

Jefferson County Public Hospital District No.2
Board of Commissioners, Regular Session Minutes
Wednesday, May 17, 2017
Victor J. Dirksen Conference Room

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

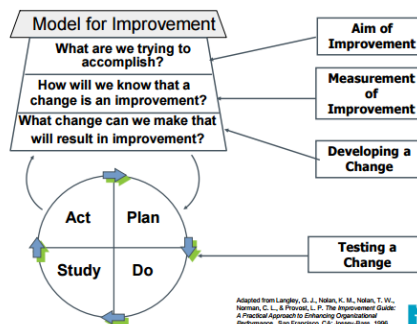
May 2017 Quality Report



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



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

Jefferson Healthcare

HC Re-certification

Management System Certification

ISO 9001:2015, NIAHO Accreditation Survey

2017-Mar-14 to 2017-Mar-17

Scope of Certification

Provider of healthcare services including acute medical, surgical, critical care, rehabilitative, obstetrical, emergency care, laboratory and radiology services.

DNV GL Team Leader:

Brennan P Scott

Audit Team:

Gregory Smick, Brennan P Scott, Kristine Smith

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Culture of Safety

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

Jefferson Healthcare

The graphs in this analysis are set to display hospital performance relative to national performance (average and 90th percentile). As a result, the axis for each chart varies.

H_COMP_1_A_P: Communication with Nurses

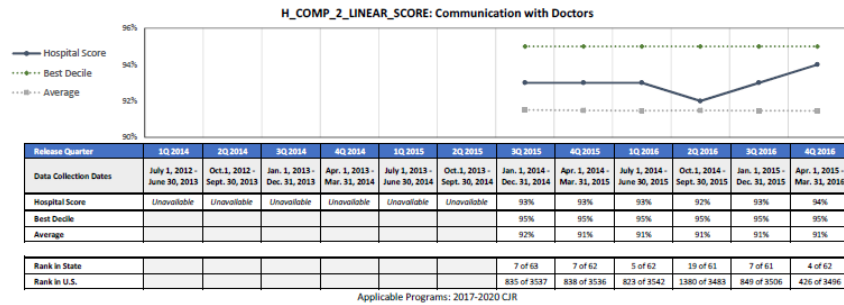
Legend: Hospital Score, Best Decile, Average

Reference Quarter	1Q 2014	3Q 2014	1Q 2015	3Q 2015	1Q 2016	3Q 2016	1Q 2017	3Q 2017	1Q 2018	3Q 2018	1Q 2019
Data Collection Dates	July 1, 2013 - June 30, 2013	Oct 1, 2013 - Sept 30, 2013	Jan 1, 2014 - Dec 31, 2013	Apr 1, 2014 - Mar 31, 2014	July 1, 2014 - June 30, 2014	Oct 1, 2014 - Sept 30, 2014	Jan 1, 2015 - Dec 31, 2014	Apr 1, 2015 - Mar 31, 2015	July 1, 2015 - June 30, 2015	Oct 1, 2015 - Sept 30, 2015	Jan 1, 2016 - Dec 31, 2015
Hospital Score	81%	Unavailable	Unavailable	Unavailable	80%	79%	79%	81%	82%	83%	85%
Best Decile	84%	84%	85%	84%	85%	85%	85%	85%	85%	85%	85%
Average	79%	79%	79%	79%	79%	79%	79%	80%	80%	80%	80%
Rank in State	7 of 63				11 of 63	21 of 63	13 of 62	3 of 62	4 of 61	4 of 61	2 of 62
Rank in U.S.	811 of 3578				1257 of 3546	1922 of 3527	1576 of 3535	943 of 3542	710 of 3483	550 of 3505	304 of 3495

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Culture of Safety



Patient Safety

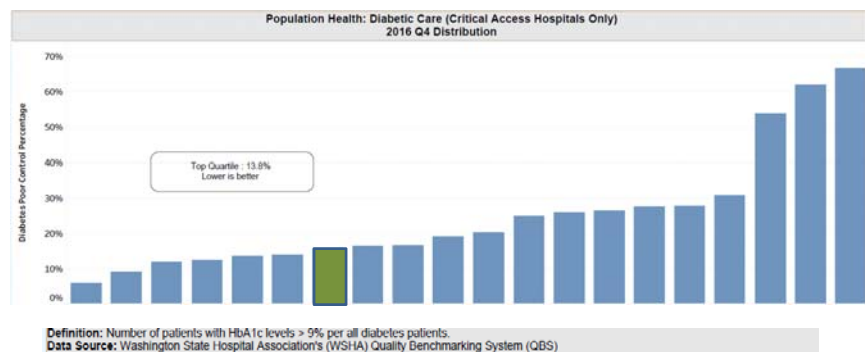
Indicator	Goal	Quarter 1 2017	Quarter 4 2016	Quarter 3 2016	Quarter 2 2016
CAUTI	0	0	1	0	0
CLABSI	0	0	0	0	0
Severe Sepsis Mortality Rate	2%	0	3.3%*	0	0
Surgical Site Infections: Colon	0	0	0	0	0
Surgical Site Infections: Hip & Knee	0	0	0	0	0
Ventilator Associated Events	0	0	0	0	0

*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
<i>Adverse Drug Events</i>					
Anticoagulants	0	1	0	1	1
Hypoglycemic Agents	0	1	3	0	0
Opioids	0	1	0	0	0
<i>Nursing Sensitive Indicators</i>					
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

Patient Safety



Patient Safety: Antimicrobial Stewardship

The Antimicrobial Stewardship Program continued to qualify for the Washington Department of Health Honor Roll for 2017.

