

Jefferson County Public Hospital District No.2
Board of Commissioners, Regular Session Minutes
Wednesday, January 24, 2018
Victor J. Dirksen Conference Room

Call to Order:

The meeting was called to order at 2:00pm by Commissioner Buhler. Present were Commissioners Buhler, Dressler, Kolff, Ready, McComas. Also present were Mike Glenn, Chief Executive Officer, Hilary Whittington, Chief Administrative Officer/Chief Financial Officer, Jon French, Chief Legal Officer, Lisa Holt, Chief Ancillary and Specialty Services Officer, Caitlin Harrison, Chief Human Resources Officer, Brandie Manuel, Chief Patient Care officer, Joe Mattern, MD, Chief Medical Officer, and Alyssa Rodrigues, Administrative Assistant. This meeting was officially audio recorded by Jefferson Healthcare.

Education Topic:

- Review/Revise Board book

Commissioners discussed board book.

Commissioner Kolff made a motion to include population health elements in the preamble. Motion died for lack of second.

Commissioner McComas made a motion to change the vision wording to say providing instead of provide. Commissioner Dressler seconded.

Action: Motion passed unanimously.

Commissioner Ready made a motion to approve the board book as amended. Commissioner Dressler seconded.

Action: Motion passed unanimously

- Evaluate Board Compliance

Commissioner Buhler made a motion to hold off on board compliance until Karma Bass, consultant comes in May. Commissioner Dressler seconded.

Action: Motion passed unanimously.

Commissioner discussed OPMA training.

Commissioners discussed January 26, 2018 Legislative Visit.

Commissioner Buhler discussed the board of health meeting minutes 12/21/2017 and also discussed 01/18/18 Board of Health meeting.

Discussion ensued.

Mike Glenn, CEO relayed information from Director's meeting regarding changing the mission statement.

Commissioner Buhler recessed at 3:00pm
Commissioner Buhler reconvened the meeting at 3:30pm.

Patient Story:

Brandie Manuel, Chief Patient Care Officer, gave the patient story regarding flu season, antibiotics, implementing safe antibiotic practices. She announced that Jefferson Healthcare was awarded a place on the Antimicrobial Stewardship Honor Roll. Brandie Manuel read aloud the award letter from Department of Health.

Approve Agenda:

Commissioner Buhler suggested putting in board evaluation after board reports and having board reports placed after board business. Commissioner Buhler also mentioned that due to Dr. Mattern being absent there will not be a CMO report.

Commission Dressler made a motion to approve the agenda with suggested changes.
Commissioner McComas seconded.

Action: Motion passed unanimously.

Minutes:

- December 20 Regular Session minutes

Commissioner Dressler made a motion to approve the December 20 Regular Session Minutes. Commissioner Kolff seconded.

Action: Motion passed unanimously

Required Approvals:

- December Warrants and Adjustments
- Resolution 2018-01 Cancel Warrants

Commissioner Dressler made a motion to approve December Warrants and Adjustment, Resolution 2018-01 Canceled Warrants as presented. Commissioner Kolff seconded the motion.

Action: Motion passed unanimously.

Public Comment:

Public comment was made.

Financial Report:

Hilary Whittington, CAO/CFO presented the December Finance Report.

Discussion ensued.

Administrator's Report:

Mike Glenn, CEO, presented the administrator's report.

Discussion ensued.

Chief Medical Officer Report:

CMO, Dr. Joe Mattern, was excused.

Housing, Food, and Friends: The JH Population Department Update:

Molly Parker, MD Medical Director of Population Health, Dunia Faulx, Population Health Manager, Tina Herschelman, Population Health, Marketing and Community Engagement Coordinator gave their presentation on Housing, Food, and Friends: The JH Population Department update.

Discussion ensued.

Board Business:

- Adopt Board Book
- Adopt Board Calendar

Commissioner Kolff made a motion to adopt the board calendar. Commissioner Dressler seconded.

Action: Motion passed unanimously.

- Adopt Committee Assignments

Commissioner Kolff made a motion to adopt the 2018 Committee Assignments. Commissioner Dressler seconded.

Action: Motion passed unanimously.

Board Report:

No board reports.

Meeting Evaluation:

Commissioners evaluated the meeting.

Conclude:

Commissioner Dressler made a motion to conclude the meeting. Commissioner McComas seconded the motion.

Action: Motion passed unanimously.

Meeting concluded at 5:30pm.

Approved by the Commission:

Chair of Commission: Jill Buhler _____

Secretary of Commission: Marie Dressler _____

Finance Report

December 2017

Date January 24, 2018
 Name Hilary Whittington
 Title CAO/CFO

Jefferson
Healthcare

live here. thrive here.

Education

Draft to Final Reports **December draft Disclaimers

- January 2018 – Draft December 2017 Financial Reports
- June 2018 – Final, Audited December 2017 Financial Reports

What will change?

Revenues

Detail review of charges to ensure accurate timing

2017 Medicare and
Medicaid cost report estimates

Review allowance calculation compared to actual
collections activity

Reconcile Medicaid managed care enhancement payments

340b Revenue reconciliation (and expense)

Expenses

Review accruals for retirement, PTO, and other salary
related expenses

Late invoices - estimates recorded for services/goods
received before year end

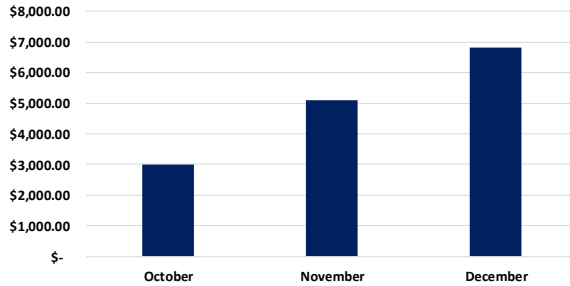
Update depreciation expense, detail review of every asset &
project

Reconcile inventory to supply expense; likely increase given
magnitude of pharmacy

