



# Proposal for Franklin County Healthcare Services *by Ascension Sacred Heart*



March 9, 2020

# Ascension Sacred Heart Mission Statement

Rooted in the loving ministry of Jesus as healer, we commit ourselves to serving all persons with special attention to those who are poor and vulnerable. Our Catholic health ministry is dedicated to spiritually centered, holistic care that sustains and improves the health of individuals and communities. We are advocates for a compassionate and just society through our actions and our words.



# Ascension - Nationally

- ▶ One of the leading non-profit & Catholic health systems in the U.S.
- ▶ In 2019, Provided \$2 Billion in Care to Persons in Poverty
- ▶ 3.4 Million Emergency Room Visits
- ▶ 15.1 Million Physician Office and Clinic Visits
- ▶ 1.7 Million Equivalent Hospital Discharges
- ▶ 813,000 Discharges
- ▶ 85,000 Births
- ▶ 150,000 Associates
- ▶ 40,000 Aligned Providers
- ▶ 2,600 Sites of Care in 20 States
  - ▶ 150 Hospitals



# Ascension Sacred Heart (ASH)

- ▶ Serving Panhandle of Florida since 1915
- ▶ Invited by Community to Pensacola: Ascension Sacred Heart Pensacola
- ▶ Invited by Community to Walton County: Ascension Sacred Heart Emerald Coast
- ▶ Invited by Community to Gulf County: Ascension Sacred Heart Gulf
- ▶ Helped Hurting Community: Assumed Full Ownership of Ascension Sacred Heart Bay Post Hurricane Michael
- ▶ Studies Communities Throughout the Panhandle to Make Determinations for Services and Implement as Needed
- ▶ One of Five 5-Star Hospitals in Florida: Ascension Sacred Heart Gulf
- ▶ One of Four Hospitals <100 Beds with Near 0% Infection Rate: ASH Gulf
- ▶ Largest Physician Network in the Region



# Ascension Sacred Heart Serves Franklin County Residents

- ▶ Ascension Physicians currently or planned to be in Franklin County:
  - ▶ Dr. Pharr, Primary Care, lives and practices locally
  - ▶ Dr. Wells, Primary Care, lives locally, and will establish practice in new pavilion
  - ▶ Dr. Sokoloski, Orthopedic Surgeon, relocating to Franklin County and will be part time in new pavilion
  - ▶ Dr. Chapman, Cardiology, will establish practice part time in new pavilion
  - ▶ Dr. Harbin, General Surgeon, will establish practice part time in new pavilion
- ▶ Adult & Pediatric Rehabilitation Services - Full Time Physical Therapist, Part Time Speech, Occupational and Therapy Assistant
- ▶ Ascension's My Gulf Care Currently Serves 40 Franklin County Seniors Who Are Among the Most Vulnerable
- ▶ Serve Franklin County Residents Throughout Ascension Sacred Heart
- ▶ Provides in Excess of \$3.7 Million Annually in Charity Care for Franklin County Residents

# Ascension Proposal - Overview

- ▶ Reconfigure Franklin County Healthcare Delivery System
- ▶ Establish New State of the Art Hospital & Healthcare Access Points
  - ▶ Improve Access Locally
  - ▶ Improve Healthcare Services Locally
  - ▶ Improve Range of Healthcare Services Offered Locally
  - ▶ Incorporate Telemedicine
  - ▶ Align with Major Accessible Tertiary Provider (Trauma, Hearts)
- ▶ Implement a Healthcare System that is Economically Sustainable
- ▶ Expand Ascension Sacred Heart Ministry in Franklin County
- ▶ Align Franklin County and Ascension Sacred Heart to Appropriately Meet the Needs of Franklin County Residents

