

**Jefferson County Public Hospital District No.2**  
**Board of Commissioners, Regular Session Minutes**  
**Wednesday, June 21, 2017**  
**Victor J. Dirksen Conference Room**

**Call to Order:**

The meeting was called to order at 3:30 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 Quality and Safety, Jenn Wharton, Executive Director Medical Group, and Alyssa Rodrigues, Administrative Assistant. This meeting was officially audio recorded by Jefferson Healthcare.

**Approve Agenda:**

Commissioner Kolff made a motion to approve the agenda. Commissioner De Leo seconded.

Discussion ensued.

**Action:** Motion passed unanimously.

**Patient Story:**

Lisa Holt, CAO, spoke about a sleep center patient and how well the sleep clinic had accommodated his needs.

**Minutes:**

- June 7 Regular Session minutes

Commissioner Dressler made a motion to approve the June 7 Regular Session Minutes. Commissioner Dressler seconded.

**Action:** Motion passed unanimously.

Commissioner Kolff made an amendment to add “as a LiveWell Fit event for Sound Health”

Commissioner Dressler seconded.

**Action:** Amended motion passed unanimously.

**Action:** Main motion passed unanimously.

**Required Approvals:**

- Medical Staff Credentials/Appointments/Reappointments
- May Warrants and Adjustments
- Resolution 2017-24 Cancel Warrants
- Emergency CEO Succession Policy

Commissioner De Leo made a motion to approve Medical Staff Credentials/ Appointments/ Reappointments, May Warrants and Adjustment, Resolution 2017-24 Cancel Warrants, Emergency CEO Succession Policy as presented. Commissioner Dressler seconded the motion.

**Action:** Motion passed unanimously.

**Public Comment:**

No public comment was made.

**Independent Auditors Report:**

Tom Dingus, CPA, Dingus, Zarecor & Associates PLLC gave a presentation on the annual financial statement and financial indicators for Jefferson Healthcare.

Discussion ensued.

**5210 Initiative:**

Karen Obermeyer, Health Educator, Jefferson County Public Health gave a presentation on the 5210 Initiative.

Discussion ensued.

**Financial Report:**

Hilary Whittington, CFO, presented the May financial report.

Discussion ensued.

**Administrator's Report:**

Mike Glenn, CEO, gave his administrator's report.

Discussion ensued.

**Chief Medical Officer Report:**

CMO, Joe Mattern, reported on provider recruitment and updates of new providers, specialty clinics, primary care growth, provider engagement, strategic planning, provider resource center, ACO, and the Epic Upgrade.

**Board Reports:**

Commissioner De Leo reported that he had attended Executive Quality Council and was very impressed with the professionalism, commitment, and enthusiasm from the group. He appreciates the dynamic between Rena Sleight, Risk Manager, and Brandie Manuel, Executive Director, Patient Safety and Quality.

Commissioner De Leo reported that he attended the Patient Financial Experience Task Force and he was also very impressed with the commitment, input, and also the support that Hilary Whittington provides.

Commissioner Dressler asked if Jefferson Healthcare volunteers could attend the Annual Employee Picnic.

Commission Buhler reported that she will distribute the minutes from the Board of Health meeting at the next board meeting.

**Conclude:**

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

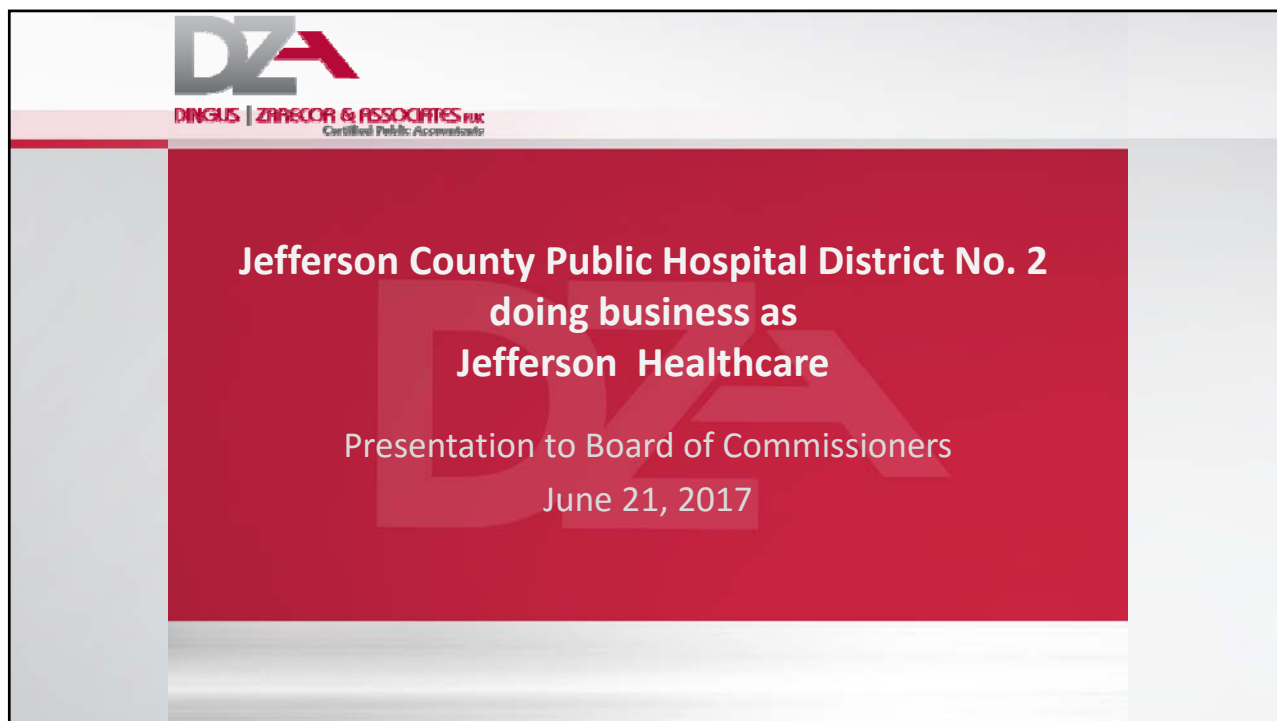
**Action:** Motion passed unanimously.

Meeting concluded at 6:00pm.

Approved by the Commission:

President of Commission: Jill Buhler \_\_\_\_\_

Secretary of Commission: Marie Dressler \_\_\_\_\_



## Dingus, Zarecor & Associates (DZA)

- CPA firm specialized in healthcare (over 95%)
- CPA firm specialized in critical access hospitals (over 70 served)
- Audit
- Medicare and Medicaid reimbursement
- IRS Form 990
- Consulting

**DZ**  
DINGUS | ZARECOR & ASSOCIATES P.C.  
Certified Public Accountants

## Agenda

- Audited financial statements
- Financial indicators
- Required communication with those charged with governance



## Independent Auditors' Report

- Unmodified opinion
- Financial statements ***present fairly*** the financial position, changes in financial position, and cash flows



## Management's Discussion and Analysis

- Prepared by management
- Condensed financial statements
- Narrative



## Assets

ASSETS	2016	2015
<i>Current assets</i>		
Cash and cash equivalents	\$ 3,653,742	\$ 3,692,643
Receivables:		
Patients, less allowances for uncollectible accounts of \$3,472,000 and \$3,223,000, respectively	10,371,480	8,750,405
Estimated third-party payor settlements	7,757,450	6,132,919
Electronic health record incentive payments	123,196	287,458
340b contract pharmacies	583,082	607,389
Other	155,988	26,024
Inventories	1,818,099	1,580,708
Prepaid expenses and other assets	810,770	925,289
Cash and cash equivalents restricted or limited as to use	20,240,390	18,768,134
Taxes receivable restricted or limited as to use	10,482	11,882
Total current assets	45,524,679	40,782,851
<i>Noncurrent assets</i>		
Capital assets, net	41,068,450	24,388,074
<b>Total assets</b>	<b>\$ 86,593,129</b>	<b>\$ 65,170,925</b>

## Liabilities and Net Position

LIABILITIES AND NET POSITION	2016	2015
<i>Current liabilities</i>		
Accounts payable	\$ 3,860,940	\$ 2,958,021
Accrued payroll and related liabilities	1,323,047	1,143,794
Accrued paid time off	2,628,087	2,384,335
Accrued interest payable	4,063	4,488
Current portion of long-term debt	568,685	543,860
Current portion of capital lease obligations	-	879,919
<b>Total current liabilities</b>	<b>8,384,822</b>	<b>7,914,417</b>
<i>Noncurrent liabilities</i>		
Long-term debt net of current portion	28,071,741	12,050,991
Accounts payable, capital	1,797,147	1,435,456
<b>Total noncurrent liabilities</b>	<b>29,868,888</b>	<b>13,486,447</b>
<b>Total liabilities</b>	<b>38,253,710</b>	<b>21,400,864</b>
<i>Net position</i>		
Net investment in capital assets	10,626,814	9,473,360
Restricted under bond agreements	544,634	501,716
Unrestricted	37,167,971	33,794,985
<b>Total net position</b>	<b>48,339,419</b>	<b>43,770,061</b>
<b>Total liabilities and net position</b>	<b>\$ 86,593,129</b>	<b>\$ 65,170,925</b>

## Medicare and Medicaid Cost Report Settlements

- Medicare
- Medicaid
- Rural health clinic Medicaid managed care reconciliations
- Building project and related debt

## Operating Results

	2016	2015
<i>Operating revenues</i>		
Net patient service revenue, net of provision for bad debts of \$2,807,357 and \$3,375,293, respectively	\$ 85,362,227	\$ 83,077,931
Electronic health record incentive payments	182,750	448,110
340b contract pharmacies	3,202,317	3,742,522
Grants	74,597	30,014
Other	1,059,317	825,699
Total operating revenues	89,881,208	88,124,276
<i>Operating expenses</i>		
Salaries and wages	42,217,029	39,147,712
Employee benefits	9,864,583	9,412,464
Professional fees	4,841,379	4,117,510
Purchased services	4,950,924	3,769,427
Supplies	13,387,127	11,756,154
Insurance	676,041	598,538
Leases and rentals	1,404,703	1,291,525
Depreciation and amortization	4,065,182	4,074,343
Repairs and maintenance	682,861	885,992
Utilities	836,749	870,369
Licenses and taxes	628,169	669,411
Other	1,871,549	1,787,535
Total operating expenses	85,426,296	78,380,980
<i>Operating income</i>	4,454,912	9,743,296

