

00001

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

STATE OF ALASKA
DEPARTMENT OF HEALTH AND SOCIAL SERVICES
PUBLIC MEETING

Regarding:
Certificate of Need Application
for
Outpatient Surgery and Outpatient Imaging Services
Relocation and Ambulatory Surgery Center
Expansion - Anchorage

Applicant #1:
Alaska Regional Hospital
Applicant #2:
Providence Surgery Centers, LLC,
dba Creekside Surgery Center

March 1, 2011
Anchorage, Alaska

Meeting Conducted by:
Karen Lawfer

Reported by: Valerie Martinez, RPR

00002

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

TABLE OF CONTENTS

	PAGE
OPENING REMARKS BY KAREN LAWFER	3
PRESENTATION BY:	
ALASKA REGIONAL HOSPITAL	
Annie Holt	6
CREEKSIDE SURGERY CENTER	
Susan Humphrey-Barnett	16
PUBLIC COMMENT:	
Lester Lewis, M.D.	21
Thomas Vasileff, M.D.	28
Regina Chennault, M.D.	30
Kevin Barry	51
Timothy Cohen, M.D.	55
Carol Heyman	58

00003

1
2
3
4
5
6
7

TUESDAY, MARCH 1, 2011
4:30 P.M.

OPENING REMARKS BY KAREN LAWFER
MS. LAWFER: I want to thank everybody for
coming. My name is Karen Lawfer and I'm the Certificate
of Need coordinator for the State of Alaska. And we are
in the process right now of doing what we would call a

8 concurrent review. And a concurrent review is when we
9 have two Certificate of Need applications in the same
10 area for the same service.

11 So today is the public comment period. It's
12 what we call the public meeting, according to our
13 regulations. Now, there's a couple of ground rules with
14 this. This is not a meeting from 4:30 to 6:30. If you
15 want to present comments and then leave, I will not take
16 any affront whatsoever. This is a -- we do it for two
17 hours so that people can come in if they want to come
18 in, say what they would like to say, and leave. So
19 that's not an issue, so don't feel that, you know, you
20 need to stay here from 4:30 to 6:30.

21 The other thing is we are in a public comment
22 period for this concurrent review. And that comment
23 period is until Monday, 4:30 Monday. So if there is
24 someone that you would like to have comments come into
25 the office, et cetera and so on, I have the public

00004

1 notice here, which has all the contact information. You
2 can just grab a copy of that or you can grab my card,
3 either one. So feel free if you want someone to put
4 some input.

5 Additionally -- and this has come up in a
6 couple of other places -- if you are speaking to
7 something and you don't feel like you got the point
8 across and you want to put it in a letter, you'll still
9 have a chance to do that. So even if you give a comment
10 and spoken this evening and you want to add on something
11 that was forgotten, something that has come up later on,
12 you may do that in the comment period as well.

13 The two applications that we have, the first
14 one is with Alaska Regional Hospital. And Alaska
15 Regional Hospital is -- has put in a Certificate of Need
16 application to relocate its ambulatory surgery center,
17 or ambulatory surgery suites, and its outpatient imaging
18 from the hospital to the VA clinical building. And it's
19 about 32,000 square feet with a cost of \$16.28 million.
20 So that is what the first project is.

21 The second project, or the second application,
22 that came in that will be reviewed at the same time with
23 this application is from Providence Surgery Centers.
24 And they are looking to expand their existing surgery
25 center, which is on the first floor of the Providence

00005

1 Park. It's -- they're going to be doing business as
2 Creekside Surgery, and complete in -- about 2500 square
3 feet and house three additional ORs on top of what they
4 have.

5 I have copies of both applications. So if
6 anyone would like to look at them, feel free. That's
7 quite all right. If you would like a copy of that, you
8 can either e-mail me or you can go on to the web site.
9 But if you're not savvy and you just want a copy, feel
10 free to send me an e-mail and I will send it to you,
11 because we do have it electronically as well.

12 And so with that, we're going to open up and
13 Alaska Regional is going to give a presentation on their
14 project followed by a presentation by Providence Surgery
15 Centers on their project. And then we will be taking
16 public comment and anybody else that has signed up that
17 would like to speak. If you put down "no" on the list
18 and you do want to say something later on, that's quite

19 all right. Feel free.
20 The only thing that I ask you, because we keep
21 a transcribed record of this -- and our transcriptionist
22 will have the sign-in sheet. However, if you would like
23 to just please give your name. And if it's a strange
24 spelling, please spell the last name so that we can get
25 it into the record.

00006

1 Okay. And I apologize. I tried to set the
2 alarm so that the lights don't shut off at 6:00, but it
3 kept ringing busy. So at about 6:00 the lights will
4 shut off, I have to enter in codes, and we'll turn them
5 back on. So I apologize beforehand.

6 And with that, I'm guessing, Sam, you are
7 opening up? Annie is? All right.

8 PRESENTATION BY ANNIE HOLT

9 MS. HOLT: Thank you, everybody. I'm Annie
10 Holt. I'm the CEO of Alaska Regional Hospital. And our
11 project is to talk about an expansion of our inpatient
12 surgery services and relocation of our outpatient
13 services, which includes some surgical suites that are
14 currently mixed with inpatient and imaging.

15 The VA building -- you'll hear us refer to VA,
16 VACB, VA clinical building. As many of you know, the VA
17 built a new building out by Elmendorf. They moved their
18 services to that and vacated a very large building that
19 sits right in the center of our hospital campus. And so
20 our proposal is to take advantage of that vacancy
21 central to our campus to expand services, and I'll go
22 into a little bit more detail on that.

23 So we're requesting again an expansion of
24 inpatient surgery. I'm going to show you some numbers.
25 We've had a dramatic increase in the minutes and the

00007

1 complexity of our inpatient surgeries over the last
2 several years. And our outpatient surgical patients are
3 mixed in with our inpatient surgeries in the same ORs
4 inside the main hospital currently.

5 We have determined by using the State
6 guidelines for surgical capacity that there is no need
7 for an additional outpatient surgery suite building in
8 Anchorage in this market for the next four years, and
9 that's using the State guideline. So we tried to come
10 up with a solution that would respect those guidelines
11 and projections, and this is what we'd like to propose
12 and what we're requesting for the Certificate of Need.

13 We want to expand our inpatient surgery
14 services by four dedicated rooms to inpatient surgery.
15 There are currently ten -- we have ten surgical suites
16 and one cardiac suite. And the surgical suites are
17 combined, so we have inpatients and outpatients mixed in
18 together. So the idea -- obviously it's more
19 efficient -- to have complex inpatient cases turning
20 over and following each other and more efficient to have
21 the outpatient cases clustered together, so this enables
22 us to do that.

23 What we're proposing is to -- and just so you
24 know, our inpatient minutes have increased in the last
25 four and a half years by 28 percent, so that is part of

00008

1 the reason why this demand has increased on the
2 inpatient side.

3 Once we do this -- we're currently at 100

4 percent capacity. And, again, that's using the State
5 calculations for standard capacity. So after we do this
6 change, we'll be at 70 percent inpatient and 72 percent
7 outpatient. So our projected surgical minutes by 2014
8 are going to be 1,136,000, so that's pretty substantial.

9 The reasons why we need to do this -- why
10 we're proposing this particular solution is we
11 researched what we could do and the obvious thing is to
12 build. I've been in Alaska about 18 months and Alaskans
13 like to build bigger and better.

14 So we researched that and we found that that
15 would cost \$150 million to build a new inpatient tower
16 and add ORs and all of these other things. And we do
17 need some additional capacity for our inpatient
18 services.

19 And, again, mixing inpatients and outpatients
20 is not very efficient and it's really not fair to the
21 patients because inpatients are more complex and take
22 more time. And outpatients, those surgeries go more
23 quickly and can be done more efficiently. And we don't
24 like to delay our outpatients, which are elective, when
25 we have urgent and emergent inpatients either in our ICU

00009

1 or coming in through our emergency department.

2 So trying to balance the needs of all those
3 types of patients, what we thought would be a much
4 better solution would be to relocate our current
5 outpatient to surgical suites that would be -- we just
6 move those patients and suites into the VA via the
7 clinic building. That would allow to us expand our
8 inpatient services into the ten ORs.

