Jefferson County Public Hospital District No.2
Board of Commissioners, Regular Session Minutes
Wednesday, April 25, 2018
Victor J. Dirksen Conference Room

Call to Order:
The meeting was called to order at 2:00pm by Board Chair, Buhler. Present were Commissioners Buhler, Dressler, McComas, Kolff, and Ready. Mike Glenn, CEO, Caitlin Harrison, Chief Human Resources Officer, Brandie Manuel, Chief Patient Care officer, Jon French, Chief Legal Officer and Alyssa Rodrigues, Administrative Assistant were also in attendance. This meeting was officially audio recorded by Jefferson Healthcare.

Education:
Cassie Sauer, President and Chief Executive Officer, Washington State Hospital Association gave a presentation titled, WSHA and Jefferson Healthcare: Working Together for Great Care.

Discussion ensued.

Break:
Commissioners recessed for break at 3:15pm.
Commissioners reconvened from break at 3:30pm.

“We Are Here” A Transgender Video for Healthcare Professionals:
Mandala Center for Change and Whaleheart Productions, premiered their film “We Are Here” A Transgender Video for Healthcare Professionals.

Discussion ensued.

Approve Agenda:
Commission Kolff made a motion to approve the agenda. Commissioner McComas seconded.
Action: Motion passed unanimously.

Commissioner Kolff made a motion to include Board Reports into the Board Business section and to excuse Dr. Mattern. Commissioner McComas seconded.
Action: Motion passed unanimously.
Minutes:
- March 20 Special Session
- March 28 Regular Session
Commissioner Dressler made a motion to approve the March 20 Special Session and March 28 Regular Session. Commissioner Kolff seconded.
Action: Motion passed unanimously.

Required Approvals: Action Requested
- March Warrants and Adjustments
- Resolution 2018-05 Cancel Warrants
- Medical Staff Credentials/Appointments/Reappointments
- Medical Staff Policy
Commissioner McComas made a motion to approve Medical Staff Credentials/Appointments/Reappointments, Medical Staff Policy, March Warrants and Adjustments, and Resolution 2018-05 Cancel Warrants. Commissioner Dressler seconded.
Action: Motion passed unanimously.

Public Comment:
No public comment was made.

Financial Report:
Mike Glenn, CEO, gave the March financial report.

Discussion ensued.

Quality Report:
Brandie Manuel, Chief Patient Care Officer, presented the Critical Access Hospital report.

Discussion ensued.

Administrative Report
Mike Glenn, CEO, gave his administrative report.

Mike Glenn, CEO, asked for authorization from Commissioners to go to bid.

Commissioner Dressler made a motion to authorize administration to go to bid for the ESSB Cardiology and Dermatology project for a not to exceed construction price of $1.2 million. Commissioner McComas seconded.
Action: Motion passed unanimously.

Discussion ensued.
Commissioner Dressler made a motion to accept the CMS Critical Access Hospital report. Commissioner Ready seconded.
**Action:** Motion passed unanimously.

**Chief Medical Officer Report:**
Dr. Joe Mattern, Chief Medical Officer was excused. No CMO report given.

**Board Business:**
Commissioner Kolff reported on the hearing challenge of the Dirksen Conference Room and suggested getting a microphone system.

Commissioner Kolff reported on the Community Health Improvement Plan Access to Healthcare and acknowledged the amount of resources Jefferson Healthcare puts into the Community Health Improvement Plan.

Commissioner Kolff questioned carpool options for upcoming conferences.

Commissioner Buhler distributed the Board of Health minutes.

Commissioner Buhler distributed a report that she had presented at the previous Board of Health meeting.

Commissioners discussed the Substance Abuse Advisory Committee.

Commissioner Ready made a motion to have a Jefferson Healthcare representative on the Substance Abuse Advisory Committee. Commissioner Dressler seconded.
**Action:** Motion passed unanimously.

Commissioner Buhler asked for the board’s approval to be a member of the Substance Abuse Advisory Committee.

Commissioner Kolff made a motion to have Commissioner Buhler be the Jefferson Healthcare representative for the Substance Abuse Advisory committee. Commissioner Dressler seconded.

Commissioner Dressler amended the original motion that Commissioner Kolff made to have a Jefferson Healthcare representative on the Substance Abuse Advisory Committee with an alternate option of Commissioner Ready. Commissioner McComas seconded.
**Action:** Motion passed unanimously.
**Action:** Main motion made by Commissioner Kolff passed unanimously.

Discussion ensued.

**Meeting Evaluation**
Commissioners evaluated the meeting.
Conclude:
Commissioner Dressler made a motion to conclude the meeting. Commissioner Kolff seconded the motion.
Action: Motion passed unanimously.
Meeting concluded at 5:32pm.

Approved by the Commission:
Chair of Commission: Jill Buhler ________________________________
Secretary of Commission: Marie Dressler __________________________
WSHA and Jefferson Healthcare: Working Together for Great Care

Cassie Sauer, WSHA CEO

Agenda

• Perspectives on Jefferson Healthcare
• Background on WSHA
• Financial Trends
• Federal Politics
• State Politics
• Whatever you want to talk about!
Perspectives on Jefferson Healthcare

- Strategic and forward-looking
- Strong employee and physician satisfaction
- Great work on charity care
- Strong performance on quality indicators
- Understands politics and seeks policy solutions (dental clinic)
- Willing to share quality breakthroughs with others
- Engaged commissioners – Thank you for active participation in Patient Safety Summit and Chelan!

