

August 5th, 2022

Assembly, Mayor and my community,

I have several concerns and questions regarding the Draft Terms sheet submitted by SEARHC under review today. I say NO to negotiations with SEARHC right now.

I support a community vote to decide whether or not to pursue an outside entity to manage the clinic. Healthcare is extremely personal, and giving the community a chance to submit their choice by ballot is very important. I support a vote in October along with the regular election, with the question: 'Shall the City begin an RFP process to choose an outside healthcare entity to manage the clinic?' This kind of vote should have happened last year. There are other options besides SEARHC. If the public votes to pursue an outside entity for healthcare management, then, and only then would the City develop a strong RFP document outlining exact services the community requires. Interested parties could then bid and apply, with the best applicant selected. This would be consistent with the City's other policies regarding City lease properties around the tidelands.

It is unfair, it is wrong, to put any more public money and time into negotiating with SEARHC before the public gets a chance to vote on this. The city supporting the clinic is law – it is in our City code, by taking valuable time away from supporting the clinic, it is not following the current City code! We've already lost a year of time negotiating with SEARHC, and for naught. The clinic (and by default, the community) has had to suffer through the last year of negotiations with SEARHC without confirmed public backing. No thank you to negotiations until a public vote occurs!

I do not support the terms currently submitted by SEARHC and here are some specific concerns & questions I have regarding them:

- 1) The term of 25 years is a very long time, especially in the constantly changing climate of healthcare. I think a 5 year term maximum is more reasonable, perhaps with an option to extend.
- 2) Retaining a Healthcare Attorney is crucial to help guide the MOS through this process. I thank Mr. Blasco for his work, and think his work should continue with the City, but Healthcare law is a complicated topic. The situation warrants additional knowledge and experience. It appears we are relying on the Healthcare Legal experience from SEARHC to negotiate the terms of a contract with them – that is not ok.
- 3) Section 5f: This section contains commitments to expanding services and to keep current services, but they are vague. These items MUST be specified. Would the expansion be onsite services, or would it require travel to obtain services at other SEARHC locations? What is meant by expansion? What is meant by current services? Would providers be hired permanently, or only be temporary (locum) hires? These and more items MUST be specified.
- 4) In addition, how would SEARHC be held to these commitments and expansion promises? What recourse does the MOS and the community have if these commitments and expansion levels are not met?
- 5) In Section 5g, it states the current clinic Board would be dissolved. A clinic Board of at least 9 members is required for the HRSA grant. How would the community/SEARHC in Skagway be able to receive the HRSA grant if the Board is dissolved? (8/17/22 Edit: I now understand this is possible because 'tribal or urban Indian organizations are exempt from Health Center Program governance requirements', per the clinic's HRSA officer.)
- 6) Section 5h speaks to a quarterly operational report submitted to the City, I think there should be

- updates of some sort at least monthly.
- 7) In general, I do not feel comfortable with the level of community oversight as portrayed in these terms. With the dissolution of the DMC Board, how would our concerns over our local healthcare be handled? Would they go to the SEARHC main offices or handled locally? Would the City/community have a say in who SEARHC hires as providers or a site manager?
 - 8) The timeline for this process of Exclusivity, Letter of Intent and Period of Diligence is unclear to me – how long of a process could this be? When does SEARHC predict the clinic will be in a healthy state under SEARHC management? When SEARHC asked for \$3million in transitional support over 3 years in their previous letter, does that mean they think it will take 3 years to bring the clinic up to speed?
 - 9) In the COORS Operational Assessment, it states the clinic, while City controlled, requires a subsidy to maintain viability. In 2019, I understand the MOS funding to the clinic was \$900,000. If the clinic is no longer able to receive the HRSA grant funding (due to clinic Board dissolution), that is another roughly \$1.3 million dollars of funding lost. If SEARHC takes over management, it seems they would have to provide a total of roughly \$2.2 million dollars to fund the clinic to maintain current budgeted healthcare levels. How does SEARHC plan to maintain our clinic's current budgeted services with this amount of additional funding required?
 - 10) Leasing a multi-million dollar facility for \$1 a year does not sit right with me, nor does selling the clinic business for \$1.

We need to carefully consider this Draft Terms Sheet.

I ask you to reach out to Anita Moran, as she has voiced concern on Facebook (on the live feed video of last night's Assembly meeting by The Skagway News) regarding the Electronic Health Record system SEARHC is proposing, and I ask you to get her take on SEARHC.

COORS has also outlined several concerns from their review of these Terms.

In addition, I want to say from my knowledge as a clinic Board member, the Draft Terms has not been officially reviewed by the clinic Board.

The timing of this meeting is bad, conflicting with some major events for Skagway. And notice of it was only given a week ago, with the details not published until Tuesday!

Thank you for passing the COORS Interim Executive Director proposal last night. This is a positive step.

COORS operational assessment states it is absolutely possible to have quality healthcare here under City control, but it will take time. I want to say that again – no matter the entity that manages the clinic – COORS has said this also - it will take time to right the clinic.

I ask you to say 'NO' to negotiations with SEARHC at this time, work with the new clinic Interim Executive Director at least these next three months, and put a vote up for a Clinic Management RFP in the October election. Let the public decide this matter in a vote – something that affects everyone in Skagway – this is too big of an issue for just the Assembly to decide.

One more thing – yes, the clinic is struggling, I don't deny it. I have worked alongside clinic staff these last months and know their struggles. I have sat in our Board meetings. The clinic staff is working hard, very hard, to take care of you. They are people and they are not perfect just like me and you. Please be

kind. There is something to be said for coming alongside people and working with them to help them be better workers and fix the problems the clinic is facing. Let's help them with our encouragement, and continue to back it up with dollars. Let's do this together – let's fix this together. We are stronger together – let's take care of the clinic staff, so that they can take better care of us!

Thank you for your time,
Lisa Mandeville