## Nonoperating Results

	2016	2015
<i>Nonoperating revenues (expenses)</i>		
Taxation for maintenance and operations	443,447	447,559
Taxation for debt service	11,312	11,161
Investment income	103,462	18,334
Interest expense	(541,665)	(391,688)
Bond issuance costs	-	(153,300)
Gain (loss) on disposal of capital assets	39,355	(31,014)
Contributions	58,535	455,645
Total nonoperating revenues, net	114,446	356,697
Change in net position	4,569,358	10,099,993
Net position, beginning of year	43,770,061	33,670,068
Net position, end of year	\$ 48,339,419	\$ 43,770,061



## Notes to the Financial Statements

- Notes serve three purposes:
  - Explanation of reporting entity
  - How account balances and transactions are recognized and reported in the financial statement
  - Details for significant account balances



## Notes to Financial Statements – Key Points

- Capital assets – note 6
- Long-term debt – note 7
  - Terms
  - Future debt service
- Long-term debt commitment – note 8
- Operating leases – note 9
- Net patient service revenue – note 10
- Subsequent event – note 15



## Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters

- Government Auditing Standards
- No material weaknesses or significant deficiencies reported

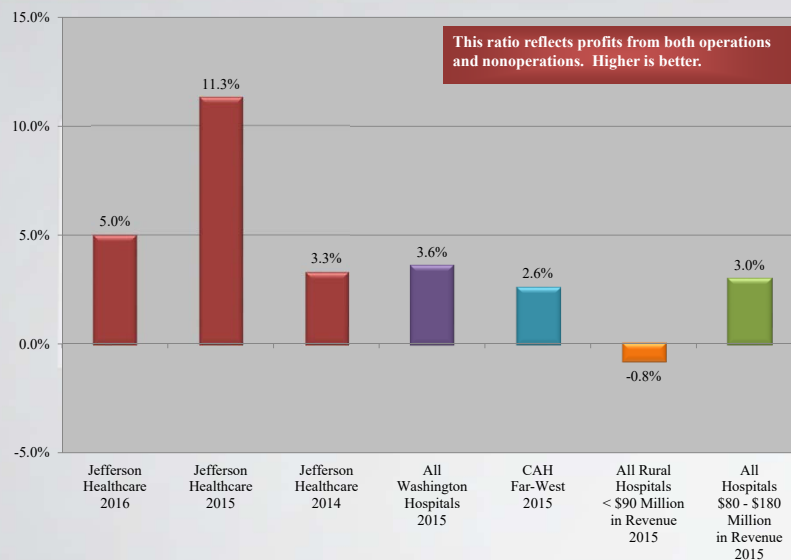


## Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

- Single Audit
- Over \$750,000 in federal awards
- USDA
- No findings reported

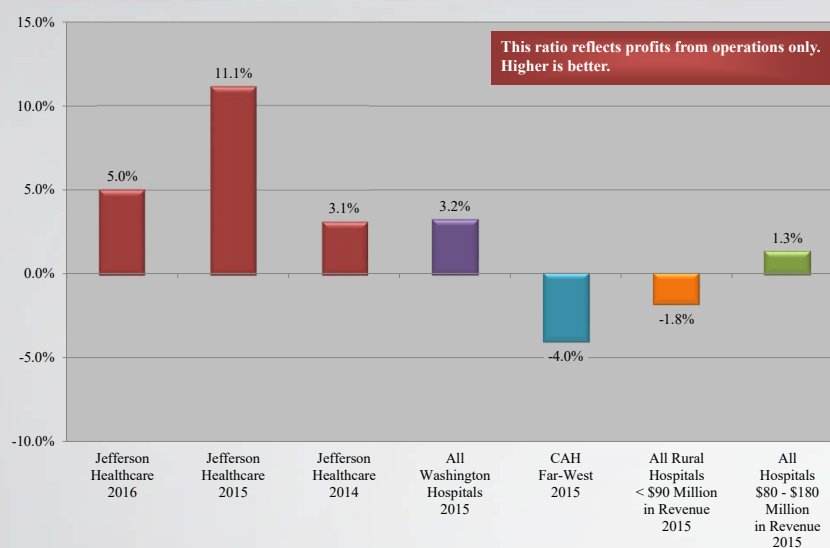
## Total Margin

$\frac{\text{Change in Net Position}}{\text{Total Revenues}}$



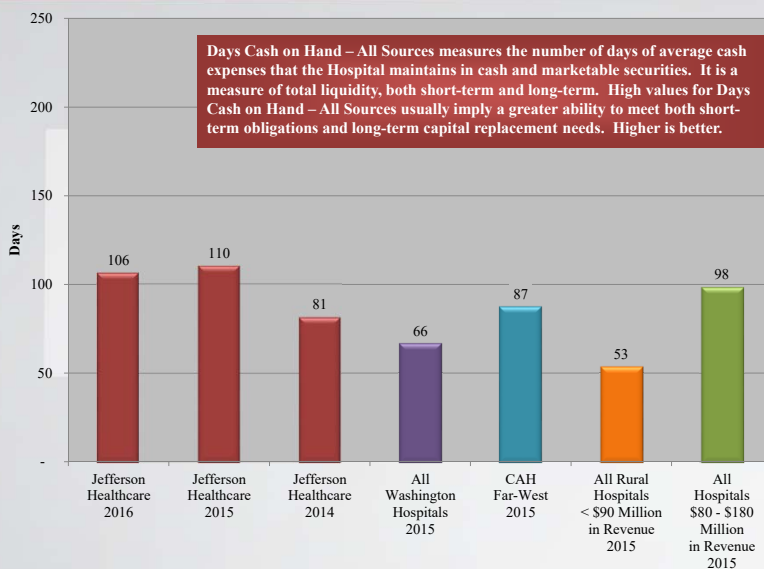
## Operating Margin

$\frac{\text{Operating Income (Loss)}}{\text{Total Operating Revenues}}$



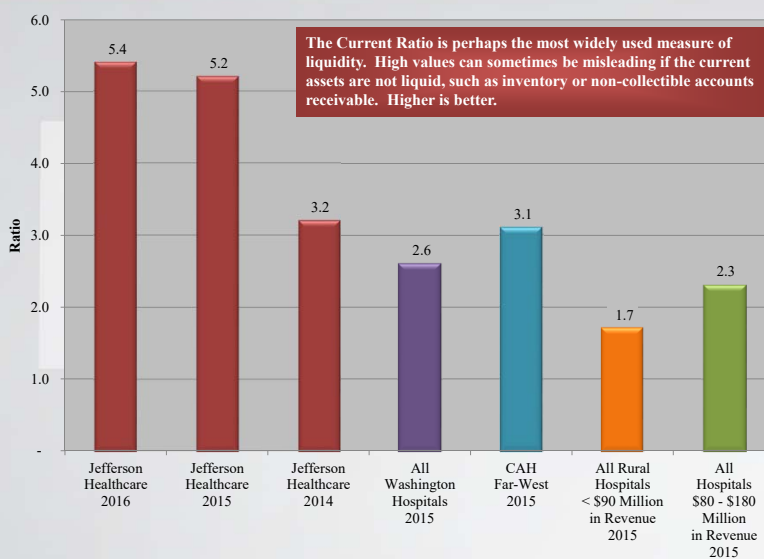
## Days Cash on Hand – All Sources

$$\frac{\text{Cash} + \text{Short-term Investments} + \text{Noncurrent Cash and Short-term Investments}}{(\text{Total Expenses} - \text{Depreciation}) / 365}$$



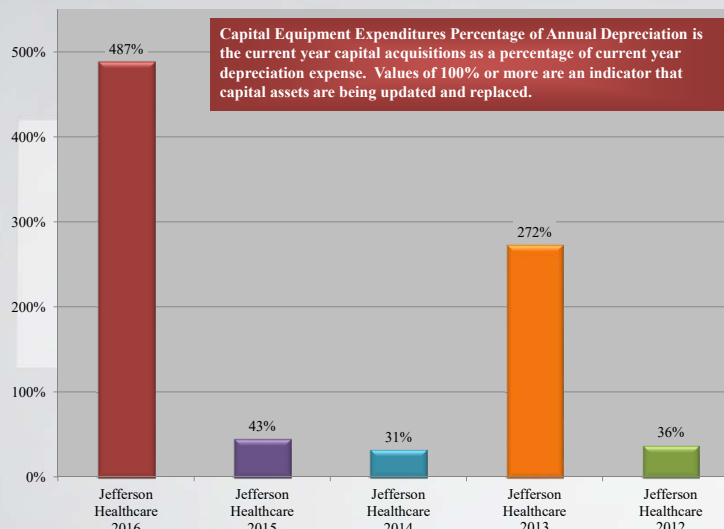
## Current Ratio

$$\frac{\text{Current Assets}}{\text{Current Liabilities}}$$



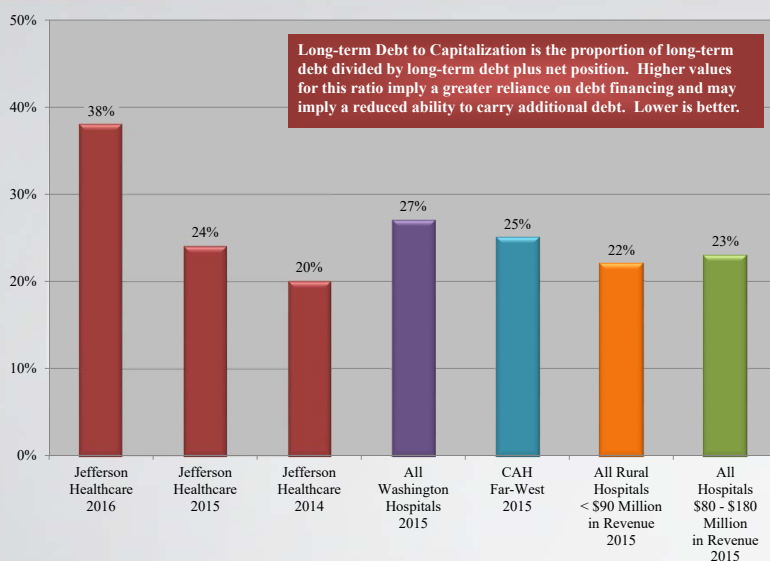
## Capital Equipment Expenditures Percentage of Annual Depreciation

$$\frac{\text{Capital Equipment Expenditures}}{\text{Equipment Depreciation Expense}}$$