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

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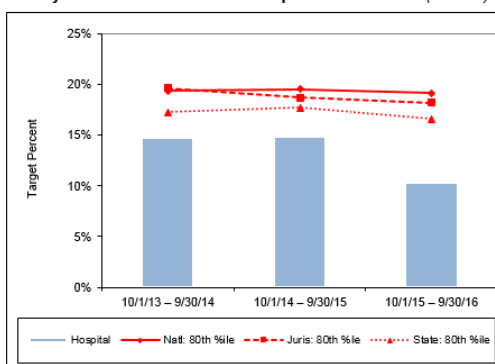
Patient Safety: Readmissions

- 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)



YOUR HOSPITAL		10/1/13 – 9/30/14	10/1/14 – 9/30/15	10/1/15 – 9/30/16
Target Area Percent		14.6%	14.5%	10.3%
Target Discharge Count (numerator: count of index (first) readmissions during this time period for which a readmission occurred within 30 days to the same critical access hospital, to another critical access hospital or to a short-term acute care (STAC) hospital)		90	101	65
Denominator Count (denominator: count of all discharges (excluding discharges to long-term care facilities))		608	677	630
Target (Numerator) Average Length of Stay		4.4	3.8	3.6
Denominator Average Length of Stay		3.5	3.5	3.6
Target (Numerator) Average Payment		\$14,676	\$13,172	\$12,216
Target (Numerator) Sum of Payments		\$1,320,867	\$1,330,336	\$795,969
COMPARATIVE DATA				
Note: State and/or jurisdiction percentiles are zero if there are fewer than 11 providers with reportable data for the target area in the state and/or jurisdiction.				
National 80th Percentile		10.3%	10.5%	10.1%
Jurisdiction 80th Percentile		19.6%	10.7%	10.2%
State 80th Percentile		17.2%	17.7%	16.8%

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
 - Home Health & Hospice Nurses
 - Home Health & Hospice Aides
- MSW: Mary Fortman
- Chaplain/Bereavement Services: Bernie Ward-Crixall
- Volunteers: Hospice Volunteers

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!

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



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)

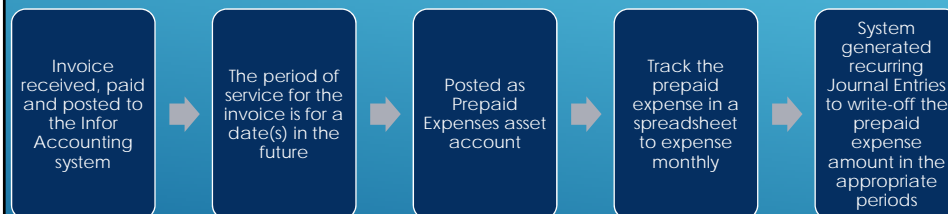
KNOWLEDGE SHARING CONT.

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.

KNOWLEDGE SHARING CONT.

Our Prepaid Expense Process:



KNOWLEDGE SHARING CONT.

8010.93

Washington State Hospital Association
999 Third Avenue Suite 1400
Seattle, WA 98104
Telephone (206) 261-7211
2017 WSHA Membership Dues

Jefferson Healthcare
834 Sheridan Avenue
Port Townsend, WA 98368-2443

Invoice Date: 12/8/2016
Invoice: 041371
Customer ID: JEPGEN
Terms: 1/3/2017

	Amount
2017 WSHA Membership Dues	54,107.00
Rural Hospital Patient Safety	3,800.00
Total Amount Due: \$ 57,907.00	

OK MD

Prepaid Expense Example:

Initial Transaction:

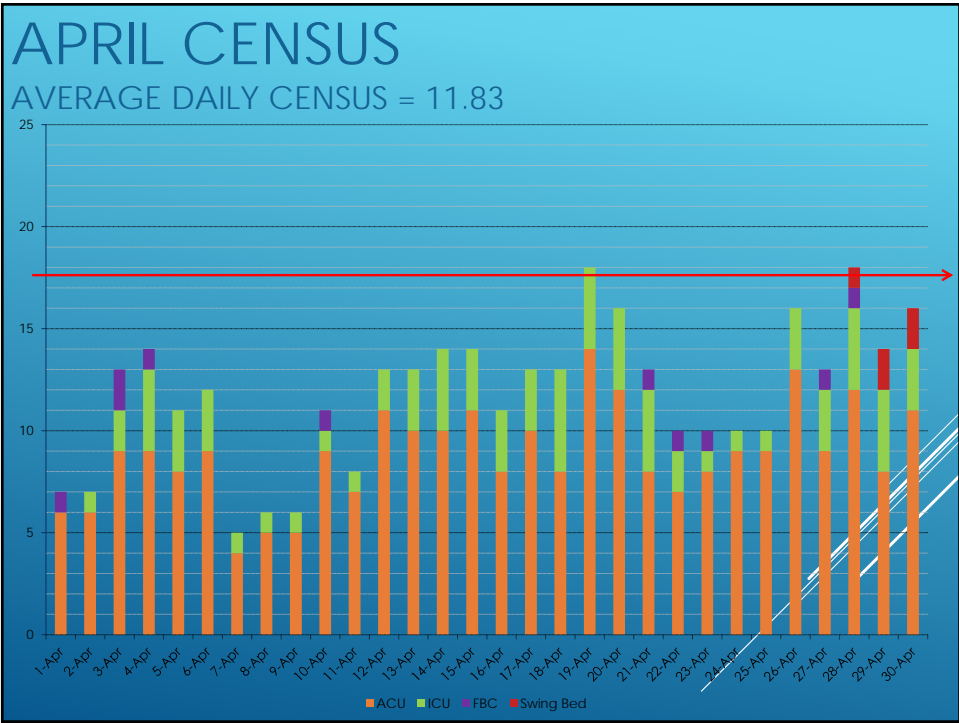
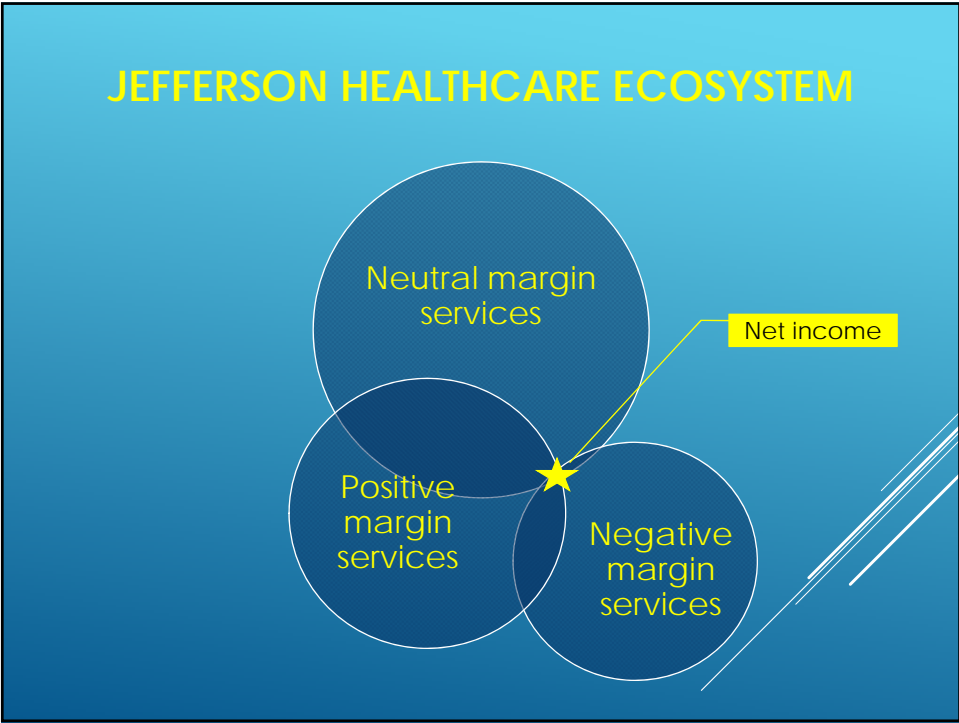
Accounts Affected	Debit	Credit
Prepaid Expenses Asset Account	\$ 57,907.00	
Cash		\$ 57,907.00

