Call to Order:
The meeting was called to order at 3:30pm by Commissioner Buhler. Present were Commissioners Buhler, De Leo, Dressler, Kolff, and Ready. Also present were Mike Glenn, CEO, Hilary Whittington, CFO, Steven Feland, CHRO, Lisa Holt, CAO, Brandie Manuel, Executive Director of Quality and Safety, Jenn Wharton, Executive Director Medical Group, Steve Feland, CHRO, and Alyssa Rodrigues, Administrative Assistant. This meeting was officially audio recorded by Jefferson Healthcare.

Team and Employee of the Quarter:
Mike Glenn introduced Employee of the Quarter Kaye Giese, EVS, and Team of the Quarter, Information Technology.

Approve Agenda:
Commissioner Dressler made a motion to approve the agenda. Commissioner De Leo seconded.

Commissioner De Leo made an amended motion to have Commissioner Kolff reports taken off of board reports and listed under presentations. Commissioner Kolff seconded.

Discussion ensued.
Commissioner Kolff made an amended motion to take off “Commissioner Kolff reports” from board report and leave as “Board reports”. Commissioner Dressler seconded.

Action: Amended motion made by Commissioner Kolff passed unanimously.
Action: Main motion made by Commissioner Dressler passed unanimously.

Patient Story: Jackie Mossakowski, CNO, described a behavioral health and tele psych patient stay. She also gave kudos to Information Technology, for their help with the tele psychiatry equipment.

Discussion ensued.

Minutes:
- May 3 Regular Session minutes
Commissioner Dressler made a motion to approve the May 3 Regular Session Minutes. Commissioner Kolff seconded.
Action: Motion passed unanimously.
Required Approvals:
- Medical Staff Credentials/Appointments/Reappointments
- April Warrants and Adjustments
- Resolution 2017-21 Cancel Warrants
- Resolution 2017-20 Surplus Equipment

Commissioner Dressler made a motion to approve Medical Staff Credentials/Appointments/Reappointments, April Warrants and Adjustment, Resolution 2017-21 Cancel Warrants, Resolution 2017-20 Surplus Equipment as presented. Commissioner De Leo seconded the motion.

Action: Motion passed unanimously.

Patient Safety & Quality Presentation:
Brandie Manuel, Executive Director Quality and Patient Safety gave a presentation on Quality and Patient Safety.

Discussion ensued.

Public comment:
Public comment was made.

Financial Report:
Hilary Whittington, CFO, presented the April financial report.

Discussion ensued.

Administrator’s Report:
Mike Glenn, CEO, presented his administrator’s report.

Discussion ensued.

Chief Medical Officer Report:
Dr. Mattern gave a CMO report regarding ACO update, care transformation, provider recruitment, Swedish affiliation, Epic upgrade, Discovery Behavioral Health.

Board Reports:
Commissioner De Leo reported that he attended Patient Financial Experience Task Force meeting and said it was very productive. He also participated in two webinars, a Washington State Hospital Association webinar regarding integration of behavioral health in the clinic setting and a Brigham Young University webinar regarding acute inpatient care home.

Commissioner Kolff questioned when the next special session regarding the PT Safety Summit will be.

Discussion ensued.
Commissioner Kolff reported that he is serving on an advisory committee mentorship program for Port Townsend High School.

Discussion ensued.

Commissioner Kolff reported that the Tuesday Morning Breakfast Club asked him to present on the Jefferson Healthcare and Discovery Behavioral Health affiliation. Commissioner Kolff questioned the scheduling of several items in the Board Book.

Discussion ensued.

Commissioner Buhler reported that the May Board of Health meeting has been canceled.

**Conclude:**
Commissioner Dressler made a motion to conclude the meeting. Commissioner De Leo seconded the motion.

**Action:** Motion passed unanimously.

Meeting concluded at 5:44pm.