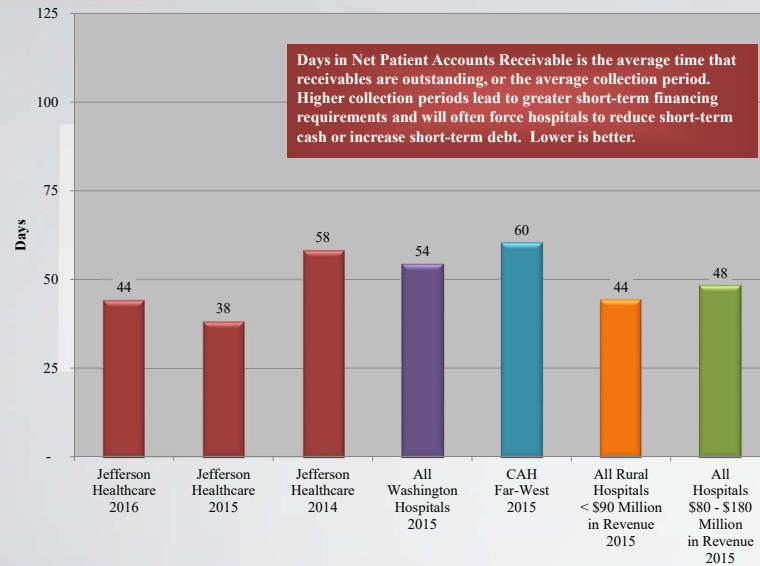
## Long-term Debt to Capitalization

$$\frac{\text{Long-term Debt and Capital Lease Obligations}}{\text{Long-term Debt and Capital Lease Obligations} + \text{Net Position}}$$



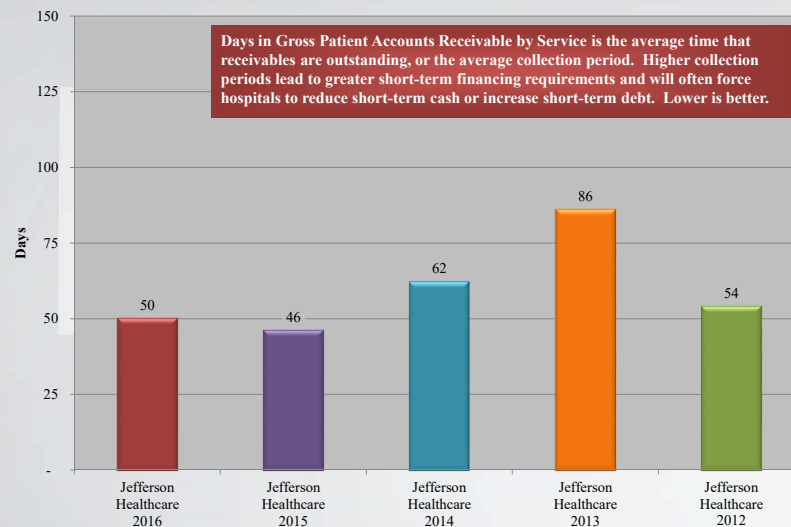
## Days in Net Patient Accounts Receivable

Net Patient Accounts Receivable  
Net Patient Service Revenues / 365



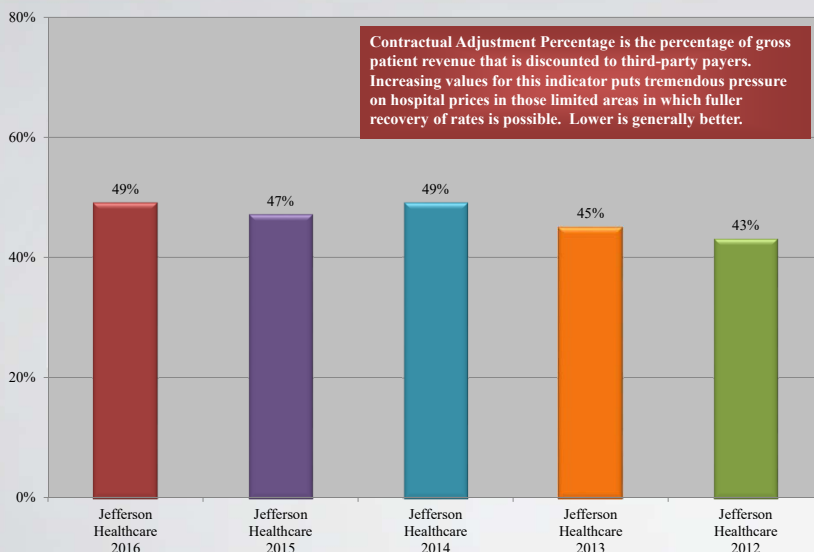
## Days in Gross Patient Accounts Receivable by Service

Gross Patient Accounts Receivable  
Gross Patient Service Revenues / 365



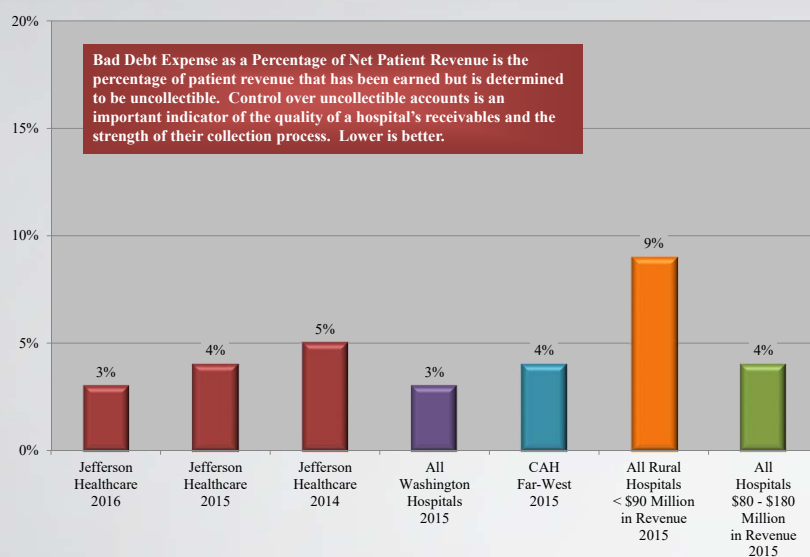
## Contractual Adjustment Percentage

Contractual Adjustments  
Gross Patient Revenues



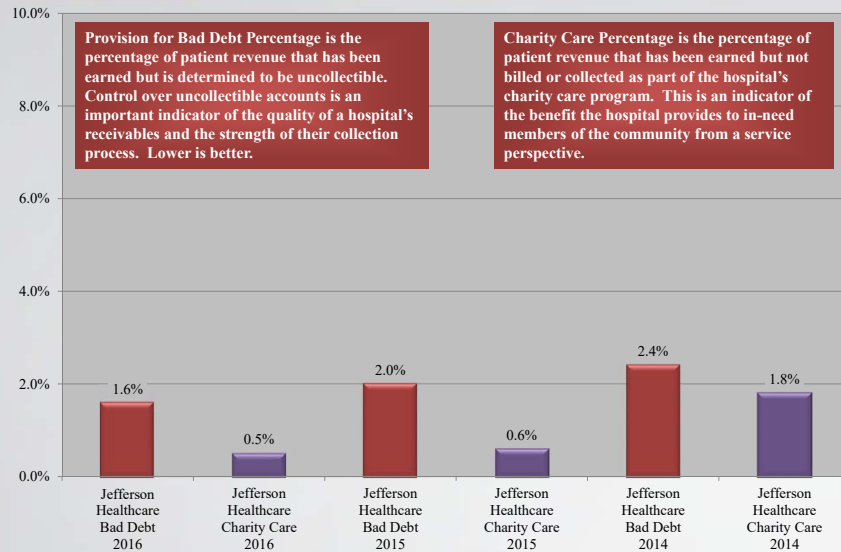
## Bad Debt Expense as a Percentage of Net Patient Revenue

