

**Jefferson County Public Hospital District No.2**  
**Board of Commissioners, Regular Session Minutes**  
**Wednesday, July 19, 2017**  
**Victor J. Dirksen Conference Room**

**Call to Order:**

The meeting was called to order at 3:31 by Commissioner Buhler. Present were Commissioners Buhler, Dressler, De Leo, Kolff, and Ready. Also present were Mike Glenn, Chief Executive Officer, Hilary Whittington, Chief Administrative Officer/Chief Financial Officer, Brandie Manuel, Chief Patient Care Officer, Lisa Holt, Chief Ancillary and Specialty Services Officer, Jenn Wharton, Chief Ambulatory and Medical Group Officer, Caitlin Harrison, Chief Human Resources Officer, Joe Mattern, Chief Medical Officer, and Alyssa Rodrigues, Administrative Assistant. This meeting was officially audio recorded by Jefferson Healthcare.

**Approve Agenda:**

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

**Action:** Motion passed unanimously.

**Patient Story:**

Brandie Manuel, Chief Patient Care Officer, reported on a patient complaint regarding discharge planning that helped Jefferson Healthcare start implementing a new discharge planning tool to help all patients.

**Minutes:**

- June 28 Special Session minutes

Commissioner De Leo made a motion to approve the June 28 Special Session Minutes. Commissioner Dressler seconded.

**Action:** Motion passed unanimously.

- July 5 Regular Session minutes

Commissioner De Leo made a motion to approve the July 5 Regular Session minutes. Commissioner Dressler seconded.

**Action:** Motion passed unanimously.

**Required Approvals:**

- June Warrants and Adjustments
- Resolution 2017-34 Cancel Warrants

Commissioner Dressler made a motion to approve June Warrants and Adjustment and Resolution 2017-34 Cancel Warrants as presented. Commissioner De Leo seconded the motion.

**Action:** Motion passed unanimously.

**Public Comment:**

Public comment was made.

**Patient Advocate Report:** Jackie Levin, Patient Advocate, gave a presentation on the 2<sup>nd</sup> quarter patient advocate report.

Discussion ensued.

**Primary Care Access:** Jenn Wharton, Chief Ambulatory and Medical Group Officer, and Caitlin Harrison, Chief Human Resources Officer, presented on Primary Care Access.

Discussion ensued.

**Board Challenge:** Stacey Larsen, Director, Port Townsend School District Nutrition Services, gave a presentation on the 5210 board challenge.

Discussion ensued.

Commissioner Kolff made a motion to join the 5210 challenge. Commissioner Ready seconded the motion.

**Action:** Motion passed unanimously.

**Financial Report:** Hilary Whittington, Chief Administrative Officer /Chief Financial Officer, presented the June financial report.

Discussion ensued.

**Administrator's Report:** Mike Glenn, Chief Executive Officer, gave his administrator's report.

Discussion ensued.

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

**Board Reports:**

Commissioner Buhler distributed the April 20 and June15 Board of Health meetings.

**Conclude:**

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

**Action:** Motion passed unanimously.

Meeting concluded at 6:18pm.

Approved by the Commission:

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

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

# Patient Advocate Report

Second Quarter, 2017

*Presented to the Board of Commissioners July 19, 2017*

Jefferson  
Healthcare

## Agenda

- The Highlights
- Responsiveness to Patient Feedback
- Nature of Concerns Reported
- Breakdown of Care Provider Concerns
- Trends by Service Area

## The Highlights

- The average time to close cases was 17 days, meeting our target of 30 days or less
- The total number of complaints decreased by 19% in the second quarter (down from the first quarter)
- The top reported issue *over time* is related to care provider issues, although this *decreased* significantly in the second quarter
- The top reported issue *this quarter* is related to access and service delivery – which has *increased* slightly over last quarter
- Communication continues to be an area of opportunity
  - *MyChart responses*
  - *Prescription refills*
  - *Return phone calls*
  - *Provider communication*