Approved by the Commission:
President of Commission: Jill Buhler ________________________________
Secretary of Commission: Marie Dressler ______________________________
Patient Safety & Quality Report

May, 2017

May 2017 Quality Report

Accreditation Updates

Patient Safety Report

Palliative Care Update
Model for Improvement

Inputs to the system:

- Patients and family members
- Community
- Providers and staff
- Data collection and reporting
- Industry & Evidence
- Accrediting bodies:
  - Department of Health
  - College of American Pathologists
  - DNV
  - American Academy of Sleep Medicine
  - American College of Surgeons
  - American College of Radiology

<table>
<thead>
<tr>
<th>Who</th>
<th>Survey Date</th>
<th>Non-Conformities Found</th>
<th>Action Plan</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>DNV</td>
<td>March, 2017</td>
<td>Pain Medication</td>
<td>Education</td>
<td>Complete</td>
</tr>
<tr>
<td></td>
<td>Corrective Action Plan due July 11, 2017</td>
<td></td>
<td>Order Set Revision</td>
<td>Pending</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Nursing Audits</td>
<td>In Progress</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Informed Consent</td>
<td>Education, cross monitoring, HIM audit</td>
<td>Complete and ongoing</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Revise consent forms</td>
<td>Complete</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Life Safety</td>
<td>Facilities</td>
<td>Complete</td>
</tr>
<tr>
<td>DOH</td>
<td>April, 2017</td>
<td>Documentation</td>
<td>Education, feedback, monitoring</td>
<td>No Action Plan Required</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Infection Control</td>
<td>Cross Monitoring, education, feedback</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Informed Consent</td>
<td>As above</td>
<td></td>
</tr>
<tr>
<td>CoC</td>
<td>July, 2017</td>
<td>N/A</td>
<td>Prepare for survey</td>
<td>Complete</td>
</tr>
<tr>
<td>CAP</td>
<td>Unannounced... but soon</td>
<td>N/A</td>
<td>Continual Readiness</td>
<td>In Progress</td>
</tr>
</tbody>
</table>

[Image of Model for Improvement diagram]
Culture of Safety

• Bi-annual survey – next survey planned for Summer, 2017
  – 2015 Focus areas:
    • Handoff communication
    • Teamwork (including partnering with patients and families)
Culture of Safety

Patient Safety

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Goal</th>
<th>Quarter 1 2017</th>
<th>Quarter 4 2016</th>
<th>Quarter 3 2016</th>
<th>Quarter 2 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAUTI</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>CLABSI</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Severe Sepsis Mortality Rate</td>
<td>2%</td>
<td>0</td>
<td>3.3%*</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Surgical Site Infections: Colon</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Surgical Site Infections: Hip &amp; Knee</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Ventilator Associated Events</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

*Hospice patient. Working with WSHA – patient met exclusion criteria.
### Patient Safety

#### Indicator | Goal | Quarter 1 2017 | Quarter 4 2016 | Quarter 3 2016 | Quarter 2 2016
--- | --- | --- | --- | --- | ---
**Adverse Drug Events**
Anticoagulants | 0 | 1 | 0 | 1 | 1
Hypoglycemic Agents | 0 | 1 | 3 | 0 | 0
Opioids | 0 | 1 | 0 | 0 | 0

#### Nursing Sensitive Indicators

Inpatient Falls with Injury | 0 | 1 | 0 | 1 | 0
Pressure Ulcers | 0 | 0 | 0 | 0 | 0
Venous Thromboembolism: Postoperative Pulmonary Embolism or DVT | 0 | 0 | 0 | 0 | 0

---

### Graph

*Population Health: Diabetic Care (Diabetes Access Hospitals Only) 2018 Q4 Distribution*

*Definitions: Number of patients with HbA1c levels > 9% at any time measured during the quarter.*
*Data Source: Washington State Hospital Association (WSHA) Quality Benchmarking System (QBS)*
Patient Safety: Antimicrobial Stewardship


The team implemented evidence based practices to:
• Optimize the treatment of infections
• Reduce adverse events attributed to antibiotic use
• Reduce hospital rates of clostridium difficile infections

2017 Honor Roll
Jefferson Healthcare
Port Townsend, WA

• Physician Champion: Tracie Harris, MD
• Pharmacist Champion: Shannon DeWolf, PharmD

Patient Safety: Readmissions

Transitions of Care Team Focus:
Reduce preventable readmissions
• Strategy: Identify gaps following discharge through post discharge phone calls
• Strategy: Improve Teamwork: Intentional collaboration between case management and care coordinators
• Strategy: Follow up visit with primary care within 7 days of discharge
• Strategy: Improve access for STAR doc patients
• Strategy: Consider outpatient services (home health, rehab, diabetic educator, etc)