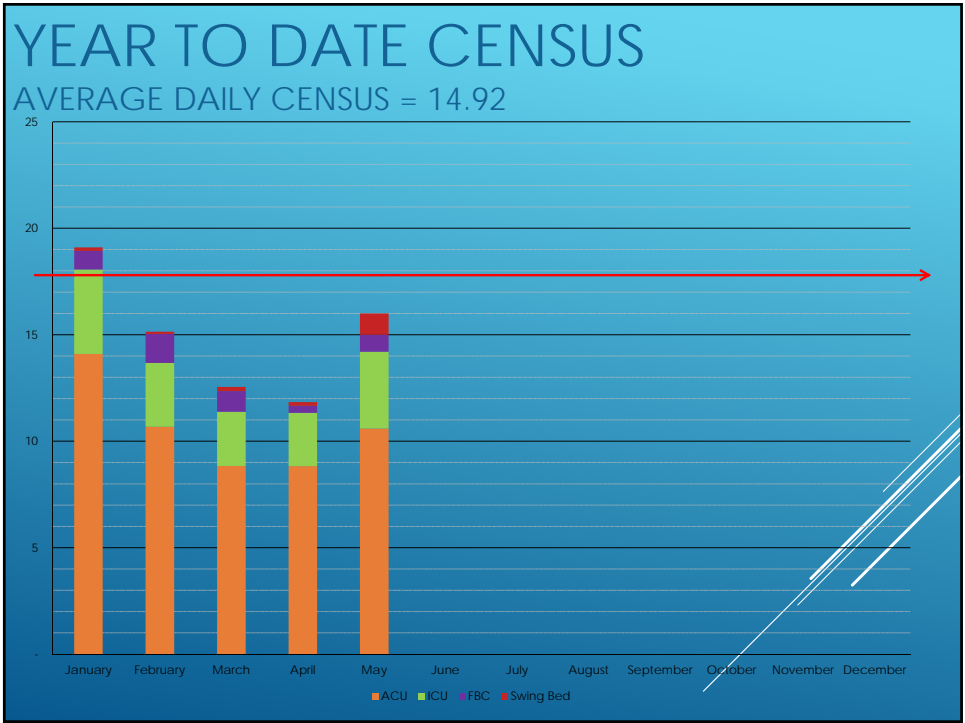
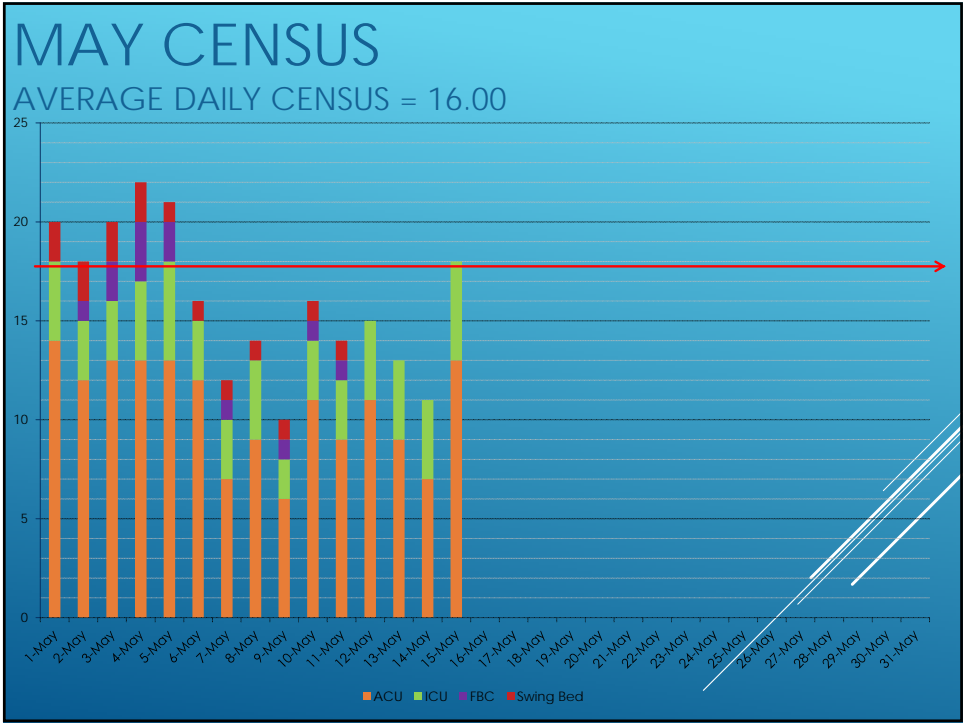
Monthly Transaction to Recognize Expense during service period:

