

Cruise industry plays a key role in ensuring hospital services and stability for Juneau

As the citizens of the City and Borough of Juneau contemplate the merits of “Ship-Free Saturdays,” I thought it would be useful to discuss the impact on Bartlett Regional Hospital (BRH). Just like other businesses in Juneau, BRH experiences two distinct seasons.

One is the winter or off season where patient volumes drop to low levels. During this season, BRH still maintains its clinical capacity and readiness to respond to illness, accidents, pandemics, and disasters. Low volumes and standby capacity results in financial losses during this season.

By contrast, BRH is busy from late spring to early fall. Many of our patients are passengers of cruise lines and seasonal workers. Passengers who fall ill or injured and cannot be effectively treated by the cruise line clinical staff are transported to BRH and are cared for by our physicians and clinical staff. During this season, if we manage carefully, BRH has profitable months due to the higher patient volumes and patients with a higher rate of private insurance.

The cruise industry, its passengers, and its seasonal workforce assist BRH to survive financially due to the improved economics. Additionally, it allows us to retain our clinical staff and capability during the off season. It's important to remember that employment and income in healthcare services have a significant impact on employment and income in other Alaska industries – this is known as the multipliers impact. For each job in the hospital sector in Alaska, another 0.83 jobs are created in other businesses and industries in the state. Likewise, for each dollar of income generated in the hospital sector, another \$0.52 is generated in other businesses and industries (2023 Alaska Healthcare Workforce Analysis, Rain Coast Data).

“Ship-Free Saturdays” could result in ships bypassing Juneau for more than a single day because of the challenges it presents to cruise line scheduling. Assuming this does not occur, there are approximately 20 Saturdays during the season. BRH receives an average of five emergency patients on Saturdays from the cruise lines. During the same period, BRH has 1.25 inpatient admissions from cruise line passengers. Both total \$732,000 in lost annual revenue, which is about the cost of seven full-time hospital jobs (salaries plus benefits). The economic impact on the community is an additional loss of five jobs and \$380,640 in lost income. Obviously, if the cruise lines alter their schedule to bypass Juneau for more than one day, the negative impact goes up proportionally.

Patients requiring care not available in Juneau are medevaced to larger facilities. The medevac companies would also be impacted negatively. Air transport companies employ local pilots and nurses and provide a vital health service to the community to ensure access to care that is beyond BRH's capabilities.

While we can focus on the negative, the reality is many businesses rely on the positive economic impact of the cruise ship industry, including Bartlett Regional Hospital. This industry helps to sustain BRH and many of the healthcare services available within the community.

Ian Worden
Juneau
(907) 796-8438

After serving more than 25 years in executive-level healthcare positions, most recently as the Chief Operating Officer of Virginia Mason Franciscan Health in Seattle, Washington, Ian Worden was appointed as the Chief Executive Officer of Bartlett Regional Hospital in September 2023.