Results:
• Readmissions decreased by 4.5%
• Decreased cost spent on readmissions by 39.7% - or $524,878 over three years

30-day Readmissions to Same Hospital or Elsewhere (revised)

<table>
<thead>
<tr>
<th>Year</th>
<th>Target</th>
<th>Achieved</th>
<th>Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013 - 2014</td>
<td>18.0%</td>
<td>16.0%</td>
<td>15.7%</td>
</tr>
<tr>
<td>2014 - 2015</td>
<td>15.0%</td>
<td>12.0%</td>
<td>11.4%</td>
</tr>
<tr>
<td>2015 - 2016</td>
<td>15.0%</td>
<td>12.0%</td>
<td>11.4%</td>
</tr>
</tbody>
</table>

Target Discharge CoP Receipt Date of Discharge: Discharge of the CoP is defined as the date of discharge, or conviction of discharge notification, whichever is earlier. The actual discharge date may vary due to the need for additional procedures or to prevent early hospital readmission. The calculation is based on the same criteria used to determine the actual discharge date. The calculation does not include any discharge after the actual discharge date due to the need for additional procedures.
Palliative Care

- 80% of patients say that they hope to avoid hospitalization at the end of life
- On average, patients make 29 visits to the doctor’s office in their last six months
- In the last 30 days of life, half of Medicare patients visit the Emergency Department
  - 1/3 of these will be admitted to the ICU
  - 1/5 will have surgery

Medicare spending for patients in the last year of life is six times what it is for other patients and accounts for 25% of the total Medicare budget.

Who’s Who in Palliative Care

Steering Committee
- Executive Sponsor: Lisa Holt
- Physician Champion: Joe Mattern
- Nurse Champion: Lavender Fulton
- Program Manager: Deb Kaldahl (Home Health)
- Quality: Brandie Manuel
- Spiritual Support: Bernie Ward-Crixall
- Community Volunteer: Anna Dupen, ARNP
- Patient Advocate: Jackie Levin
- Pharmacy: Lanny Turay
- Social Work: Mary Fortman

Clinical Palliative Care Team
- Physician: Joe Mattern
- Program Manager: Deb Kaldahl
- Nurse Champion: Lavender Fulton
- MSW: Mary Fortman
- Chaplain/Bereavement Services: Bernie Ward-Crixall
- Volunteers: Hospice Volunteers
- Home Health & Hospice Nurses
- Home Health & Hospice Aides
Palliative Care Update

Palliative Care Steering Committee (who)

- Goals and Objectives
  - Define pilot project
  - Policy and procedure development
  - Inter-disciplinary Role definitions
  - Develop process for reimbursement
  - Create screening tools for clinicians
  - Define measureable outcome goals
  - Implement action plan

Program Update

- Pilot implementation August, 2017
  - Setting: Home Health
- Clinical team members identified:
  - Job descriptions and role definitions drafted
- Adopted an evidence-based screening tool
- Established metrics for defining success and effectiveness

Jefferson Healthcare in the Spotlight!

<table>
<thead>
<tr>
<th>Presenters</th>
<th>Topic</th>
<th>Organization</th>
<th>Location</th>
<th>Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Erin Coffey and Christine Curtis</td>
<td>Patient Connect University</td>
<td>National Association of Healthcare Access Management</td>
<td>Dallas, TX</td>
<td>April 25-28, 2017</td>
</tr>
<tr>
<td>Jackie Levin</td>
<td>Person and Family Centered Care (specifically, our PFAC)</td>
<td>WSHA</td>
<td>Juneau, AK</td>
<td>May, 2017</td>
</tr>
<tr>
<td>Brandie Manuel &amp; Jackie Levin</td>
<td>Person and Family Centered Care &amp; Patient Safety</td>
<td>WSHA</td>
<td>Leavenworth, WA</td>
<td>May, 2017</td>
</tr>
<tr>
<td>Brandie Manuel</td>
<td>Teamwork and Innovation in Rural Healthcare: our TeamSTEPPS Journey</td>
<td>National Association for Healthcare Quality</td>
<td>Cincinnati, OH</td>
<td>September 18-20, 2017</td>
</tr>
<tr>
<td>Mitzi Hazard</td>
<td>Diabetic Foot Assessments</td>
<td>North American Seminars</td>
<td>Nashville, TN</td>
<td>September, 2017</td>
</tr>
</tbody>
</table>
QUESTIONS?