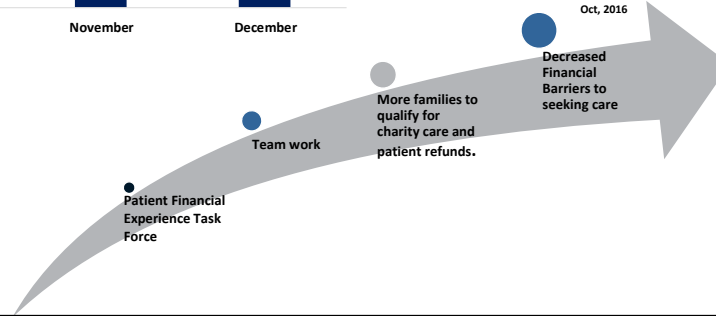
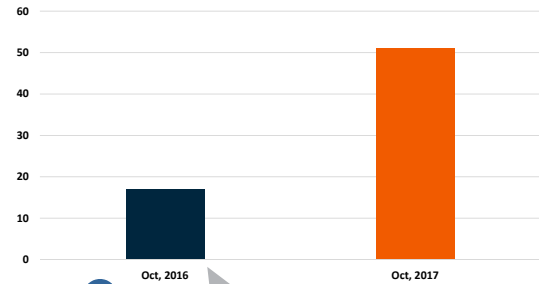
December 2017

Service Line Highlight – Revenue Cycle Operations

2017 Patient Refunds



Patients Qualified for 100% Charity Care



December 2017

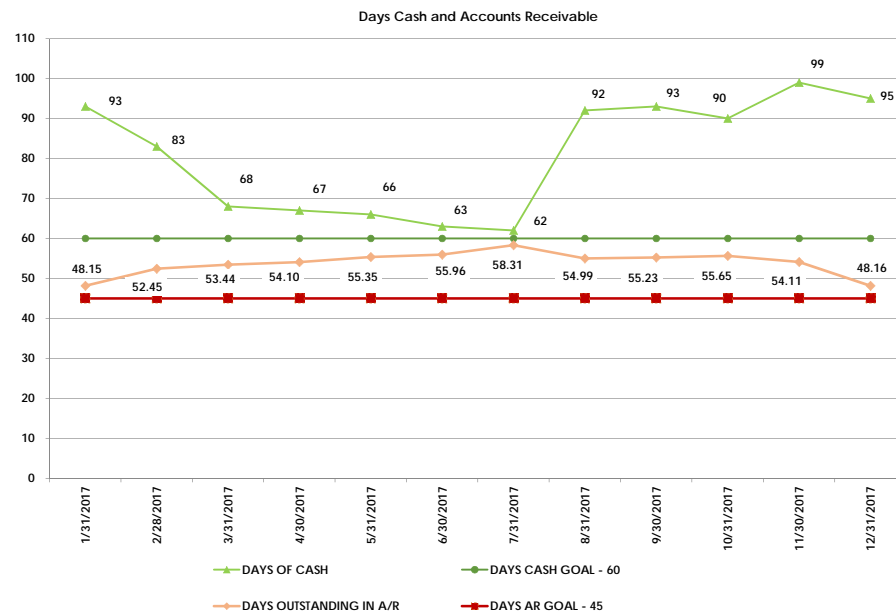
Operating Statistics

STATISTIC DESCRIPTION	DECEMBER ACTUAL	DECEMBER BUDGET	% VARIANCE	YTD ACTUAL	YTD BUDGET	% VARIANCE
FTEs - TOTAL (AVG)	540.72	515.96	-5%	519.88	515.96	-1%
FTEs - PRODUCTIVE (AVG)	493.66	515.96	4%	467.40	451.10	-4%
ADJUSTED PATIENT DAYS	2,275	2,170	5%	23,724	25,550	-7%
ICU PATIENT DAYS (IP + OBSERVATION, MIDNIGHT CENSUS)	104	82	27%	1,075	984	9%
ACU PATIENT DAYS (IP + OBSERVATION, MIDNIGHT CENSUS)	430	316	36%	4,111	3,792	8%
SWING IP PATIENT DAYS (MIDNIGHT CENSUS)	7	59	-88%	180	708	-75%
PATIENT DAYS (ACU, ICU, SWING), INCLUDES OBSERVATION	543	458	19%	5,368	5,496	-2%
BIRTHS	6	9	-33%	125	108	16%
SURGERY MINUTES (IN OR)	7,441	8,563	-13%	108,650	102,756	6%
SPECIAL PROCEDURE CASES	51	127	-60%	720	1,524	-53%
RECOVERY MINUTES	3,015	6,738	-55%	37,859	80,856	-53%
LAB BILLABLE TESTS	15,698	17,306	-9%	204,659	207,672	-1%
TOTAL DIAGNOSTIC IMAGING TESTS	2,226	2,278	-2%	28,164	27,336	3%
TOTAL RURAL HEALTH CLINIC VISITS	3,921	4,635	-15%	52,708	55,620	-5%
JHPLC PATIENT VISITS (ENCOUNTERS)	391	475	-18%	5,529	5,700	-3%
GEN SURG PATIENT VISITS	239	350	-32%	3,099	4,200	-26%
ORTHO PATIENT VISITS	503	1,042	-52%	7,381	12,504	-41%
INFUSION CENTER VISITS	456	469	-3%	6,441	5,628	14%
WOUND CARE VISITS	189	313	-40%	3,120	3,756	-17%
ONCOLOGY VISITS	256	395	-35%	3,832	4,740	-19%
ANTI COAG VISITS	426	552	-23%	6,271	6,624	-5%
SLEEP CLINIC VISITS	161	212	-24%	1,932	2,544	-24%
CARDIOLOGY CLINIC	208	205	1%	2,082	2,460	-15%
WOMEN'S CLINIC	51	149	-66%	1,898	1,488	28%