Prepaid Expenses Asset Account		\$ 4,825.58
Dues and Subscriptions Expense Account	\$ 4,825.58	

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





OPERATING STATISTICS

APRIL 2017

STATISTIC DESCRIPTION	APRIL BUDGET	APRIL ACTUAL	QUANTITY VARIANCE	% VARIANCE
ICU PATIENT DAYS (IP + OBSERVATION, MIDNIGHT CENSUS)	79	78	(1)	-2%
ACU PATIENT DAYS (IP + OBSERVATION, MIDNIGHT CENSUS)	306	274	(32)	-10%
SWING IP PATIENT DAYS (MIDNIGHT CENSUS)	57	2	(55)	-96%
PATIENT DAYS (ACU, ICU, SWING), INCLUDES OBSERVATION	443	354	(89)	-20%
BIRTHS	9	8	(1)	-8%
SURGERY MINUTES (IN OR)	8,287	7,816	(471)	-6%
SPECIAL PROCEDURE CASES	123	54	(69)	-56%
RECOVERY MINUTES	6,521	5,941	(580)	-9%
LAB BILLABLE TESTS	16,748	16,431	(317)	-2%
TOTAL BLOOD BANK UNITS MATCHED	45	44	(1)	-3%
TOTAL RADIOLOGY TESTS	1,392	1,298	(94)	-7%
MRIs COMPLETED	160	149	(11)	-7%
CT SCANS COMPLETED	363	368	5	1%
ULTRASOUNDS COMPLETED	253	279	26	10%
NUC MED TESTS	38	30	(8)	-21%
TOTAL DIAGNOSTIC IMAGING TESTS	2,205	2,124	(81)	-4%

OPERATING STATISTICS

APRIL 2017

STATISTIC DESCRIPTION	APRIL BUDGET	APRIL ACTUAL	QUANTITY VARIANCE	% VARIANCE
TOTAL PHARMACY UNITS	10,916	19,416	8,500	78%
TOTAL RESPIRATORY THERAPY PROCEDURES	2,804	2,718	(86)	-3%
ER CENSUS	988	1,044	56	6%
SOCO PATIENT VISITS (ENCOUNTERS)	171	174	3	2%
JHPC & JMPG PATIENT VISITS (ENCOUNTERS)	2,481	2,207	(274)	-11%
JHFM PATIENT VISITS (ENCOUNTERS)	1,245	1,142	(103)	-8%
JHIM PATIENT VISITS (ENCOUNTERS)	587	673	86	15%
TOTAL RURAL HEALTH CLINIC VISITS	4,485	4,196	(289)	-6%
JHPLC PATIENT VISITS (ENCOUNTERS)	460	460	0	0%
GEN SURG PATIENT VISITS	339	281	(58)	-17%
ORTHO PATIENT VISITS	1,008	574	(434)	-43%
INFUSION CENTER VISITS	454	454	0	0%
WOUND CARE VISITS	303	241	(62)	-20%
ONCOLOGY VISITS	382	270	(112)	-29%
ANTI COAG VISITS	534	457	(77)	-14%
SLEEP CLINIC VISITS	205	136	(69)	-34%
CARDIOLOGY CLINIC	198	158	(40)	-20%
WOMENS CLINIC	144	138	(6)	-4%

APRIL REVENUES AND ADJUSTMENTS

	April 2017 Actual	April 2017 Budget	Variance Favorable/ (Unfavorable)	%	April 2017 YTD	April 2017 Budget YTD	Variance Favorable/ (Unfavorable)	%	April 2016 YTD
Gross Revenue									
Inpatient Revenue	3,132,573	3,329,895	(197,322)	-6%	15,653,691	15,319,226	1,733,864	12%	11,304,802
Outpatient Revenue	12,179,704	13,951,918	(1,772,214)	-13%	51,511,872	55,887,787	(4,296,635)	-8%	45,012,568
Total Gross Revenue	15,312,277	17,281,723	(1,969,446)	-11%	66,564,162	69,126,934	(2,562,771)	-4%	56,317,370
Revenue Adjustments									
Cost Adjustment Medicaid	1,474,455	2,120,984	646,529	30%	6,769,859	8,483,943	1,714,084	20%	6,770,733
Cost Adjustment Medicare	5,698,167	5,695,494	(2,673)	0%	23,560,656	22,781,990	(778,666)	-3%	18,412,292
Charity Care	71,752	108,100	36,348	34%	301,878	432,401	130,523	30%	337,417
Contractual Allowances Other	1,142,245	1,210,877	68,132	6%	4,875,565	4,843,512	(32,053)	-1%	3,665,825
Administrative Adjustments	(5,114)	19,472	24,586	126%	153,787	77,887	(75,900)	97%	67,759
Adjust Bad Debt	178,688	256,374	77,686	30%	1,208,275	1,025,497	(182,778)	18%	1,025,572
Total Revenue Adjustments	8,560,693	9,411,302	850,608	9%	36,870,020	37,645,229	775,209	2%	30,279,597
Net Patient Service Revenue	6,751,584	7,870,421	(1,118,838)	-14%	29,694,143	31,481,705	(1,787,562)	-6%	26,037,772
Other Revenue									
340B Revenue	255,234	251,844	3,390	1%	982,275	1,007,375	(25,100)	-2%	942,352
Meaningful Use Ehr Incentive	173,744	3,288	(3,288)	-100%	499,804	13,151	(13,151)	-100%	-
Other Operating Revenue		109,317	64,427	59%		437,270	62,534	14%	315,038
Total Operating Revenues	7,180,561	8,234,870	(1,054,309)	-13%	31,176,222	32,939,500	(1,763,278)	-5%	27,295,162

