

From Mark John Hunter  
614 S. 8th Avenue  
Alpena, MI 49707  
989-356-3171  
[ohio@core.com](mailto:ohio@core.com)

Trends are trends. Do we transfer our hospital, ARMC when it looks like everyone else is doing it? There is an industry set up to merge hospitals one way or the other, so that is like a lot of other such industry set ups; these are experts in finance who make lots of money doing mergers and acquisitions, so there tends to be a lot of information put out in favor of the mergers, buyouts, acquisitions, and not enough about the down sides of it. General rules and trends do not always apply well to specific cases. The bill under review by the Health Policy Committee HR 5138

"Tsai and Jha also remind us that there is little evidence that consolidated hospitals improve quality. They argue that quality improvement comes not from size, but from leadership. Smaller institutions can implement inexpensive but highly effective quality improvements, such as surgical checklists, as well if not better than larger organizations can."

"Of course, it is possible that mergers and acquisitions of other hospitals in other areas could reduce costs and improve quality, but we should demand solid evidence of that, not promises. When a mountain of evidence, both new and old, points the other way, it is entirely reasonable to be skeptical of claims that hospital consolidation will, in general, lead to cost savings and quality improvements."

See:

<http://newsatjama.jama.com/2014/11/11/jama-forum-hospital-consolidation-isnt-the-key-to-lowering-costs-and-raising-quality/>

Statistics show that County nonprofit hospitals charge LESS than nonprofit hospitals that are not government / county owned. Expect Alpena patient costs of health care to go up, if ARMC is transferred to MidMichigan.

As the best alternative, if we get new management / administration at ARMC, but keep it as a county owned hospital, we still have a degree of recourse if we get another bad administration. If we transfer ARMC to MidMichigan and do not like it, we are stuck with it. And will have no say in MidMichigan being sold to a bigger system like Spectrum of Grand Rapids.

It would appear that the hospital board's main concern is survival with quality and cost secondary considerations. ARMC is unique in its remoteness. This changes many of the factors consultants use in their boilerplate recommendations. Can ARMC survive as an independent organization ? YES.

The research on consolidation of hospitals does not show consistent improvements, and costs to patients often go up, and services and quality of health care do not necessarily improve. Often what services are provided are a result of WHO decides if there is enough demand. The new ARMC "local" board will not have many long term residents on it, and over time will not represent the community, but MidMichigan.

I wrote to Greg Rogers at MidMichigan asking how the \$125 million that MM pledges to invest in ARMC will be financed. He did not write back. This kind of thing is a red flag to me. They do not want to answer questions.

Greg Rogers is the Executive Vice President of MM. I do not see that ARMC will be better off financially.

As a government nonprofit (county) ARMC gets the lowest interest rates on bonds and to finance millages. Nonprofits get higher interest rates on their loans and bonds, because they are not backed by a government like a county. So I do not understand why ARMC officials think they will have greater access to capital. My guess is they do not want to explain, so that no one can find the holes in it.

A key concern on the Health Policy Committee ought to be the affect of hospital consolidation on health care and health care costs. The transfer of ARMC or any county hospital may make it easier to access the larger system, in this case, the University of Michigan system, but that is in a way of steering business to them. I do not want to live in a place where you have better access at one hospital system than another. Steering of business is illegal.

Consider how poor ARMC management is. They have done many questionable things. Dr. Smith from Munson, was one of the first to originate and start the Cardiology Group here in Alpena. He recently came over from Munson to see some of his patients. He had not agreed to sign his group over to ARMC and when he arrived he found that his credentials had been discontinued from this hospital. His Login information removed so that he could not access any of his patients information and then he was told that he was not allowed to use the facility resources. As you can imagine this was a big surprise to him, it is also another instance of the hospital administration cutting off their nose to spite their face. Maybe his patients will be lucky enough that he will report this to the State of Michigan for affecting (delaying) patient care among other poor practices.

Why think they are going to do the right thing when ti comes to other decisions for ARMC like transferring to a large system?

On a national basis, and Michigan basis, a county hospital will charge about \$1100 to \$1200 a day for an inpatient room, whereas a nonprofit like MidMichigan will charge about \$700 more, or about \$2150 a day. There are many other details, where in general things look better, but in specific cases / hospitals, transferring to a system is not in the best interests of the patients.

There is no need to give ARMC to MidMichigan. What we need is new management / administration. It may be your Midland roots that make you so confident in MidMichigan, but we do not need them. ARMC is financially strong, even with its poor management decisions under the current board and Karmon Bjella.

All of the following lower market share and volume and are nto related to the size or rural location of ARMC:

We do not have inpatient dialysis, which means such patients go elsewhere when then need operations or have other need for hospitalization.

Our Emergency Department staff has been cut back so far that an increasing number of patients drive to Gaylord, Tawas and Petsoky for ER services.

The ER is the front door to the hospital, about 60% of inpatients are admitted through the ER, so when ER goes down revenues from most other services goes down.