December 2017 Income Statement Summary

	December 2017 Actual	December 2017 Budget	Variance Favorable/ (Unfavorable)	%	December 2017 YTD	December 2017 Budget YTD	Variance Favorable/ (Unfavorable)	%	December 2016 YTD
Operating Revenue									
Gross Patient Service Revenue	16,911,211	17,857,881	(946,670)	-5%	209,294,306	210,261,169	(966,863)	0%	172,946,001
Revenue Adjustments	8,760,950	9,725,066	964,116	10%	113,688,511	114,504,281	815,770	1%	87,622,094
Net Patient Service Revenue	8,150,261	8,132,815	17,446	0%	95,605,795	95,756,888	(151,093)	0%	85,323,907
Other Revenue	13,819	376,599	(362,780)	-96%	4,377,942	4,434,130	664,676	15%	4,522,846
Total Operating Revenue	8,164,081	8,509,414	(345,333)	-4%	99,983,737	100,191,018	(207,281)	0%	89,846,753
Operating Expenses									
Salaries And Wages	4,237,663	4,211,132	(26,531)	-1%	49,114,544	49,582,452	467,908	1%	42,217,026
Employee Benefits	1,082,647	1,040,241	(42,406)	-4%	12,155,500	12,247,947	92,447	1%	9,863,087
Other Expenses	3,507,127	2,938,043	(569,084)	-19%	37,425,023	34,592,938	(2,832,085)	-8%	33,346,175
Total Operating Expenses	8,827,437	8,189,416	(638,021)	-8%	98,695,067	96,423,336	(2,271,731)	-2%	85,426,287
Operating Income (Loss)	(663,356)	319,998	(983,354)	-307%	1,288,670	3,767,682	(2,479,012)	-66%	4,420,467
Total Non Operating Revenues (Expenses)	(149,001)	(43,723)	(105,278)	-241%	113,681	(514,803)	628,483	122%	114,443
Change in Net Position (Loss)	(812,357)	276,275	(1,088,632)	-394%	1,402,350	3,252,879	(1,850,529)	-57%	4,534,910

December 2017 Cash and Accounts Receivable



December 2017

Board Financial Report

Dept	Department Description	Rev/Exp	Account	Account Description	December Actual	December Budget	Variance	YTD Actual	YTD Budget	YTD Variance
8612 BOARD		Exp	600010	MANAGEMENT & SUPERVISION WAGES	2,728.00	4,647.00	(1,919.00)	51,589.00	54,720.00	(3,131.00)
			602300	CONSULT MNGMT FEE	-	-	-	16,653.00	-	16,653.00
			602500	AUDIT FEES	372.00	2,973.00	(2,601.00)	31,354.00	35,000.00	(3,646.00)
			604200	CATERING	55.00	99.00	(44.00)	1,530.00	1,163.00	367.00
			604500	OFFICE SUPPLIES	-	-	-	128.00	-	128.00
			604800	MINOR EQUIPMENT	-	-	-	-	-	-
			604850	COMPUTER EQUIPMENT	-	-	-	-	-	-
			604900	OTHER NON-MEDICAL SUPPLIES	-	-	-	10.00	-	10.00
			606500	OTHER PURCHASED SERVICES	10,289.00	849.00	9,440.00	11,219.00	10,000.00	1,219.00
			608100	LEASES/RENTALS-BUILDINGS	-	-	-	-	-	-
			608200	LEASES/RENTALS - EQUIPMENT	-	-	-	74.00	-	74.00
			609200	LICENSE LICENSES AND TAXES	-	-	-	-	-	-
			609400	TRAVEL/MEETINGS/TRAINING	645.00	1,699.00	(1,054.00)	16,392.00	20,000.00	(3,608.00)
			609900	MISC OTHER EXP	-	-	-	-	-	-
		Exp Total			14,089.00	10,267.00	3,822.00	128,949.00	120,883.00	8,066.00
		BOARD Total			14,089.00	10,267.00	3,822.00	128,949.00	120,883.00	8,066.00

January 2018

Preview – (*as of 01/16/18)

- **\$19,090,000 in HB charges**
 - Average: \$583,000/day (HB only)
 - Budget: \$560,500/day
- **\$7,680,000 in HB cash collections**
 - Average: \$254,000/day (HB only)
 - Goal: \$255,000/day
- **48.0 Days in A/R**
- **Any Questions?**

Administrative Report

Jefferson Healthcare 2018: A Year in Preview

January 24, 2018

Mission:



The Mission of Jefferson Healthcare is working together to serve our community with personalized care and medical excellence.

Our Mantra 2011:

Before you can get from good to great you have to get to good.

Our Mantra 2018:

The only thing keeping us from extraordinary is our will to achieve it.

Vision:

Jefferson Healthcare will be the community's first choice for quality health care by providing exceptional patient care to every person we serve.

We will do this by:

Delivering the safest, highest quality care of any health care organization in our region,

Championing an engaged workforce by inspiring professional excellence and personal commitment to the success of our organization,

Providing leadership to improve the health, wellness and vitality of our community,

Demonstrating fiscal stewardship and thoughtful decision making to provide sustainable high value care to all residents of our community.

Values:



Respect

Team Work

Stewardship

Compassion

Integrity

Excellence

Investment in Primary Care

- Focus on meeting access goals outlined in Strategic Plan.

Patient Status	Access Goal
New Patient	30 Days or Less
Establish Patient	10 Days or Less
Hospital Discharge	14 Days or Less

- Focus on meeting provider engagement goals and addressing provider burnout as outlined in strategic plan.
 - Maslach Inventory
- Recruit and onboard new clinic managers.
 - Lindsey Dykes, Port Ludlow, South County, Cardiology
- Explore the utility of telehealth in improving access and the primary care experience for some of our patients.

Investment in Primary Care

- New Port Ludlow clinic finally staffed and RHC designated.
- Jefferson Healthcare Express Clinic scheduled to open February 5, 2018
 - 3 Exam rooms, located adjacent to new Emergency Departments
 - Open 7 days a week, 10am-8pm
 - Staffed by ARNP/PA; Medical Oversight Provided by Dr. Reina Parker
 - Managed by Mary Feeney as an interface between Primary Care and Emergency Dept.
 - Licensed as RHC; lower cost alternative to Emergency Department but also provides a sustainable revenue model.