## Responsiveness to Concerns

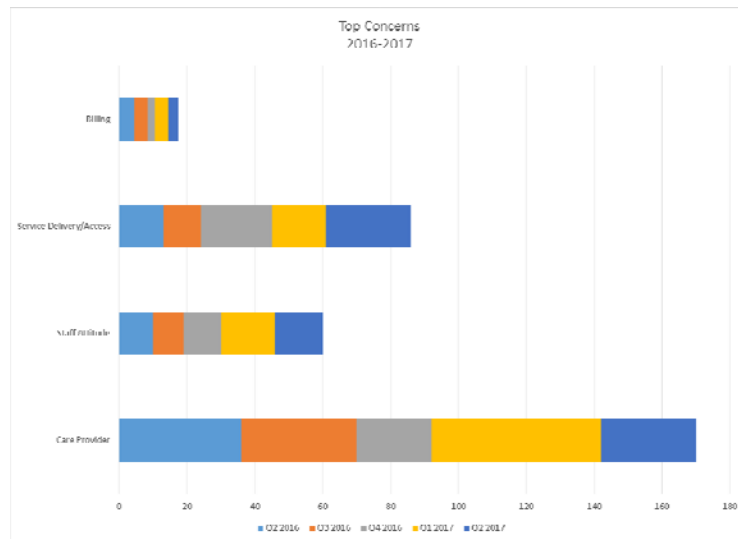
Indicator	Target	Low	High	Avg
Days to Acknowledgement	7	0	8	2.7
Days to Closure	30	0	64	17

### Comments:

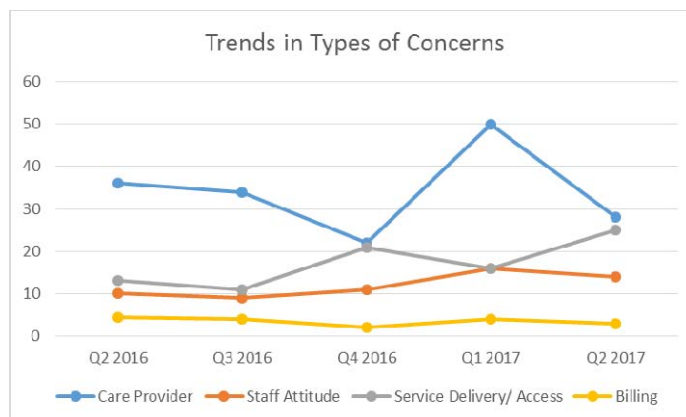
- Concerns may be resolved in the same day that they were reported – reflected in the 'zero days' data
- Some cases required a longer time to closure due to the nature and the complexity of the concern:
  - Nine total cases were closed > 30 days
  - One case was closed > 50 days

## Top Concerns Overall Over Time

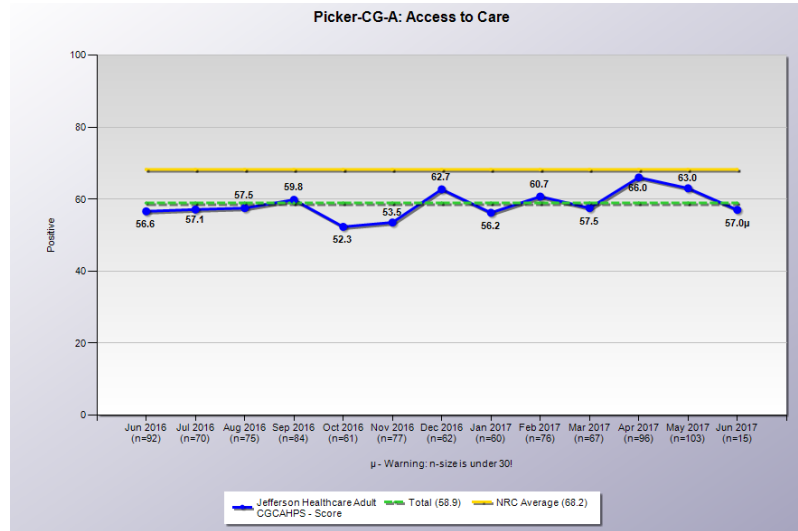
*Second Quarter, 2016 to Second Quarter, 2017*



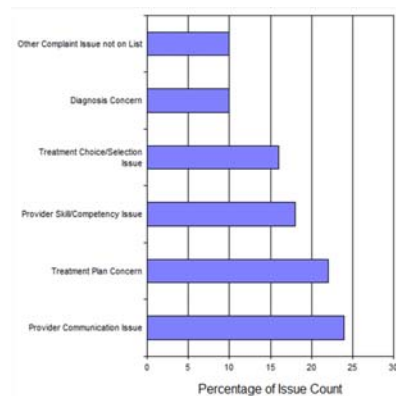
## Trends in the Nature of Concerns Reported