9 So we're really spreading the mix of in and
10 outpatients between two locations. But that makes us
11 more efficient, that allows to us make our registration
12 process more efficient, and allows us also growth, as
13 you recall on the previous slide. We dropped from 100
14 percent capacity with everybody lumped together running
15 through one main OR to 72 percent and 70 percent when we
16 just separate the services as we're describing.

17 So in order to do that -- similarly with
18 outpatient imaging, it's an issue when we've got
19 patients that come in for routine x-rays and other types
20 of imaging and we may have somebody coming -- a trauma
21 patient coming through the emergency department that
22 needs to get to the CT scanner now, our outpatients have
23 to wait. So, again, we're moving, separating, the
24 imaging, in- and outpatients as well for that
25 convenience. So it provides a continuum of a one-stop

00010

1 shop and ensures quicker turn around for the outpatients
2 and a better process for managing the inpatients.

3 Let's see. I think that takes care of that
4 slide.

5 Most of our patient growth has been in
6 neurological, cardiac, and orthopedic procedures. I'll
7 blow our own horn. We were named by U.S. News & World
8 Report in their 2010 best hospitals issue, we were in
9 the top 50 hospitals in the United States for the
10 quality of our orthopedic services and so -- also
11 neurosurgical and our cardiac outcomes as well.

12 Alaska Regional, again, has seen 18 to
13 22 percent in growth. These are the main surgeries
14 driving our growth, as well as -- like our colleagues in

15 town -- a new surgical robot, which again has increased
16 the demand for those services. And a robot does take up
17 a room. So it's great we can offer that service, but
18 once the robot is in a room, you can't really work
19 around it.

20 I want to show you our Medicare case mix.
21 Medicare case mix is a calculation that's done by CMS,
22 or Medicare, to show the complexity of services and the
23 intensity of the services. And Alaska Regional has the
24 highest case mix of all the acute care hospitals in the
25 area.

00011

1 So we have our other colleagues here. And as
2 you can see, this is a reflection -- again, this is
3 using government data and calculations to show that the
4 procedures and the patients that we're caring for are
5 complex and require a higher intensity of services and
6 care.

7 So this is what the VA building offers to us,
8 its availability central to our campus. It offers
9 32,000 square feet of covered parking with direct access
10 right into the building. It's got a 20-year --
11 plus-20-year history of being an outpatient center and
12 it's functioned very successfully that way.

13 It provides greater convenience to patients
14 and their families. They can either park in the garage
15 underneath or outside. There are walkways that go
16 directly into the VA building and you can then -- would
17 be able to access all the services from those two
18 points.

19 It lessens the capitalization of a new medical
20 tower. And it's less than \$150 million to actually
21 build out inpatient capacity to \$17 million. And it
22 supports the mission and vision of Alaska Regional in
23 caring for our patients.

24 And I being a patient, I'm pretty picky about
25 my health care. And if it's not good enough for me and

00012

1 my family, it's not good enough for our patients. And
2 I'm also a nurse by original training and so I'm very
3 passionate about making sure that we do the best we can
4 for our patients, so we provide our patients and
5 providers with a viable choice that is more efficient.
6 It provides an opportunity. We hope to be able to
7 develop -- better our imaging services for women. We
8 separate, as I've mentioned. It's just a greater impact
9 on being able to focus our care on those two
10 populations.

11 And this is what I've described for you again.
12 We have ten surgical suites. Currently all in- and
13 outpatients go through those ten. Really our inpatient
14 surgeries are constraining the growth for outpatient
15 surgical services and the inconvenience.

16 One thing that happens is you may be in our
17 hospital for an outpatient procedure that's elective,
18 you know, a ganglion taken off of your wrist or
19 something, a trauma patient comes in and has to
20 immediately be rushed to the OR, and your case gets
21 bumped. And it may get bumped until the evening. If
22 you haven't eaten all day, that's -- and you're waiting
23 for surgery and you're an outpatient, that's -- it's
24 really not the kind of situation you want to be in or
25 you want your family to be in and we don't want that

00013

1 either.
 2 So our minutes have increased 6 percent, I
 3 think, year over year in terms of the number. And I
 4 think we've summarized all of these. These are our
 5 current operational issues; inconvenience, people
 6 getting rescheduled. Inpatient registration takes a lot
 7 longer. We want to know a lot more about you if you're
 8 coming in as an inpatient. And then, again, the service
 9 expansion is due to demand for more inpatient surgeries.
 10 So I think we've showed you all the numbers.
 11 And then -- Sam, got the wrap-up? I think we've talked
 12 about that, the things getting pushed out. We do need
 13 ten full ORs for inpatient so that we'll grow our
 14 inpatient capacity into those and just shift our
 15 outpatients to the ORs in the VA. We are not -- we are
 16 serving our current population on the same campus. This
 17 will allow to us adapt to future needs.
 18 And, you know, you're going real fast, Sam.
 19 I'm not looking at my notes. I think I'm not finishing.
 20 MR. KORSMO: You're doing good.
 21 MS. HOLT: So, anyway, that just summarized
 22 the projected population growth that also then feeds in
 23 besides our current patient base.
 24 Outpatient is increasing nationwide. The
 25 ability to do outpatient procedures has increased

00014

1 dramatically. We have specialized professionals on our
 2 campus that we really want our people in Anchorage and
 3 Alaska to access those professionals. We have advanced
 4 technology to provide a higher level of care and by
 5 doing it more in an outpatient arena at a lower cost.
 6 So we mentioned this about a combined -- the
 7 State guidelines for a combined use OR. Capacity is at
 8 94,250 minutes. We've mentioned about the 72 percent --
 9 once we make this transition -- inpatient and 70 percent
 10 outpatient. So that gives us the capacity at a much
 11 lower cost than building a new tower.
 12 This is interesting. Well, let's flip to the
 13 graph. These are average surgery minutes. Alaska
 14 Regional inpatient, our average surgery is 159 minutes.
 15 The outpatient average case is 95 minutes. Another
 16 local competing hospital is -- they're both less, lower;
 17 122 minutes, 70 minutes. The national average for an
 18 inpatient, 130 minutes, and national average for
 19 outpatient, 79 minutes. So you can see again this
 20 reflects the higher complexity of cases that we're
 21 seeing.
 22 We've mentioned the 22 percent, the case mix
 23 index, and that summary is that it's 20 percent higher
 24 than any other acute care hospital in Alaska.
 25 So our outpatient services center in the VA

00015

1 would include the outpatient surgery patients put in
 2 suites there, the imaging center, and some lab draw
 3 station services.
 4 That just shows the growth rate. Next.
 5 This is the first floor of the VA. Outpatient
 6 surgery over here. Other outpatient over there.
 7 And then our campus map. My finger is the
 8 pointer. This is the VA building. Our main OR is right
 9 there. It's a covered walkway and then we have access
 10 to all these points on campus. But as you can see, it's

11 center to our campus and a very convenient access.
12 So we need a Certificate of Need to expand
13 inpatient surgery and relocate our outpatient services
14 to the VA to meet the needs of our patients. We are
15 dedicated, as I mentioned, to make sure that we provide
16 the best that we can for our patients and our families.
17 And the expansion of the inpatient surgery and
18 relocation, we ask that you approve and support the
19 Certificate of Need for us to proceed with this.
20 Any questions? Thank you.
21 MS. LAWFER: Thank you.
22 Next -- unless someone has to leave and would
23 like to give comments, I'll defer to Susan for the
24 Providence presentation.
25

00016

1 PRESENTATION BY SUSAN HUMPHREY-BARNETT
2 MS. HUMPHREY BARNETT: Good afternoon. I'm
3 Susan Humphrey-Barnett. I'm representing the Creekside
4 Surgery Center. And I apologize to all of you and to my
5 fellow Creekside board members. I learned that one of
6 the consequences of Providence having implemented our
7 new Epic IT system over the weekend was that we have so
8 much encryption in so many places I really was not able
9 to download my presentation on to a thumb drive and
10 bring it here today. So I will just -- I do have a copy
11 to leave with Karen and I'll just be speaking from my
12 notes. So I apologize for that.
13 The Creekside Surgery Center is an ambulatory
14 surgery center, four class C operating rooms, located in
15 the Providence Health Park. It opened in November of
16 2010. It is accredited by AAAHC and currently serves
17 orthopedic, pain, and podiatry patients and will be
18 adding ENT and spine services in the coming months.
19 We lease the first floor of the office
20 building, which houses orthopedic and neurological
21 medical practices as well as the sleep center. The
22 floor print of the building is such that it allowed
23 Creekside to shell in space for three additional ORs for
24 future use. And we are now asking the State permission
25 to complete the tenant improvements and purchase