Provision for Bad Debt  
Net Patient Revenues

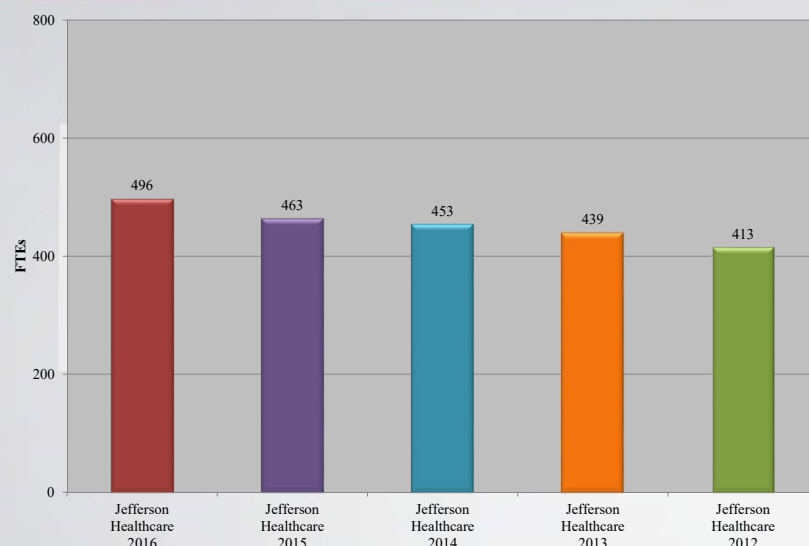


## Bad Debt and Charity Care Percentage

Provision for Bad Debt or Charity Care  
Gross Patient Revenues



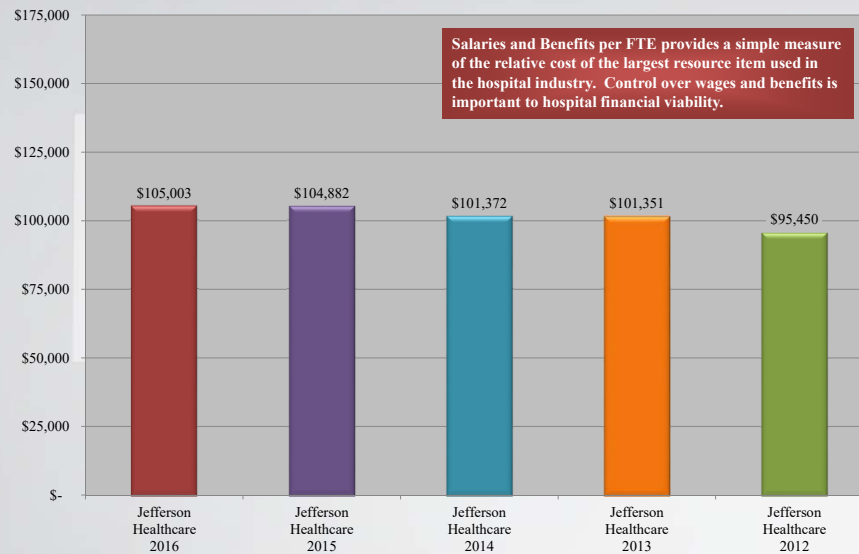
## Full-time Equivalent Employees (FTE)





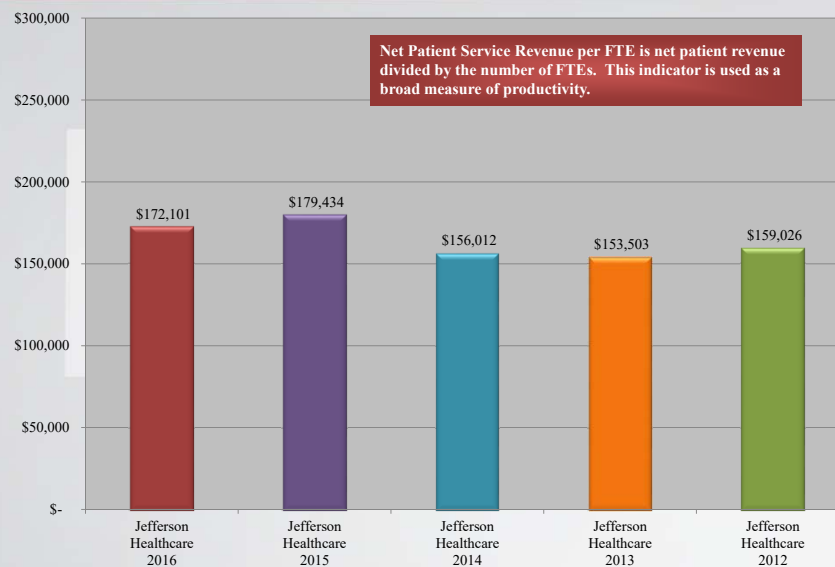
## Salaries and Benefits per FTE

Total Salaries & Total Benefits  
FTEs



## Net Patient Service Revenue per FTE

Net Patient Service Revenue  
FTEs



## Auditor Required Communications With Those Charged With Governance

- No changes in accounting policies
- Accounting estimates
  - Allowance for doubtful accounts and contractual adjustments
  - Medicare and Medicaid cost report settlements
  - Rural health clinic Medicaid managed care reconciliations
- No difficulties in performing the audit



## Auditor Required Communications With Those Charged With Governance (Continued)

- Corrected and uncorrected misstatements
  - No material audit adjustment
  - No uncorrected misstatements
- No disagreements with management
- Management representations
- No management consultation with other independent accountants
- Supplementary information



## Contact Information

Thank You!

Tom Dingus, CPA  
Dingus, Zarecor & Associates PLLC  
tdingus@dzacpa.com  
509.242.0874



# 5210JEFFERSON.ORG



## 5210Jefferson Purpose:

Work across multiple community sectors in Jefferson County  
**to increase physical activity and healthy eating in the population**  
 through promoting a common message  
 and using policy, system and environmental change.

5210JEFFERSON.ORG



**5** or more fruits & vegetables  
**2** hours or less recreational screen time\*  
**1** hour or more of physical activity  
**0** sugary drinks, more water

\*Keep TV/Computer out of the bedroom. No screen time under the age of 2.

**5210** Every Day!

# 5210 Every Day!



**CORE PRINCIPLES:**

- Healthy places support healthy choices
- Consistent messaging across sectors is essential
- Strategies are based on science and recommended by the medical community



### Scientific Rationale for 5210

#### 5 or more fruits and vegetables.

A diet rich in fruits and vegetables provides vitamins and minerals, important for supporting growth and development, and for optimal immune function in children. High daily intakes of fruits and vegetables among adults are associated with lower rates of chronic diseases such as heart disease, stroke, high blood pressure, diabetes, and possibly, some types of cancers. Emerging science suggests fruit and vegetable consumption may help prevent weight gain, and when total calories are controlled may be an important aid to achieving and sustaining weight loss.

#### 2 hours or less recreational screen time\*.

According to the American Academy of Pediatrics (AAP), the average child watches an average of 5-6 hours of television a day. Watching too much television is associated with an increased prevalence of overweight and obesity, lower reading scores, and attention problems. The AAP therefore recommends that children under age two shouldn't watch any television. In addition, the AAP recommends no TV or computer in the room in which the child sleeps, and no more than 2 hours of screen time a day.

#### 1 hour or more of physical activity.

Regular physical activity is essential for weight maintenance and prevention of chronic diseases such as heart disease, diabetes, colon cancer, and osteoporosis. While most school age children are quite active, physical activity sharply declines during adolescence. Children who are raised in families with active lifestyles are more likely to stay active as adults than children raised in families with sedentary lifestyles.

#### 0 sugary drinks, more water & low fat milk.

Sugar-sweetened beverage consumption has increased dramatically over the past 20 years; high intake among children is associated with overweight and obesity, displacement of milk consumption, and dental caries. It is recommended that children 1-6 years old consume no more than 4-6 ounces of juice per day and youth 7-18 years old consume no more than 8-12 ounces. Whole milk is the single largest source of saturated fat in children's diets. Switching to low or non-fat milk products significantly reduces dietary saturated and total fat, as well as total calories.

\*Keep TV/Computer out of the bedroom. No screen time under the age of 2.

Adapted from the House Center for Public Health.

## What doesn't work

- Disjointed efforts across the community
- Inconsistent messages
- Blaming:
- Targeting only one section of the population

## What does work

- Prevention is easier than treatment
- Community coming together
- Consistent message where we live, learn, work and play
- Environmental changes
- Policy to support environmental changes
- Small steps



- Implemented in at least 36 states
- Adopted and endorsed by:





**5210JEFFERSON.ORG**



5210Jefferson is a strategy of  
the Chronic Disease Prevention Health Priority.

## CHIP Chronic Disease Prevention Goals

Goal	Metric	Current State
Jefferson County residents get the appropriate levels of physical activity.	% of adults & youth getting appropriate amounts of activity.	Adult: 84% Youth: 56% of 8 <sup>th</sup> graders
Jefferson County residents have access to a healthy diet.	% of population eating > 5 servings/day	Adult: 29% Youth: 33%



## Olympic Health Action Network

- Regional network includes: Kitsap, Clallam and Jefferson



- Shared vision for the region:  
5210 -Increase physical activity and healthy eating

## 5210Jefferson Partners





## Other healthcare systems participating in 5210

Mary Bridge  
Harrison Medical Center  
Olympic Medical Center  
Seattle Children's

## Next steps

- Become an official 5210 partner
- Provide 5210 consistent message in healthcare
  - Working with Jenn Wharton to develop a plan for primary care
- Participate in a kick off event
- Many possibilities

**5210JEFFERSON.ORG**



## Website and tool kits



- 5 or more fruits & vegetables
- 2 hours or less recreational screen time
- 1 hour or more of physical activity
- 0 sugary drinks, more water & low fat milk

5210 Jefferson is a non-profit organization dedicated to increasing physical activity and healthy eating to reduce chronic disease in Jefferson County. 5210 Jefferson is a 501(c)(3) non-profit organization. 5210 Jefferson is a 501(c)(3) non-profit organization. 5210 Jefferson is a 501(c)(3) non-profit organization.

Partners

Click below to learn about 5210Jefferson in your county.



# 5210JEFFERSON.ORG



Karen Obermeyer  
Jefferson County Public Health  
[kobermeyer@co.jefferson.wa.us](mailto:kobermeyer@co.jefferson.wa.us)  
360-385-9400

## Finance Report – May 2017

June 21, 2017



Jefferson  
Healthcare

live here. thrive here.