## Overall Perception of Access (Clinic-Based)

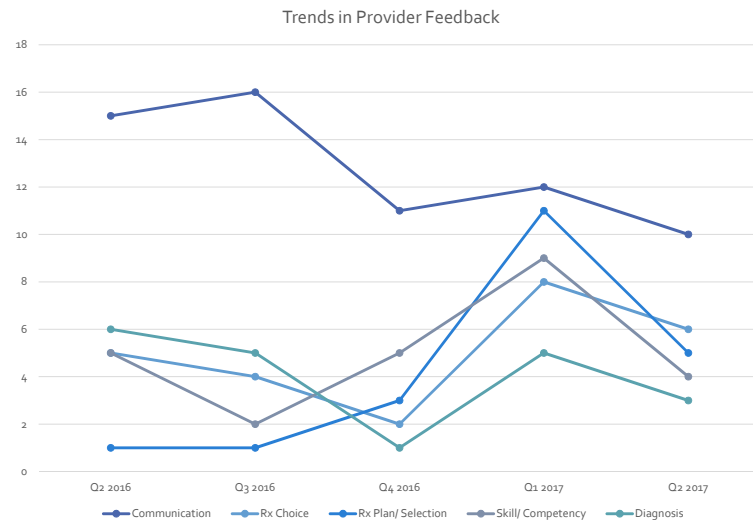


## Specific Provider Feedback

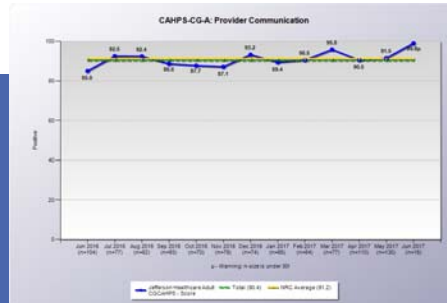


- The number of provider complaints decreased by **38%** this quarter
- The top reported issue continued to be related to provider communication

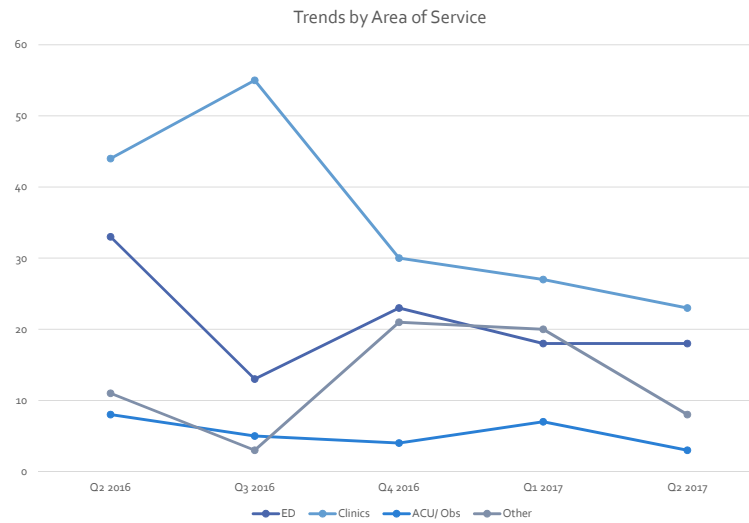
## Provider Specific Trends 2016-2017



## Overall perception of Provider Communication



## Trends by Area of Service



Department	Patient Advocate Feedback Trend	NRC 75 <sup>th</sup> Percentile	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Clinics	↓	89.6	89.7	86.0	86.0	88.2
Emergency	↑	68.1	68.4	69.1	80.4	85.4
ACU/ Observation	↓	75.8	84.8	78.4	74.1	72.8
Outpatient Rehab	↔	87.0	84.6	82.1	88.9	88.9
Outpatient Surgery	↔	90.0	85.7	85.3	82.3	85.7
Outpatient Testing	↔	86.7	80.4	79.2	72.0	82.3
Home Health	↔	86.2	80.0	84.2	84.2	69.2

"Would you recommend this facility/provider" responses by department  
Report generated July 19, 2017