Finance Report - April 2017
May 17, 2017
AGENDA

- Knowledge sharing: Prepaid expenses
- Overview of April
  - April's performance
  - Where are the gaps?
  - Cash management
- May preview
- Wrapping up 2016
  - Audit schedule
  - Cost report preview

KNOWLEDGE SHARING

**Matching Principle:**

- Expenses are recorded when they are incurred, matched to the revenues of the period
- Matching concept is at the heart of accrual basis of accounting
- Without matching, the net income for a period may be either understated or overstated (and so are the related balance sheet balances)
**Prepaid Expenses:**

- A prepaid expense or prepayment is an asset which arises when a business pays an expense in advance.
- Following the matching principle, the advance payment is not recorded as an expense at the time of payment because it relates to future expenses.
- Current asset = 12 months or less, noncurrent asset if >12 months
- Common prepaid expenses include prepaid insurance expense, prepaid lease rentals, prepaid subscriptions, etc.

---

**Our Prepaid Expense Process:**

1. Invoice received, paid and posted to the Infor Accounting system
2. The period of service for the invoice is for a date(s) in the future
3. Posted as Prepaid Expenses asset account
4. Track the prepaid expenses in a spreadsheet to expense monthly
5. System generated recurring Journal Entries to write-off the prepaid expense amount in the appropriate periods
Prepaid Expense Example:

Initial Transaction:

<table>
<thead>
<tr>
<th>Accounts Affected</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepaid Expenses Asset Account $ 57,907.00</td>
<td>$ 57,907.00</td>
<td>$ 57,907.00</td>
</tr>
<tr>
<td>Cash</td>
<td>$ 57,907.00</td>
<td>$ 57,907.00</td>
</tr>
</tbody>
</table>

Monthly Transaction to Recognize Expense during service period:

<table>
<thead>
<tr>
<th>Accounts Affected</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepaid Expenses Asset Account $ 4,825.58</td>
<td>$ 4,825.58</td>
<td>$ 4,825.58</td>
</tr>
<tr>
<td>Dues and Subscriptions Expense Account</td>
<td>$ 4,825.58</td>
<td></td>
</tr>
</tbody>
</table>

OVERVIEW OF APRIL

We underperformed related to budget in April

Expenses were close to budget, but revenues were short. Spring break typically causes a low April, but this was atypically low

To both focus on growth and monitor with as much operating rigor as usual is difficult – currently growing 2 clinics and building 2 clinics
Jefferson Healthcare Ecosystem

Neutral margin services

Positive margin services

Negative margin services

Net income

APRIL CENSUS

AVERAGE DAILY CENSUS = 11.83

ICU  FBC  Swing Bed
MAY CENSUS
AVERAGE DAILY CENSUS = 16.00

YEAR TO DATE CENSUS
AVERAGE DAILY CENSUS = 14.92
## Operating Statistics
### April 2017