## AGENDA

- ▶ Overview of May
  - ▶ May's performance
  - ▶ Monthly Service Line Highlight: Ultrasound
  - ▶ Where are the gaps?
  - ▶ Cash management
- ▶ June preview

## OVERVIEW OF MAY

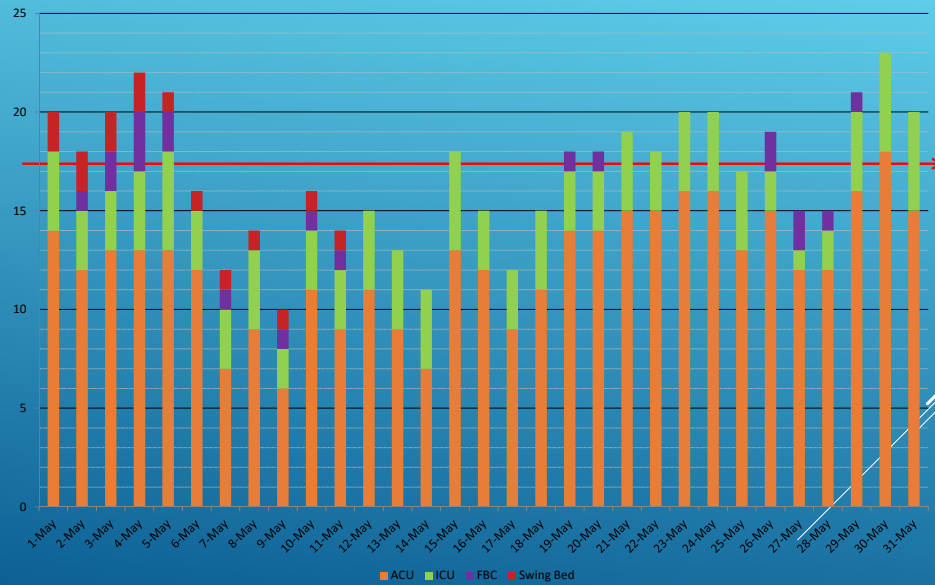
Generally a strong revenue month; inpatient revenues high with surgery volumes

Expenses were right on budget

We had a strong month and recovered some of the gap from YTD April

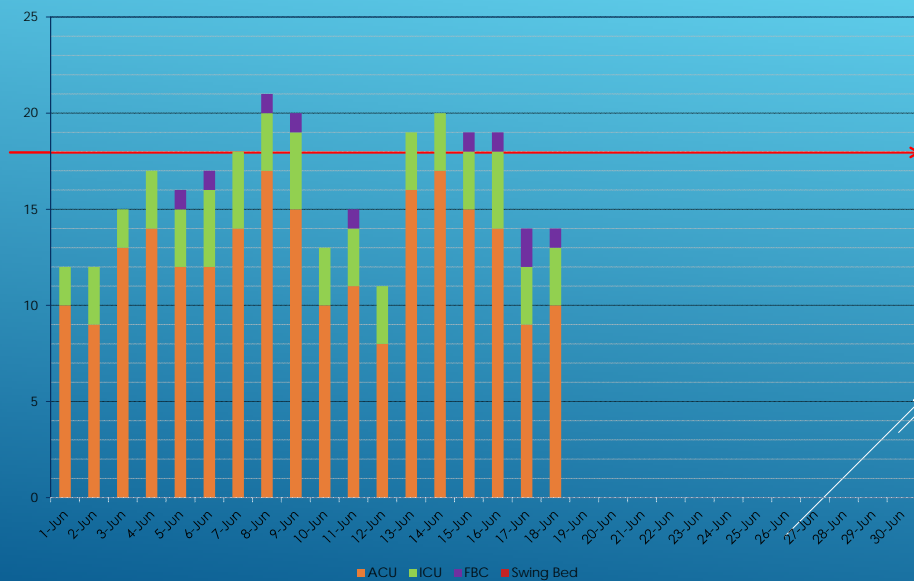
## MAY CENSUS

AVERAGE DAILY CENSUS = 16.94



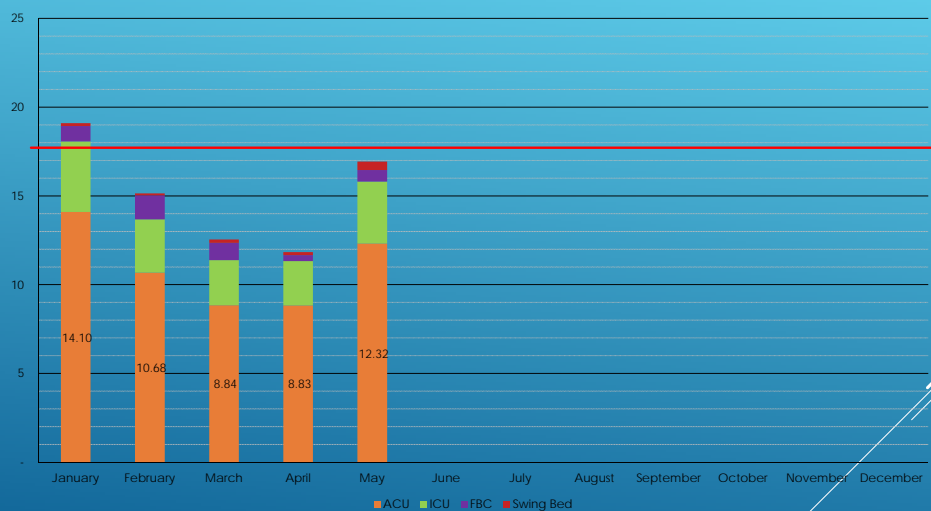
## JUNE CENSUS

AVERAGE DAILY CENSUS = 16.22



## YEAR TO DATE CENSUS

AVERAGE DAILY CENSUS = 14.92



## OPERATING STATISTICS

MAY 2017

STATISTIC DESCRIPTION	MAY BUDGET	MAY ACTUAL	QUANTITY VARIANCE	% VARIANCE
ICU PATIENT DAYS (IP + OBSERVATION, MIDNIGHT CENSUS)	82	110	28	34%
ACU PATIENT DAYS (IP + OBSERVATION, MIDNIGHT CENSUS)	316	388	72	23%
SWING IP PATIENT DAYS (MIDNIGHT CENSUS)	59	19	(40)	-68%
PATIENT DAYS (ACU, ICU, SWING), INCLUDES OBSERVATION	458	517	59	13%
BIRTHS	9	15	6	67%
SURGERY MINUTES (IN OR)	8,563	9,442	879	10%
SPECIAL PROCEDURE CASES	127	64	(63)	-50%
RECOVERY MINUTES	6,738	3,297	(3,441)	-51%
LAB BILLABLE TESTS	17,306	17,530	224	1%
TOTAL BLOOD BANK UNITS MATCHED	47	50	3	6%
TOTAL RADIOLOGY TESTS	1,438	1,356	(82)	-6%
MRIs COMPLETED	165	162	(3)	-2%
CT SCANS COMPLETED	375	407	32	9%
ULTRASOUNDS COMPLETED	261	306	45	17%
NUC MED TESTS	39	38	(1)	-3%
TOTAL DIAGNOSTIC IMAGING TESTS	2,278	2,269	(9)	0%

# OPERATING STATISTICS

MAY 2017

STATISTIC DESCRIPTION	MAY BUDGET	MAY ACTUAL	QUANTITY VARIANCE	% VARIANCE
TOTAL PHARMACY UNITS	11,280	23,814	12,534	111%
TOTAL RESPIRATORY THERAPY PROCEDURES	2,897	3,356	459	16%
ER CENSUS	1,021	1,112	91	9%
SOCO PATIENT VISITS (ENCOUNTERS)	177	136	(41)	-23%
JHPC & JMPG PATIENT VISITS (ENCOUNTERS)	2,564	1,995	(569)	-22%
JHFM PATIENT VISITS (ENCOUNTERS)	1,287	834	(453)	-35%
JHIM PATIENT VISITS (ENCOUNTERS)	607	710	103	17%
TOTAL RURAL HEALTH CLINIC VISITS	4,635	3,675	(960)	-21%
JHPLC PATIENT VISITS (ENCOUNTERS)	475	480	5	1%
GEN SURG PATIENT VISITS	350	225	(125)	-36%
ORTHO PATIENT VISITS	1,042	734	(308)	-30%
INFUSION CENTER VISITS	469	603	134	29%
WOUND CARE VISITS	313	260	(53)	-17%
ONCOLOGY VISITS	395	376	(19)	-5%
ANTI COAG VISITS	552	595	43	8%
SLEEP CLINIC VISITS	212	147	(65)	-31%
CARDIOLOGY CLINIC	205	61	(144)	-70%
WOMENS CLINIC	149	214	65	44%

## MAY REVENUES AND ADJUSTMENTS

	May 2017 Actual	May 2017 Budget	Variance Favorable/ (Unfavorable)	%	May 2017 YTD	May 2017 Budget YTD	Variance Favorable/ (Unfavorable)	%	May 2016 YTD
<b>Gross Revenue</b>									
Inpatient Revenue	4,565,677	3,440,801	1,124,876	33%	19,618,768	16,760,028	2,858,740	17%	15,010,163
Outpatient Revenue	13,517,611	14,416,995	(899,385)	-6%	65,028,682	70,224,702	(5,196,020)	-7%	50,066,140
<b>Total Gross Revenue</b>	<b>18,083,288</b>	<b>17,857,796</b>	<b>225,491</b>	<b>1%</b>	<b>84,647,450</b>	<b>86,984,730</b>	<b>(2,337,280)</b>	<b>-3%</b>	<b>65,084,303</b>
<b>Revenue Adjustments</b>									
Cost Adjustment Medicaid	1,368,655	2,191,686	823,031	38%	8,138,514	10,675,629	2,537,115	24%	8,101,796
Cost Adjustment Medicare	6,775,900	5,885,349	(890,551)	-13%	30,336,556	28,667,339	(1,669,217)	-6%	19,859,162
Charity Care	124,805	111,704	(13,101)	-12%	426,683	544,104	117,422	22%	490,592
Contractual Allowances Other	1,333,827	1,251,241	(82,586)	-7%	6,209,392	6,094,753	(114,640)	-2%	4,731,516
Administrative Adjustments	26,334	20,121	(6,213)	-31%	180,121	98,008	(82,114)	-4%	38,434
Adjust Bad Debt	(8,648)	264,920	273,568	103%	1,199,629	1,290,417	90,788	7%	1,711,583
<b>Total Revenue Adjustments</b>	<b>9,620,876</b>	<b>9,725,020</b>	<b>104,144</b>	<b>1%</b>	<b>46,490,896</b>	<b>47,370,249</b>	<b>879,354</b>	<b>2%</b>	<b>34,933,084</b>
<b>Net Patient Service Revenue</b>	<b>8,462,412</b>	<b>8,132,776</b>	<b>329,636</b>	<b>4%</b>	<b>38,156,555</b>	<b>39,614,481</b>	<b>(1,457,926)</b>	<b>-4%</b>	<b>30,151,219</b>
<b>Other Revenue</b>									
340B Revenue	453,222	260,239	192,984	74%	1,435,497	1,267,614	167,884	13%	1,724,634
Meaningful Use Ehr Incentive	-	3,397	(3,397)	-100%	-	16,548	(16,548)	-100%	47,040
Other Operating Revenue	82,473	112,961	(30,488)	-27%	582,277	550,231	32,046	6%	420,147
<b>Total Operating Revenues</b>	<b>8,998,107</b>	<b>8,509,373</b>	<b>488,734</b>	<b>6%</b>	<b>40,174,329</b>	<b>41,448,874</b>	<b>(1,274,544)</b>	<b>-3%</b>	<b>32,343,039</b>