# Ascension Proposal - Emergency Services

- ▶ Develop, License and Operate a Freestanding Hospital Emergency Department in **location designated by County** *(within 35 miles of Ascension Sacred Heart Gulf per Medicare)*
  - ▶ Freestanding Emergency Department to Include: 6 Emergency and Procedure Rooms and **6 Holding Rooms ~ 12,000 Square Feet**
  - ▶ Diagnostic Capabilities to Include: CT-Scan, X-Ray, Ultrasound and Lab
  - ▶ **Emergency Room to Include Telemedicine for Immediate Access to Physician Specialists as Part of Ascension TeleHealth Platform**
  - ▶ **Emergency Room to Incorporate a Helipad for Rapid Transfer of Trauma, Cardiac and Other Critical Patients via Ascension Sacred Heart Air Flight Service**
  - ▶ Staffing 24/7: 4.2 Emergency Physicians, 8.4 Nurses, 4.2 CT/US Techs for a Total of 24 FTEs plus Telemedicine Physicians and Air Flight Personnel

# Ascension Proposal - Primary Care

- ▶ Establish a Second Primary Care Practice (\*)
  - ▶ **Implement Shortly After Agreement with Franklin County Subject to Finding a Temporary Location to House Dr. Wells**
    - ▶ **Potential to Incorporate Upon Agreement into Weems Medical Center West with Its Two Existing Nurse Practitioners**
  - ▶ Permanent Location Will Be Contiguous to the Freestanding Emergency Room, Relocating Dr. Wells and the Two Nurse Practitioners to the New Location at That Time
  - ▶ Share Diagnostic and Lab Services with Freestanding Emergency Room
- ▶ Staff the Weems Medical Center East Office in Carabelle
  - ▶ 5 ½ Days per Week, Maintaining Current Hours
  - ▶ Two Nurse Practitioners
  - ▶ **If demand warrants, initiate additional recruitment and/or hours in the future**
- ▶ Total FTEs include 1 Physician, 4.2 Nurse Practitioners and 9 Support Staff

*(\*) In addition to Dr. Pharr's primary care practice with his nurse practitioner which will remain at its 55 Avenue East location*

# Ascension Proposal - Specialty Care

- ▶ Establish Specialist Practices in a Specialty Care Pavilion Contiguous to the Freestanding Emergency Room. Specialty Services to Include:
  - ▶ Cardiology: 1 Day/Week
  - ▶ Orthopedics: 1 Day/Week
  - ▶ General Surgery: 1 Day/Week
  - ▶ **State of the Art Mammography**
  - ▶ **Given Physicians Are Currently Employed by Ascension, Could Initiate Specialty Physician Services Shortly After Agreement with Franklin County Subject to Finding a Temporary Location for Physicians to Practice**
  - ▶ **Incorporate Telemedicine for Access to Other Physician Specialists as Part of Ascension TeleHealth Platform**
  - ▶ Future: Other Specialties to be Determined
  - ▶ Total FTEs Initially: 0.6 Physicians and 1.8 Nurses/Support Staff **Plus Mammography Tech/Assistant (0.4) and Telemedicine Physicians**

# Ascension Proposal - Rehabilitation Care

- ▶ **Adult and Pediatric Rehabilitation Services Contiguous to the Freestanding Emergency Room**
  - ▶ Relocate from 76 Market Street D
  - ▶ Expand from 2,000 to 4,000 Square Feet
  - ▶ Physical, Occupational and Speech Therapy
  - ▶ Total Clinical FTEs: 2 to 3
- ▶ **Work with Existing Franklin County Nursing Home (St. James) to Enhance Rehabilitation Services in Existing Infrastructure**
  - ▶ St. James Health and Rehabilitation Center is a “5-Star” Facility with Significant Community Investment (Capital Already Invested)
  - ▶ Average Occupancy Suggests Available Beds to Work with for Specialty Services and Programming Closer to Home
  - ▶ Ascension is Committed to Work with This Provider for “Skilled Nursing Services” as Typically Provided in Swing Beds

Conceptual Rendering for Visual Perspective



# Ascension Proposal

## Hospital Service Comparison: Current vs with Ascension Proposal

	Current Services <u>at Existing Locations</u>	Planned Services <u>With Ascension Relationship</u>
Emergency Room	Yes	Yes
Emergency Room Physicians, 24/7	No	Yes
Emergency Room Procedures	No	Yes
X-Ray Service	Yes	Yes, 24/7
CT Scan Service	Yes	Yes, State of the Art, 24/7
Laboratory	Yes	Yes, 24/7
Ultrasound Service	Yes	Yes, 24/7
Respiratory Therapy	Yes	Yes
Inpatient Beds	Yes	No
Observation Beds	Yes	Yes
Swing Beds	Yes	No
Air Flight Service	No	Yes