What Does WSHA Do?

- Policy & Advocacy
- Power in Unity
- Patient Safety
- Coordinated Action on Major Issues
- Decision Support
Who Does WSHA Represent?

Public District Hospitals**: 42
Non-Profit Hospitals: 52
Investor Owned Hospitals: 6
County/State Hospitals: 4
Military/Veterans Hospitals: 3

What Types of Hospitals Are in the Membership?

- Public District Hospitals**: 42
- Non-Profit Hospitals: 52
- Investor-Owned Hospitals: 6
- County/State Hospitals: 4
- Military/Veterans Hospitals: 3

* Non-Profit Hospitals include 7 Critical Access Hospitals
** Public District Hospitals include 32 Critical Access Hospitals
Safety and Quality: People are not dead!

Partnership for Patients

Severe Sepsis and Septic Shock Mortality Rate

![Graph showing trends in severe sepsis and septic shock mortality rate.]

Definition: Hospital deaths related to Severe Sepsis and Septic Shock (d) Argue from the number of patient diagnosed with Severe Sepsis and Septic Shock (Excludes Optional Care Patients with 0-2.9 or 15-44 years). Data Source: Washington State Department of Health Comprehensive Hospital Abstract Reporting System (CHARS).

Hospital and Health Care Financial Trends
Operating Margins for Washington Hospitals

Operating margins have decreased for Washington hospitals since 2014. In 2016, the average operating margin fell to 2.8%, below a healthy margin of 4%.

![Graph showing operating margins from 2012 to 2016](source)

Source: Washington Department of Health Year End Financial Data

Distribution of Operating Margins in Washington, 2016

68% of hospitals in Washington state had an operating margin of less than 4% in 2016.

![Bar chart showing distribution of operating margins](source)

Source: Washington Department of Health Year End Financial Data
**Washington Hospital Charity Care and Bad Debt**
Charity care costs and bad debt have decreased as a percent of patient revenue for Washington state hospitals since 2012.

Source: Washington Department of Health Year End Financial Data

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**Uncompensated Care in Washington State**
Hospitals spent significantly more on uncompensated care for unreimbursed Medicaid costs in 2016.

Source: Washington Department of Health Year End Financial Data
Washington State Hospital Payment Shortfall

Medicare and Medicaid are not paying for the cost of care. The total payment shortfall from Medicare and Medicaid in Washington state increased each year from 2012 to 2016.

Source: Washington Department of Health Year End Financial Data

Payer Mix of Hospital Charges in Washington, 2016

Most charges (61%) in Washington hospitals were for services provided to patients with Medicare or Medicaid.

Source: Washington Department of Health Year End Financial Data
**Payer Mix of Net Revenue in Washington, 2016**

Nearly half (46%) of net patient revenue in Washington hospitals comes from Medicare or Medicaid, but far less than the share of charges.

![Pie chart](image1.png)

Source: Washington Department of Health Year End Financial Data

**Jefferson Payer Mix of Hospital Charges, 2016**

In 2016, 74% of charges at Jefferson Healthcare were for services provided to patients with Medicare or Medicaid (vs 61% statewide).

![Pie chart](image2.png)

Source: Washington Department of Health Year End Financial Data
Jefferson Payer Mix of Net Revenue, 2016

In 2016, 57% of net patient revenue at Jefferson Healthcare came from Medicare or Medicaid.

Source: Washington Department of Health Year End Financial Data

Health Spending per Capita by Payer, 2014

Health care spending is less in Washington State than the nation – for all payers, Medicare, Medicaid and private insurers.

Source: Kaiser Family Foundation
Average per Capita Hospital Spending
Per capita hospital spending was lower in Washington than the national average from 2012 to 2015.

Total Prescription Drug Spending, 1980-2014
National health care expenditures have steadily increased in both real and nominal dollars since 1980, with spending increasing more quickly since 2013.
The Political Climate & Context

Federal Politics – Washington Out of Favor

AG Bob Ferguson sues over EPA ozone rule, his 11th suit against the Trump administration

Washington State Hospital Association
Washington’s Uninsured Rate Dropped After Expansion

Uninsured Rate, 2013-2016

Washington’s Medicaid expansion went into effect on January 1, 2014

States Gaining or Losing Federal Funding

In 2026, national funding for the block grant is 4.3 percent below current law spending projections.
If You Can’t Pass Legislation to Kill the Affordable Care Act . . .

You can starve it administratively
• Cut to outreach funding of ___% (guess)
  • Discussion: What are you doing about this?
• Destabilize the Exchange market
• Don’t fund the Cost Sharing Reductions
• Many places with Secretary discretion

Leadership

• Governor Jay Inslee (D)
  - Easily re-elected to second term
    – Candidacies underway

• House Speaker Frank Chopp (D)
  - Maintains narrow majority
    • Rep. Eileen Cody (D) continues as chair of House Health Care
    • Rep. Tim Ormsby (D) new chair of House Appropriations

• Senate Majority Leader Sharon Nelson (D) - retiring
  - New narrow majority
    • Sen. Annette Cleveland (D) new chair of Senate Health and Long Term Care
    • Sen. Christine Rolfes (D) new chair of Senate Ways and Means
2018 Legislative Priorities

www.wsha.org/policy-advocacy/state-legislative-agenda/

1. Ensure that hospitals can be stable institutions in their communities, long into the future.

2. Within a safety-focused regulatory environment, maintain the flexibility to respond to changing needs and opportunities to improve care.