## MAY

EXPENSES, NONOPERATING ACTIVITIES,  
AND CHANGE IN NET POSITION

	May 2017 Actual	May 2017 Budget	Variance Favorable/ (Unfavorable)	%	May 2017 YTD	May 2017 Budget YTD	Variance Favorable/ (Unfavorable)	%	May 2016 YTD
<b>Operating Expenses</b>									
Salaries And Wages	4,089,469	4,211,112	121,643	3%	19,915,082	20,512,186	597,104	3%	16,117,608
Employee Benefits	960,984	1,040,237	79,252	8%	5,089,476	5,066,957	(22,519)	0%	4,036,161
Professional Fees	486,932	290,474	(196,458)	-68%	2,080,316	1,414,890	(665,426)	-47%	1,263,143
Purchased Services	564,880	539,994	(24,886)	-5%	2,550,476	2,630,291	79,816	3%	1,758,686
Supplies	1,274,008	1,212,418	(61,590)	-5%	6,136,636	5,905,648	(230,989)	-4%	4,665,180
Insurance	45,512	57,753	12,242	21%	239,985	281,315	41,330	15%	235,080
Leases And Rentals	92,635	147,734	55,099	37%	561,485	719,608	158,123	22%	504,990
Depreciation And Amortization	346,962	312,906	(34,056)	-11%	1,743,506	1,524,154	(219,352)	-14%	1,773,688
Repairs And Maintenance	58,915	77,228	18,313	24%	243,382	376,176	132,794	35%	340,776
Utilities	85,176	78,128	(7,048)	-9%	412,149	380,557	(31,592)	-8%	340,746
Licenses And Taxes	39,600	46,565	7,565	16%	243,961	226,816	(17,145)	-8%	278,787
Other	114,999	174,830	59,831	34%	661,247	851,992	190,745	22%	646,588
<b>Total Operating Expenses</b>	<b>8,179,471</b>	<b>8,189,379</b>	<b>9,908</b>	<b>0%</b>	<b>39,877,700</b>	<b>39,890,190</b>	<b>12,490</b>	<b>0%</b>	<b>31,961,434</b>
<b>Operating Income (Loss)</b>	<b>818,636</b>	<b>319,995</b>	<b>498,642</b>	<b>156%</b>	<b>296,629</b>	<b>1,558,683</b>	<b>(1,262,054)</b>	<b>-81%</b>	<b>381,606</b>
<b>Non Operating Revenues (Expenses)</b>									
Taxation For Maint. Operations	14,331	17,156	(2,825)	-16%	83,160	83,567	(407)	0%	69,989
Taxation For Debt Service	14,864	19,003	(4,139)	-22%	89,279	92,565	(3,286)	-4%	107,689
Investment Income	14,748	6,582	8,166	124%	67,941	32,062	35,879	112%	20,179
Interest Expense	(55,050)	(85,615)	30,566	-36%	(267,530)	(417,030)	149,499	36%	(164,599)
Bond Issuance Costs	-	(12,740)	12,740	100%	-	(62,055)	62,055	100%	(153,300)
Gain or (Loss) on Disposed Asset	5,450	-	5,450	0%	10,950	0	10,950	0%	-
Contributions	-	11,890	(11,890)	-100%	309,880	57,918	251,962	435%	428,461
<b>Total Non Operating Revenues (Expenses)</b>	<b>(5,657)</b>	<b>(43,723)</b>	<b>38,066</b>	<b>87%</b>	<b>293,679</b>	<b>(212,973)</b>	<b>506,653</b>	<b>238%</b>	<b>308,420</b>
<b>Change in Net Position (Loss)</b>	<b>812,980</b>	<b>276,272</b>	<b>536,708</b>	<b>194%</b>	<b>590,308</b>	<b>1,345,710</b>	<b>(755,402)</b>	<b>-56%</b>	<b>690,025</b>

## FINANCIAL SNAPSHOT

## MAY, MONTH AND YEAR TO DATE

	May 2017 Actual	May 2017 Budget	Variance Favorable/ (Unfavorable)	%	May 2017 YTD	May 2017 Budget YTD	Variance Favorable/ (Unfavorable)	%	May 2016 YTD
<b>Operating Margin</b>	<b>9.1%</b>	<b>3.8%</b>	<b>5.3%</b>	<b>141.9%</b>	<b>0.7%</b>	<b>3.8%</b>	<b>-3.02%</b>	<b>-80.4%</b>	<b>1.2%</b>
<b>Total margin</b>	<b>9.0%</b>	<b>3.2%</b>	<b>5.8%</b>	<b>178.3%</b>	<b>1.5%</b>	<b>3.2%</b>	<b>-1.78%</b>	<b>-54.7%</b>	<b>2.1%</b>
Inpatient gross revenue	4,565,677	3,440,801	1,124,876	32.7%	19,618,768	16,760,028	2,858,740	17.1%	15,018,163
Outpatient gross revenue	13,517,611	14,416,995	(899,385)	-6.2%	65,028,682	70,224,702	(5,196,020)	-7.4%	50,066,140
Net patient revenue	8,462,412	8,132,776	329,636	4.1%	38,156,555	39,614,481	(1,457,926)	-3.7%	30,151,219
Deductions as a % of gross revenue	-53.2%	-54.5%	1.3%	2.3%	-54.9%	-54.5%	-0.46%	-0.9%	-53.7%
Charity as a % of gross revenue	-0.7%	-0.6%	-0.1%	-10.3%	-0.5%	-0.6%	0.12%	19.4%	-0.8%
Bad Debt as a % of gross revenue	0.0%	-1.5%	1.5%	103.2%	-1.4%	-1.5%	0.07%	4.5%	-2.6%
Salaries & Benefits as a % of net pt. service rev.	-59.7%	-64.6%	4.9%	7.6%	-65.5%	-64.6%	-0.96%	-1.5%	-66.8%