Investment in Primary Care

Adding 7 new providers since October, 2017



Sarah Heiner, MD, JHFM



Char Hallowell, PA, JHPC



Chrystal Schwartz, MD, JHFM



Heather Sullivan, ARNP, JHPC



Laura Wulff, MD, JHPLC



Rachel Sverchek, PA, JHFM
02/12



Kari, Griffin-Harte, PA, JHIM,
03/26

Quality and Accreditation

- Prepare for DNV re-accreditation
 - March- April likely survey date
 - Seek Orthopedic Services Center of Excellence designation.
- Maintain ISO 9001 Certification
 - Jefferson Healthcare is the only ISO certified hospital on the peninsula.
- Maintain Commission on Cancer Accreditation
 - Jefferson Healthcare is one of 3 CAHS in the state with this accreditation.
- Seek and maintain AHA Most Wired Hospital recognition
 - Three-peat!
- Seek and maintain AHA/ASA Get with the Guidelines Gold Plus achievement for stroke care
 - Seek AHA Get with the Guidelines recognition for AFIB, Heart Failure, and resuscitation.
 - More dots, Brandie!

Quality and Accreditation



WASHINGTON	
Confluence Health-Central Washington Hospital, Wenatchee, WA	G ⁺ H ⁺ G ⁺
Deaconess Hospital, Spokane, WA	G ⁺ E ⁺
EvergreenHealth, Kirkland, WA	G ⁺ E ⁺
Harborview Medical Center, Seattle, WA	G ⁺ E ⁺ S
Harrison Medical Center, Bremerton, WA	G ⁺ E ⁺ S ⁺ S
Highline Medical Center, Burien, WA	G ⁺ E ⁺ S ⁺
Jefferson Healthcare, Port Townsend, WA	G ⁺ E ⁺
Kittitas Valley Healthcare, Ellensburg, WA	G ⁺ E ⁺
MultiCare Auburn Medical Center, Auburn, WA	G ⁺
MultiCare Good Samaritan Hospital, Puyallup, WA	S G ⁺ E ⁺
MultiCare Tacoma General Allenmore Hospital, Tacoma, WA	G ⁺ S ⁺ G ⁺ E ⁺ S ⁺
Northwest Hospital & Medical Center, Seattle, WA	G ⁺ E ⁺ S ⁺ S
Overlake Medical Center, Bellevue, WA	G ⁺ H ⁺ S ⁺
PeaceHealth St. Joseph Medical Center, Bellingham, WA	G ⁺ E ⁺ S
Providence Regional Medical Center Everett, Everett, WA	G ⁺ E ⁺
Providence Sacred Heart Medical Center & Children's Hospital, Spokane, WA	G ⁺ E ⁺ B

Quality and Accreditation

Infrastructure Investments:

- Imprivata- Phase 1- \$220,000
 - Single sign on software enhancement to improve care with access to Epic.
- Vocera- Phase 1- \$125,000
 - Nurse- Nurse- Practitioner direct communication system.
- Philip Central Monitor and Telemetry Upgrade -\$410,000
 - Fork lift upgrade to our central monitor & telemetry system

Quality and Accreditation

- Achieve CMS 5 Star Hospital designation

	Harrison Medical Center	Jefferson Healthcare	Olympic Medical Center
Star Rating	★★	★★★★	★★★
Patients who gave their hospital a rating of 9 or 10	67%	74%	68%
Patients who reported YES, they would definitely recommend the hospital	69%	76%	66%

- Achieve 90 percent/ percentile performance in quality indexes as outlined in the strategic plan.

Operational Excellence

2017 was a year of transition, expansion and introduction of new services.

2018 will be a year of internal focus and operational excellence.

Transition

- Completed relocation of services into ESSB
- Completed relocation of services into new Port Ludlow clinic
- Completed numerous administrative and support services relocations
- Completed transition of HHP Cardiology clinic to JH Cardiology clinic

Expansion

- Expanded orthopedic services to 5 ortho providers, 1 physiatrist including 24/7 emergency call coverage.
- Expanded sleep lab beds from 2 to 4
- Expanded Cardiology services to include an additional provider
- Expanded DI service to include Cardiac Nuclear Medicine and 3-D digital mammography

Operational Excellence

New Services:

Introduced Gynecology care and launched a women's clinic.

Introduced dermatology care and launched a dermatology clinic and Mohs lab.

2018 Focus:

Develop quality and engagement score cards to drive and monitor performance and focus on reducing the cost of care.

Focus on improving the quality, safety, satisfaction and efficiency of every service we provide.



Quality



Satisfaction



Cost

Crack The Code.

2018 New and Expanded Services

- Complete ESSB 3rd floor shell space
 - Dermatology moves to 3rd floor space
 - Cardiology expands to use 2nd floor space
- Convert existing Port Ludlow clinic to a patient care service
- Complete dental clinic build out in Sheridan MOB 2nd floor
- Integrate and expand behavioral health services in primary care clinics.
 - Finalize integration model and implementation plan
 - Hire additional LCSW's
 - Educate, orient and when ready introduce MAT program
 - Finalize DBH affiliation
- Master Site Plan 2.0
 - Address '65 and '88 building deficiencies
 - Plan for space needs to accommodate growth and new services
 - 3-5-10 year look-out period

Growth

	2011	2015	2017 preliminary	% of Growth 2011 vs. 2017	2018 projected
Average Daily Census	8.25	13.86	15.45	87%	17.62
Adjusted Patient Days	13,826	19,799	23,724	72%	25,567
Ed Visits	8,879	10,426	12,690	43%	13,325
Primary and Specialty Clinic Visits	61,156	94,841	98,616	61%	113,691
Surgery Cases	1,369	1,736	2,542	86%	2,750
Lab Tests	165,356	175,333	211,560	28%	225,138
Diagnostic Imaging Tests	21,079	26,113	28,610	36%	35,836
Rehab Visits	12,984	15,258	17,885	38%	25,853
FTE's	362.06	437.16	540.53	49%	584.50
Payroll	28,337,016	39,147,712	49,114,544	73%	56,550,859

Financial Viability

	2011	2015	2017 preliminary	% of Growth 2011 vs. 2017
Total Cash	\$13,638,524	\$21,879,026	\$24,832,315	82%
Net Assets	\$22,499,143	\$43,770,061	\$49,707,320	121%
Salaries as % total expenses	50.48%	49.95%	49.76%	-1%

Thought provoking questions:

- 1) Is this an all inclusive list of 2018 activities?
- 2) Is there a sufficient overlap between these initiatives and the 2018-2020 Strategic Plan?
- 3) How accurate is your Crystal Ball?

