
From: ddgilbreath@hotmail.com
To: gknopp@borough.kenai.ak.us; pa12gary@hotmail.com
Subject: Comments on Proposed ASC in Kenai
Date: Sun, 15 Jan 2012 00:15:07 +0000

Dear Mr Knopp,

Thank you for all you do on behalf of Peninsula residents! I am the former president and CEO of CPH (2002-2006). It recently came to my attention that a local group of surgeons is in the final stages of seeking state approval for an ambulatory surgery center (ASC) in Kenai. I would like to express my thoughts on this proposed for-profit ASC.

After reading the Jan 7, 2012 *Clarion* article, I was encouraged to hear that the Assembly is seeking public comments in order to make a recommendation to the state regarding this project. I fully agree with your comment that it is incumbent upon the Assembly to comment on this private venture because the Assembly is responsible as the owners and caretakers of the hospital. I disagree with Dr Zirul's recommendation that the Assembly take a neutral stance on this issue. In evaluating the merits of free competition, I think that elected officials have not only the right but the responsibility to take into account the impact that a new freestanding ASC might have on the local hospital and the essential health care services the hospital provides to the community.

As I expressed in a recent letter to the editor of the *Clarion*, I strongly believe in competition and, generally, competition is good for the health care industry and the patients served. However, I think it is critically important to look at the broader picture and take into account the impact that a free standing ASC might have on the viability of CPH and the essential health care services the hospital provides to the community. National studies show that ASCs tend to concentrate on low-risk, high-profitability cases, leaving hospitals with higher-risk, lower-profitability cases and the responsibility to provide the full array of services their communities require, many of which result in significant losses for hospitals. The report of the Commission on Health Care Facilities in the 21st Century underscores that freestanding ASCs deprive hospitals of much-needed revenue and correspondingly undermine their ability to serve their communities. Some communities (e.g. the Greater New York Health Authority) have called for a moratorium on the establishment of new freestanding, non-hospital-sponsored ASCs because of their negative impact on hospitals and hospitals' ability to provide needed services to their communities.

While the chief executive at CPH, I worked closely with Board of Directors, medical staff, community leaders and others to design a hospital expansion project to meet community needs for the next several decades. This expansion project was approved by the voters and resulted in a badly needed 74,500 square foot addition to the hospital that included, private inpatient rooms, a new Laboratory, Pharmacy, Cardiopulmonary and Sleep Center, Central Sterile Processing and others.

It's important to note that this expansion project focused heavily on the surgical needs of the community then and into the future. Based on projected community needs and input from our medical staff, this project included the addition of a state-of-art Surgery Department with the capacity for four operating rooms. To save money, only three ORs were initially completed, with the fourth "shelled in" for future development as demand for surgery grew. I understand the 4th operating room will be completed in May 2012. Based on planning estimates, completion of this additional OR should assure ample surgical capability for the next several decades. I predict the state Certificate of Need process will validate this capability as they review the proposed ASC application.

I'm not convinced that this proposed for-profit venture has everyone's best interests at heart and is a good thing for the community! The physician owners will profit by collecting not only the physician fee, but also the facility (hospital) fee. Services like surgery, imaging and others help subsidize costly services like the ER, Diabetes education and many more. Also, a robust hospital-based Surgery Service helps make it possible for the hospital to provide nearly \$6M worth of uncompensated medical care to low income and indigent patients every year.

For the reasons outlined above, I strongly encourage the Assembly to oppose the proposed ASC and protect the viability of CPH, allowing the hospital to continue to thrive and grow to meet community health needs.

Respectfully,

David Gilbreath
Phone: 509-480-2391

From: daniel gensel [mailto:dlgensel@ptialaska.net]

Sent: Tuesday, January 17, 2012 8:21 AM

To: Knopp, Gary; Knopp, Gary; Smalley, Hal; hvsmalley@yahoo.com; Tauriainen, Ray; Tauriainen, Ray; Murphy, Linda; Murphy, Linda; Pierce, Charlie; Pierce, Charlie; McClure, Sue; McClure, Sue; Johnson, Brent; Brent, Johnson; Smith, Bill; Smith, Bill; Haggerty, Mako; Mako, Haggerty; Blankenship, Johni

Subject: Support for Resolution 2012-003

Assembly Members,

I do not support building a surgery center in Kenai and therefore am supporting your Resolution 2012-003 "Opposition to the Issuance of a Certificate of Need For an Ambulatory Surgery Center in Kenai Alaska"

I believe the proposed surgery center is an unnecessary duplication of medical equipment, facilities and services in a marketplace. I don't want to jeopardize Central Peninsula Hospital's ability to invest in high quality patient care, new technology and expanding services without taxing the community.