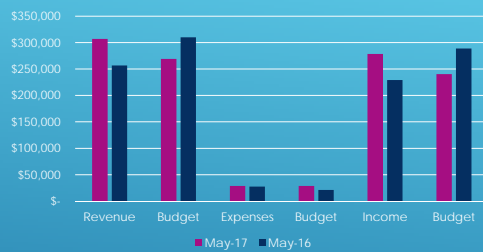


## May's Monthly Service Line Highlight

### ULTRASOUND DEPARTMENT

#### THE STATS

May



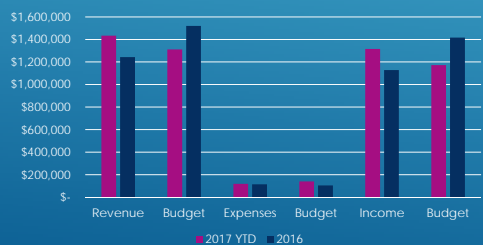
306

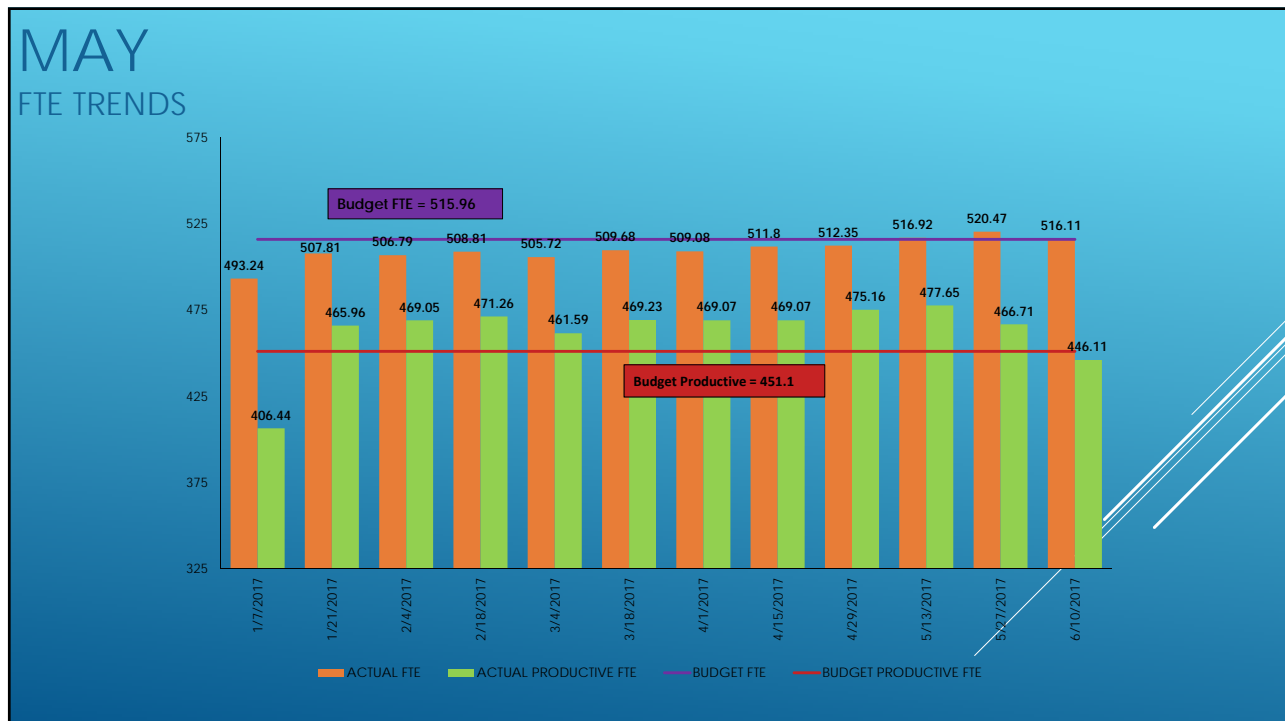
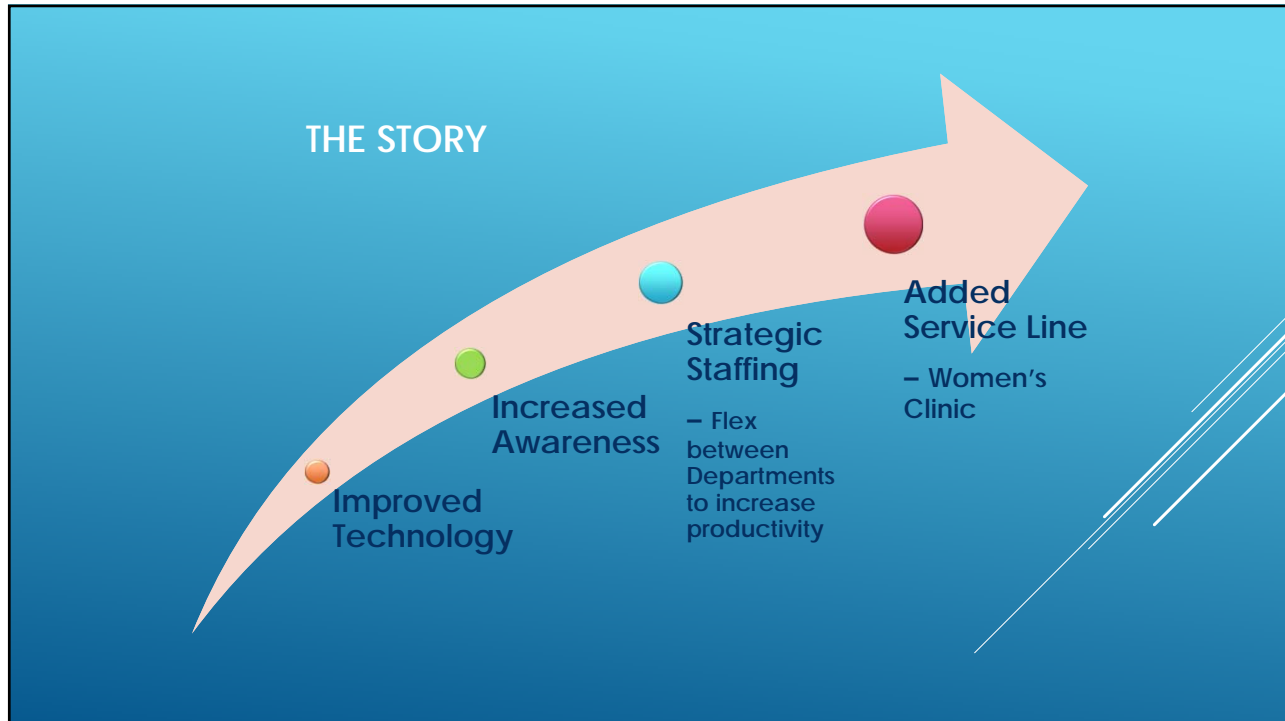
Highest  
Ultrasound  
Activity to  
date

May Gross  
Income:  
\$278,476

YTD  
Income:  
\$1,315,026

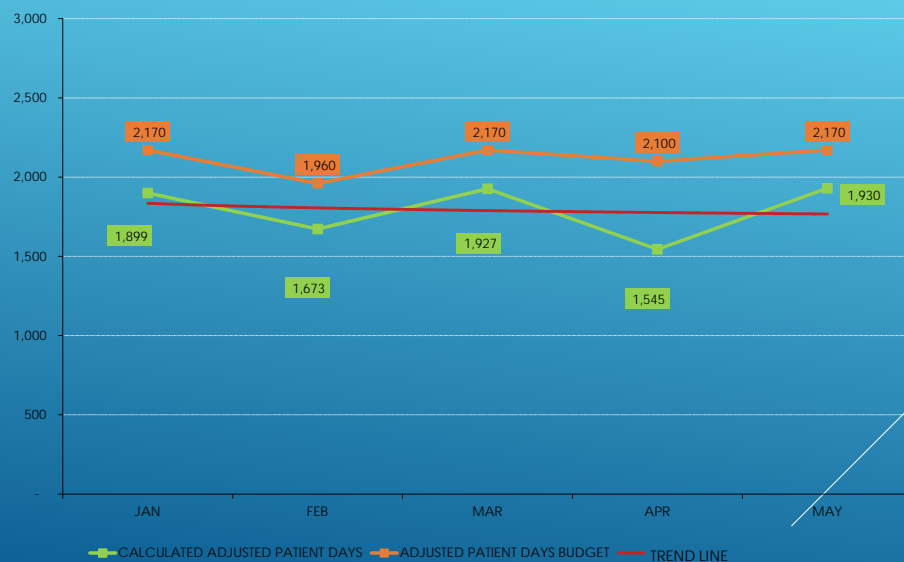
Year to Date





## MAY

### ADJUSTED PATIENT DAYS



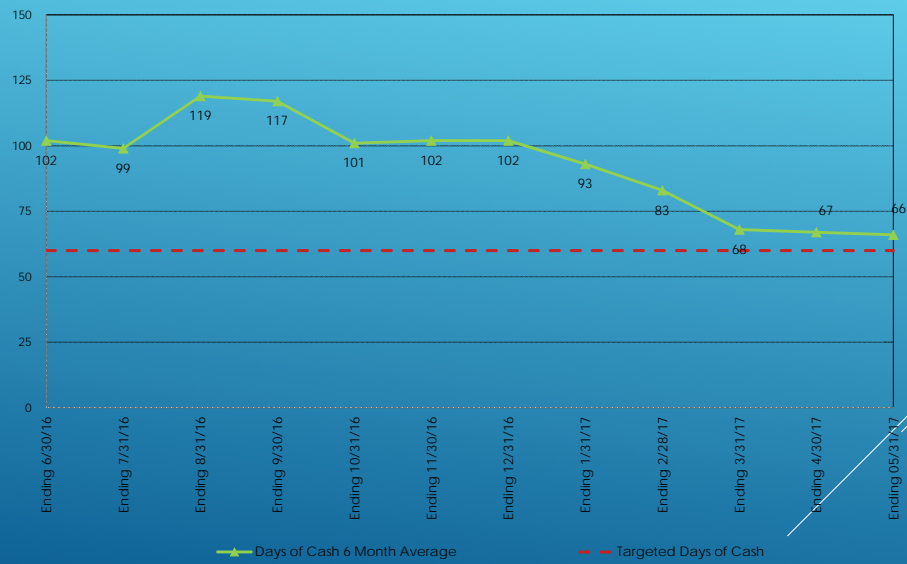
## WHERE ARE THE GAPS?

### 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)	\$ (170,640)	7280	SOCO CLINIC	\$ (2,879)	\$ (16,724)
7021	SURGERY-SPEC PROC	\$ 99,215	\$ 355,442	7281	SURGERY CENTER	\$ 16,858	\$ 82,614
7030	PRE/POST OP	\$ 37,115	\$ (58,216)	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)	7385	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
7160	NUC MED	\$ 22,581	\$ 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				