00017

1 equipment needed to bring these three shelled-in ORs in
2 to use.
3 The cost is projected to be \$1.82 million for
4 equipment, plus another \$118,000 a year in lease costs.
5 The tenant improvements are going to impact 244,000 --
6 I'm sorry -- 2,444 square feet. And the tenant
7 improvements will cost \$978,000. But the cost of those
8 tenant improvements would just be folded into the lease,
9 so the lease goes up. If approved, the tenant
10 improvements and equipment purchases could be completed
11 within eight months.
12 When Creekside got their CON -- I want to read
13 from it -- the State put a condition on this shelled
14 space. It did say, "A condition of approval is that any
15 shelled-in or other space planned for conversion to
16 additional surgical suites at a later date must go
17 through the Certificate of Need process and be approved
18 by the department, regardless of cost, prior to
19 expending any funds for conversion or operation."
20 So the State was fully aware of our shelled-in
21 space, but directed us not to go forward even if we were

22 going to be spending under the CON limit amount without
23 going through the CON process.

24 As far as community need, we used -- in our
25 calculations, we used the same catchment area as was
00018

1 used in the original CON for the Creekside Surgery
2 Center, so it's broader than just the Anchorage area.
3 It's Anchorage, Mat-Su, Valdez, and Cordova.

4 So we believe that for ambulatory surgery
5 purposes, it's appropriate to assume that individuals
6 can and do travel to population centers, such as
7 Anchorage, to see the physician of their choice or to
8 receive services which are unavailable in their own
9 community.

10 We see the trend towards surgeries being
11 performed safely in an out- -- more surgeries being
12 performed safely in an outpatient setting, is one that
13 will continue. We see that technology will continue to
14 decrease the invasiveness of surgeries and the time
15 needed to complete them. Minimally invasive techniques
16 lead to fewer complications and faster recovery. And we
17 believe the population of the service area as a whole
18 will continue to grow, although more slowly than in
19 previous decades.

20 So to arrive at our -- the population
21 projection that we used for our calculations, we took
22 the State of Alaska population projections for 2007
23 through 2030 and took their population projection for
24 2015, added the 2015 population -- and that was for
25 Mat-Su and Anchorage -- added the projection for Cordova
00019

1 and Valdez for that same period, then you had to add a
2 year's worth of growth for the year 2016 because you --
3 the State wants you to look at five years from the
4 implementation date, so that put us to 2016, and then we
5 subtracted a percentage to account for the Alaska Native
6 population since the Alaska Native population is more
7 than likely to be served by ANMC than one of the other
8 local hospitals.

9 In the formula the State is now using to
10 calculate, it says, "population times use rate equals
11 caseload." And then you take the caseload, minus the
12 existing capacity, to get the unserved capacity and
13 multiply the result there. Well, you actually divide it
14 by the target use, which is 900 cases for an inpatient
15 room or 1200 cases for an outpatient room.

16 So using that formula, we arrived at a need of
17 5.4 surgery suites. But, unfortunately, there is a
18 catch. The use rate that was available to us at the
19 time that we were developing this application last fall
20 was the January '05 use rate document that we got off
21 the State CON web site. We had asked the department for
22 the updated use rate information, but unfortunately we
23 didn't get that until the afternoon before our
24 application was due. So we put our application in using
25 the calculation I just described.

00020

1 The new use rate data from the State is
2 different than what was used in our application. And if
3 the department concludes using that new use rate data
4 that there is not a need for additional surgery suites,
5 basically in this area, we certainly will abide by that
6 decision. I've tried to run projections using the new

7 use rate data and it's difficult because we use this
8 larger catchment area, including the Mat-Su, so we
9 didn't really have an apples to apples comparison.

10 But as far as I was able to get in that
11 projection analysis, it does not appear that it's going
12 to -- that there will be a need for more ORs of any type
13 in this area. But as I say, it's up to the department
14 to look at that and make their determination.

15 So just to summarize our project, it's a
16 simple, straightforward project that we just build out
17 and equip the three shelled-in operating rooms that we
18 have available to us at Creekside. It's 2,444 square
19 feet at \$1.82 million for equipment and additional lease
20 costs of \$118,000 a year.

21 If the department agrees with the need
22 projections that are in our application, then both ARH
23 and Creekside would be able to add operating rooms,
24 which would meet the community's needs for the
25 foreseeable future, at least for the remainder of the

00021

1 decade.

2 Our project is easy, fast, inexpensive to
3 implement, and should be approved if need is found to
4 exist. I'll leave it at that.

5 MS. LAWFER: Thank you.

6 Again, unless someone has someplace to go and
7 would like to talk, I'll just go down through the list,
8 if that's all right with everyone.

9 Lester Lewis. And you can speak from there,
10 you know, as long as our transcriptionist can hear it,
11 and I think we're probably fine. You don't have to get
12 up unless you feel the need to.

13 PUBLIC COMMENT

14 DR. LEWIS: I'll get up. I know most people
15 here.

16 So I'd like to just talk about the imaging
17 services, a portion of the outpatient service project.
18 I'm a radiologist. My name is Lester Lewis. I've been
19 with the campus, Alaska Regional Hospital, since 1992,
20 so I'd just like to give you my perspective of what I've
21 seen since then and where I think we should go. And I'd
22 like to convince you to support the project, the CON.

23 To roll back the clock to 1992 when I started,
24 there were two MRIs in the state. There was one at
25 Alaska Regional -- what is now Alaska Regional and I

00022

1 think one at Prov. Also, Alaska Regional at that time,
2 there was one CT scanner in 1992. By 1995 we got our
3 second CT scanner as a backup, essentially, because for
4 the hospital and for the emergency department, we needed
5 one for backup. Similarly, the imaging devices in the
6 department were in single digits, radiology, the RAD
7 equipment and so on.

8 If you look at it now, I believe we've been
9 told there's 34 MRIs in the state and 36 CT scanners in
10 the state. At Alaska Regional right now there is still
11 one MRI, just one, and there's still just two CT
12 scanners. So we've been very frugal as far as the
13 imaging devices over this long period of time. And that
14 may be good, but I think there's a cost and it's cost of
15 service. And I think that's why we're going to the
16 service center right now with this project, and I think
17 that's why it's important.

18 To understand what's happened in the
19 department, I just want to describe just a little bit
20 about the layout of the hospital campus. So the main
21 radiology department right now is in the center of the
22 hospital. It's in the old building. And as time has
23 gone along, there's been expansion projects and so on,
24 but the radiology department has not expanded in that
25 core. Instead, devices have been clipped out into other

00023

1 buildings. And so we have ultrasound and mammogram in
2 Building B and we have the MRI scanner that's all the
3 way at the end of the hallway in Building A. And so we
4 don't have a core. We don't have a central physical
5 area where all the devices are.

6 What happens with that when a patient comes in
7 to get an exam, they'll come to radiology, they'll get
8 registered, and they find out, well, now they've got to
9 go to a different building all the way down the hallway
10 down to the MRI device. And so that may be okay for a
11 lot of us, but for someone that's in a wheelchair or
12 debilitated, then it's more difficult. Or they may have
13 to go over to -- walk across the walkway, find their way
14 over to Building B, and then get a mammogram over there.

15 Or if they're really unlucky, they might have
16 to register in one place, get a chest x-ray in one
17 place, walk over to another building to get a mammogram,
18 and then walk to another location to go to the
19 laboratory. So essentially, it's logistically difficult
20 for the patients in a hospital setting to get things
21 done in an efficient matter.

22 The department certainly has an obligation to
23 service inpatients and the emergency department. So the
24 urgent cases that happen -- when there is an urgent case
25 from those two areas, the exam gets done right away. So

00024

1 if you're a patient of course waiting in the waiting
2 room for your 1:00 appointment and then there's a car
3 accident and there's three CTs that need to be done,
4 well, you're just going to get bumped and it could be
5 for a period of time. It's very, very difficult to run
6 a schedule when inpatients and the emergency patients
7 take precedence.