<table>
<thead>
<tr>
<th>Statistic Description</th>
<th>April Budget</th>
<th>April Actual</th>
<th>Quantity Variance</th>
<th>% Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>ICU Patient Days (IP + Observation, Midnight Census)</td>
<td>79</td>
<td>78</td>
<td>(1)</td>
<td>-2%</td>
</tr>
<tr>
<td>ACU Patient Days (IP + Observation, Midnight Census)</td>
<td>306</td>
<td>274</td>
<td>(32)</td>
<td>-10%</td>
</tr>
<tr>
<td>Swings IP Patient Days (Midnight Census)</td>
<td>57</td>
<td>2</td>
<td>(55)</td>
<td>-96%</td>
</tr>
<tr>
<td>Patient Days (ACU, ICU, Swings), Includes Observation</td>
<td>443</td>
<td>254</td>
<td>(189)</td>
<td>-20%</td>
</tr>
<tr>
<td>Births</td>
<td>9</td>
<td>8</td>
<td>(1)</td>
<td>-8%</td>
</tr>
<tr>
<td>Surgery Minutes (En OR)</td>
<td>8,287</td>
<td>7,816</td>
<td>(471)</td>
<td>-6%</td>
</tr>
<tr>
<td>Special Procedure Cases</td>
<td>123</td>
<td>54</td>
<td>(69)</td>
<td>-56%</td>
</tr>
<tr>
<td>Recovery Minutes</td>
<td>6,521</td>
<td>5,941</td>
<td>(580)</td>
<td>-9%</td>
</tr>
<tr>
<td>Lab Billable Tests</td>
<td>16,748</td>
<td>16,431</td>
<td>(317)</td>
<td>-2%</td>
</tr>
<tr>
<td>Total Blood Bank Units Matched</td>
<td>45</td>
<td>44</td>
<td>(1)</td>
<td>-3%</td>
</tr>
<tr>
<td>Total Radiology Tests</td>
<td>1,392</td>
<td>1,298</td>
<td>(94)</td>
<td>-7%</td>
</tr>
<tr>
<td>Nitro Completed</td>
<td>166</td>
<td>149</td>
<td>(17)</td>
<td>-11%</td>
</tr>
<tr>
<td>CT Scans Completed</td>
<td>363</td>
<td>368</td>
<td>5</td>
<td>1%</td>
</tr>
<tr>
<td>Ultrasound Completed</td>
<td>253</td>
<td>279</td>
<td>26</td>
<td>10%</td>
</tr>
<tr>
<td>Nuc Med Tests</td>
<td>38</td>
<td>30</td>
<td>(8)</td>
<td>-21%</td>
</tr>
<tr>
<td>Total Diagnostic Imaging Tests</td>
<td>2,205</td>
<td>2,124</td>
<td>(81)</td>
<td>-4%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Statistic Description</th>
<th>April Budget</th>
<th>April Actual</th>
<th>Quantity Variance</th>
<th>% Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Pharmacy Units</td>
<td>18,915</td>
<td>19,410</td>
<td>4,900</td>
<td>-7%</td>
</tr>
<tr>
<td>Total Respiratory Therapy Procedures</td>
<td>2,804</td>
<td>2,718</td>
<td>(86)</td>
<td>-3%</td>
</tr>
<tr>
<td>ER Census</td>
<td>988</td>
<td>1,044</td>
<td>56</td>
<td>6%</td>
</tr>
<tr>
<td>Soco Patient Visits (Encounters)</td>
<td>171</td>
<td>174</td>
<td>3</td>
<td>2%</td>
</tr>
<tr>
<td>Hpc &amp; Impg Patient Visits (Encounters)</td>
<td>2,481</td>
<td>2,207</td>
<td>(274)</td>
<td>-11%</td>
</tr>
<tr>
<td>JHIM Patient Visits (Encounters)</td>
<td>1,245</td>
<td>1,142</td>
<td>(103)</td>
<td>-8%</td>
</tr>
<tr>
<td>JHIM Patient Visits (Encounters)</td>
<td>587</td>
<td>673</td>
<td>86</td>
<td>15%</td>
</tr>
<tr>
<td>Total Rural Health Clinic Visits</td>
<td>4,485</td>
<td>4,196</td>
<td>(289)</td>
<td>-6%</td>
</tr>
<tr>
<td>Hjhc Patient Visits (Encounters)</td>
<td>460</td>
<td>460</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Gen Surg Patient Visits</td>
<td>339</td>
<td>281</td>
<td>(58)</td>
<td>-17%</td>
</tr>
<tr>
<td>Ortho Patient Visits</td>
<td>1,008</td>
<td>574</td>
<td>(434)</td>
<td>-43%</td>
</tr>
<tr>
<td>Infusion Center Visits</td>
<td>454</td>
<td>454</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Wound Care Visits</td>
<td>303</td>
<td>241</td>
<td>(62)</td>
<td>-20%</td>
</tr>
<tr>
<td>Oncology Visits</td>
<td>382</td>
<td>270</td>
<td>(112)</td>
<td>-29%</td>
</tr>
<tr>
<td>Anti Coag Visits</td>
<td>534</td>
<td>457</td>
<td>(77)</td>
<td>-14%</td>
</tr>
<tr>
<td>Sleep Clinic Visits</td>
<td>205</td>
<td>136</td>
<td>(69)</td>
<td>-34%</td>
</tr>
<tr>
<td>Cardiology Clinic</td>
<td>198</td>
<td>158</td>
<td>(40)</td>
<td>-20%</td>
</tr>
<tr>
<td>Womens Clinic</td>
<td>144</td>
<td>138</td>
<td>(6)</td>
<td>-4%</td>
</tr>
</tbody>
</table>
### APRIL