Housing, Food, and Friends: Population Health

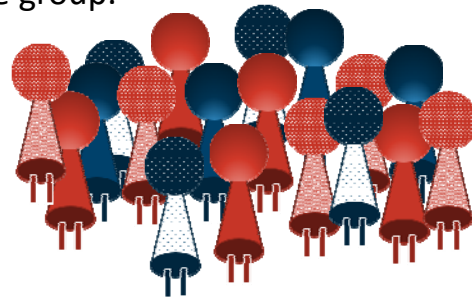
Population Health Department
Board of Commissioners Meeting
January 24, 2018

POPULATION HEALTH

“The health outcomes of a group of individuals, including the distribution of outcomes within the group.”



Personal Health



Population Health

*Population health approach puts health care services into **context**.*

JEFFERSON HEALTHCARE: TRANSITIONING FROM FEE FOR SERVICE TO VALUE

Fee for service

Community Health

Value-Based Care

Population Health

Moving to valued-based care, population health has become a key component of the healthcare system.

HEALTHCARE SYSTEM: TRANSITIONING FROM FEE FOR SERVICE TO VALUE

CURRENT

Fee for service

Payment Mechanisms

Patient

Subject

Treatment

Incentives

FUTURE

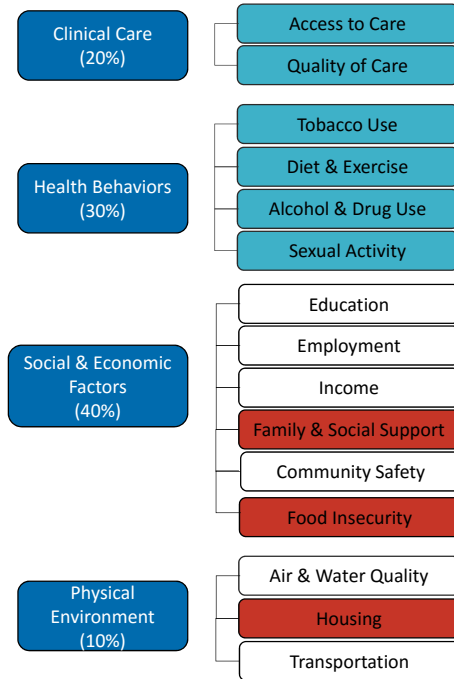
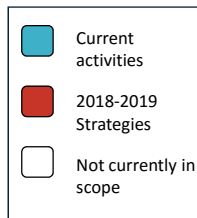
Shared savings, low risk (ACO)
Shared savings with risk
Capitation

Population

Prevention

HEALTH DETERMINANTS

The majority of our health is determined outside of the medical system.