8 So a person takes off for their two hours off
9 of work and they come in for their CT scan and they get
10 bumped, well, they may go home because they're out of
11 time and then have to reschedule if they can. So it's
12 very, very difficult for the patient to be seen in this
13 type of setting without outpatient services being
14 available to run a more efficient schedule.

15 Access is limited as well, too, because we
16 have limited resources. We have one MRI; one CT
17 scanner. Everything else is in single digits in terms
18 of the radiology devices and ultrasound, too. Pretty --
19 we have two ultrasound devices, two RAD devices.

20 So what happens with that is, a patient sees
21 the doctor, has a problem, wants to get that addressed
22 right away, needs a CT scan. So they call up and they
23 hear, well, we can -- it's Tuesday now and we can do
24 Thursday. Well, they don't want to wait until Thursday
25 and so what they do is they call somebody else. Well,

00025

1 their last three CT scans have been Alaska Regional
2 comparisons and now they go out to another facility, an

3 outpatient facility, and they get that done. Well,
4 there's a logistics problem now because some images are
5 here, some images are there, and so there has to be some
6 coordination to get those together to give the patient
7 the best review of the imaging devices.

8 What is even worse that happens is that they
9 have an outpatient exam done at one location outside of
10 the hospital and then the doctor or the radiologist
11 recommends a biopsy. Now the patient is scheduled for a
12 CT-guided biopsy at our facility, but we don't have the
13 images and so we can't really work up that patient to
14 know what the best thing to do is without those images
15 from that other location. So someone has to get those.
16 They have to get the CD, plus the notes, from the
17 outpatient device, and they're going to have to get it
18 to us in our facility so we can do the biopsy.

19 Many times that happens. Sometimes however
20 that doesn't happen. So that means the patient or the
21 doctor or the department or someone has to go get that
22 image so we can look at it and we can do the biopsy.
23 Sometimes when you get that CD, it just doesn't work in
24 the computers that we have because it's proprietary
25 software and so you can't even load it up and look at it

00026

1 to see what happened with that patient.

2 So even though the patient has been treated
3 multiple times in our facility and they go out to get
4 something else, there is this problem with coordinating
5 all that. And it just makes it hard. It makes it more
6 difficult for the patient, for the doctor, and for us.

7 And these are not hypothetical circumstances
8 that I'm describing. This is what happens on a daily
9 basis. This is one of the problems that we deal with.
10 So not having the access for the patients to get their
11 images done all the time, that's a big problem for us
12 and a big problem for the patient.

13 With outpatient imaging services, those
14 problems go away. And the big thing of it is, is that
15 all the devices are located in one spot. They're in the
16 clinic building that has easy access. So whatever the
17 patient might need for imaging, it's all there. Also,
18 the laboratory is right there and other support services
19 are there. So it's the one-stop-shopping concept that
20 was described before.

21 But for us, that's a huge difference. Right
22 now we're working on the inpatient ER type of model.
23 Scheduling is very hard. We don't have this outpatient
24 model. So it's not just additional devices that we're
25 adding on, we're actually adding a big, huge concept of

00027

1 service that's not there. So it's more than just the
2 individual parts. It's much, much more service to the
3 patient that I believe our patients deserve.

4 Also what's there is best technology and the
5 specialists to do either the procedures or the imaging
6 that needs to be done. Right now, again, not only the
7 devices are scattered but our radiologists are
8 scattered.

9 So if a woman comes in for a mammogram over in
10 Building B, it's very difficult to look at the
11 mammogram, make a decision, get in touch with the
12 physician, and decide to do something about that if
13 there's an abnormality. In the imaging center, in the

14 outpatient center, one of our concepts is a women's
15 center. So a woman comes in with a mammogram that's
16 looked at right away, there's an abnormality, we talk to
17 the doctor, decide what to do, a biopsy might be needed,
18 and that can be done right away or right there because
19 everything is in one spot.

20 And so we can do that now to a certain extent,
21 but right now it's very, very difficult. What the
22 centralized concept allows us to do is it allows us to
23 do that efficiently and then provide that to many more
24 patients.

25 So I guess I ask for your support because this
00028

1 is a big, huge step for the hospital. This has been a
2 long time. If you look at our history, we have many
3 deficiencies in the department that we can solve with
4 this. And we can provide a much better service to the
5 patient in that imaging center concept.

6 So I believe our patients deserve that, I
7 believe it's long overdue, and I ask you for your
8 support for this project.

9 MS. LAWFER: Thank you.

10 Tom Vileseff -- Vasileff. I'm sorry. I
11 apologize.

12 DR. VASILEFF: I'm the orthopedic surgeon and
13 working at Creekside and I'm on the board there.

14 When people apply for Certificates of Need,
15 there's a process that we under- -- everyone undergoes
16 and there's this statistical analysis of the needs of
17 the State. Well, I'd like to quote Mark Twain who talks
18 about statistics. He says there's lies, there's damned
19 lies, and there's statistics.

20 So what that means to me is, when you evaluate
21 things like needs, it's very arbitrary. For instance,
22 in the surgery center now, there are many, many cases
23 that we're doing now that two or three years ago were
24 not possible to be done as an outpatient that were done,
25 you know, as an inpatient. For instance, now we do like
00029

1 knee surgeries. ACL reconstructions are typically done
2 as outpatient surgery. But several years ago a patient
3 was in the hospital two or three or four days. Simple
4 laminectomies now are done as outpatients and they were,
5 again, in the hospital three or four days. Now the
6 general surgeons are doing gallbladders.

7 So my crystal ball isn't very good, but I can
8 tell you just using what's -- looking at things that
9 have happened in the past five to ten years, there's
10 been a huge shift to outpatient surgery. And this is
11 for many reasons, not just technology. But these
12 outpatient surgery units are showing that they can do a
13 more efficient job, a better quality job, fewer
14 complications, and the patients like it.

15 So the way I see things, and again my crystal
16 ball isn't very good, is I see a very large increase in
17 outpatient surgery. And if you use statistics, I think
18 that doesn't really tell us what's really going to
19 happen in the next five to ten years. I think we're
20 going to see -- we're seeing right now an explosion in
21 outpatient services, because it -- not only because of
22 what can be done from a technological standpoint but
23 because of the quality that outpatient surgery offers.

24 And patients like it. The doctor is more

25 involved. What's happening in the hospitals now is the
00030

1 doctors have sort of advocated their responsibilities to
2 the hospitals to let administrators take over. And
3 that's not to say that they're not doing a good job, but
4 in the surgery center environment, the outpatient
5 surgery center, the physicians are much more intimately
6 involved. And I think we can do a better job of
7 managing the care of our patients than the
8 administrator. And I think that has been shown.

9 And then there's also the efficiency of
10 anesthesia. I think if you had dedicated anesthesia in
11 the surgery center, it's been shown that those
12 anesthesiologists are more attuned to a patient as an
13 outpatient than an inpatient. I think that was pointed
14 out in the Alaska Regional presentation that the care
15 and the quality of services as an outpatient has
16 significantly risen and I think it will continue to
17 rise.

18 MS. LAWFER: Thank you.

19 Next I have Dr. Chennault.

20 DR. CHENNAULT: I guess I have too many notes,
21 so I'll just have to speak very quickly. I am Regina
22 Chennault and I am a general surgeon/trauma surgeon.
23 I'm here supporting the Alaska Regional CON.

24 I can tell you all my reasons for that. My
25 office is over there, for number one. But I wear many
00031

1 hats and so I represent the Alaska Regional CON on many
2 different sides.

3 I'm a mother of four. I'm a hockey mom, so
4 we've been in the ER lots of times with my children. My
5 husband fell and broke his ankle, had a severe fracture
6 through his ankle. He had to wait four hours to get
7 into the OR. And that had to do with a number of cases
8 that were elective and already scheduled and had to get
9 finished before he could get in.

10 I'm also a trauma surgeon. I'm the American
11 College of Surgeons chair for the State of Alaska
12 committee on trauma, which is the national committee on
13 trauma. And I take a lot of trauma calls at Alaska
14 Regional. Sometimes up to 14 days a month. And when I
15 have a man shot or a woman or anybody shot, I need the
16 OR right now. And on any given day, if we walk over
17 there right now, they're probably all still running. So
18 it's quite a problem having all of those patients that
19 could be out in those other rooms right in the building
20 adjacent to where our inpatient ORs are.