#### REVENUES AND ADJUSTMENTS

<table>
<thead>
<tr>
<th></th>
<th>April 2016 Actual</th>
<th>April 2017 Budget</th>
<th>Variance Favorable/Unfavorable</th>
<th>April 2017 FTD</th>
<th>April 2017 Budget YTD</th>
<th>Variance Favorable/Unfavorable</th>
<th>April 2016 FTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Revenues</td>
<td>5,152,573</td>
<td>5,109,085</td>
<td>(43,488)</td>
<td>4%</td>
<td>11,959,001</td>
<td>15,799,281</td>
<td>-3,840,280</td>
</tr>
<tr>
<td>Utilization Revenue</td>
<td>4,112,108</td>
<td>4,109,191</td>
<td>(3,217)</td>
<td>8%</td>
<td>9,577,692</td>
<td>12,140,411</td>
<td>-2,562,719</td>
</tr>
<tr>
<td>Total Gross Revenues</td>
<td>9,264,681</td>
<td>9,218,276</td>
<td>(46,405)</td>
<td>1%</td>
<td>21,536,693</td>
<td>27,940,702</td>
<td>-6,404,009</td>
</tr>
</tbody>
</table>

#### REVENUE ADJUSTMENTS

- Cost of Goods Sold
- Other Revenues

#### EXPENSES, NONOPERATING ACTIVITIES, AND CHANGE IN NET POSITION

<table>
<thead>
<tr>
<th></th>
<th>April 2016 Actual</th>
<th>April 2017 Budget</th>
<th>Variance Favorable/Unfavorable</th>
<th>April 2016 FTD</th>
<th>April 2017 Budget YTD</th>
<th>Variance Favorable/Unfavorable</th>
<th>April 2016 FTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Expenses</td>
<td>11,861,072</td>
<td>11,817,469</td>
<td>(43,603)</td>
<td>4%</td>
<td>24,728,355</td>
<td>29,708,915</td>
<td>-5,980,560</td>
</tr>
<tr>
<td>Net Patient Service Revenue</td>
<td>6,751,564</td>
<td>6,719,418</td>
<td>(32,146)</td>
<td>1%</td>
<td>13,501,535</td>
<td>16,388,888</td>
<td>-2,887,353</td>
</tr>
<tr>
<td>Other Revenues</td>
<td>208,234</td>
<td>204,084</td>
<td>(4,150)</td>
<td>2%</td>
<td>506,239</td>
<td>561,237</td>
<td>-55,000</td>
</tr>
<tr>
<td>Total Operating Expenses</td>
<td>11,440,062</td>
<td>11,384,083</td>
<td>(55,979)</td>
<td>1%</td>
<td>24,204,516</td>
<td>29,149,012</td>
<td>-5,944,500</td>
</tr>
</tbody>
</table>

