



KENAI PENINSULA BOROUGH

144 North Binkley Street • Soldotna, Alaska 99669-7520
Toll-free within the Borough: 1-800-478-4441
PHONE: (907) 262-4441 • **FAX:** (907) 262-1892
www.borough.kenai.ak.us

MIKE NAVARRE
BOROUGH MAYOR

MEMORANDUM

TO: Gary Knopp, Assembly President
Members, Kenai Peninsula Borough Assembly

THRU: Mike Navarre, Mayor *MN*

FROM: Craig Chapman, Director of Finance *C Chapman*

DATE: February 2, 2012

SUBJECT: Ordinance 2011-19-72, appropriating \$4,700,000 for the purpose of constructing a radiation oncology facility at Central Peninsula Hospital

In Community Health Needs Assessments that were conducted in 2004 and 2009, Central Kenai Peninsula Hospital Service Area residents identified additional cancer care services as the number one priority of service area residents.

Cancer is one of the leading causes of death in the State of Alaska and the Kenai Peninsula Borough and radiation oncology medical services are currently not available within the service area. Currently borough residents must go to Anchorage or other locations for radiation oncology medical services.

For the past year, the administration of Central Peninsula Hospital (CPH) has been in discussions with radiation oncology physicians in Anchorage regarding the construction of a radiation oncology facility at Central Peninsula Hospital, and to determine who would be interested in operating the facility. With construction of this facility, service area residents would no longer be required to travel outside of the borough for radiation oncology medical services necessary to the treatment of cancer.

CPH is proposing that a radiation oncology facility be built on the hospital's campus. The estimated cost is \$4,700,000 and would be paid for from the CPH Plant Replacement and Expansion Fund. This facility would then be leased to a private physicians group that would install the necessary equipment and operate the radiation oncology facility.

Constructing the radiation oncology facility on the hospital's campus not only allows for easy access to already existing infusion services, which are often required during a radiation treatment regime to replace fluids and push medications that combat the side effects of radiation, but also provides close proximity to ancillary services such as imaging, pathology, and laboratory that are often utilized for cancer treatment. Additional benefits of communication and coordination among treatment providers and the ability to treat radiation oncology inpatients without

transporting them by ambulance to another facility will also serve patient needs. Currently all of the radiology oncology centers in the State of Alaska are located on a hospital campus.

The CPH proposed radiation oncology facility requires that CPH successfully negotiate a lease agreement with a qualified radiation and oncology group to operate the facility on campus. If CPH is unable to successfully negotiate with a qualified radiation and oncology group for the leasing of this facility; or, if private physician group remains committed to constructing a facility off campus, this ordinance will not be necessary. However, in order to meet a construction timeline for the upcoming building season and to provide for public notice and hearing requirements, this ordinance is being introduced while discussions continue about the best approach for moving forward on this needed service.

FINANCE DEPARTMENT FUNDS VERIFIED	
Acct. No. <u>490.20602</u>	
Amount <u>\$4,700,000.00</u>	
By: <u>CBW</u>	Date: <u>2/2/12</u>