21 If we pulled all those patients out, we would
22 have space to have this room available for the true
23 emergencies. And the sad part about that is it just
24 doesn't have to be the drug dealers that get shot. It
25 could be any one of us that's in the wrong place at the
00032

1 wrong time; car wrecks, you know, the moose fell on the
2 trooper's car. You know, there's a lot of strange
3 things that can make each one of us end up there and
4 need those services.

5 And back to the trauma issue. It's been well
6 published -- and this is from the American College of
7 Surgeons -- that once you're injured, once you're a
8 trauma victim, your morbidity and mortality is lessened
9 by 25 percent if your care is received in a timely

10 manner. And those come down to minutes. They're
11 talking about minutes of response time for surgeons;
12 minutes of times of getting into the CAT scanners,
13 suppose you have a head injury or a head bleed; minutes
14 if you have intraabdominal or intrathoracic injuries,
15 just getting into the OR, which will make all the
16 difference in saving your life.

17 And I have five patient testimonials that I
18 can kind of summarize. Go back to December 2008. And
19 this one -- particular one is a 50-year-old woman who
20 had had six months of urinary symptoms. And she had
21 been seen in Soldotna. She's actually a personal friend
22 of mine, a fishing buddy of mine, because I like to fish
23 the Kenai River.

24 She was treated with us. She had a urine
25 infection and then she noticed she had some blood and

00033

1 she came up and saw a primary care doctor based out of
2 an office at Alaska Regional Hospital. She underwent
3 further diagnostic tests, including a CAT scan, but it
4 took many, many, many days to get her in because she
5 wasn't shot, she wasn't in the ER, she was in no extreme
6 pain, she didn't have any -- she didn't meet any of the
7 criteria to bump somebody off the already scheduled CAT
8 scan schedule.

9 So she waited several days before the CAT scan
10 appointment became available for her. She then ended up
11 seeing a urologist. Looking at the CAT scan, he really
12 thought this was definitely cancer. So her level of
13 anxiety and worry and just her mental anguish and such
14 rang over this situation for her. And she really felt
15 that she really wanted her care at Alaska Regional, so
16 going to some other place or some other place that might
17 accommodate her would not have been okay in her mind.

18 The CAT scan did confirm that she had a very
19 large kidney cancer. It turned out not to be one -- not
20 a good one, kind of an aggressive one, and so she wanted
21 her surgery to be scheduled as soon as possible.

22 Well, that's the next thing -- because this is
23 December 2008 that I'm talking about -- is it was
24 impossible for her to get on the schedule. She was just
25 told no by her urologist. The office had called and

00034

1 they just couldn't get a spot for her. Well, that
2 wasn't good enough, so I think she ended up calling me
3 or something. I forget what happened. Anyway, she
4 eventually got her surgery scheduled on a Saturday at
5 Alaska Regional and she got told that it would be a time
6 in the middle of the day, 10:00, 11:00.

7 Well, then emergencies started coming in like
8 head injuries and the neurosurgeon took the room and
9 then somebody got shot and the general surgeon took the
10 room. What turned in to her coming in early in the
11 morning to get an early morning operation, the operation
12 didn't start until 8:00 p.m. that night. I know because
13 I was sitting in the waiting room with her husband.

14 The operation took two or three hours. I
15 mean, this was just hard on their family. Their
16 family -- it's a big local family, a family that's been
17 here in Anchorage for many years, in the state of Alaska
18 for many years. And this was just wreaking havoc on
19 her, the time that she had to wait.

20 I know she worried constantly about the spread

21 and -- the spread of the disease and waiting for --
22 waiting that long to actually be able to get in. These
23 were delays that added up to weeks actually when she had
24 a very aggressive carcinoma.

25 So, you know, again, she was concerned about
00035

1 her -- this was -- again, I think somebody mentioned
2 this. I read a study about this last night. But Glenda
3 was very concerned about the possibility of -- as the
4 time got pushed on for her surgery, about how awake is
5 that anesthesia doctor now, how does my surgeon feel
6 now, isn't my surgeon worn out at this time.

7 And there was just a paper that came out that
8 surgeons are making a lot of mistakes when they've been
9 up all night or they've been working all day or they're
10 very tired for whatever reason, the pager going off or
11 whatever reason.

12 So she even had a talk that night -- and I was
13 there in the room with her -- where she asked the
14 doctor, did you get enough sleep last night, you know,
15 was he going to be able to function at his optimal level
16 of function. And, again, I just read that in a journal
17 last night that there are many -- with many continuous
18 hours of work or just being awake, that more mistakes
19 are made or the physician, the surgeon in particular, is
20 more slow and more impaired to react to something than
21 they would be otherwise if they had slept all night or
22 not been so exhausted.

23 So as they were having that conversation
24 before she rolled back to the operating room at 8:00 at
25 night, she was offered the -- because of all -- she was
00036

1 just -- you know, as you imagine, like a cat clinging
2 from the ceiling, she was upset. She asked what her
3 options were. She was offered -- the surgeon said he
4 would operate on Sunday, but that didn't guarantee her
5 just like it didn't on that Saturday that she would get
6 an 8:00 a.m. or a 10:00 start. That's where she'd be
7 listed on the schedule, but the same things could happen
8 when an injury comes in that has to be dealt with,
9 somebody shot or stabbed or somebody is in a car wreck,
10 a child is run over by a car.

11 So she was offered the Sunday, but because
12 there was no guarantee, the same situation could happen
13 the same day -- that things could play out the same way.
14 But her concerns that she brought forth to me was that
15 she was very upset with how long the cancer had been
16 there during this whole process that it took to work out
17 and her surgical care to actually be accomplished and
18 completed.

19 The second one was the delay in going and
20 getting the CAT scan. I think that took most of a
21 working week to get her in there just because it was so
22 booked. Then the OR schedule. Giving her such an
23 unconventional time, she was actually very happy.
24 Everybody was very accommodating. But then the fact
25 that she got bumped, she was very concerned about that.

00037

1 And then she said she couldn't even sleep at
2 night because she had waited longer than that scheduled
3 time. She didn't want to go on to that Sunday because
4 it could delay in getting that very aggressive cancer
5 out of her even more, but she was very concerned about

6 the late time, the alertness of the OR team.

7 And here's -- I am a trauma surgeon and it
8 does bother me. I have been working all night and all
9 day today, and I think I feel kind of normal right now
10 because that's usually what I do. But she was worried
11 about, you know, what if my urologist needs the
12 pathologist. Well, it's true. They're usually not
13 there at 8:00 on Saturday night.

14 So there's some issues that the support staff
15 and just not to mention -- and radiology, too.
16 Sometimes I might need Dr. Lewis to look at a film for
17 me or interpret something for me that I'm trained in and
18 very capable of reading myself, but those ancillary
19 people and all those support services are just not
20 there.

21 I've got just a few more quick ones. I'll go
22 faster with this one. That one I just -- is a personal
23 one that I knew way too much about.

24 This one is a -- goes back to just last year.
25 A 50-year-old young woman was driving -- she was driving

00038

1 back and forth from Seward and Anchorage with her
2 family. They were getting ready for Christmas. And on
3 their way up, they actually had to pull over so she
4 could throw up. She had a miserable ride up from
5 Seward. And then her belly started hurting and she was
6 in extreme pain.

7 And she was brought in to Alaska Regional
8 emergency room where she did get a workup and she needed
9 these images. She was not in any extremist state, as we
10 say, not unstable, not meeting admission criteria, those
11 types of things, judged by physical exam and vital signs
12 and the things we use.

13 But, again, to get her outpatient imaging
14 scheduled, it took quite a while. And it was just
15 booked and it was hard for her to drive all the way back
16 and feeling this way constantly. It turns out to be a
17 gallbladder. I bet lots of people in this room know how
18 bad that can make you feel.

19 So she was a trooper about it. She would
20 drive to Seward and drive back up here and come to
21 Alaska Regional and get her imaging. I mean, after the
22 ER visit. And she would go back to Seward and then she
23 would come back and get her imaging studies done.