3. Make it easier to meet patient needs in lower-cost and non-hospital settings.

4. Advocate for patients and hospital employees.

2018 Session Policy Successes

• Charity care
• Opioids
• Body-worn cameras in hospitals
• Pilot for telemedicine parity
• Service animals
• Study on sexual assault nurse examiners
• Individual market coverage
Issues We Successfully Opposed or Negotiated

- Nurse meals and breaks/pre-scheduled on-call
- Mergers and affiliations
- Wrongful death
- Balance billing
- Noncompete agreements
- Limiting a health care entity’s ability to manage and standardize care

2018 Supplemental Budget Highlights

<table>
<thead>
<tr>
<th>Issue</th>
<th>Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opioids</td>
<td>$4.4 million state/$16.5 million total funds</td>
</tr>
<tr>
<td>Medicaid physician pediatric primary care rate increase (does not apply to RHCs or FQHCs)</td>
<td>$5.8 million state/$13.8 million total funds</td>
</tr>
<tr>
<td>State psychiatric hospitals</td>
<td>$105.5 million state funds</td>
</tr>
<tr>
<td>Community mental health</td>
<td></td>
</tr>
<tr>
<td>BHO rate increase</td>
<td>$23 million state/$69.3 million total funds</td>
</tr>
<tr>
<td>Children’s long term beds</td>
<td>$2 million state/$4 million total funds</td>
</tr>
<tr>
<td>IMD backfill</td>
<td>$3.3 million state funds</td>
</tr>
<tr>
<td>Crisis reserves</td>
<td>$14.5 million state funds</td>
</tr>
<tr>
<td>Partial hospitalization programs</td>
<td>Not funded</td>
</tr>
<tr>
<td>Restores unrealized savings from Healthier WA</td>
<td>$30.2 million/$67.7 million total funds</td>
</tr>
<tr>
<td>Restores unrealized savings preferred drug list</td>
<td>$11.5 million state/$39 million total funds</td>
</tr>
<tr>
<td>WHRAP and rural transformation study</td>
<td>Transferred funds/study for all rural hospitals</td>
</tr>
</tbody>
</table>

Possible Legislative Priorities for 2019

- Many issues will be returning from 2018, in addition:
  - Community Safety
  - Rural transformation

- WSHA Public Policy Committee has set the direction for major budget issues:
  - Difficult to discharge patients
  - Work force
  - Outpatient Medicaid rates
  - Partial hospitalization: mental health

Advocacy: Telling the Hospital Story

**Advocate**
- Meet with your local legislators and share your story and priorities
- Testify on bills that matter to you
- Call/write/email your elected officials

**Communicate**
- Share WSHA priorities with your exec team and board
- Talk about these priorities in your community

**Donate**
- Promote the importance of WHPAC
Building Bipartisan Relationships
Unifying Hospitals’ Political Voice
ELECTING CHAMPIONS FOR HEALTH CARE

www.wshaweb.com/whpac

Events and Education
CEO/Medical Officer Summit – January
CEO/Trustee Patient Safety Summit – May 1 & 2
WSHA Delegation to AHA Annual Meeting - May
Rural Hospital Workshop, Chelan – June 24-27
Rural Advocacy Days – September
WSHA Annual Membership Meeting – October 11
Governance Education Day – October 12
Safe Table Learning Collaboratives – ongoing
Newsletters, Publications, Webcasts – ongoing
Thank you for your leadership! Questions?

Finance Report
March 2018

Date           April 25, 2018
Name           Hilary Whittington
Title          Chief Administrative Officer / Chief Financial Officer
March 2018

Education – Contractual adjustments

Collections are a percentage of billed charges; estimates are complex

When a patient visit is recorded
Recognize revenue
Recognize A/R

At month end
Estimate contractual adjustments on new revenue
Analyze allowances already recorded, adjust up or down

When payment is received
Reduce A/R
Account for “actual” contractual adjustment

<table>
<thead>
<tr>
<th>Payor</th>
<th>IP contractual adjustments %</th>
<th>OP contractual adjustments %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicare</td>
<td>46.31%</td>
<td>58.3%</td>
</tr>
<tr>
<td>Medicaid</td>
<td>54.38%</td>
<td>67.03%</td>
</tr>
<tr>
<td>Insurance</td>
<td>28.55%</td>
<td>28.55%</td>
</tr>
<tr>
<td>Self Pay</td>
<td>95.0%</td>
<td>95.0%</td>
</tr>
</tbody>
</table>

Medicare and Medicaid estimates are based on expected cost to charge ratios; these fluctuate with changes in volumes/% of total revenue per department and cost structure.

1% increase for Medicare = $1,390,000 in adjustments; these calculations are sensitive.

Between November and March, our estimates veered low and it’s the right thing to correct them to more accurately state our balance sheet. -$371,000 impact to March.