## Primary Care Service Line

Creating Radical Convenience to Care

## National Access Crisis





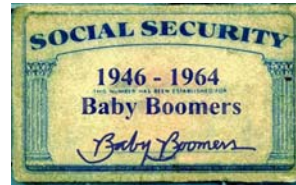
## Access Crisis

National: Statistics

Workforce Concern	Metric
Office visits for PC	56%
Physicians who practice PC medicine	37%
Clinics not accepting new patients	22%
Average third next available appointment	31 days
ED visit that could have been handled by a PC visit	46%
ED visit that could have been avoided by a PC visit	27%
Population growth & aging estimated to increase the workload of PC (2005-2025)	29%
Medical students planning careers in adult PC	7%
Estimated growth of PC physicians (2005-2025)	2-7%
Projected estimated shortage of adult PCP	35-44,000

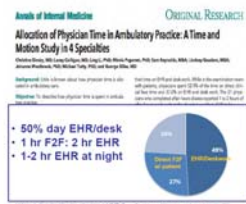
## Access Crisis

National: Causes



## Access Crisis

National: Causes



**PANEL SIZE** How Many Patients Can One Doctor Manage?



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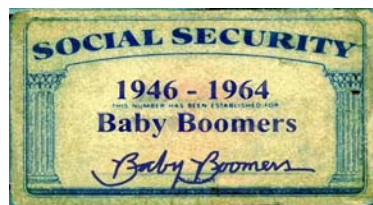
# Access Crisis

Local: Statistics

Workforce Concern	Metric
US population that live in a rural areas	27% (65M)
PC practitioners who practice in rural areas	10%
Additional PC practitioners needed to meet rural demand	16,000
Additional JHC PCP needed to meet current demand	9
JHC PC service line TNAA	17 days
JHC PCP not accepting new patients	37%

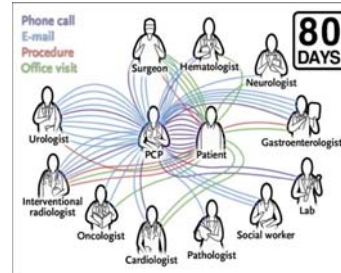
# Access Crisis

Local: Causes



## Access Crisis

Local: Causes



**PANEL SIZE** How Many Patients Can One Doctor Manage?

## Access Crisis

Local: Causes





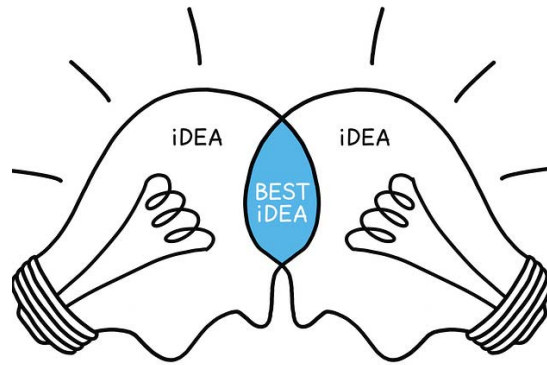
## **Our Strategy**

Leadership: Fill the Red Box!