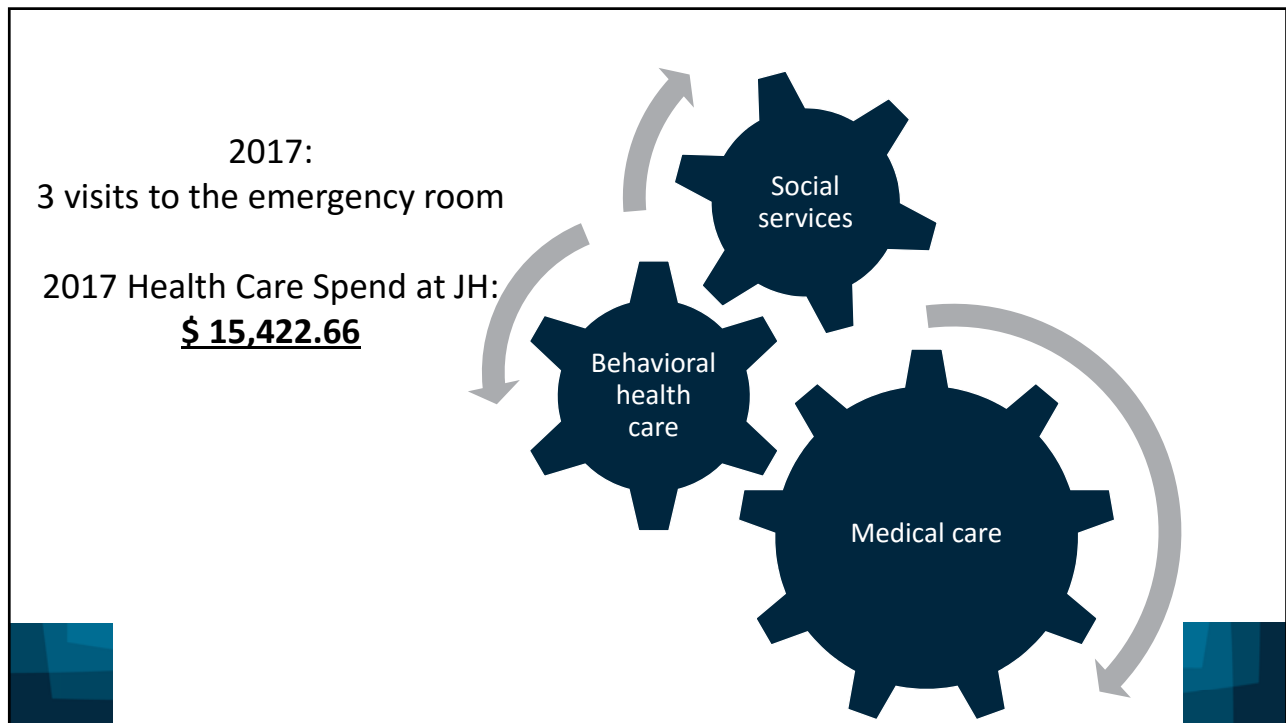
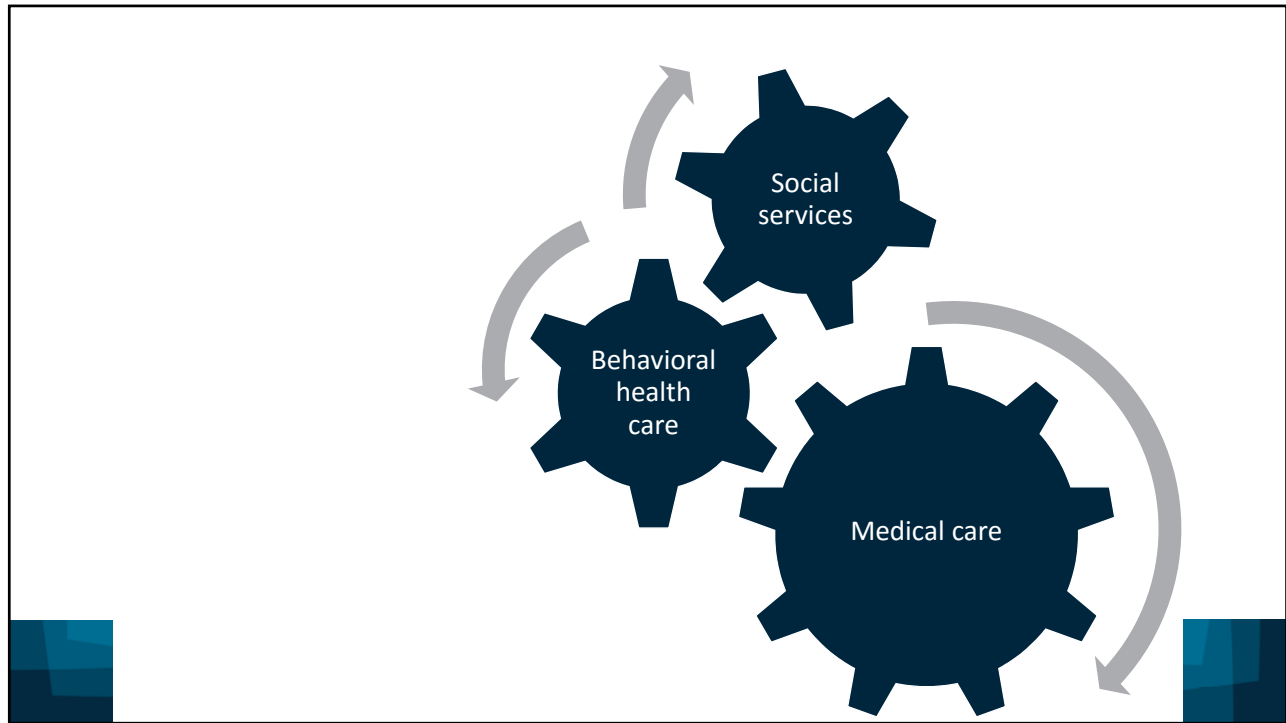


IMPACT OF POPULATION HEALTH

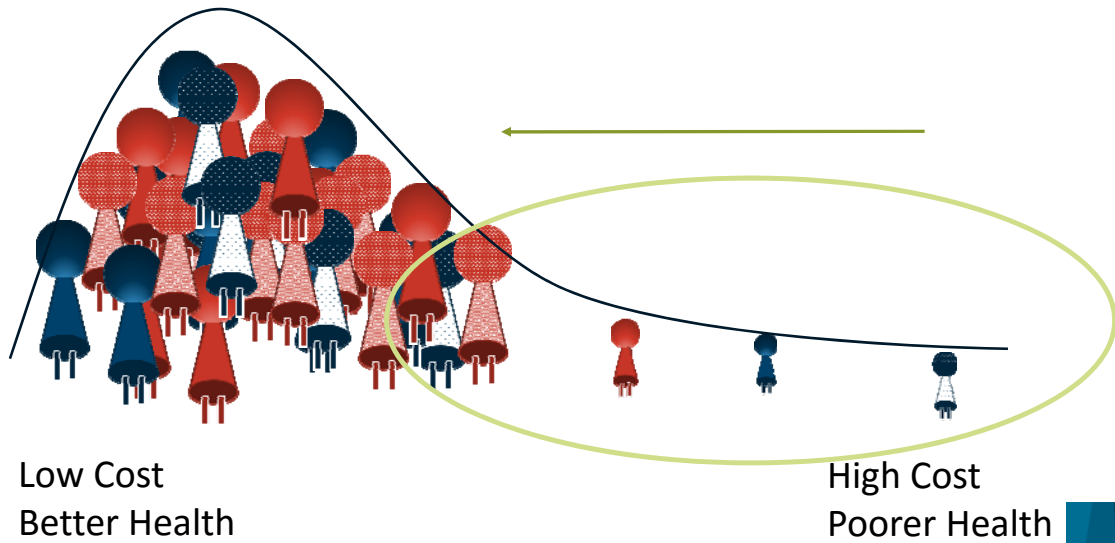


End of 2015 – 2016: 11 visits to the emergency room

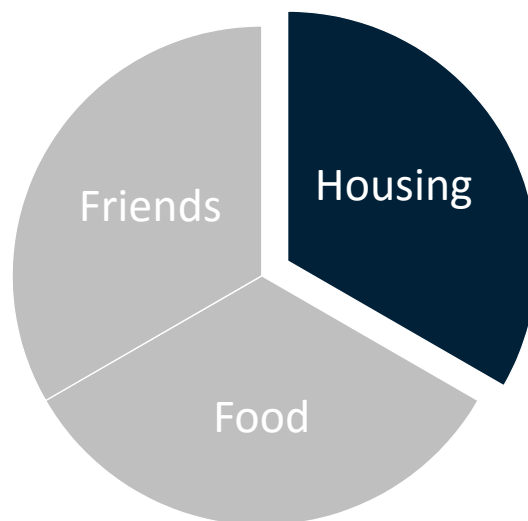
2016 Health Care Spend at Jefferson Healthcare:
\$ 117,212.86