24 But they always told her, if she could wait,
25 they could try to fit her in, but that gets into the

00039

1 issues that I think Annie mentioned that -- maybe
2 Dr. Vasileff mentioned -- that you've already taken some
3 time off work or you've got kids or you've got another
4 obligation and you've got this very short amount of time
5 and you schedule something and you really do think
6 you're going to go there and get it done. She even
7 tried that one day and that didn't work out. So she was
8 a little bit dissatisfied about that because of the
9 expense of driving back and forth from Seward.

10 She was not able to get on the OR schedule
11 because it was booked. And I have blocked time, but she
12 couldn't fit in there because that was just all blocked
13 in around me by other people that had blocked time. So
14 she was told that she could sit around and get on the
15 schedule past 6:00, 7:00, 8:00 at night.

16 And, again, if I start a gallbladder surgery,

17 which has a chapter of things that can go wrong, if I
18 start a case like that at night and I need a radiologist
19 to read my x-ray that I take or if I get in there and I
20 find that this doesn't look like regular gallstones,
21 this looks like cancer, I might need to be taking out
22 pieces of a liver or something, I might need to call in
23 a vascular surgeon. And none of these people are going
24 to be maybe not even available at 8:00. Maybe not even
25 able to come help me. So that is just not the optimum

00040

1 patient care.

2 So she was kind of, you know, miserable during
3 this whole time that this -- she went back and forth
4 between Anchorage and Seward. So we were actually
5 able -- I was more than willing and the OR actually at
6 Alaska Regional accommodated, even though it wasn't an
7 open day, a routine day for surgery -- I took her
8 gallbladder out on Christmas Eve.

9 But, again, I've just mentioned the dangers of
10 routine cases outside of regular business hours as not
11 being optimum care for the patient because we just may
12 not have everybody we need in-house. I specifically
13 mentioned other surgeons and radiologists and specialty
14 doctors and pathologists, which we always are -- we
15 always strive to do the best care we can.

16 The next one is -- this is an amazing story.
17 He's a 58-year-old man. The brain surgeon in the room
18 is going to know him. He had an aggressive kidney
19 cancer bout in 2003. It looked like he was going to die
20 from his kidney cancer. He was cared for at Alaska
21 Regional.

22 He did fine for a couple years until he
23 started having some symptoms and he was worked up and
24 had a CAT scan. And he reported all these delays in
25 getting this CAT scan. Again, because of the scheduling

00041

1 issue over at Alaska Regional. And it ends up that he
2 ends up having a craniotomy in 2005 to remove this
3 kidney cancer that spread to his brain. So he's a
4 survivor of two aggressive cancers in two different
5 parts of his body.

6 And how he meets me is after surviving these
7 two major operations, again, he's passing through town.
8 He actually lives in Moose Pass in a cabin, which is
9 down towards Seward if you don't know that. But he
10 works up north kind of in the Nome area and has a
11 dwelling there and his son lives here in town.

12 So as he was on his trip back and forth to
13 work, his commute, he was getting very, very sick. Just
14 like this other lady from Seward, he would just suddenly
15 have to pull over and throw up, extreme pain. The
16 driving -- the trip was almost unbearable and he was
17 driving himself. He was by himself. The other lady
18 fortunately had her husband driving her.

19 And as he was passing through town, he got
20 sick and he came over to the emergency department at
21 Alaska Regional. So I came to see him. And he had
22 developed sort of this fear of eating. If you've ever
23 had gallstones, you know what that is. You know what
24 things are going to make you sick and stay away from.
25 These patients usually lose a lot of weight because they

00042

1 just think they're going to be throwing up their

2 eyeballs and they just don't want to eat anything. And
3 sometimes they get to the point where even water will
4 set that off even though that's not a fatty food.

5 So he lost a lot of weight. In his job, he's
6 a pretty high-ranking person. I was asked not to give
7 too much -- because of HIPAA violations and things like
8 that -- too much information about him. But it was
9 getting to the point where the weight loss and the
10 weakness that he had was affecting his ability to really
11 function and do his job, so he was having difficulty in
12 those ways.

13 Because of the situation of his malignancy in
14 both the kidney and the metastatic renal disease to his
15 head, I thought, well, before I just go rushing in
16 there -- it sounds like a gallbladder that needs to come
17 out -- I have to do my due diligence as a surgeon and
18 make sure that while that could be recurrent kidney
19 cancer or a different kind of cancer, it could be
20 something else.

21 So he's in my office and I actually myself
22 pick up the phone and call over to scheduling,
23 centralized scheduling, because I want a CT of his
24 abdomen. And I'm told, oh, it will be in like a week
25 and a half. But this man, he needs his paycheck, you

00043

1 know, so he's traveling around and staying in these
2 different places and his life is very complicated. And
3 he just said, forget it. I'll go down the street to XY
4 facility. So he went to a freestanding facility. And
5 within about an hour, I had the report in my hand from
6 him getting a CAT scan at this facility.

7 The problem with that, though, is -- and
8 Dr. Lewis touched on this. I'm up in Dr. Lewis's office
9 on a pretty regular basis. I would almost say every
10 day. He's probably getting tired of looking at me. But
11 when I have a patient, especially something that's not
12 straightforward, I want to look at this study with the
13 radiologist. I trained a long time ago so I was trained
14 to look at my CAT scans myself and make my own readings
15 and come up with my own determination, but it's always
16 nice to look at the radiologist -- look at the film with
17 the radiologist because they may see something different
18 or they may see something that you don't see at all
19 because they look at CTs all day.

20 So the problem was, I had the report but I
21 couldn't get the film. They sent a disc. I couldn't
22 get it to open. And I've had this issue with traumas
23 that come up from the Valley. They put them on a disc
24 and they've already scanned this patient, exposed this
25 patient from head to toe sometimes with that much

00044

1 radiation, and we have to do it all over again, which is
2 just a bad, bad deal. There's starting to be lawsuits
3 over exposing patients to too much radiation,
4 specifically leukemia and some different kinds of
5 cancer.

6 So it was great that I had his report, but it
7 was bad because I couldn't compare it to the films that
8 he had at Alaska Regional before. And this is a huge --
9 again, we want to take optimum care of the patient. I
10 know that's why we're all here at this hour talking
11 about this. So that's his story.

12 There's just two more that are shorter.

13 There's a recent case where a young 59 -- I think 59 is
14 young. I think it's the new 40. A young man comes in
15 to Alaska Regional, seen in the emergency department.
16 He gets a CAT scan because he's in the ER, so that's not
17 such an issue for him, and then he gets the scope he
18 needs and the biopsy he needs. And then he's kind of
19 sick for a day, but then he's ready to be put on the OR
20 schedule.

21 And I, again, pick up my own phone in my own
22 office -- because I'm just usually doing a lot of things
23 myself unless I'm having staff members do it -- and I
24 was told that the earliest that I could get him on would
25 be a few days. Well, he's not really an emergent case

00045

1 at that point, so -- and I don't do that. I don't ever
2 say, yes, this is an emergency just so I can go next.
3 It's just not my -- not the way I roll.

4 So I was told it would be a few days. And so,
5 again, we have this cancer patient. So remember these
6 two patients I'm talking about now have cancer. A
7 minute, an hour, a day, a week, we don't know, it just
8 depends on the aggressiveness of the tumor, for them to
9 wait, that's just not the best standard of care that we
10 can provide these people. I mean, it would be to get
11 them in the CAT scanner the next day and on the OR
12 schedule the next day. That would be how that should
13 happen.

14 So I know that if we can serve these people in
15 a more timely manner by getting these outpatient
16 surgeries -- and I do a lot of outpatient surgeries as a
17 general surgery, lumps and bumps and biopsies and things
18 like that -- I know that we would serve all of the
19 patients better.

20 We just have to focus on patient safety, and
21 that's what medicine has become about all these days.
22 And, again, starting late. I was offered a time like at
23 8:00 at night and I'm like, no way. This could be grown
24 into his liver. I might need our interventional
25 radiologist who may not even be in town. I don't know,

00046

1 you know, if we haven't set those things up ahead of
2 time. So it's just not an ideal situation for the
3 patient, the hospital staff, and the surgeon.