March 2018

Operating Statistics

<table>
<thead>
<tr>
<th>STATISTIC DESCRIPTION</th>
<th>MARCH ACTUAL</th>
<th>MARCH BUDGET</th>
<th>% VARIANCE</th>
<th>YTD ACTUAL</th>
<th>YTD BUDGET</th>
<th>% VARIANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTEs – TOTAL (AVG)</td>
<td>553</td>
<td>585</td>
<td>5%</td>
<td>545</td>
<td>585</td>
<td>7%</td>
</tr>
<tr>
<td>ADJUSTED PATIENT DAYS</td>
<td>2,174</td>
<td>2,172</td>
<td>0%</td>
<td>6,283</td>
<td>6,305</td>
<td>0%</td>
</tr>
<tr>
<td>ICU PATIENT DAYS (IP + OBSERVATION, MIDNIGHT CENSUS)</td>
<td>89</td>
<td>97</td>
<td>-8%</td>
<td>279</td>
<td>283</td>
<td>-1%</td>
</tr>
<tr>
<td>ACU PATIENT DAYS (IP + OBSERVATION, MIDNIGHT CENSUS)</td>
<td>345</td>
<td>362</td>
<td>-5%</td>
<td>1,117</td>
<td>1,052</td>
<td>6%</td>
</tr>
<tr>
<td>PATIENT DAYS (ACU, ICU, SWING), INCLUDES OBSERVATION</td>
<td>444</td>
<td>475</td>
<td>-7%</td>
<td>1,428</td>
<td>1,383</td>
<td>3%</td>
</tr>
<tr>
<td>SURGERY CASES (IN OR)</td>
<td>106</td>
<td>102</td>
<td>4%</td>
<td>296</td>
<td>297</td>
<td>0%</td>
</tr>
<tr>
<td>SPECIAL PROCEDURE CASES</td>
<td>70</td>
<td>102</td>
<td>-31%</td>
<td>200</td>
<td>297</td>
<td>-33%</td>
</tr>
<tr>
<td>LAB BILLABLE TESTS</td>
<td>19,448</td>
<td>19,121</td>
<td>2%</td>
<td>55,633</td>
<td>55,514</td>
<td>0%</td>
</tr>
<tr>
<td>TOTAL DIAGNOSTIC IMAGING TESTS</td>
<td>2,714</td>
<td>3,044</td>
<td>-11%</td>
<td>7,767</td>
<td>8,837</td>
<td>-12%</td>
</tr>
<tr>
<td>MEDS DISPENSEN</td>
<td>24,311</td>
<td>23,766</td>
<td>2%</td>
<td>73,114</td>
<td>68,997</td>
<td>6%</td>
</tr>
<tr>
<td>RESPIRATORY THERAPY PROCEDURES</td>
<td>3,530</td>
<td>3,769</td>
<td>-6%</td>
<td>10,903</td>
<td>10,942</td>
<td>0%</td>
</tr>
<tr>
<td>REHAB/PT/OT/ST RVU</td>
<td>8,248</td>
<td>7,078</td>
<td>17%</td>
<td>26,745</td>
<td>20,547</td>
<td>30%</td>
</tr>
<tr>
<td>ER CENSUS</td>
<td>1,104</td>
<td>1,132</td>
<td>-2%</td>
<td>3,144</td>
<td>3,286</td>
<td>-4%</td>
</tr>
<tr>
<td>TOTAL RURAL HEALTH CLINIC VISITS</td>
<td>5,967</td>
<td>7,291</td>
<td>-18%</td>
<td>16,813</td>
<td>21,166</td>
<td>-21%</td>
</tr>
<tr>
<td>TOTAL SPECIALITY CLINIC VISITS</td>
<td>3,172</td>
<td>3,454</td>
<td>-8%</td>
<td>9,142</td>
<td>10,022</td>
<td>-9%</td>
</tr>
<tr>
<td>HOME HEALTH EPISODES</td>
<td>61</td>
<td>68</td>
<td>-10%</td>
<td>189</td>
<td>198</td>
<td>-5%</td>
</tr>
<tr>
<td>HOSPICE CENSUS/DAYS</td>
<td>1,010</td>
<td>894</td>
<td>13%</td>
<td>3,172</td>
<td>2,595</td>
<td>22%</td>
</tr>
</tbody>
</table>
### March 2018