# Ascension Proposal

## Clinic Service Comparison: Current vs with Ascension Proposal

	<u>Current Services at Existing Locations</u>	<u>Planned Services With Ascension Relationship</u>
Primary Care Physician in West Clinic	No	Yes
Nurse Practitioners in West Clinic	Yes	Yes
Days of Operation, West Clinic	5 Days	5 Days
Nurse Practitioners in East Clinic	Yes	Yes
Days of Operation, East Clinic	5 1/2 Days	5 1/2 Days
Cardiology Physician/Service	No	Yes
Orthopedic Physician/Service	No	Yes
General Surgery Physician/Service	No	Yes
Echocardiography Service	Yes	Yes
EKG Service	No	Yes
Ultrasound Service	No	Yes
Mammography, State of the Art	No	Yes
Specialist Procedures	No	Yes
Rehab Svcs - Physical Therapy	No	Yes
Rehab Svcs - Occupational Therapy	No	Yes
Rehab Svcs - Speech Therapy	No	Yes

## Jobs With the Ascension Proposal

	Emergency Department including Diagnostics	Primary Care Practice	Specialty Care Practices	Rehabilitation Services	Carabelle Clinic	Total FTEs
Physicians	4.2	1.0	0.6	0.0	0.0	5.8
Mid-Level Providers (*)	0.0	2.0	0.0	0.0	2.2	4.2
Nurses and Other Staff (*)	<u>19.9</u>	<u>5.0</u>	<u>2.2</u>	<u>2.3</u>	<u>4.0</u>	<u>33.4</u>
Total FTEs	24.1	8.0	2.8	2.3	6.2	43.4

(\*) Existing Mid-Level Providers, Plus Existing Other Personnel in Emergency Room or Clinics

- ▶ Excludes Physicians Accessed via Telemedicine (including Radiologists, Pathologists, and Other Specialists); Air Flight Personnel; Potential Relationship with St. James Health and Rehabilitation Center; and Future Recruitments

## Current Staffing at Weems/Clinics versus Proposed Staffing with Ascension Proposal

	Current Weems FTEs	Resulting FTEs with Ascension Weems FTEs	Ascension FTEs
Ambulance / EMS Services	26.0	26.0	--
Clinic FTEs	9.0	--	15.2
<i>Hospital - Ancillary and Clinical:</i>			
Emergency Room	9.0		11.5
Inpatient Beds (Acute/Swing)	11.0		--
Radiology	5.0		4.4
Respiratory Therapy	3.0		2.1
Laboratory	4.0		Telehealth
Electrocardiography	2.0		in physician office
Subtotal Ancillary and Clinical	34.0		
<i>Hospital - Overhead Departments</i>			
Dietary	2.0		
Plant Operations	2.0		
Housekeeping	3.0		2.1
Accounting/Admitting/Purchasing/Medical Records	11.0		
Hospital and Nursing Administration	6.0		
Subtotal Ancillary and Clinical	24.0		
<i>Total Hospital FTEs (Net of EMS and Clinics)</i>	58.0		
Physician FTEs	--	--	5.8
Rehabilitation Service FTEs	--	--	2.3
Total FTEs	93.0	26.0	43.4
			69.4