IMPACT OF POPULATION HEALTH



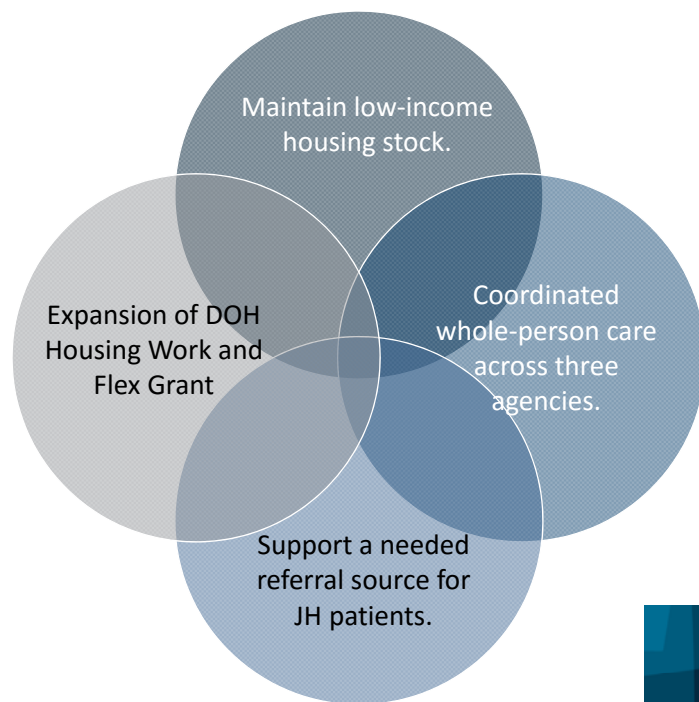
2018-2019 POPULATION HEALTH STRATEGIES



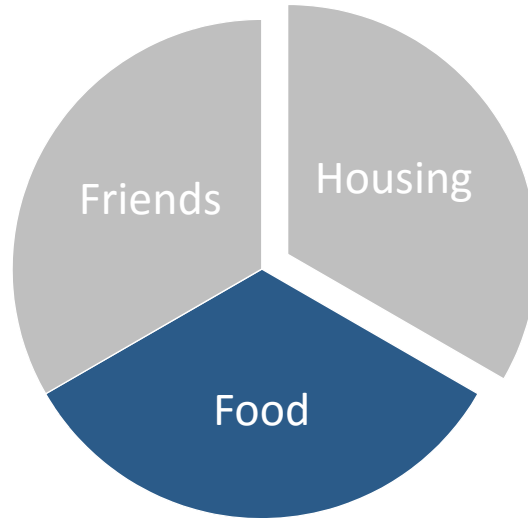
HOUSING

The lack of safe, affordable housing has serious implications for **health** and **cost**.

HOUSING PARTNERSHIP WITH OLYCAP



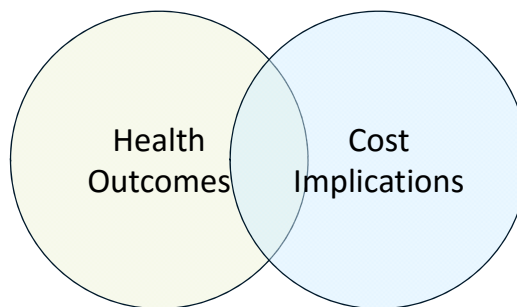
2018-2019 POPULATION HEALTH STRATEGIES



FOOD INSECURITY

"The limited or uncertain availability of nutritionally adequate and safe foods or limited or uncertain ability to acquire acceptable foods in socially acceptable ways."

- Higher rates of chronic conditions
- High risk for hospitalization



- Greater healthcare costs for individuals with food insecurity (+\$1,863/year)
- WA State estimates food insecurity contributes \$3.22B to healthcare costs

FOOD INSECURITY IN JEFFERSON COUNTY

	Population	Food Insecurity Rate	Estimated Number of Food Insecure Individuals (rounded)	% Below 200% Poverty Likely Income Eligibility for Federal Nutrition Assistance
Jefferson County	30,083	13.6%	4,110	71%
WA State	7,170,351	12.8%	915,550	69.4%

Source: Map The Meal Gap project | map.feedingamerica.org; Henry J. Kaiser Family Foundation | kff.org

JEFFERSON HEALTHCARE'S ROLE

Support Providers

Collect data on patients who have food insecurity during well-child visits.

Collate an easily accessible list of resources for providers to give to patients during visits.

Provide Resources to Patients

Provide limited food in clinics to address immediate needs.

Connect patients with ongoing programs that address food insecurity including federal and state programs and nutrition counseling services.