**Chief Ambulatory and  
Medical Group  
Officer**

## Our Strategy

Leadership: Dyad Partners

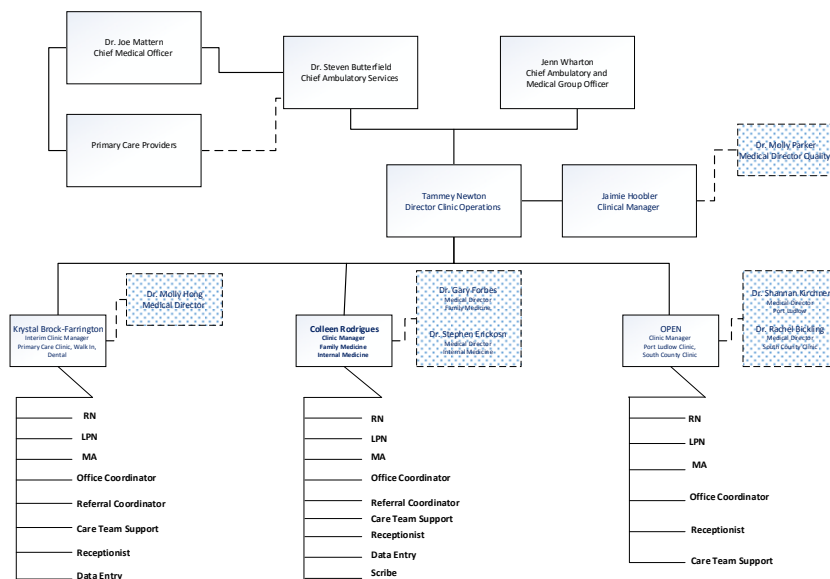


***Leadership is the Capacity to  
Translate Vision into Reality.***

~Warren Bennis

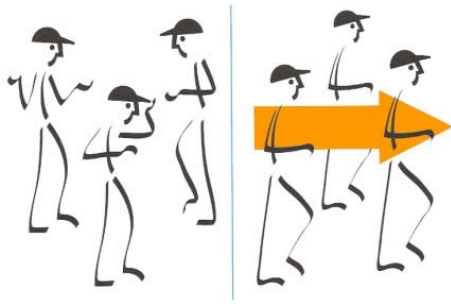
## Our Strategy

Build a Foundation: Structure Dictates Function



## Our Strategy

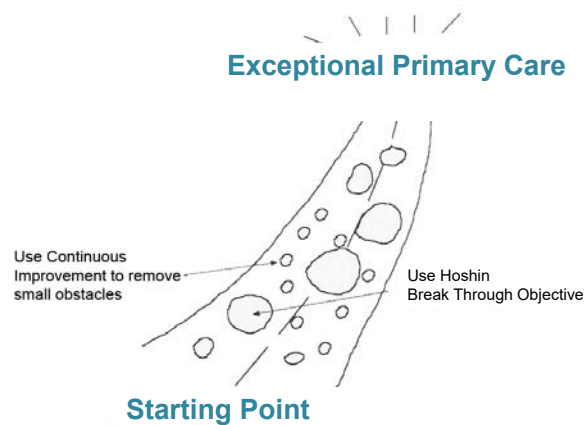
Author of our Future: Strategic Plan



- Shared Trust
- Shared Vision
- Shared Responsibility
- Unified Goals
- Cascade and Align
- Nimble

## Our Strategy

Author of our Future: Define our Barriers to Success







## Our Strategy

Author of our Future: Laser Focus

**What Exactly is 'Hoshin Planning'?**

Before we get ahead of ourselves, a few key terms and definitions:

'Vision' = whatever you do, done to perfection. 

 'Breakthrough' = a radical and dramatic improvement in one or more organizational competency. Probably a long-term effort, and will require a fundamental re-thinking of the affected processes and systems.

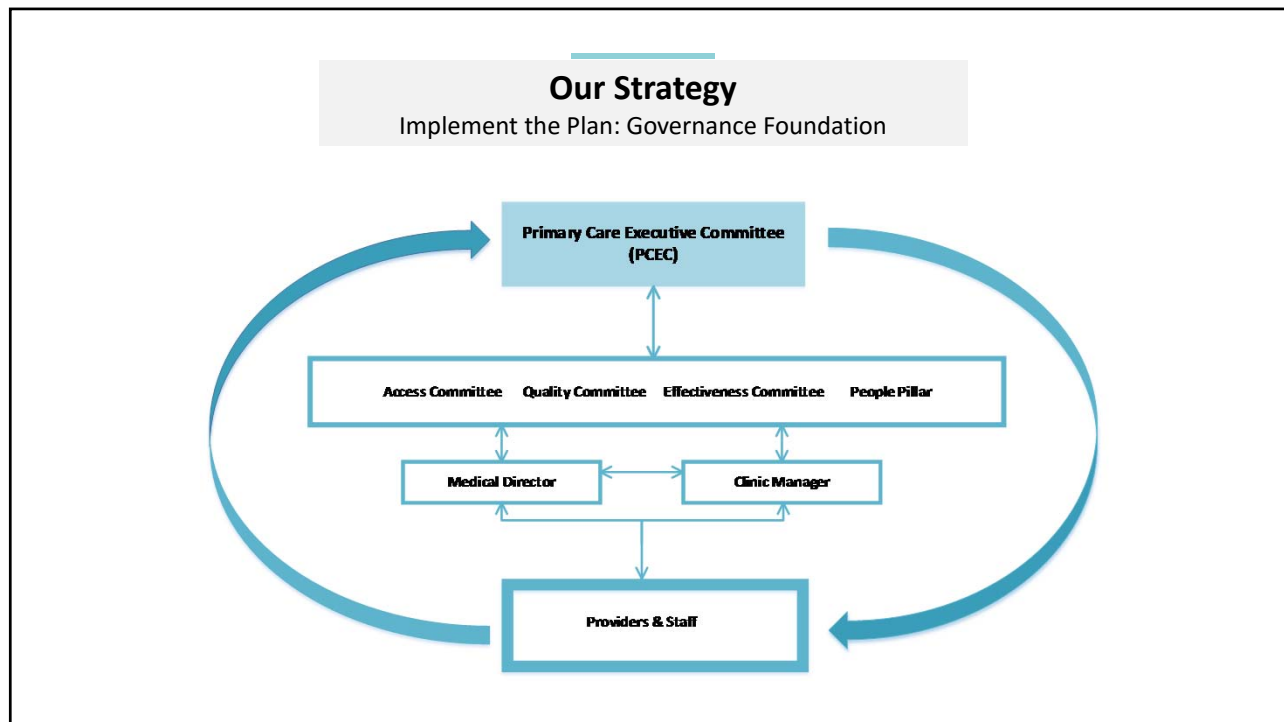
'Hoshin' = the most important annual objective towards the breakthrough.