### APRIL

#### EXPENSES, NONOPERATING ACTIVITIES, AND CHANGE IN NET POSITION

<table>
<thead>
<tr>
<th></th>
<th>April 2016 Actual</th>
<th>April 2017 Budget</th>
<th>Variance Favorable/Unfavorable</th>
<th>April 2016 FTD</th>
<th>April 2017 Budget YTD</th>
<th>Variance Favorable/Unfavorable</th>
<th>April 2016 FTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Expenses</td>
<td>4,959,243</td>
<td>4,755,108</td>
<td>(204,135)</td>
<td>4%</td>
<td>10,959,243</td>
<td>11,168,665</td>
<td>-209,422</td>
</tr>
<tr>
<td>Supplies and Vagons</td>
<td>1,539,200</td>
<td>1,395,402</td>
<td>(143,798)</td>
<td>1%</td>
<td>3,078,402</td>
<td>3,790,803</td>
<td>-712,401</td>
</tr>
<tr>
<td>Professional Fees</td>
<td>302,386</td>
<td>301,004</td>
<td>(1,382)</td>
<td>1%</td>
<td>604,772</td>
<td>602,008</td>
<td>(2,764)</td>
</tr>
<tr>
<td>Total Operating Expenses</td>
<td>7,514,389</td>
<td>7,333,517</td>
<td>(180,872)</td>
<td>1%</td>
<td>15,493,629</td>
<td>15,167,871</td>
<td>(325,758)</td>
</tr>
<tr>
<td>Total Net Operating Expenses (Loss)</td>
<td>7,160,504</td>
<td>7,403,782</td>
<td>(243,278)</td>
<td>4%</td>
<td>15,041,060</td>
<td>16,581,844</td>
<td>-5,540,784</td>
</tr>
</tbody>
</table>
FINANCIAL SNAPSHOT
APRIL, MONTH AND YEAR TO DATE

APRIL
FTE TRENDS
WHERE ARE THE GAPS?
CONTRIBUTION MARGIN VARIANCE BY DEPARTMENT

<table>
<thead>
<tr>
<th>Department</th>
<th>Department Description</th>
<th>Variance (favorable)/Unfavorable</th>
<th>YTD Variance (favorable)/Unfavorable</th>
</tr>
</thead>
<tbody>
<tr>
<td>6900 ICU</td>
<td>$5,800</td>
<td>$145,179</td>
<td>36.7%</td>
</tr>
<tr>
<td>6905 ACU</td>
<td>$22,657</td>
<td>$39,139</td>
<td>106.3%</td>
</tr>
<tr>
<td>6970 INCUBATOR</td>
<td>$18,841</td>
<td>$7,790</td>
<td>29.7%</td>
</tr>
<tr>
<td>6975 TRANSPORT</td>
<td>$76,065</td>
<td>$94,820</td>
<td>49.2%</td>
</tr>
<tr>
<td>7000 MEDICAL SPECIALTY</td>
<td>$3,000</td>
<td>$72,922</td>
<td>2,487%</td>
</tr>
<tr>
<td>7060 HOSPITALITY</td>
<td>$1,000</td>
<td>$1,200</td>
<td>100.0%</td>
</tr>
<tr>
<td>7065 NURSES</td>
<td>$61,410</td>
<td>$3,106</td>
<td>4.9%</td>
</tr>
<tr>
<td>7070 LAB</td>
<td>$8,245</td>
<td>$195,645</td>
<td>104.7%</td>
</tr>
<tr>
<td>7075 SURGERY</td>
<td>$3,316</td>
<td>$20,640</td>
<td>106.9%</td>
</tr>
<tr>
<td>7080 EMERGENCY ROOM</td>
<td>PHYSICIAN FEE</td>
<td>$36,105</td>
<td>38.5%</td>
</tr>
</tbody>
</table>

DAYS OF CASH
TOTAL CASH / AVERAGE EXPENDITURES PER DAY

- Days of Cash 6 Month Average
- Days of Cash All Sources
- Targeted Days of Cash
CASH RESERVES
BOARD DESIGNATED AND TOTAL NET CASH EQUIVALENTS

CASH RESERVES
EXCLUDING 3RD PARTY PAYOR SETTLEMENTS
DAYS IN ACCOUNTS RECEIVABLE

- **CAH West Average**: 64.7 days (57 in 2013)
- **QHI Network Average**: 54.48 days (2016)