# Ascension Proposal - Capital Costs

	Emergency Dept including Diagnostics	Primary Care Practice	Specialty Care Practices	Rehabilitation Services	Total Project
Square Footage (approximate)	12,000	2,500	2,400	4,000	20,900
<b>Capital Costs</b>					
Land	TBD	TBD	TBD	TBD	TBD
Site work costs	TBD	TBD	TBD	TBD	TBD
Construction	\$4,500,000	\$625,000	\$600,000	\$1,000,000	\$6,725,000
Construction Contingency	\$372,938	\$62,500	\$60,000	\$100,000	\$595,438
Architect/Engineering	\$360,000	\$40,625	\$39,000	\$65,000	\$504,625
Pre-Development Costs	\$112,500	\$33,281	\$31,950	\$53,250	\$230,981
Subtotal Construction Related	\$5,345,438	\$761,406	\$730,950	\$1,218,250	\$8,056,044
Equipment	\$2,022,500	\$197,500	\$880,000	\$110,950	\$3,210,950
Equipment Contingency	\$155,386	\$20,244	\$90,200	\$25,400	\$291,229
Pre-Development Costs	\$49,313	\$4,938	\$22,000	\$6,048	\$82,298
Subtotal Equipment Related	\$2,227,198	\$222,681	\$992,200	\$142,397	\$3,584,477
<b>Total Project Costs (w/o land, sitework and unusual site conditions or infrastructure)</b>	<b>\$7,572,636</b>	<b>\$984,088</b>	<b>\$1,723,150</b>	<b>\$1,360,647</b>	<b>\$11,640,520</b>

# Ascension Proposal - Operating Commitment

	Year One of Operations						
	Proposed Ascension Sacred Heart - Franklin County Health Care Center					Carabelle Clinic	Total Operational Investment
	Emergency Dept including Diagnostics	Primary Care Practice	Specialty Care Practices	Rehabilitation Services			
Physicians	4.2	1.0	0.6	0.0	0.0	5.8	
Mid-Level Providers	0.0	2.0	0.0	0.0	2.2	4.2	
Nurses and Remainder of Staff	19.9	5.0	2.2	2.3	4.0	33.4	
Total FTEs	24.1	8.0	2.8	2.3	6.2	43.4	
Forecasted Operations							
Revenues	\$24,281,038	\$847,013	\$360,000	\$847,836	\$646,672	\$26,982,559	
Deductions	<u>\$21,156,745</u>	<u>\$298,996</u>	<u>\$234,000</u>	<u>\$536,341</u>	<u>\$260,609</u>	<u>\$22,486,691</u>	
Net Revenues	\$3,124,293	\$548,017	\$126,000	\$311,495	\$386,063	\$4,495,869	
Expenses:							
Provider Compensation	\$1,551,052	\$473,653	\$25,200	\$0	\$274,560	\$2,324,464	
Non-Provider Compensation	\$1,226,075	\$209,315	\$0	\$201,709	\$148,612	\$1,785,711	
All Other	<u>\$1,270,061</u>	<u>\$206,303</u>	<u>\$175,901</u>	<u>\$76,766</u>	<u>\$63,371</u>	<u>\$1,792,401</u>	
Total Expenses	\$4,047,188	\$889,270	\$201,101	\$278,475	\$486,543	\$5,902,576	
Income from Operations	(\$922,895)	(\$341,253)	(\$75,101)	\$33,020	(\$100,479)	(\$1,406,708)	

- ▶ Excludes FTEs and Costs for Physicians Accessed via Telemedicine (including Radiologists, Pathologists, and Other Specialists); Air Flight Personnel; Potential Relationship with St. James Health and Rehabilitation Center; Also Excludes Compensation for Physician Specialists and Mammography Staff