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## Our Strategy

Author of our Future: Relentless Pursuit of Excellence





**Our Strategy**  
Implement the Plan: Access Committee

**Physician Leader:** Dr. Gary Forbes  
**Members:** Dr. Stephen Erickson, Dr. Shannon Kirchner, Dr. Steven Butterfield, Sara Katz, PA-C, Jenn Wharton, and Dunia Faulx

**Top Projects**

- Hospital and ED Discharges
- Identify Panel Size
- **Provider Pairing**
- **Provider Care Teams**
- **Scheduling Templates (established and new patients)**
- **Telephone and Scheduling Process (Access Hub)**
- Telemedicine
- My Chart
- E=Visits

## Our Strategy

Implement the Plan: Quality Committee

**Physician Leader:** Dr. Molly Parker

**Members:** Dr. Judy Gayne, Dr. Joe Mattern, Wes Schott, PA-C, Jaimie Hoobler, Dunia Faulx

### Top Projects

- **Tactical Visits**
- ID Quality Metrics for Provider Compensation
- Chronic Pain
- Refill Visits Protocol
- Preventative Care

## Our Strategy

Implement the Plan: Effectiveness Committee

**Physician Leader:** Dr. Molly Hong

**Members:** Dr. Rachel Bickling, Dr. Claus Janssen, Cory Asbell, PA-C, Angela Pieratt, PA-C, Tammey Newton

### Top Projects

- **EPIC Training**
- **Job Task and Workflows**
- **Business Metrics**
- [Medical Group Dashboard](#)
- [Medical Group Dashboard v 2](#)

### Our Strategy

Develop High Performing Teams of Excellence: Fill the Box!

**Provider Recruiter**

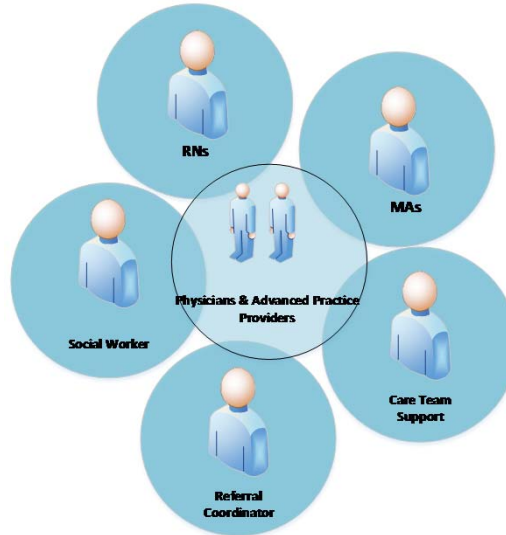
### Our Strategy

Develop High Performing Teams of Excellence: Recruit

Year and Provider	Count	JHC Attrition %	National Average %
2016 Physician	0	0	7
2017 Physician	1	7	7
2016 APP	1	7	11
2017 APP	2	14	11

### Our Strategy

Develop High Performing Teams of Excellence: Care Teams



### Our Strategy

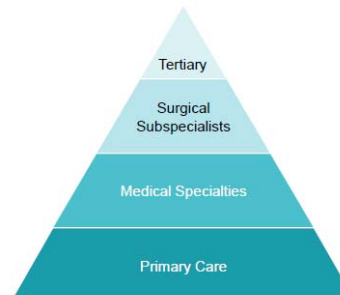
Develop High Performing Teams of Excellence: Top of Licensure