The medical lab which does blood tests, and other tests has suffered due to constant changes in management since Mr. LaFrance retired. Human Resources Director Diane Shields has had and may still have management authority in that area. She has no credentials in that technical area and causes considerable consternation among those employees. We have lost good employees due to her actions there. But more to the point of revenues, is that ARMC lost the business of Alcona Health Center to a private testing firm, because in part Karmon Bjella refused to offer computer access to results, instead they were being sent by fax. I have heard various versions of this, but Karmon should have been able to keep them by giving them what they wanted, when a private company can do it, we should also. Part of it, is that people do not like working with Karmon, and so he is a major part of the reason they lost the lab business.

When Karmon started ARMC used hospital doctors from Alcona Health, which cost ARMC almost nothing, really almost free. Why give up free? If you are interested in cost savings, then why not use the federally subsidized service in our community? Not Karmon, his daughter, who as far as I know has no medical credentials, gave him the name of a consultant to use to find another hospitalist source.

The current hospital doctors will not intubate patients. Intubation is the procedure of hooking a patient up to a breathing machine. ARMC has recently bought some new breathing machines. If a patient is having breathing difficulty they have to call down to ER to send the one doctor on duty there up to the floor, or to Intensive Care. Of course that doctor is in ER and may have to complete work on a patient who needs immediate care. Dr. Bates and Dr. Maxwell fill in for this when they are in the building. And so, some patients are better off going elsewhere for their operations if they may end up in Intensive Care to recover and later have need of going on a breathing machine.

The current hospital doctors will not cover outpatients who come to ARMC for invasive procedures, when the previous company did. Also this hospitalist company about three years ago paid a large fine of millions to the federal government for upcoding, which is a way a doctor can increase the amount paid for the service. They overcharge Medicare. Why hire these people, when at one point we had free service!

Why does the current board let these things happen?

We do not need MidMichigan to remain financially strong and to buy equipment, and to improve patient care quality. We need new leadership.

I could go on with other matters, but I am concerned that with the way things are going, there is no hope of a rational discussion over whether or not ARMC should be given to any system. This is not a fair process. I expect more side stepping answers from MidMichigan and ARMC at the Special Meeting, and the avoidance of how we remain independent.

Consider another decision by ARMC management. A theater in the Alpena Cancer Center was designed for physicians to consult by video conferencing with U of Michigan Doctors regarding cancer patients and yes it was paid for from donations made from our community. How sad that they do not use it as intended. An example of how the U of Michigan name on the building is not what you think it will be. That decision of the ARMC

administration has been made with complete disregard to donated projects of the past it is understandable. Things like the Theater next to the Library that took thousands in donations to get the state of the art equipment for use intended for staff education and consultation with specialists on complex cases as needed for the hospital and the cancer center. This is going to be removed and changed to the new Pain clinic.

The equipment at this point in time is suspected to be discarded or split up to multiple different offices across the hospital as they have no suitable areas for placing the equipment, so there will be no replacement of the theater.

1. I ask that the Health Policy Committee vote no on this bill, and not recommend it for passage. Alpena Regional Medical Center can do well on its own, as long as it gets new local leadership, instead of the disastrous leadership we have had under Karmon Bjella.

2. If the Health Policy Committee votes to recommend the bill for passage, then I ask that a provision be added allowing the Alpena County Commissioners, or in the case of other counties, their commissioners to have a vote of the people on whether to transfer the hospital. I would prefer that such a vote be required, but even a provision allowing but not requiring a vote would be better than none. See Michigan Attorney General Opinion No. 6411.

3. This hearing should have been held in Alpena, and the community should have been given notice. As it is only by diligence did we find out about the hearing. There should have been an official notice printed in the local newspaper a month ahead of time, with a reminder one week before the hearing.

Articles and studies in supporting that merging or consolidating hospitals is not proved, and has considerable evidence against consolidation lowering costs and improving health care quality.

JAMA Forum: Hospital Consolidation Isn't the Key to Lowering Costs and Raising Quality, by Austin Frank, PhD, November 11, 2014.

Everywhere, hospitals are merging - but why should you care? By Gregory Curfman, MD, April 1, 2015, Harvard Health Blog.

Hospital Mergers are driving up costs, researchers say, When competition is reduced, consumers pay more, by Mark Huffman, Consumer Affairs, August 20, 2015.

The Synthesis Project, Policy Brief No. 9, February 2006, Robert Wood Johnson Foundation: How has hospital consolidation affected the price and quality of hospital care?

The Potential Hazards of Hospital Consolidation, Implications for Quality, Access, and Price, by Tim Xu, MPP, Albert W. Wu MD, Martin A. Makary, MD MPH, John Hopkins School of Medicine, Baltimore, MD, JAMA, American Medical Association, October 6, 2015, page 1337.

Hospital Consolidation, Competition, and Quality: Is Bigger Necessarily Better? By Thomas C. Tsai, MD, MPH, Ashish K. Jha, MD, MPH, Harvard School of Public Health, JAMA, American Medical Association, July 2, 2014, page 29.

Mark John Hunter

1-25-16