SEARHC
SOUTHEAST ALASKA REGIONAL HEALTH CONSORTIUM

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February 10, 2016

The Honorable Mayor Mim McConnell
City and Borough of Sitka
100 Lincoln Street
Sitka, Alaska 99835

Dear Mayor McConnell,

For years, the Sitka community has had an ongoing conversation about the practicality of operating two hospitals in a community of Sitka's size. As with many complicated conversations, the conversation often advances when external forces arise to drive it forward. In Alaska, the State's current financial crisis, as well as the real and anticipated impact to healthcare reimbursement from the State, has prompted the need to revisit this conversation with the aim to find a suitable solution for the community of Sitka.

In our recent discussions with Municipal Administrator Mark Gorman and Sitka Community Hospital CEO Rob Allen, we collectively felt now is an opportune time to evaluate the community's needs and the wisdom of operating two hospitals, one often duplicating the efforts of the other, as financial resources for healthcare dwindle. This sentiment mirrors the trend toward hospital consolidation in the lower 48 in efforts to maximize the precious resources necessary to provide the best quality of care in various communities. Similarly, Sitka community members pose the same question when faced with difficult decisions regarding the educational needs of our children, infrastructure replacement and repairs, and other important community needs.

In response, SEARHC would like to initiate efforts that would result in the development and presentation of a comprehensive management proposal to the City and Borough of Sitka for consideration which would consolidate the healthcare activities of both facilities. In doing so, there are several guiding principles we believe are important for a successful proposal for the community of Sitka as a whole, which are:

1. Maintain and improve access to care for all residents of Sitka.
2. Preserve and increase the healthcare workforce within Sitka.
3. Establish a governance structure which ensures Sitka community participation.
4. Expand the availability of specialty care services to the Sitka community.
5. Reduce the City and Borough of Sitka's financial burden for the provision of healthcare services.

As we develop a proposal in line with these principles we look forward to working with the hospital CEO, and hope to meet with the Sitka Community Hospital Board to hear their ideas and concerns as well.

We welcome your thoughts on this approach. If agreeable, we anticipate SEARHC presenting you with a proposal before summer. Thank you for your consideration.

Regards,

Charles Clement
President/CEO