# Ascension Proposal - Operating Commitment

	Year Two Year of Operations					
	Proposed Ascension Sacred Heart - Franklin County Health Care Center					Total Operational Investment
	Emergency Dept including Diagnostics	Primary Care Practice	Specialty Care Practices	Rehabilitation Services	Carabelle Clinic	
Physicians	4.2	1.0	0.6	0.0	0.0	5.8
Mid-Level Providers	0.0	2.0	0.0	0.0	2.2	4.2
Nurses and Remainder of Staff	<u>19.9</u>	<u>5.0</u>	<u>2.2</u>	<u>2.3</u>	<u>4.0</u>	<u>33.4</u>
Total FTEs	24.1	8.0	2.8	2.3	6.2	43.4
Forecasted Operations						
Revenues	\$26,408,194	\$929,041	\$540,000	\$852,075	\$646,672	\$29,375,982
Deductions	<u>\$23,013,234</u>	<u>\$327,952</u>	<u>\$351,000</u>	<u>\$539,023</u>	<u>\$260,609</u>	<u>\$24,491,818</u>
Net Revenues	\$3,394,959	\$601,090	\$189,000	\$313,052	\$386,063	\$4,884,164
Expenses:						
Provider Compensation	\$1,552,043	\$477,566	\$37,800	\$0	\$274,560	\$2,341,969
Non-Provider Compensation	\$1,250,596	\$210,012	\$0	\$205,743	\$151,584	\$1,817,935
All Other	<u>\$1,244,989</u>	<u>\$219,501</u>	<u>\$186,608</u>	<u>\$76,840</u>	<u>\$62,886</u>	<u>\$1,790,825</u>
Total Expenses	\$4,047,628	\$907,080	\$224,408	\$282,583	\$489,030	\$5,950,730
Income from Operations	(\$652,669)	(\$305,990)	(\$35,408)	\$30,469	(\$102,967)	(\$1,066,565)

- ▶ Excludes FTEs and Costs for Physicians Accessed via Telemedicine (including Radiologists, Pathologists, and Other Specialists); Air Flight Personnel; Potential Relationship with St. James Health and Rehabilitation Center; Also Excludes Compensation for Physician Specialists and Mammography Staff

# Ascension Proposal

- ▶ Ascension:
  - ▶ Provides the Capital for Equipment Related Costs
  - ▶ Develops, Licenses and Operates the Newly Constructed Facilities
  - ▶ Primary Care Physician Establishes Practice in Franklin County as Soon as Practical (Without Waiting for New Construction)
  - ▶ Specialists Commence Practices in Franklin County Prior to New Facility Construction Completion, Subject to Space Availability
  - ▶ Staffs and Operates the Carabelle Clinic currently known as Weems Medical Center East
  - ▶ Expands (Doubles) its Existing Rehabilitation Services
  - ▶ Works with the Local Nursing Home to Enhance Rehabilitation Services Locally
  - ▶ Available to Make Annual Reports and Recommendations to the Commissioners for Needed Community Healthcare Services

# Ascension Proposal

- ▶ Franklin County:
  - ▶ Provides the Capital for Construction Related Costs (Land and Building)
  - ▶ Enters into a Long Term Building Lease with Ascension at a Nominal Rate
  - ▶ Discontinues Services at Weems Memorial Hospital Upon Licensure of the Freestanding Emergency Department (if not sooner)
  - ▶ Continues to Collect the One Cent Sales Tax
  - ▶ Provides Ascension With \$500,000 Annual Payment from the One Cent Sales Tax to Compensate for Charity Care and Subsidizing Services
  - ▶ Determines How the Remainder of the Annual One Cent Sale Tax Collections (~\$1,500,000) Is Utilized

# Ascension Proposal - Summary of Funding Factors

	Current Situation at Existing Locations	Planned Situation With Ascension Relationship
County Provides Funds for Operational Loss	Yes	No
Hospital Funding by County, Annually	Unlimited, \$2,000,000+	Limited to \$500,000 Charity
County Surplus Funds for Other Health Initiatives	No	Remainder of 1 Cent Sales Tax
County Funded Charity Care	\$683,000	\$500,000
County Covering Payroll Gaps	Yes	No
Paying for Equipment Purchases/Replacements	Yes	No
County Operational Risk	Yes	No
Ascension Operational Risk	No	Yes
Ascension Provides Funds for Operational Loss	No	Yes
Year One Under Proposal, Operating Loss	--	By Ascension (\$1,407,000)
Year Two Under Proposal, Operating Loss	--	By Ascension (\$1,067,000)
County Investment in New Healthcare Facility(*)	--	\$8,056,000+ by County
Ascension Investment in New Healthcare Facility	--	\$3,584,000 by Ascension
(*) Excludes land and site costs, to be determined		

# Questions and Answers

## Proposal for Franklin County Healthcare Services by Ascension Sacred Heart