APRIL EXPENSES, NONOPERATING ACTIVITIES, AND CHANGE IN NET POSITION

	April 2017 Actual	April 2017 Budget	Variance Favorable/ (Unfavorable)	%	April 2017 YTD	April 2017 Budget YTD	Variance Favorable/ (Unfavorable)	%	April 2016 YTD
Operating Expenses									
Salaries And Wages	4,022,551	4,075,266	52,715	1%	15,825,613	16,301,074	475,461	3%	13,411,864
Employee Benefits	1,109,289	1,006,680	(102,610)	-10%	4,128,492	4,026,721	(101,771)	-3%	3,424,954
Professional Fees	388,748	281,104	(107,644)	-38%	1,593,384	1,124,416	(468,968)	-42%	1,247,990
Purchased Services	509,958	522,574	12,616	2%	1,965,596	2,090,298	124,702	6%	1,611,307
Supplies	1,032,982	1,173,307	140,325	12%	4,862,628	4,693,230	(169,399)	-4%	3,764,548
Insurance	47,668	55,890	8,222	15%	194,473	223,562	29,088	13%	219,941
Leases And Rentals	124,160	142,968	18,808	13%	468,850	571,874	103,024	18%	461,366
Depreciation And Amortization	344,186	302,812	(41,374)	-14%	1,396,545	1,211,248	(185,296)	-15%	1,392,880
Repairs And Maintenance	44,255	74,737	30,482	41%	184,466	298,948	114,481	38%	182,498
Utilities	83,189	75,607	(7,582)	-10%	326,974	302,429	(24,544)	-8%	251,643
Licenses And Taxes	72,270	45,063	(27,207)	-60%	204,961	180,251	(24,710)	-14%	190,131
Other	149,944	169,190	19,246	11%	546,248	676,762	130,514	19%	512,011
Total Operating Expenses	7,929,201	7,925,198	(4,003)	0%	31,698,229	31,700,811	2,582	0%	26,671,133
Operating Income (Loss)	(748,639)	309,672	(1,058,311)	-342%	(522,007)	1,238,689	(1,760,696)	-142%	624,029
Non Operating Revenues (Expenses)									
Taxation For Maint Operations	16,759	16,603	156	1%	68,830	66,411	2,419	4%	57,039
Taxation For Debt Service	18,589	18,390	199	1%	74,415	73,562	854	1%	84,319
Investment Income	13,588	6,370	7,218	113%	53,193	25,479	27,713	109%	32,881
Interest Expense	(55,106)	(82,854)	27,748	33%	(212,481)	(331,414)	118,934	36%	(113,649)
Bond Issuance Costs	-	(12,329)	12,329	0%	-	(49,315)	49,315	0%	-
Gain or (Loss) on Disposed Asset	-	-	-	0%	5,500	0	5,500	0%	43,249
Contributions	11,897	11,507	391	3%	309,880	46,027	263,852	573%	17,281
Total Non Operating Revenues (Expenses)	5,728	(42,313)	48,040	114%	299,336	(169,250)	468,586	277%	121,121
Change in Net Position (Loss)	(742,912)	267,360	(1,010,271)	-378%	(222,671)	1,069,439	(1,292,110)	-121%	745,149