There is no evidence to support the need for the proposed surgery center. Research shows that hospitals can lose up to 80 percent of their outpatient surgeries when a surgery center opens up in the same area. This would have a detrimental impact on CPH and on Kenai Peninsula residents.

I also feel that the 4th Operating Room at CPH should be counted in the equation that the commissioner will be using.

There is no evidence to support Kahtnu claims that a surgery center in Kenai will provide an alternative for patients who travel to Anchorage for lower cost surgeries. Research shows that only 3.3 percent of patients reported going to a different facility than CPH due to cost and 1.7 percent due to scheduling.

Respectfully,

Kathy Gensel

P.O. Box 3398

Soldotna, AK. 99669

Thank you for giving the public this opportunity to speak about the Certificate of Need that is being considered by the Commissioner of Health and Social Services. I am opposed to the issuance of the CON at this time for these reasons;

- The CPGH can serve all the patients that require outpatient services at this time. With the addition of the 4th operating room, the hospital can provide all the outpatient surgery required well into 2019, as stated by the KAHTNU application for a new AMBULATORY SURGERY CENTER (AMC). However, they are asking for a waiver to the formula that the State uses because they say it is flawed..
- The whole application that KAHTNU submitted is based on CPGH only having 3 operating rooms, so I believe the whole application is flawed as CPGH will have 4 operating rooms shortly.
- The Dept of Health uses a formula of 900 operations per operating room x 4 =3600 procedures. The average surgeries in the past 3 years at CPGH was 3160 so we do not need another operating room in the foreseeable future.
- Kahtnu states that their application “will not negatively affect the hospital” yet research has shown that a new ASC in a service area could result in a hospital losing from 50 to 80% of their outpatient surgeries. The hospital cannot afford to lose 50% of their income which could eventually hurt our available hospital health care.
- Kahtnu has stated that they will provide services to people that migrate out of our area which will mean additional choices. However, there is no research to stand behind that statement & the only research they use is the word “some people” How many is that? They also state “it will be cheaper” yet in their Articles of Incorporation it states they are a “for-profit LLC” and are managed by a company out of Anchorage.
- Applicants state they have a COMMITMENT to provide care to Medicare, Medicaid & the indigent. “A commitment sounds nice” but are they “required” to serve all like a hospital is?
- Another reason KAHTNU is asking for a CON is because the claim that they can’t get a block of time in a reasonable time frame. I believe the kind of surgeries they would provide are not of the emergency kind & can be arranged as necessary.
- I also can’t support the project with the reason of “shorter distance”. A facility in Kenai would only save about 10 miles of travel & generally these are not emergencies.

For all of these reasons stated, I do not support the issuance of a CON to the KAHTNU VENTURES, LLC at this time.

Grace Merkes

From: Brian Hakkinen [mailto:hakkinen1234@acsalaska.net]

Sent: Tuesday, January 17, 2012 8:35 PM

To: Knopp, Gary; Knopp, Gary; Smalley, Hal; hvsmalley@yahoo.com; Tauriainen, Ray; Tauriainen, Ray; Murphy, Linda; Murphy, Linda; Pierce, Charlie; Pierce, Charlie; McClure, Sue; McClure, Sue; Johnson, Brent; Brent, Johnson; Smith, Bill; Smith, Bill; Haggerty, Mako; Mako, Haggerty; Blankenship, Johni

Subject: CPGH

Good morning Assembly members

I am totally dismayed that the borough assembly is choosing to oppose the CON for the Kahtnu Surgical Clinic.

The winds of change are blowing. This assembly is still stuck in the 1960's and the county hospitals. Healthcare costs and lack of insured patients are a very large problem. CPGH has no right to overcharge the insured that have surgery to offset the uninsured that have other treatment done. They need the competition. Government has no business owning a healthcare facility. In the 1950's we would call this communism. Now the borough is using taxpayer's money to print and mail brochures that attempt to smear the new clinic. When this clinic is built it will add a lot to the tax roles. What is wrong with that? We need the competition. I can only hope the assembly comes to it's senses after the public hearing.

Thank you

Brian Hakkinen

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