

Executive Summary

The Center for Optimizing Rural Health was asked to create a list of Pros/Cons of the two proposals before the Franklin County Board of Commissioners. The list was compiled by reviewing proposal documents that had been submitted to the Board as well as listening to the February 5th and March 9th, 2020 presentations. The Franklin County Board of County Commissioners identified three priorities against which each proposal would be compared. These priorities are: access points for healthcare needs throughout the county; a sustainable business model; and the ability to grow and expand additional healthcare services based on the community's needs.

The Tallahassee Memorial Hospital/Alliant proposal has aspects that address all three priorities. By keeping Weems Memorial Hospital open and retaining Critical Access Hospital (CAH) designation they maintain a sustainable business model that will support growth of additional services. This proposal is in alignment with the Franklin County Surtax referendum that was passed in 2007. The current location of Weems is not centrally located for all residents of Franklin County and this may be a point of contention in regards to access points throughout the county. However, the TMH/Alliant proposal does maintain access points at both ends of the county.

The Ascension/Sacred Heart proposal also has aspects that address all three priorities. Closing the Weems Memorial Hospital will allow Sacred Heart in Port St. Joe to pursue Critical Access Hospital designation. If achieved, the CAH designation would help the hospital in Port St. Joe to maintain a sustainable business model. The free standing ER to be built in Franklin County must be within 35 miles of the Port St. Joe hospital so it would also not be centrally located for all residents. The 35 mile radius would allow it to be closer to Carrabelle but not actually in Carrabelle so this restriction may be a point of contention in regards to access points throughout the county. This proposal does not appear to be in alignment with the Franklin County Surtax referendum that was passed in 2007.

The critical decision before the Board of County Commissioners is whether or not Franklin County needs a hospital with inpatient beds. Expanded charts of pros and cons are included below.

Franklin County Board of County Commissioners Priorities

1. Access points for healthcare needs throughout the county
2. A sustainable business model
3. The ability to grow and expand additional healthcare services based on the community's needs

Tallahassee Memorial Hospital/Alliant

Approach: build onto existing hospital, maintain existing and grow available healthcare services

Pros	Cons	Priority
Alliant brings rural health operational knowledge while TMH brings clinical expertise		Sustainable business model
Retain CAH status		Sustainable business model
Partnership to bring in physicians in order to build primary care and then specialists will come. The long term goal is to build healthcare access in Franklin county. This can begin immediately as they are already in recruitment discussions with physicians.	Maintenance of a hospital in Apalachicola is likely important for recruitment of physicians for primary care and specialty services. It is challenging to run a hospital.	Access points
TMH is a telemedicine leader		Additional services
TMH wants inpatients to stay local at Weems, not looking to pull patients away to Tallahassee		Access points Sustainable business model
TMH has medical residency programs which can augment care options in Apalachicola and act as a recruitment pipeline		Sustainable business model
Keeps health care decisions locally		
Many in Franklin county, including county employees, have Capital Health Plan for healthcare insurance. They are the largest private insurer in the county. They are in network with the TMH Alliant proposal.		Access points
Recruitment of MD will help provide medical director for swing	Maintenance of a hospital in Apalachicola is likely important for recruitment of physicians for	Expanded services

beds which will generate revenue for Weems	primary care and specialty services. Operating a hospital will continue to utilize county funds.	
Partnership board example set at Doctors' Memorial Hospital in Perry to share risk of finance and work together for healthcare		Business model
Want to add onto existing Weems structure which would maintain current CAH status and satisfy what people voted for (new hospital). New facility will give public confidence in hospital and should generate more utilization (less outmigration). Depreciation on new building can be added onto cost report. Will do feasibility study for the new facility first which is in alignment with priority to develop a sustainable model	Addition will cost money but expenditure was approved by majority vote in Franklin County (2007 Surtax referendum). Current location may not be centrally located for all residents of Franklin County.	Business model (retains tax, expenses fit cost model)
Alliant has cost report expertise to optimize finances; cost of this expertise is covered within annual management fee of \$17,500. Weems currently pays \$30,000 to have this done.	Annual management fee will continue to be a drain on cash reserves. It is planned that optimizing services will more than cover this fee.	Sustainable business model
Facilitates strategic planning to identify microrevenue streams to meet community needs and to grow service lines. Will redo every 2 years to keep current and meet needs.	Need a hospital to support this	Expands services
Will mentor CEO		Sustainable business model
Will help reduce CMS rejections to ensure Weems is getting funds earned		Sustainable business model
Will generate playbook to cover Revenue cycle, operations, and clinical services		Sustainable business model
Will review contracts with insurance carriers to see what needs to be renegotiated. Will make payor grid so able to sample and make sure paid what owed/negotiated		Sustainable business model