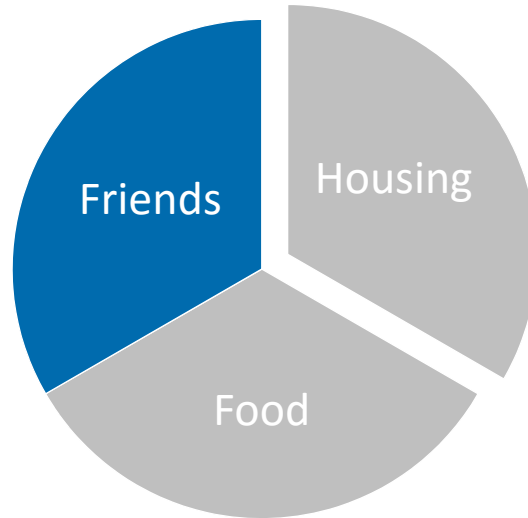
Partner with Community Organizations

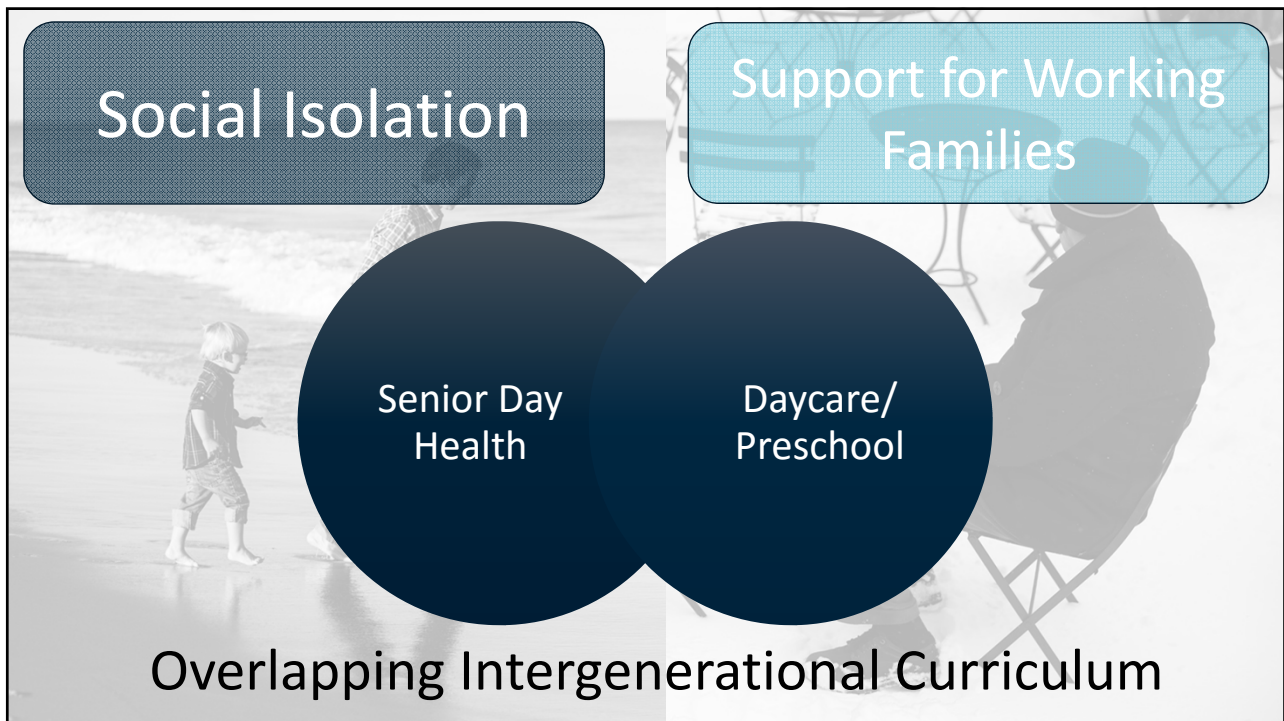
Support existing community organizations that work in this space.

Collaborate with partners to establish a VeggieRx Program.

Act as an advocate for our patients, their families, and our community.

2018-2019 POPULATION HEALTH STRATEGIES





"This is a wonderful idea and I truly hope it happens. Child care is one of the most difficult and frustrating aspects of being a parent. Having this option for my family will be a huge help, especially because my spouse works here at Jefferson Healthcare as well..."

"Please consider this. It would make my life better as well as the people I work with."

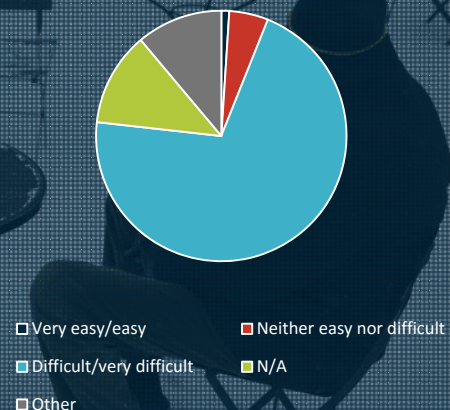
The Problem: Support for Working Families

- Safe stimulating daycare
- Kindergarten readiness
- Covers full time work including 12 hour shifts
- Bonding in first year with nearby care
- Employee recruitment and retention

The Problem: Social Isolation

- Socialization.
- Respite.
- Catch medical issues early.
- Decrease ED/hospital visits and emergency placement needs.
- Allow adults to stay in the home longer.

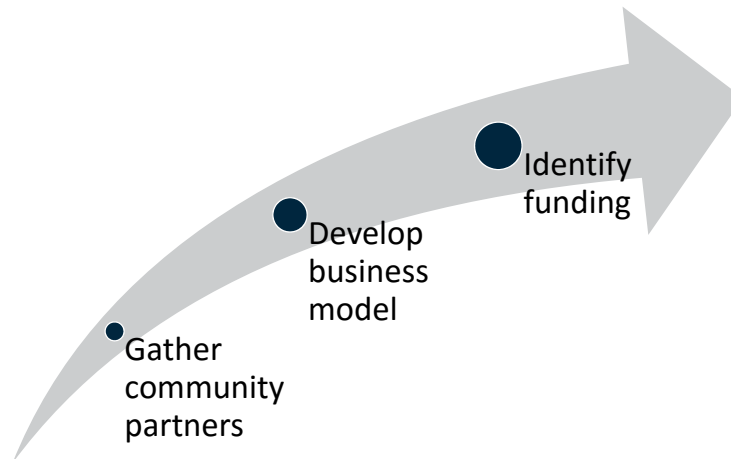
Ease or difficulty finding dependent senior care arrangements



The New York Times Dhruv Khullar DEC 22, 2018

How Social Isolation Is Killing Us

Next Steps: Community Intergenerational Day Program



Thank you!