#### Income Statement Summary

<table>
<thead>
<tr>
<th>March 2018</th>
<th>March 2018 Budget</th>
<th>Variance Favorable (Unfavorable)</th>
<th>%</th>
<th>March 2018 YTD</th>
<th>March 2018 Budget YTD</th>
<th>Variance Favorable (Unfavorable)</th>
<th>%</th>
<th>March 2017 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Patient Service Revenue</td>
<td>20,270,747</td>
<td>(189,854)</td>
<td>-1%</td>
<td>58,630,551</td>
<td>(1,208,286)</td>
<td>4%</td>
<td>51,251,886</td>
<td></td>
</tr>
<tr>
<td>Revenue Adjustments</td>
<td>11,000,435</td>
<td>(295,873)</td>
<td>-3%</td>
<td>31,936,743</td>
<td>(590,640)</td>
<td>2%</td>
<td>26,070,201</td>
<td></td>
</tr>
<tr>
<td>Charity Care Adjustments</td>
<td>124,980</td>
<td>(105,156)</td>
<td>-84%</td>
<td>362,845</td>
<td>(309,721)</td>
<td>-85%</td>
<td>230,126</td>
<td></td>
</tr>
<tr>
<td>Net Patient Service Revenue</td>
<td>9,145,333</td>
<td>(590,883)</td>
<td>-6%</td>
<td>26,550,863</td>
<td>(927,961)</td>
<td>-3%</td>
<td>22,942,559</td>
<td></td>
</tr>
<tr>
<td>Other Revenue</td>
<td>423,423</td>
<td>(67)</td>
<td>0%</td>
<td>1,229,291</td>
<td>(58,390)</td>
<td>-5%</td>
<td>1,053,102</td>
<td></td>
</tr>
<tr>
<td>Total Operating Revenue</td>
<td>9,568,755</td>
<td>(590,951)</td>
<td>-6%</td>
<td>27,780,254</td>
<td>(986,351)</td>
<td>-4%</td>
<td>23,995,661</td>
<td></td>
</tr>
<tr>
<td>Operating Expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries And Wages</td>
<td>4,802,949</td>
<td>156,917</td>
<td>3%</td>
<td>13,944,045</td>
<td>413,689</td>
<td>3%</td>
<td>11,503,362</td>
<td></td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>1,209,927</td>
<td>92,240</td>
<td>8%</td>
<td>3,512,682</td>
<td>249,857</td>
<td>7%</td>
<td>3,019,203</td>
<td></td>
</tr>
<tr>
<td>Other Expenses</td>
<td>3,382,817</td>
<td>(250,147)</td>
<td>-7%</td>
<td>9,811,680</td>
<td>(436,327)</td>
<td>4%</td>
<td>8,946,764</td>
<td></td>
</tr>
<tr>
<td>Total Operating Expenses</td>
<td>9,395,693</td>
<td>(990)</td>
<td>0%</td>
<td>27,277,817</td>
<td>239,199</td>
<td>1%</td>
<td>25,738,628</td>
<td></td>
</tr>
<tr>
<td>Operating Income (Loss)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(413,878)</td>
<td>172,442</td>
<td>(581,890)</td>
<td>-442%</td>
<td>522,437</td>
<td>(757,574)</td>
<td>128%</td>
<td>220,432</td>
<td></td>
</tr>
<tr>
<td>Total Non Operating Revenues (Expenses)</td>
<td>2,816</td>
<td>32,308</td>
<td>108%</td>
<td>26,906</td>
<td>35,415</td>
<td>41%</td>
<td>293,608</td>
<td></td>
</tr>
<tr>
<td>Change in Net Position (Loss)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(410,451)</td>
<td>141,181</td>
<td>(550,632)</td>
<td>-481%</td>
<td>(208,308)</td>
<td>415,687</td>
<td>(711,732)</td>
<td>61%</td>
<td>10,241</td>
</tr>
</tbody>
</table>

#### Cash and Accounts Receivable

![Graph showing days of cash and days of cash goal over time](image-url)
### March 2018

**Board Financial Report**

<table>
<thead>
<tr>
<th>Dept.</th>
<th>Department Description</th>
<th>March Actual</th>
<th>March Budget</th>
<th>Month to Date Variance</th>
<th>2018 to Date Actual</th>
<th>2018 to Date Budget</th>
<th>2018 to Date Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>512</td>
<td>BOARD</td>
<td>4,763.00</td>
<td>4,647.00</td>
<td>(116.00)</td>
<td>13,896.00</td>
<td>13,493.00</td>
<td>(403.00)</td>
</tr>
<tr>
<td>602300</td>
<td>CONSULT MGMT FEE</td>
<td>5,296.00</td>
<td></td>
<td>(5,296.00)</td>
<td>8,388.00</td>
<td>-</td>
<td>(8,388.00)</td>
</tr>
<tr>
<td>602500</td>
<td>AUDIT FEES</td>
<td>15,000.00</td>
<td>3,307.00</td>
<td>(11,693.00)</td>
<td>19,038.00</td>
<td>9,863.00</td>
<td>(9,175.00)</td>
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<td>604200</td>
<td>CATERING</td>
<td>236.00</td>
<td>165.00</td>
<td>(71.00)</td>
<td>376.00</td>
<td>478.00</td>
<td>102.00</td>
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<td>605000</td>
<td>OFFICE SUPPLIES</td>
<td></td>
<td>25.00</td>
<td></td>
<td>72.00</td>
<td>72.00</td>
<td></td>
</tr>
<tr>
<td>606500</td>
<td>MINOR EQUIPMENT</td>
<td></td>
<td>591.00</td>
<td>-</td>
<td>-</td>
<td>(591.00)</td>
<td></td>
</tr>
<tr>
<td>606500</td>
<td>COMPUTER EQUIPMENT</td>
<td></td>
<td>82.00</td>
<td></td>
<td>239.00</td>
<td>239.00</td>
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<tr>
<td>606500</td>
<td>OTHER PURCHASED SERVICES</td>
<td>(250.00)</td>
<td>849.00</td>
<td>1,099.00</td>
<td>(250.00)</td>
<td>2,666.00</td>
<td>(2,716.00)</td>
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<tr>
<td>606500</td>
<td>TRAVEL/MEETINGS/TRAINING</td>
<td>1,531.00</td>
<td>1,609.00</td>
<td>168.00</td>
<td>2,658.00</td>
<td>4,832.00</td>
<td>2,274.00</td>
</tr>
</tbody>
</table>