2017 BOARD BUDGET

<table>
<thead>
<tr>
<th>Department/Account Description</th>
<th>Current Month</th>
<th>Current YTD</th>
<th>Variance (Favorable)</th>
<th>YTD Actual</th>
<th>YTD Budget</th>
<th>Variance (Favorable)</th>
</tr>
</thead>
<tbody>
<tr>
<td>MANAGEMENT &amp; SUPERVISION WAGE</td>
<td>$1,143.00</td>
<td>$4,498.00</td>
<td>$(1,355.00)</td>
<td>$16,258.00</td>
<td>$17,950.00</td>
<td>$(1,732.00)</td>
</tr>
<tr>
<td>CONSULT MINGROUP FEE</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>AUDIT FEES</td>
<td>-$2,177.00</td>
<td>$13,302.00</td>
<td>$15,479.00</td>
<td>$11,507.00</td>
<td>$7,820.00</td>
<td>-</td>
</tr>
<tr>
<td>CATERING</td>
<td>$477.00</td>
<td>$381.00</td>
<td>$90.00</td>
<td>$183.00</td>
<td>$322.00</td>
<td>-</td>
</tr>
<tr>
<td>OFFICE SUPPLIES</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>MINOR EQUIPMENT</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>COMPUTER EQUIPMENT</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>OTHER NON-MEDICAL SUPPLIES</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>OTHER PURCHASED SERVICES</td>
<td>$90.00</td>
<td>$108.00</td>
<td>$18.00</td>
<td>$3,288.00</td>
<td>$(2,158.00)</td>
<td>-</td>
</tr>
<tr>
<td>LEASES/RENTALS-BUILDINGS</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>LEASES/RENTALS-EQUIPMENT</td>
<td>$74.00</td>
<td>$74.00</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>LICENSES/FEES AND TAXES</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>TRAVEL/MEETINGS/TRAINING</td>
<td>$499.00</td>
<td>$1,150.00</td>
<td>$651.00</td>
<td>$5,575.00</td>
<td>$(5,982.00)</td>
<td>-</td>
</tr>
<tr>
<td>MISCELLANEOUS EXP</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Exp Total                                            | $5,112.00     | $9,337.00   | $(4,225.00)          | $38,223.00 | $38,743.00 | $(5,520.00)          |

BOARD Total                                          | $5,112.00     | $9,337.00   | $(4,225.00)          | $38,223.00 | $38,743.00 | $(5,520.00)          |

Grand Total                                          | $5,112.00     | $9,337.00   | $(4,225.00)          | $38,223.00 | $38,743.00 | $(5,520.00)          |
MAY PREVIEW

REVENUES

- $17,100,000 in HB charges
  - Average: $533,000/day (HB only)
  - Budget: $560,500/day

- $7,020,000 in HB cash collections
  - Average: $223,000/day (HB only)
  - Goal: $255,000/day

WRAPPING UP 2016

2016 AUDIT

- Audit is significantly complete
- One open item related to Medicaid enhancement payments
- Net income will be ~$3M higher than during the soft close because of MCR settlements and enhancement payments
- Tom Dingus will present on June 21
COST REPORT PREVIEW

2016 SETTLEMENT

- Medicare ~$3,100,000 receivable
  - Will be paid in July/August
  - Will be recorded to 2016
  - Actual report is $3.4M receivable, but we are withholding a reserve for two new MCR strategies
- Medicaid ~$27,000 payable

2017 EXPECTED LUMP SUM PAYMENT

- Medicare ~ $1,000,000 receivable
  - Will be recorded and paid in July/August
- Medicaid does not do interim payments

Questions and comments?
Administrative Report

May 15, 2017

The Delicate Balance

• Growing and promoting margin positive services.

• Modulating the expansion of margin negative/ community benefit services.

• Finding balance is the key to meeting community need and our sustainability.

• April was out of balance.
Wanna Cry

• International ransomware attack.

• Penetrated some healthcare organizations.

• Jefferson Healthcare was not infected.

• We were in a strong place going in, and are in a stronger place coming out.

CHIP Update

• The Executive Director position is posted... 13 applicants so far.

• Interlocal agreement has been signed by Jefferson Healthcare and the City.

• Work is still being done by individual teams and agencies, but will be greatly enhanced by having the new Executive Director in place.
Update from D.C.

  - Repeals Medicaid expansion subsidies.
  - Provides refundable tax credits instead.
  - Repeals individual and employee mandates.
  - Allows states to obtain waivers to rule in/rule out current policy.
  - Lots more unfriendly stuff.

Update from DC

- US Senate currently considering the AHCA.
  - It will look dramatically different than house version.
Update from DC

• Likely impact on Jefferson Healthcare.
  • If a bill can be reconciled and is passed into law it will likely include reductions to Medicaid expansion funding.
  • This will likely create insurance insecurity issues for several members of our community and revenue reduction for the hospital.

Questions & Comments