeds up that process of getting folks in and treated properly.

KAREN LAWFER: I want to let everyone know -- and you can have a copy of the public notice as well if you'd like to take them along -- written comments can be provided by 4:30 July 2nd, so we do have quite a bit of time period for people to put in written comments. And this is patients, staff. Anyone is allowed to put that

in. All the contact information is on there. I can receive it via fax, I can receive it in the mail, and I can also receive it via e-mail. So if you have someone or if someone knows of someone that was not able to come here to provide comments this evening, they're more than welcome to provide them in writing.

And if there's nothing else, with that, we'll go off record.

(Proceedings adjourned at 5:57 p.m.)

REPORTER'S CERTIFICATE

I, Valerie Martinez, Notary Public in and for the State of Alaska do hereby certify:

That the proceedings were taken before me at the time set forth; that the proceedings were reported stenographically by me and later transcribed under my direction by computer transcription; that the foregoing is a true record of the proceedings taken at that time; and that I am not a party to nor have I any interest in the outcome of the action herein contained.

IN WITNESS WHEREOF, I have hereunto subscribed my hand and affixed my seal this _____ day of _____, 2009.

_____
Valerie Martinez
Notary Public for Alaska

My Commission Expires: June 22, 2010