**Exp Total**: 26,576.00 10,864.00 (15,712.00) 45,498.00 31,543.00 (13,955.00)

**BOARD Total**: 26,576.00 10,864.00 (15,712.00) 45,498.00 31,543.00 (13,955.00)

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### April 2018

**Preview — (*as of 11:59pm 04/24/18)**

- **$17,854,200 in HB charges**
  - Average: $616,232/day (HB only)
  - Budget: $642,350/day

- **$7,746,300 in HB cash collections**
  - Average: $238,331/day (HB only)
  - Goal: $289,057/day

- **51.9 Days in A/R**

- **Questions**
2017 Critical Access Hospital Report

Jefferson Healthcare
Prepared for the Board of Commissioners
April 25, 2018

Critical Access Report and Assessment 2017

- Introduction and Service Updates
- Utilization of Services
- Clinical Records Sample
- Policies and Procedures
- Performance Improvement
New and Enhanced Services Added in 2017

NEW SERVICES

New Services and Updates

- Health Equity Committee created
  - Enhancing visibility, compassion and access to care for our LGBTQ community
- Mindfulness Stress Reduction Programs
  - Two for our community
  - One for our staff
  - One Leadership specific
- PFAC expansion
  - Recruited and expanded the Patient and Family Advisory Council

- FBC Projects
  - Medication Room
  - Panda Warmer
  - PPH Process Improvements
  - Birth Celebration Dinner
  - Staff Education System
- Orthopedics
  - Physiatrist Added
- Primary Care
  - 3 New Providers
  - 6 New Locums Providers
New Services and Updates

- **Diagnostic Imaging**
  - Cardiac Myocardial Perfusion Imaging
  - Lung Cancer Screening in Computed Tomography
  - Nuclear Cardiology Stress Testing
  - Echocardiogram with Contrast

- **Primary Care**
  - Sphenocatheter

- **Pediatric Reading Program**

- **Rehab Therapy**
  - Pelvic Health
  - Adult focused speech/swallowing

- **Women’s Clinic**

- **Dermatology**

- **New Port Ludlow Clinic Grand Opening**

- **Sleep Medicine Expansion**

- **Palliative Care Pilot Program**

- **Lab:** Testing for Rubella, mumps, varicella and measles, NAAT GI Panel

---

### 2017 Medical Staff

**Welcome to...**

- **Dermatology**
  - Leah Layman, ARNP
  - Claire Haycox, MD

- **Diagnostic Radiology**
  - Philip Kesava, MD
  - Jacob Harris, MD
  - John Rago, MD
  - Timothy Neher, MD
  - Julie Lee, MD

- **Emergency Medicine**
  - Beverly Harn, MD

- **Family Medicine**
  - Heather Sullivan, ARNP
  - Chrystal Schwartz, DO
  - Charlene Hallowell, PA-C
  - 6 Locums

- **General Surgery**
  - David Schwartz, DO

- **Hospital Medicine**
  - Michael Johns, MD
  - Eric Stirling, MD

- **Obstetrics and Gynecology**
  - Ann Hoffman, DO

- **Pathology**
  - Kiran Chaturvedi, MD

- **Radiation Oncology**
  - Richard Foxlee, MD

- **Wound Care**
  - Marta Krissovitich, AGPCNP

- **Tele Neurology**
  - 4 New providers

- **Tele Psychiatry**
  - 19 New Providers

- **Tele Radiology**
  - 8 New providers

---

**Resignations:**

- Kristy Asbell, PA-C
- Donald George, MD
- Mary McCormick, PA-C
- Deborah Nighswonger, ARNP
- John Osland, MD
- Eric Panzer, MD
- Catherine Parkman, MD
- 35 Contracted Providers
UTILIZATION OF SERVICES

Acute, Swing Bed, and Observation

Departments and Services
- Departments and Services
- 2017 Annual Volumes

Transfers
- Transfer Statistics
- Top Transfer Diagnoses

2017 Payor Mix

- Medicare: 57%
- Commercial: 21%
- Medicaid HMO: 15%
- Other Government
- Medicaid
- Medicare HMO
- Self Pay
- Worker’s Comp
- Other
- Managed Care

Jefferson Healthcare
2017 Utilization of Services

- **Outpatient**
  - 9785 Home Health Visits
  - 4189 Hospice Admissions
- **Observation**
  - 323 Observation Days
- **Inpatient Hospice**
  - 106 Patient Days
  - Average LOS 5.3 days
- **Pharmacy**
  - 143,882 Doses Dispensed
- **Swing Bed**
  - 175 Swing Bed Days