Group purchasing power = cost savings for Weems		Sustainable business model
Alliant has some experience managing EMS in Perry	EMS management may be outside the current management agreement scope	
Proven track record of managing nearby hospitals like Calhoun Liberty Hospital in Blountstown.		Sustainable business model
Bringing another physician to the clinics in the county (can service both clinics if needed) would help the clinics and potentially bring in more admissions to the hospital	Carrabelle Clinic hours of operation will be reviewed with consideration given to utilization levels and cost of maintaining hours i.e. if it is used to a degree that covers the cost, it should remain open.	(Maintain) access points
Alliant will utilize labor management tools to assess labor needs to help right size labor force.	Right sizing labor force may mean some employees lose their jobs.	Sustainable business model
History of financial stability		Sustainable business model
Explicit plan to develop a sustainable business model for Weems and keep CAH designation.		Sustainable business model
Backoffice support for Weems		Sustainable business model

Ascension/ Sacred heart

Approach: Establish free standing ER, close existing hospital

Pros	Cons	County Priorities
Proposal will transfer responsibility for net operational loss from Franklin County to Ascension.	The closure of Weems would mean loss of CAH status for Franklin County. It would open the possibility of seeking CAH status for Gulf County.	Business model (sustainable or short term?)
ER will have 6 observation beds		Access to services
Ascension has begun conversations with St. James Rehab in Franklin County to utilize their open beds for short term skilled nursing care.	A hospital is necessary by definition to have swing beds. This proposal does not include a hospital with beds so they can not have swing beds. Conversations with St. James rehab have not formalized into contracts so impact is unknown.	Access points for healthcare
Will coordinate Gulf and Franklin EMS services.	Weems currently runs EMS so when Weems is closed it will return to being run by Franklin County	
Ascension will pay for new equipment	County pays the \$8 million for the new facility. Once Weems closes, there is no longer a cost report to cover the depreciation of the purchase.	
Ascension has a large presence in North East Florida. This brings stability into the healthcare picture. They also bring quality with Ascension Sacred Heart Gulf receiving a 5 star rating.	Many in Franklin county, including county employees, have Capital Health Plan for healthcare insurance. This is the largest private insurer in the county. They are out of network with the Ascension Sacred Heart proposal. This is not supportive of growing and expanding healthcare services in the county. Ascension Sacred Heart said it would work with Capital Health Plan so this may be worked out in the future but currently presents a barrier.	Access points for healthcare
Ascension already has a primary care provider and rehab facilities in Franklin County with loyal patient base. Proposal will	10-11 months time to market the freestanding ER and unknown amount of time to construct pavilion facility.	Access to services Grow and expand services

expand these services as part of the pavilion.		
Currently provide services to many in Eastpoint (30%) and Apalachicola (40%) residents.		
Currently employs several residents of Franklin County	Proposal will cut some jobs but create others. Year 1 looks to have net losses but Ascension plans as services develop then more jobs will be created. Priority to hiring will be given to current Weems employees.	
No planned changes to Carabelle clinic hours	No physician presence in Carrabelle	Access to services
Ascension open to building pavilion closer to Carabelle while staying within 35 miles of Sacred Heart hospital	Will take time to build at a new location	Access points for healthcare throughout the county
Ascension is financially stable overall	Ascension Sacred Heart St. Joe's consistently has operating losses greater than Weems.	Sustainable business model
If Weems closes then it loses CAH status. Then it would be an option for Ascension Sacred Heart to pursue CAH designation. CAH status is protective and helps rural hospitals remain financially viable. If Sacred Heart obtains CAH status and the freestanding ER is a department of their hospital then it would be a more profitable option than if Sacred Heart does not obtain CAH status.	There is no guarantee Ascension Sacred Heart will obtain CAH status. There is also uncertain financial stability of a freestanding ER in Franklin county. Ascension does not have a history of keeping unprofitable facilities open forever. During 3/9/2020 presentation to county commissioners, Roger Hall promised that Ascension would stay regardless of profitability and that he would be a free consultant for Franklin County to mitigate perception of risk.	Business model (sustainable or short term?)
Plans include 1 day week cardiology and orthopedic specialists with mammography screening offered to meet demand. Since providers are already employed by Ascension there need not be a wait time to recruit. Providers would need a space to work from until pavilion is built.	Providers will need a place to work from until pavilion is built. Unknown costs involved with this temporary solution.	Grow and expand healthcare services

Plans include telemedicine options on the Ascension platform		Grow and expand healthcare services
	Ascension Plan is not consistent with/supportive of the interlocal agreements passed with the approval of the taxation decision. May need legal interpretation of whether the tax would need to be rescinded or whether some form of referendum would be needed to redefine the underpinnings of the taxation agreement.	Negatively impacts "sustainable business model"