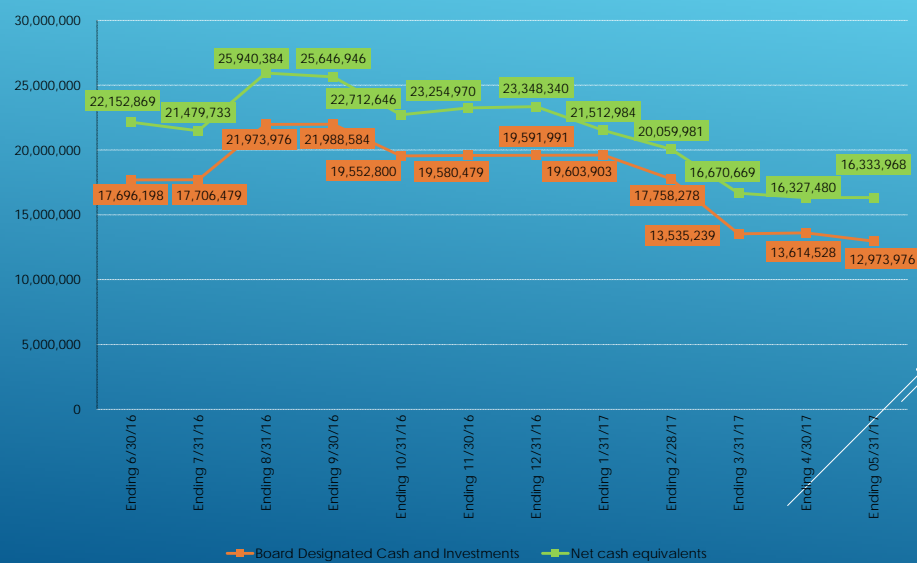
## DAYS OF CASH

TOTAL CASH / AVERAGE EXPENDITURES PER DAY



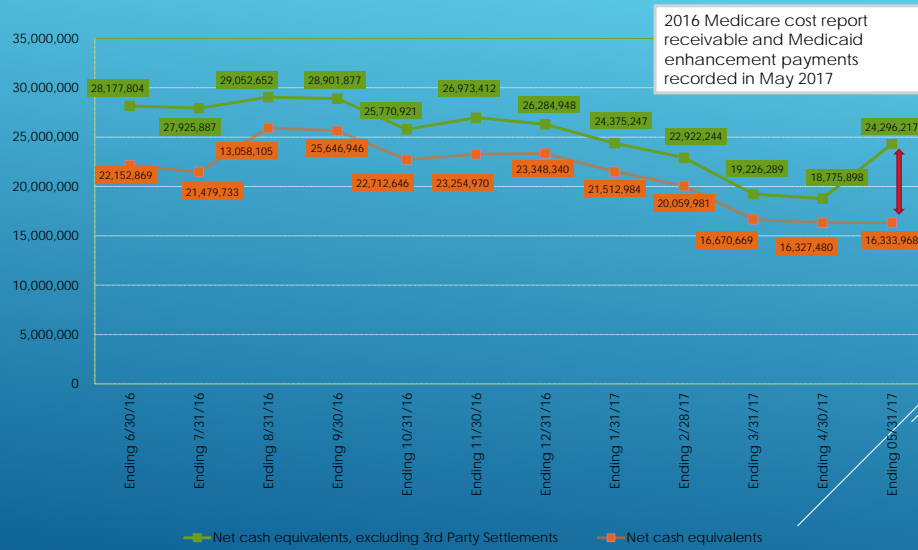
## CASH RESERVES

BOARD DESIGNATED AND TOTAL NET CASH EQUIVALENTS

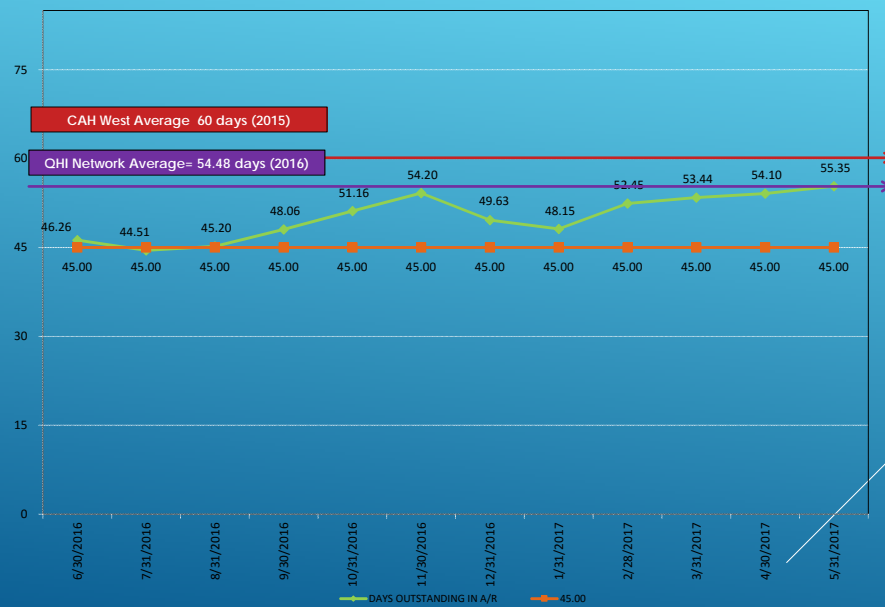


## CASH RESERVES

### EXCLUDING 3RD PARTY PAYOR SETTLEMENTS



## DAYS IN ACCOUNTS RECEIVABLE



## 2017 BOARD BUDGET

Department	Rev/Description	Exp	Account	Account Description	May Actual	May Budget	Variance	YTD Actual	YTD Budget	YTD Variance
8612	BOARD	Exp	600010	MANAGEMENT & SUPERVISION WAGE	5,944.00	4,647.00	1,297.00	22,202.00	22,638.00	(436.00)
			602300	CONSULT MNGMT FEE	-	-	-	-	-	-
			602500	AUDIT FEES	11,650.00	2,973.00	8,677.00	30,982.00	14,479.00	16,503.00
			604200	CATERING	33.00	99.00	(66.00)	938.00	481.00	457.00
			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	-	849.00	(849.00)	930.00	4,137.00	(3,207.00)
			608100	LEASES/RENTALS-BUILDINGS	-	-	-	-	-	-
			608200	LEASES/RENTALS - EQUIPMENT	-	-	-	74.00	-	74.00
			609200	LICENSE LICENSES AND TAXES	-	-	-	-	-	-
			609400	TRAVEL/MEETINGS/TRAINING	2,212.00	1,699.00	513.00	2,805.00	8,274.00	(5,469.00)
			609900	MISC OTHER EXP	-	-	-	-	-	-
	<b>BOARD Total</b>				<b>19,839.00</b>	<b>10,267.00</b>	<b>9,572.00</b>	<b>58,062.00</b>	<b>50,009.00</b>	<b>8,053.00</b>
<b>Grand Total</b>					<b>19,839.00</b>	<b>10,267.00</b>	<b>9,572.00</b>	<b>58,062.00</b>	<b>50,009.00</b>	<b>8,053.00</b>

## JUNE PREVIEW

### REVENUES

- ▶ **\$16,900,000 in HB charges**
  - ▶ Average: \$550,000/day (HB only)
  - ▶ Budget: \$560,500/day
- ▶ **\$7,080,000 in HB cash collections**
  - ▶ Average: \$225,000/day (HB only)
  - ▶ Goal: \$255,000/day



Questions and comments?

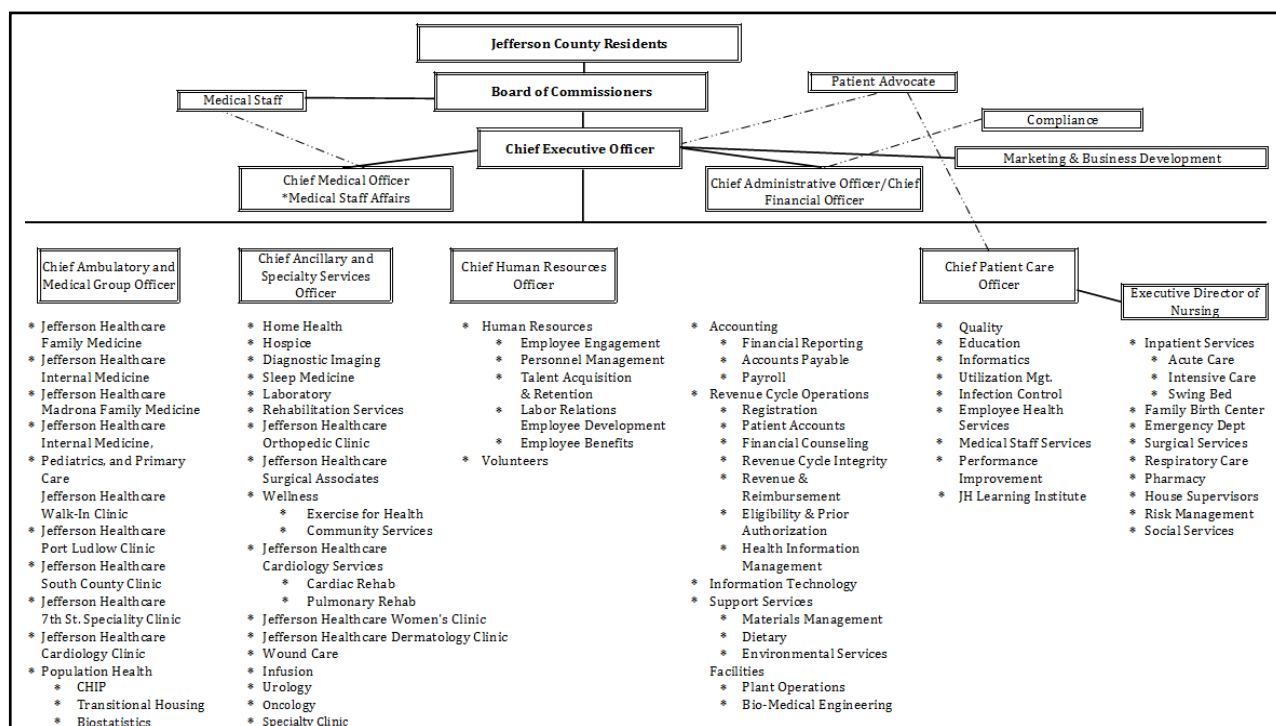
# Administrative Report

June 21, 2017



live here. thrive here.





## Org Chart Revisions

### Existing

- Executive Director, Patient Safety
- Chief Nursing Officer
- Chief Financial Officer
- Executive Director, Medical Group
- Chief Ancillary Officer

### Proposed

- Chief Patient Care Officer
- Executive Director, Nursing Services
- Chief Administrative Officer/  
Chief Financial Officer
- Chief Ambulatory and Medical Group Officer
- Chief Ancillary and Specialty Services Officer

## Mountain View Commons Recovery Center Partnership Agreement

### Partners:

Jefferson County School District  
Jefferson County  
Olympic Peninsula YMCA

City of Port Townsend  
Jefferson Healthcare

### Purpose:

“To assemble a partnership to maintain Mountain View to establish activities and facilities that will serve to assist the community with developing resiliency for pre-and post long term recovery.”

Jefferson  
Healthcare

live here. thrive here.

## Mountain View Commons Recovery Center Partnership Agreement

- To work collaboratively in 2017 and 2018 to determine next steps for a combined YMCA/ Community Recovery Center.
- Re-scope the existing draft plans to meet the broader community resiliency and recovery needs.
- Prepare a facilities plan that incorporates established planning principles.
- Identify best option for governance of Mountain View.
- Identify funding options, both for construction and ongoing operations of Mountain View.
- Prepare a proposed budget both for capital and operations.

Jefferson  
Healthcare

live here. thrive here.

## Mountain View Commons Recovery Center Partnership Agreement

### Jefferson Healthcare's Role and Responsibility:

- Hospital shall be the lead for communications and public education related to the partners activity
- Partners agree that each of them may, but are not required to contribute funds of resources to this project as approved by their governing bodies.
- Require that final agreement is fair and reasonable to all stakeholders, public and private.

Jefferson  
Healthcare

live here. thrive here.

## Notable Events

### June 9

CAP Survey  
Passed survey with accommodations.

"Your community has a lot to be proud of. This lab is first rate, I could find nothing wrong."  
Richard Whitten, MD, Medical Director,  
Providence St. Peter Hospital

### June 19

Olympic Community of Health  
Partner Convening Meeting

### June 28

Joint Board Meeting with Olympic Medical  
Center and Forks General Hospital

### July 8

Jefferson County Relay for Life

Jefferson  
Healthcare

live here. thrive here.

## Notable Events

<u>July 11</u>	Commission on Cancer Accreditation Survey
<u>July 17</u>	Board Meeting, Board Self-Evaluation
<u>July 22</u>	Jefferson Healthcare Annual Employee Picnic
<u>August 14</u>	Port Ludlow Clinic Opening

## Questions & Comments