Average IP Length of Stay
67.89 hours

2017 Inpatient Census

Average Daily Census: **15.58**

25 beds were not exceeded in 2017
Departments and Services

<table>
<thead>
<tr>
<th>Department</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emergency Department Visits</td>
<td>8,652</td>
<td>9,244</td>
<td>10,444</td>
<td>11,657</td>
<td>12,789</td>
</tr>
<tr>
<td>Family Birthing Center Births</td>
<td>112</td>
<td>107</td>
<td>125</td>
<td>99</td>
<td>115</td>
</tr>
<tr>
<td>Acute Care Unit Patient Days</td>
<td>3,318</td>
<td>2,646</td>
<td>3,847</td>
<td>3,622</td>
<td>4,415</td>
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<tr>
<td>Intensive Care Unit Patient Days</td>
<td>815</td>
<td>776</td>
<td>541</td>
<td>611</td>
<td>838</td>
</tr>
<tr>
<td>Operating Room Cases</td>
<td>1,079</td>
<td>1,865</td>
<td>1,040</td>
<td>807</td>
<td>1,140</td>
</tr>
<tr>
<td>Outpatient Testing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diagnostic Imaging Laboratory</td>
<td>24,457</td>
<td>22,874</td>
<td>23,164</td>
<td>24,200</td>
<td>29,603</td>
</tr>
<tr>
<td>Laboratory</td>
<td>178,436</td>
<td>185,784</td>
<td>175,333</td>
<td>186,584</td>
<td>204,659</td>
</tr>
<tr>
<td>OP Rehab Visits</td>
<td>29,790</td>
<td>34,950</td>
<td>15,500</td>
<td>13,217</td>
<td>24,600</td>
</tr>
<tr>
<td>Rural Health Clinic Visits</td>
<td>51,767</td>
<td>57,264</td>
<td>58,869</td>
<td>56,005</td>
<td>61,832</td>
</tr>
<tr>
<td>Specialty Clinics</td>
<td>26,093</td>
<td>31,162</td>
<td>32,934</td>
<td>44,561</td>
<td></td>
</tr>
</tbody>
</table>

12,909 Patients were seen in the Emergency Department in 2017
21.13% were kept for observation, admitted, or transferred
Top Ten Reasons for Transfer

ENT 2%
Urology 2%
Orthopedics 4%
Pediatric 5%
Trauma 5%
Neurology 9%
GI 10%
Behavioral Health 12%
Higher Level Of Care 13%
Cardiology 30%

510 patients were transferred from the Emergency Department in 2017

Medical Records, Policies, and Procedures
§485.641(a)(1)(ii) A representative sample of both active and closed clinical records

RECORD REVIEW
Medical Record Review

Record Review:
• Does the patient meet the criteria for the services being provided?
• Is the written communication clear between team members?
• Are we meeting Regulatory Requirements?
• Is the record complete?
• Does the documentation support the coding and billing?
• Did we provide evidence based medicine to the best of our ability?
• Was the standard of care met?
• Were there opportunities for improvement?

Record Review Completed:
Critical Access Hospitals are required to review 10% of their records for quality, appropriateness of services, and compliance

— Jefferson Healthcare Exceeded this goal in 2017
  • Quality Review
  • Risk Management Review
  • Utilization Review
  • Infection Control
  • Medical Staff Review
  • Compliance Review

Quality & Appropriateness of Care

Process used to evaluate the quality and appropriateness of care furnished by providers:

— Case Management Review:
  • Case Management reviews all inpatient, observation, and swing bed records for quality and appropriateness of care

— Quality and Safety Teams:
  — Stroke and Cardiac Quality Teams
  — Patient Safety Committee
  — Emergency Department Operations Team
  — Code Blue Committee
  — Alarm Safety
  — Ventilator Safety
  — Department Quality Reporting
  — Surgical Quality Committee
  — Antimicrobial Stewardship Team

— Medical Executive Committee:
  • Department meetings and case review
  • Professional Practice Excellence Committee
  • External Peer Review

The Executive Quality Council provides oversight for the quality and safety of services provided at Jefferson Healthcare
2017 Summary

- 113 New policies created and approved
- Total active policies: 1,711
- All policies and procedures are to be reviewed and updated annually
  - Compliance: 99.7%
2017 Medical Staff Updates

• Credentialing and Privileging
  – Total New Providers (includes telemedicine): 66
  – Total AHP on staff: 31
  – Total providers on staff: **243**

• Policies
  – Review of 23 medical staff policies
  – Creation of 1 new policy
  – Revision of 2 policies

PERFORMANCE IMPROVEMENT

2017 Highlights from Quality and Performance Improvement Work
Leadership Development

• Spring 2017 Retreat
  • SWOT Analysis
  • PI Plans
  • Strategic Plan Staff and Leader Input
• Fall 2017 Retreat
  • Breakdown of Strategic Plan
  • Communication Techniques
  • Engaging employees in the Strategic Plan

New Data Process

A new data analysis tool was introduced:
• that allows better control of outbound flow of data to leadership
• Fast adjustments and updates
• Simple and easy to read
• Daily updates versus waiting for the end of the month
• Frees up leaders time from running complex reports that could take over an hour to run in Epic.
• Fully interactive dashboards
Noteworthy 2017 PI Projects

- **Surgery: Block Utilization Committee**
  - Improvements in Turn Around Time
  - Block utilization adjustments based on data
- **FBC Medication Room**
  - Completed 3 year request for old Tub Room enhancements by converting into a Medication Room
  - Panda Warmer training and implementation
  - Staff Education System
- **Clinics Call Center**
  - New phased approach including changing call workflows, adjusting existing personnel, and hiring 3 new Call Center employees (Started April 2017)
- **Wound Clinic Work Flow**
  - Improvements in scheduling and nurse workflow
- **Port Ludlow Organization**
  - Created a centralized supply room to reduce supply order waste
  - Created standardized patient room set up
- **Acute Care: Surge Plan**