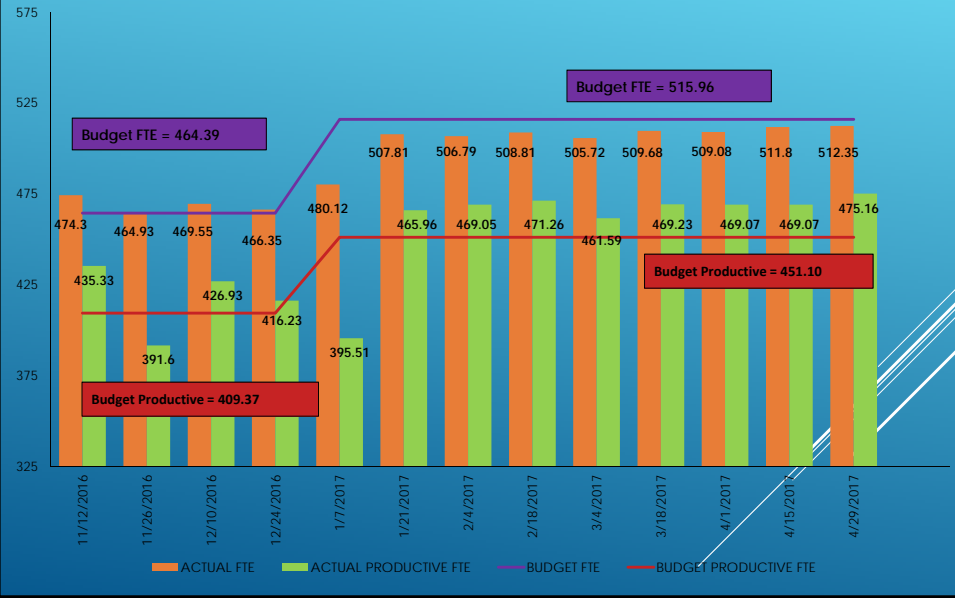
FINANCIAL SNAPSHOT

APRIL, MONTH AND YEAR TO DATE

	April 2017 Actual	April 2017 Budget	Variance Favorable/ (Unfavorable)	%	April 2017 YTD	April 2017 Budget YTD	Variance Favorable/ (Unfavorable)	%	April 2016 YTD
Operating Margin	-10.4%	3.8%	-14.2%	-377.2%	-1.7%	3.8%	-5.43%	-144.5%	2.3%
Total margin	-10.3%	3.2%	-13.6%	-418.7%	-0.7%	3.2%	-3.96%	-122.0%	2.7%
Inpatient gross revenue	3,132,573	3,329,805	(197,232)	-5.9%	15,053,091	13,319,226	1,733,864	13.0%	11,304,802
Outpatient gross revenue	12,179,704	13,951,918	(1,772,214)	-12.7%	51,511,072	55,807,707	(4,296,635)	-7.7%	45,012,568
Net patient revenue	6,751,584	7,870,421	(1,118,838)	-14.2%	29,694,143	31,481,705	(1,787,562)	-5.7%	26,037,772
Deductions as a % of gross revenue	-55.9%	-54.5%	-1.4%	-2.7%	-55.4%	-54.5%	-0.93%	-1.7%	-53.8%
Charity as a % of gross revenue	-0.5%	-0.6%	0.2%	25.1%	-0.5%	-0.6%	0.17%	27.5%	-0.6%
Bad Debt as a % of gross revenue	-1.2%	-1.5%	0.3%	21.3%	-1.8%	-1.5%	-0.33%	-22.4%	-1.8%
Salaries & Benefits as a % of net pt. service rev.	-76.0%	-64.6%	-11.4%	-17.7%	-67.2%	-64.6%	-2.63%	-4.1%	-64.7%