4 And if you'll allow me just a couple more
5 minutes. This last one is a patient -- this goes back a
6 couple of months. This goes back to last year. This is
7 a terrible situation because I am on the committee on
8 trauma and I am very much involved at the state level
9 and the federal level and the city level in the delivery
10 of trauma care. I serve on the mayor's advisory board
11 for EMS, Mayor Sullivan. I serve on the state trauma
12 committee. I've served under that since Murkowski, so
13 I've served under three governors on that. And I've
14 been on a committee on trauma, the chair, for the State
15 of Alaska since 2008.

16 So I got called in to Alaska Regional.
17 Somebody had -- a patient came to the ER, had a CAT
18 scan. Because it was an emergency, there was no
19 radiology issue on that one. He did have appendicitis.
20 So I'm standing there waiting.

21 But because the whole day the board was so
22 jam-packed with cases, they still had a handful of rooms
23 that were still going and they weren't these little

24 simple outpatient procedures. They were maybe a more
25 complex neurosurgical or orthopedic procedure or

00047

1 something that was just going to take hours and hours
2 and hours.

3 And so I just sat there because it's not worth
4 me -- I'm not a really good winter driver, so it's not
5 worth me trying to get out on the roads and trying to
6 get home and trying to get back. So I just sat on the
7 couch in the surgeon's lounge and basically watched TV
8 and got to find out what's going on in the world for
9 about three hours, okay, until all of those rooms
10 finished and then they let me have one of those crews.

11 And what happened there is, you know, once I
12 started the operation -- and it turned out not to be so
13 straightforward because he had this very complex hernia.
14 And I can describe all this to you forever, but it
15 wasn't just like a 30-minute appendectomy. It turned
16 into, you know, more like an hour or so appendectomy.

17 And the minute I almost just make the incision
18 on the man's abdomen -- but it's too late. He's already
19 asleep. So, you know, I can't leave him. He's my
20 patient and my due diligence is to serve him. The
21 minute I make the incision, my pager goes off.

22 So when we're operating, the pagers are
23 usually on the table or on the countertop somewhere so
24 usually the circulator nurse will answer that. In this
25 case, the anesthesia doctor did because he was just at

00048

1 wit's end at this point. So they're calling a status
2 one trauma.

3 This is a young man whose -- Regional is
4 closer to where his wreck was. He was out on the Glenn
5 Highway north of here and he's had -- he's hit his face
6 and has suffered severe craniofacial and neck and airway
7 injuries.

8 So the ER doctor, the emergency room
9 department doctor, is saying that because the
10 pre-hospital team -- the fire department, the EMS, the
11 people that were working with him -- I better put my
12 pager back on because I'm on call and I don't want to
13 leave it here -- they tried many times to establish an
14 airway for this young man. And so the danger there is
15 that without an airway, the more minutes -- the more
16 seconds and minutes that go on without an airway, the
17 patient is suffering more brain damage.

18 The ER doctor wanted the surgeon on call,
19 which was me obviously, to be exactly present in the ER
20 when the patient arrived. So the anesthesia doctor
21 said -- he actually involved himself and said, "Divert
22 that patient to another hospital even though we're the
23 closest hospital because she can't be in two places at
24 one time and we've just started this case."

25 So, you know, my take on this is if I had been

00049

1 able to do my appendectomy three hours ago when I had
2 been called in, I probably would have been finishing up
3 still hanging out in the building. I kind of go around
4 looking for people who need operations because I love
5 what I do and, you know, I would have been there waiting
6 and certainly willing and certainly capable of securing
7 an airway for that young man.

8 And I've had follow-up on what went on with

9 him and it didn't turn out so well because he got taken,
10 I guess, to -- yeah, it just took more time to get him
11 to a place where he could be served.

12 Any questions? No. Okay.

13 MS. LAWFER: Would you be willing to give
14 those testimonies or do you not want to for
15 confidentiality reasons?

16 DR. CHENNAULT: Confidentiality reasons would
17 worry me with a couple of them. A couple of them were
18 okay.

19 MS. LAWFER: Okay. If they would like to -- I
20 mean, we've got what you've presented. But if they
21 would like to go on the record with the testimonial,
22 they can easily just write a letter.

23 DR. CHENNAULT: Okay. Would that go to you?

24 MS. LAWFER: Uh-huh. Yes. And if you want
25 to --

00050

1 DR. CHENNAULT: Do you have a card?

2 MS. LAWFER: There's a card up there as well
3 as the public notice. And they can --

4 DR. CHENNAULT: Okay. I'll do that.

5 MS. LAWFER: But I just want to make sure that
6 they understand, you know, that I don't want them to
7 think that they would be providing you information and
8 giving names for privacy reasons.

9 DR. CHENNAULT: They asked me not to and I
10 told them I wouldn't. But if you need the information
11 directly from them --

12 MS. LAWFER: If they would like.

13 DR. CHENNAULT: -- what would you do with it?

14 MS. LAWFER: It would go on the record.

15 DR. CHENNAULT: Okay. So their name would
16 show up somewhere?

17 MS. LAWFER: Right. But they are providing
18 their testimony.

19 DR. CHENNAULT: Okay.

20 MS. LAWFER: It would be first person as
21 opposed to third person --

22 DR. CHENNAULT: Right.

23 MS. LAWFER: -- that type of thing.

24 Next I have Kevin Barry.

25 MR. BARRY: Yes, ma'am.

00051

1 Good evening. I'm Kevin Barry. I'm the
2 administrator for the Alaska Surgery Center. First,
3 thank you. I appreciate what all of you are doing.
4 This is enlightening. I'll tell you, this is my first
5 one of these I have ever been to. It's pretty
6 impressive.

7 Obviously, I'm not here supporting either
8 side. I mean, that's -- if we look at what we've done
9 in the city of Anchorage, we include Elmendorf. What
10 I'm doing is I'm including Elmendorf and the new VA with
11 the total ORs that are available, only because the
12 population that is used in most of these include the
13 military, their family, veterans that stay here or
14 retirees. We have the highest population in the United
15 States of military veterans compared to our total
16 population of the state. So that's why I put them in
17 here.

18 Right now we have -- in November prior to
19 opening eight new procedure rooms, including Elmendorf

20 and the VA, there were 24 ORs available for folks for
21 outpatient-type services. And obviously they also at
22 the other two centers do the inpatient work. That
23 increased between ORs and procedure rooms to 32, eight
24 rooms in November.

25 If we go and increase that now, what we're

00052

1 going to do within less than three months, four months,
2 our goal here now is to take -- without Elmendorf,
3 there's 22 ORs. With them, there's 32. We increase
4 seven more, that's another 21 percent increase.

5 Based on Governor Sean Parnell's Alaska
6 population projections in the Department of Labor going
7 up to 2034, the total increase in population for this
8 state is going to be 170,400. That's a 4 percent growth
9 each year. The non-Native is 27 percent. That's
10 important because the Native growth will be 46 percent
11 based off their numbers and their projections. Those
12 folks don't come to any of our centers for any
13 outpatient-type work. They have their own facility they
14 have to go to. That right there tells you, if somebody
15 needs one, it might be the Native hospitals.

16 MS. HOLT: Can I just make a clarification?
17 We do take inpatient Native complex surgery patients and
18 they're running in our OR with all of the outpatients as
19 well. That has been part of the increase of our complex
20 inpatient caseloads.

21 MR. BARRY: Very good. I'm talking about
22 outpatient elective surgery only.

23 MS. HOLT: I know. But that's why our --
24 we're constrained, because we have such a growth of
25 inpatients. We just want to move --

00053

1 MR. BARRY: I understood.

2 MS. HOLT: Okay. Just to clarify, though.

3 MR. BARRY: Certainly.

4 Opening up seven more ORs in this area is
5 going to do one thing only, and that's going to increase
6 a lot of unused capacity. Right now there are three
7 centers, two new ones and one that's been here for a
8 while, none of which are at capacity right now. They're
9 brand new. Haven't even had a full quarter open for
10 projections and we're already saying we need to increase
11 the ORs in this city.

12 Do I agree there's additional services that
13 are needed? Absolutely. I'm not saying that we don't
14 need to improve some of the other services that these
15 folks need, ancillary services. But as far as ORs,
16 adding seven more based on the projected populations, it
17 doesn't warrant it.