PI/Strategic Plan Highlight: JHSA

<table>
<thead>
<tr>
<th>Charge Capture Improvements</th>
<th>Stretch Goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baseline No patient tracking method</td>
<td>✓ Develop tracking method for patient’s not following through with colonoscopy</td>
</tr>
<tr>
<td>Missing revenue from no charge screening colon consults</td>
<td>✓ Ensuring charges are entered</td>
</tr>
<tr>
<td>2016 Revenue – $27,814</td>
<td>✓ 2017 Revenue - $42,997 55% IMPROVEMENT</td>
</tr>
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</table>
Improving Rooming Efficiency
Colon / EGD Consults

<table>
<thead>
<tr>
<th>Baseline</th>
<th>Stretch Goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provider running behind schedule – 40 - 60 Minutes</td>
<td>✓ Reduce visits by 5 minutes</td>
</tr>
<tr>
<td></td>
<td>✓ Eliminate redundancies</td>
</tr>
<tr>
<td>Patient wait times</td>
<td>✓ Keep provider on time for every visit</td>
</tr>
<tr>
<td>Provider and staff dissatisfaction</td>
<td>✓ Scheduled and on time breaks</td>
</tr>
<tr>
<td></td>
<td>Increase visits per day by 2</td>
</tr>
<tr>
<td></td>
<td>Currently at 1 extra</td>
</tr>
</tbody>
</table>

PI/Strategic Plan Highlight: JHSA

<table>
<thead>
<tr>
<th>Goal</th>
<th>Baseline</th>
<th>Stretch Goals</th>
<th>Month</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improved access to surgery center for endoscopy procedures</td>
<td>55.4 procedures per month (2017)</td>
<td>65 procedures per month (2018 goal)</td>
<td>January</td>
<td>79</td>
</tr>
<tr>
<td>• Added 3 endoscopy procedures per week</td>
<td></td>
<td></td>
<td>February</td>
<td>67</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>March</td>
<td>78</td>
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</tbody>
</table>
A Healthier Community

- Rhody Parade
- Kids Sprint
- Jefferson Healthcare Rhody Run
- Race to Alaska Ruckus
- Wooden Boat Festival
- Jefferson County Farmer’s Market
- All County Picnic - Kickoff to our 5210 initiative
- Girls Night Out
- Relay for Life
- Pride Day Parade
- And Many More...

2017 Accomplishments

- Antimicrobial Stewardship Honor Roll
- Get with the Guidelines: Gold Award for Stroke
## Community Health Improvement Plan

**Leadership:**
John Nowak, Jefferson Healthcare  
Lori Fleming, Jefferson County Public Health

**Meeting Activity:**

<table>
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<tr>
<th>Committee</th>
<th>Next Meeting</th>
<th>Lead</th>
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<tbody>
<tr>
<td>Chronic Disease</td>
<td>May 8</td>
<td>Vicki Kirkpatrick</td>
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<tr>
<td>Mental Health &amp; Chemical Dependency</td>
<td>May 10</td>
<td>Dunia Faulx</td>
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<tr>
<td>Immunizations</td>
<td>May 17</td>
<td>Molly Parker, MD, Lisa</td>
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<tr>
<td>McKenzie</td>
<td></td>
<td>John Nowak</td>
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<tr>
<td>Access to Care</td>
<td>April 25</td>
<td>Jenn Wharton</td>
</tr>
<tr>
<td>Brinnon Community</td>
<td>May 10</td>
<td>John Nowak</td>
</tr>
<tr>
<td>2018 Results</td>
<td>Health Outcomes</td>
<td>Health Factors</td>
</tr>
<tr>
<td>--------------</td>
<td>-----------------</td>
<td>----------------</td>
</tr>
<tr>
<td>Jefferson County</td>
<td>5th in State</td>
<td>9th in State</td>
</tr>
</tbody>
</table>


Healthiest Communities

ESSB Shell Space Project
Goal of Project: Provide adequate space for our Cardiology and Dermatology clinics.

• Convert the 3rd floor, north end corridor to an expanded dermatology clinic.

• Allocate entire 2nd floor, north end corridor to expanding cardiology clinic.

• Convert Sheridan side “bubble” space to stress echo and additional provider office space.

• Project is included in the 2018 capital budget.

• Motion to authorize administration to go to bid for ESSB Cardiology and Dermatology project for a not to exceed construction price of $1.2 million.

Upcoming Events

• April 26
  • Provider Engagement Dinner
    • Dr. Wendy Swanson, Chief of Digital Innovation, Seattle Children's Hospital
  • April 30
    • Board/ CEO Patient Safety Summit
  • May 4
    • Honoring Merrily Mount!
  • May 9
    • Hospital Week BBQ
  • May 19
    • Rhody Parade
  • June 25-28
    • Rural Hospital Leadership Conference
      • Meeting w/ Olympic Medical Center and Forks General Hospital?

Finn River
Crown Plaza SeaTac
Quilcene Community Center
Hospital Garden Row Café
Uptown
Chelan, WA
Questions