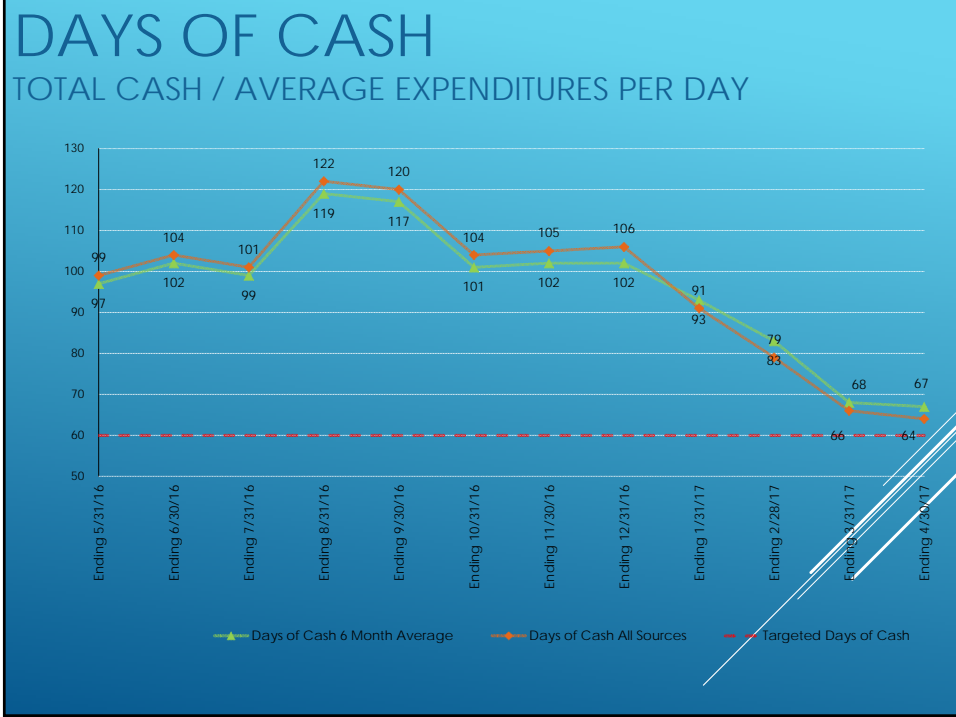
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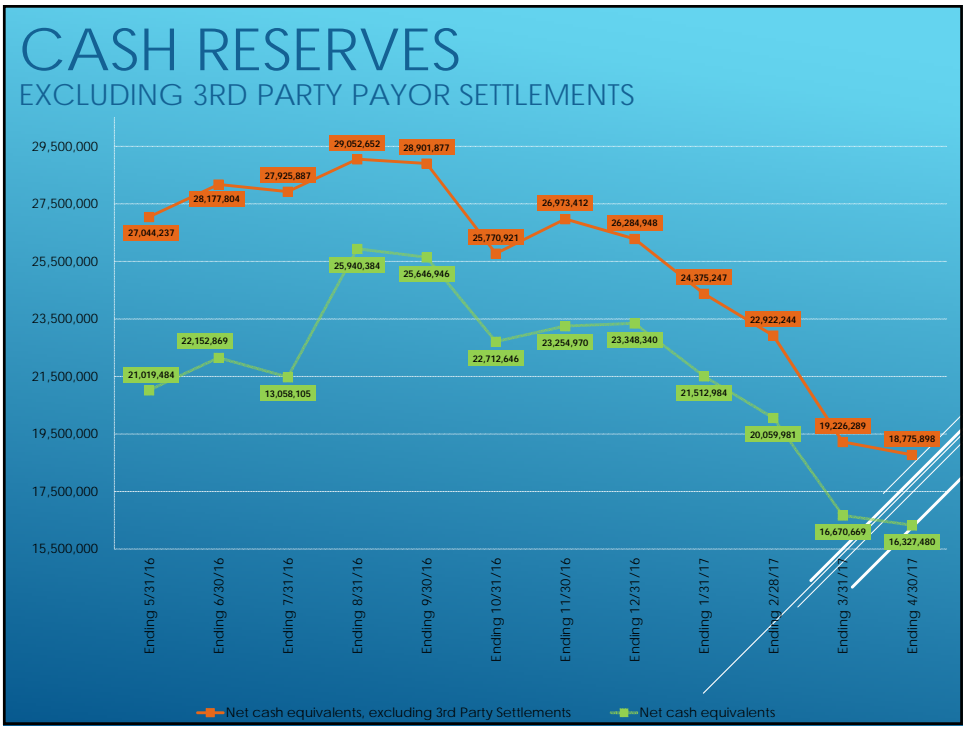
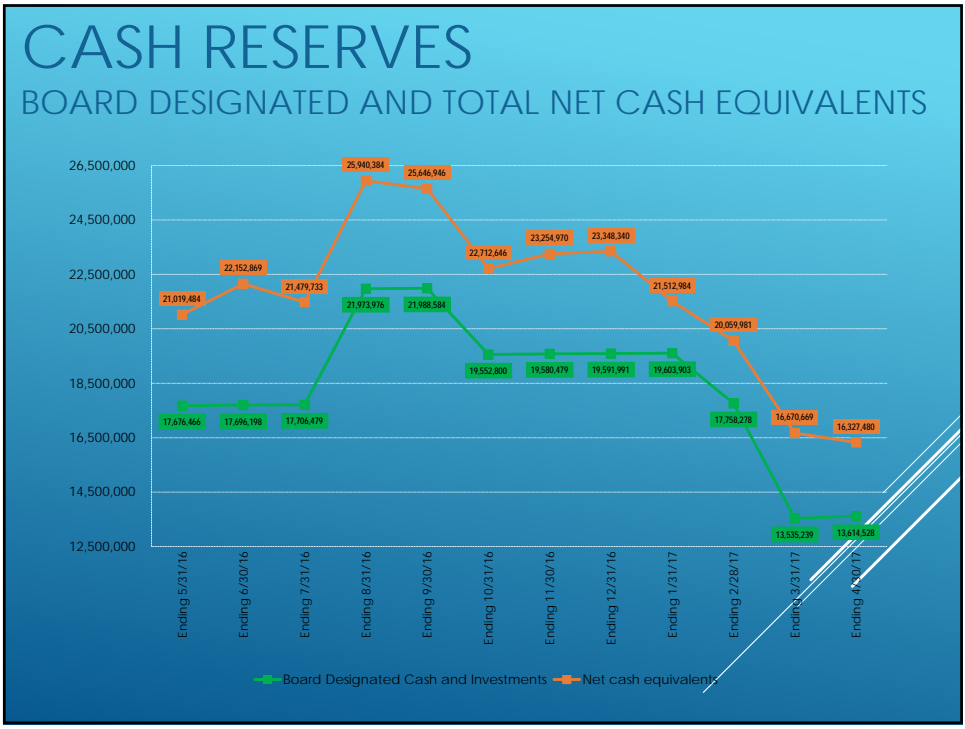
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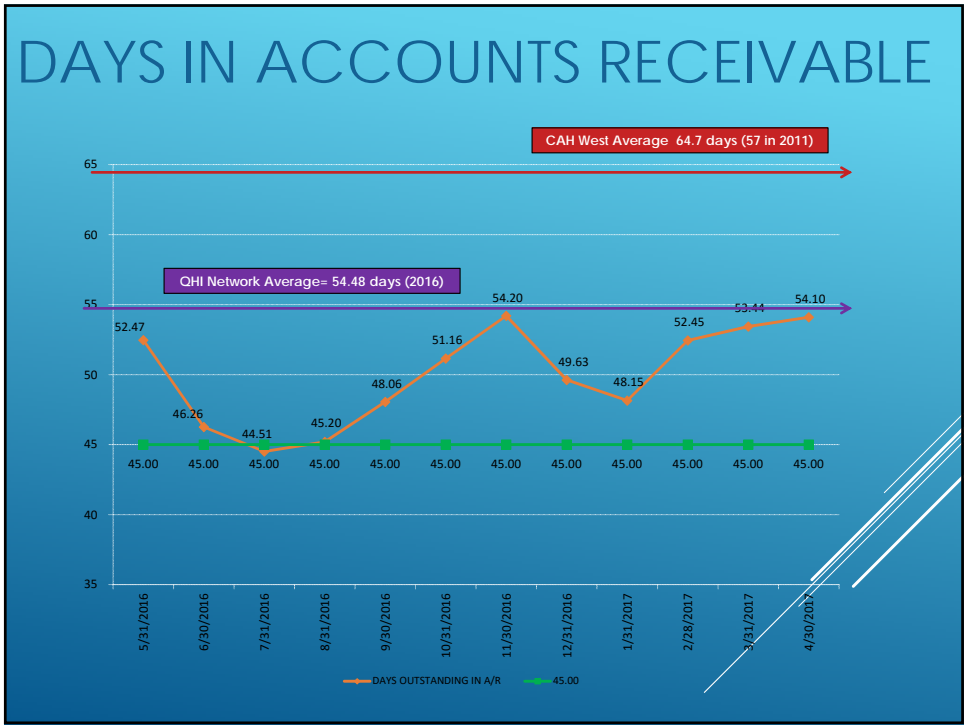