18 One of the biggest things we're missing, too,
19 that nobody is even mentioning right now is the
20 capability of staff in this city. There is not enough
21 staff right now to fill every OR we have. Adding seven
22 more ORs is going to do nothing but pull these people in
23 every direction and it's going to cause a decrease in
24 health care and not an increase in quality of care.
25 Nobody has even looked at that. Trying to bring people

00054

1 up might be a noble idea, but they are just not here
2 right now for the workforce.

3 With the Native population growing, the Native
4 hospital looks like they would be the ones that need it.

5 Mat-Su Valley Regional based on the projected population
6 growth up until 2008, with their numbers from 2000 and
7 2008, they grew almost exactly the same amount as the
8 city of Anchorage. They might want ORs. But the city
9 of Anchorage doesn't need them right now.

10 It was mentioned in a previous CON request by
11 one of our judges that the spirit of the CON process
12 needs to be protected. This process of a true need must
13 not be manipulated or circumvented.

14 I'd just like to say that hospitals have it --
15 you guys have a tremendous gift for what you do for
16 folks. Adding outpatient ORs is not needed in this city
17 right now. They're not up and running. Two of them are
18 brand new. One of them is struggling. And trying to
19 project that off the population, the population stated
20 by our own state says there won't be enough need here.

21 Thank you.

22 MS. LAWFER: Thank you.

23 And then the last one that I had that said
24 they wanted to testify was Tim Cohen.

25 DR. COHEN: I'll actually come forward here so

00055

1 I'm not speaking to your back.

2 MS. LAWFER: Oh, thank you.

3 DR. COHEN: I'm Dr. Tim Cohen. I'm a
4 neurosurgeon and I work at both hospitals, both
5 Providence and Alaska Regional.

6 And to speak to the Alaska Regional
7 Certificate of Need request, the numbers that they
8 showed indicate that the problem is capacity of the
9 operating room to handle the current caseload. My
10 personal experience confirms this based on trying to
11 schedule patients in a timely manner. And with many
12 neurosurgical procedures, most people don't want to wait
13 the six to eight weeks that it takes to procure an
14 operating room during what I think most of us would
15 agree would be normal hours.

16 It is difficult -- Dr. Chennault addressed a
17 number of problems associated with the inability to
18 handle elective cases and the fact that it pushes your
19 schedule later into the day thereby lessening your
20 ability to take care of emergent cases, which tend to
21 come in in the evening and at night. I think that
22 speaks . . .

23 DR. CHENNAULT: That means you're doing a
24 great job.

25 MS. LAWFER: I have a computer glitch or

00056

1 something and it keeps trying to mess with me.

2 DR. COHEN: You know, I think that speaks to
3 the health of our population from the standpoint that we
4 don't want to hold up emergent cases to take care of
5 elective cases that have been jammed into too small a
6 space.

7 And it does appear to me that the inpatient
8 need is problematic for the provision of their current
9 outpatient surgery. And that's based on the numbers and
10 also my personal experience. I do few outpatient
11 procedures, predominantly inpatient procedures, with
12 both elective and emergent cases mixed in. And my group
13 of four neurosurgeons, we communicate regularly, usually
14 in positive tones, and the experience indicates that the
15 capacity needs to be increased.

16 And Alaska Regional has done a good job of
17 providing care to Medicare patients. We actually take
18 care of a number of TRICARE patients, active duty
19 military patients, in the operating room both as
20 inpatients and outpatients who are unable to obtain
21 their services through the military. We provide care to
22 Natives who could obtain their care at ANMC but prefer
23 to be treated in the community or the service is not
24 available at ANMC.

25 And so the population of patients that are
00057

1 treated here are not related to non-Native, non-military
2 patients. And I couldn't quote you facts on this, but
3 it's my experience that there are a number of military
4 patients who are treated outside the military health
5 care system, either for expertise reasons or for
6 scheduling reasons, because it's my understanding that
7 their care has to be provided within a timely manner.
8 And if that manner is not met, then they're allowed to
9 be treated by the civilian population.

10 I think addressing the needs of the Medicare
11 population, the case index would indicate that the
12 inpatient services that are being provided at Regional
13 are more time consuming and -- so in other words, the
14 population requires more inpatient care. And so by
15 expanding their ability to provide that care, we improve
16 the health of the population.

17 The time factor is certainly an issue. In
18 2006 my wife had a complex wrist fracture. We were told
19 at one hospital the case would not start until midnight
20 the next day. And at Regional, she was able to get
21 started at about 6:00 in the evening. So I think
22 addressing the entire need of the city based on personal
23 experience and weekly or daily experience, I think that
24 there is definitely a need to increase the capacity to
25 provide those inpatient services.

00058

1 MS. LAWFER: Thank you.

2 DR. COHEN: Sure.

3 MS. LAWFER: I have Carol Heyman who would
4 like to speak.

5 MS. HEYMAN: I think I'll just speak from
6 here.

7 MS. LAWFER: Feel free.

8 MS. HEYMAN: I'm Carol Heyman and I'm
9 currently vice chair of the board of trustees of Alaska
10 Regional Hospital. I've lived in Alaska for over 30
11 years.

12 And my personal family history with Alaska
13 Regional in the last three years is we've had three
14 outpatient procedures and I had a major orthopedic
15 surgery that was three parts to it and two
16 granddaughters. And I'll say the two granddaughters
17 were the most fun.

18 But we had -- and I was lucky enough to have
19 doctors who had blocks of time, but I still had to
20 schedule much farther out than I probably would have
21 ordinarily just because of the scheduling problems at
22 Alaska Regional. And even if you have a block of time,
23 you don't always get to accommodate all your patients.

24 And we had a very good experience at Alaska
25 Regional with a very high level of care and service.

00059

1 And our hope would be that Alaska Regional Hospital --
2 other patients at Alaska Regional Hospital, other
3 patients have that same level care and service. And we
4 also think choice is good. I just have to say my two
5 daughters were actually born at Providence, so there's
6 obviously two hospitals.

7 From the trustee point of view, we are tasked
8 with ensuring and maintaining the highest level of care
9 and safety required for patients in the hospital and
10 through the community. And choice is important to both
11 patients and doctors and should exist in fairness to the
12 community.

13 As hospital trustee in a state where -- in a
14 recent ISER study, Mark Foster pointed out that
15 23 percent of the gross state product actually is spent
16 on health care. And that means that almost 25 cents on
17 every dollar that goes through the economy in Alaska is
18 being spent on health care. And as the board of
19 trustees, we feel that streamlining and trying to
20 maximize the dollars for both the patient and all
21 Alaskans in the health care arena is a good thing. And
22 so we are very supportive obviously of the Certificate
23 of Need for the hospital.

24 And as part of the community need interface
25 for the hospital, we certainly listen to praise. And

00060

1 for that, we say thanks. And then we also listen to
2 concerns from the community. And I think scheduling,
3 waiting, is a primary concern of the community and we'd
4 like to be able to say we meet those needs, that you
5 aren't going to have that problem and that Alaska
6 Regional will be able to serve you in the manner in
7 which you believe it should serve.

8 And so I would like to thank you for giving me
9 the opportunity to talk and say that I've also written a
10 letter on behalf of the board of trustees supporting the
11 Certificate of Need for Alaska Regional. And I won't
12 read it. I'll just give it to you.

13 MS. LAWFER: All right. That would be just
14 fine. Thank you.

15 Is there anyone else who would like to speak?
16 If not, what I normally do is -- because like I said
17 earlier, I will not take any affront if you decided to
18 leave. However, this is a lot of times the only time
19 someone gets to see someone else and so you may want to
20 do some socializing and talking, and that's quite all
21 right.

22 We will go off the record right now and if I
23 have someone come, we will go back on the record. But
24 in the meantime, if you would like to visit with
25 acquaintances, feel free and thank you very much.

00061

1 (Off the record.)
2 (Proceedings adjourned at 6:30 p.m.)
3
4
5
6
7
8
9
10
11

12
13
14
15
16
17
18
19
20
21
22
23
24
25

00062

REPORTER'S CERTIFICATE

I, VALERIE MARTINEZ, RPR, and Notary Public in and for the State of Alaska do hereby certify:

That the proceedings were taken before me at the time and place herein 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 _____, 2011.

VALERIE MARTINEZ,
Registered Professional Reporter
Notary Public for Alaska

My Commission Expires: June 22, 2014

21
22
23
24
25