WHERE ARE THE GAPS? CONTRIBUTION MARGIN VARIANCE BY DEPARTMENT

Department	Department Description	Variance (Favorable)/ Unfavorable	YTD Variance (Favorable)/ Unfavorable	Department	Department Description	Variance (Favorable)/ Unfavorable	YTD Variance (Favorable)/ Unfavorable
6010	ICU	\$ 5,601	\$ (149,275)	7231	EMERGENCY ROOM PHYSICIAN FEES	\$ (317)	\$ (100,472)
6070	ACU	\$ 138,317	\$ 39,155	7255	INFUSION CENTER	\$ (61,344)	\$ (328,194)
6170	NEWBORN	\$ 16,861	\$ 7,750	7256	WOUND CLINIC	\$ 33,012	\$ 79,316
6210	SWING BED	\$ 73,983	\$ 314,895	7257	MED SHORT STAY	\$ -	\$ -
6400	HOSPITALIST	\$ 23,680	\$ 42,982	7258	ONCOLOGY	\$ 25,243	\$ 77,267
7010	FBC	\$ 91,410	\$ 101,368	7260	ANTI COAG	\$ 55,628	\$ 230,209
7020	GENERAL SURGERY	\$ (5,126)	\$ (170,840)	7280	SOCO CLINIC	\$ (2,379)	\$ (16,724)
7021	SURGERY-SPEC PROC	\$ 99,215	\$ 355,442	7281	SURGERY CENTER	\$ 16,358	\$ 32,614
7030	PRE/POST OP	\$ 37,115	\$ (53,216)	7381	JHFM	\$ (4,900)	\$ (43,758)
7040	ANESTHESIOLOGY	\$ 148,363	\$ 392,160	7382	JHPC	\$ 170,175	\$ 199,180
7050	CENTRAL SUPPLY	\$ 57,786	\$ 115,983	7384	GEN SURG CLINIC	\$ 154,378	\$ 473,119
7070	LAB	\$ 57,143	\$ (124,536)	7386	UROLOGY CLINIC	\$ 32,317	\$ 2,264
7078	BLOOD BANK	\$ (7,229)	\$ (39,488)	7387	SLEEP CENTER	\$ 185,168	\$ 1,252,061
7110	EKG	\$ (8,635)	\$ (51,702)	7388	SLEEP CLINIC	\$ (58,130)	\$ (953,234)
7120	MRI	\$ 43,199	\$ 156,717	7390	OUTPATIENT SPECIALISTS	\$ 1,866	\$ 19,692
7130	CT SCAN	\$ (117,354)	\$ (359,647)	7391	WOMENS CLINIC	\$ 15,806	\$ 23,246
7140	RADIOLOGY	\$ 112,467	\$ 360,457	7392	EAST JEFF SC	\$ (2,750)	\$ 8,510
7142	ECHO	\$ 41,641	\$ 121,160	7393	PORT LUDLOW CLINIC	\$ 23,765	\$ 6,546
7143	ULTRASOUND	\$ (27,999)	\$ (105,509)	7394	JHIM	\$ (698)	\$ (106,922)
7149	MAMMOGRAPHY	\$ 169	\$ (17,319)	7395	ORTHO CLINIC	\$ 57,749	\$ 363,561
7180	NUC MED	\$ 22,881	\$ 100,722	7396	MADRONA FAMILY MED	\$ (5,130)	\$ (3,882)
7170	PHARMACY	\$ 161,893	\$ (696,107)	7397	WOMENS CLINIC	\$ 69,147	\$ 203,292
7171	PHARMACY 340B	\$ 61,237	\$ 352,951	7400	HOME HEALTH	\$ (16,898)	\$ (66,253)
7180	RESPIRATORY THERAPY	\$ 36,118	\$ (37,563)	7410	HOSPICE	\$ 9,030	\$ 249,454
7182	PULM REHAB	\$ (3,817)	\$ (3,651)	7420	CARE TRANSFORMATION	\$ (37,101)	\$ 68,243
7200	PHYSICAL THERAPY	\$ (9,514)	\$ (75,800)	7490	CARDIAC REHAB	\$ 11,796	\$ 17,001
7202	COMMUNITY CONTRACT SERVICES	\$ 13	\$ 50	7491	DIABETIC ED	\$ 7,474	\$ 13,953
7210	OCCUPATIONAL THERAPY	\$ (22,019)	\$ (18,816)	7500	CARDIOLOGY CLINIC	\$ 1,632	\$ 33,805
7215	SPEECH THERAPY	\$ (14,592)	\$ (29,809)	7510	CARDIOLOGY	\$ 289	\$ 491
7230	EMERGENCY ROOM	\$ 132,359	\$ 235,309				







2017 BOARD BUDGET

Departm	Departm	Rev/Re	Account	Account Description	'Current Month	'Current Month Budget	'Variance (Favorable) /	'YTD Actual	'YTD Budget	'YTD Variance (Favorable)/
8612	BOARD	Exp	600010	MANAGEMENT & SUPERVISION WAGE	3,143.00	4,498.00	(1,355.00)	16,258.00	17,990.00	(1,732.00)
			602300	CONSULT MNGMT FEE	-	-	-	-	-	-
			602500	AUDIT FEES	-	2,877.00	(2,877.00)	19,332.00	11,507.00	7,825.00
			604200	CATERING	477.00	96.00	381.00	905.00	383.00	522.00
			604500	OFFICE SUPPLIES	-	-	-	128.00	-	128.00
			604800	MINOR EQUIPMENT	-	-	-	-	-	-
			604850	COMPUTER EQUIPMENT	-	-	-	-	-	-
			604900	OTHER NON-MEDICAL SUPPLIES	-	-	-	3.00	-	3.00
			606500	OTHER PURCHASED SERVICES	930.00	822.00	108.00	930.00	3,288.00	(2,358.00)
			608100	LEASES/RENTALS-BUILDINGS	-	-	-	-	-	-
			608200	LEASES/RENTALS-EQUIPMENT	74.00	-	74.00	74.00	-	74.00
			609200	LICENSE LICENSES AND TAXES	-	-	-	-	-	-
			609400	TRAVEL/MEETINGS/TRAINING	489.00	1,644.00	(1,155.00)	593.00	6,575.00	(5,982.00)
			609900	MISC OTHER EXP	-	-	-	-	-	-
			Exp Total		5,113.00	9,937.00	(4,824.00)	38,223.00	39,743.00	(1,520.00)
			BOARD Total		5,113.00	9,937.00	(4,824.00)	38,223.00	39,743.00	(1,520.00)
			Grand Total		5,113.00	9,937.00	(4,824.00)	38,223.00	39,743.00	(1,520.00)

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

Jefferson
Healthcare



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.

- US House of Representatives passed the American Healthcare Act.
 - Repeals Medicaid expansion subsidies.
 - Provides refundable tax credits instead.
 - Repeals individual and employee mandates.
 - Allows stats 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