## Our Strategy

Organizational Plan: Integrated System

Care Coordination  
Care Integration  
Care Continuum



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## Our Strategy

Organizational Plan: Immediate Care





## Early Wins

1. Dyad
2. Physician Leadership
3. Clinic Leadership
4. Dedicated Provider Recruitment
5. Hope
6. Scheduling Process for Same Days and Hospital/ED Discharges
7. Business Metrics:
  - ED and Hospital Discharge:
  - Volume
  - Net Revenue
  - Business Model

### Early Wins:

#### Business Metrics

Metric	2016	2017
Hospital & ED D/C within 7 Days	23%	92%
Volume YTD	5109	5462

Gross Revenue YTD Variance	Expense Revenue YTD Variance	Net Revenue YTD Variance
(\$350,422)	(\$367,287)	\$24,629

Metric	Before Coleman	2016	2017 YTD	ECG Median Benchmark
Expense % of Gross Revenue	62%	45%	31%	52%

### Challenges

1. Recruitment:
  - Providers
  - Staff
2. Teams of Excellence
3. Building the Plane while Flying
  - Bandwidth
  - Resilience and Endurance
  - Changes in Healthcare
4. Hardwiring Change is Hard Work!





## Our Vision

*The Primary Care service line provides high quality, safe, compassionate care grounded in best practices. Care is radically easy to access and provided by engaged, competent clinicians and staff working to their highest level of training in a supportive, efficient work environment. Clinicians and staff have the tools, data and processes needed to provide coordinated, exceptional patient care.*

**Our Vision:**

Radical Convenience to Care

**Third Next Available Appointment:**

- New Patients – 7 days
- Established Patient – 10 days or per Plan of Care
- Same Day Service

E-Visits

Telemedicine

Home Visits

**Right Time, Right Place, Right Provider, Right Care!**

# Finance Report – June 2017

July 19, 2017



Jefferson  
Healthcare

live here. thrive here.

## AGENDA

- ▶ Overview of June
  - ▶ Knowledge Sharing: Depreciation
  - ▶ June's performance
  - ▶ Monthly Service Line Highlight: Clinic at 934 Sheridan
  - ▶ Where are the gaps?
  - ▶ Cash management
- ▶ July preview

# What is Depreciation?

$$(\$120,000 \div (10 \times 12) = \$1,000 \text{ per month})$$



## Definition

- Reduction of an asset's value during its useful life.
- Historic Cost of asset is divided up over the asset's estimated life.
- Different methods (formulas) used to calculate depreciation can lead to variations in the balance sheet value of a fixed asset and in the amount expensed each period.

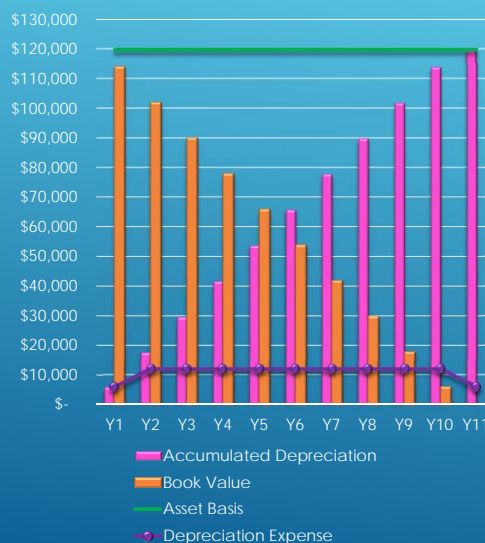
## Straight-Line Method

- A depreciation method that gives you the same deduction, year after year, over the asset's useful life.
- The deduction amount is simply the asset's cost basis divided by its years of useful life.

## Half-Year Convention

- A depreciation schedule that treats all assets acquired in a year as being acquired exactly in the middle of the year.
- Only half of the full-year depreciation is allowed in the first year.
- The remaining balance is deducted in the final year of the depreciation schedule, or the year that the property is sold.

## KNOWLEDGE SHARING EXAMPLE



- ❖ Asset Cost: \$120,000
- ❖ Useful Life: 10 Years x 12 = 120 months
- ❖ Monthly Depreciation Expense: \$1,000
- ❖ Annual Depreciation Expense: \$12,000
- ❖ First and Last Year's Expense is half of the annual expense: \$6,000
- ❖ Accumulated Depreciation increases as the Book Value decreases.

## OVERVIEW OF JUNE

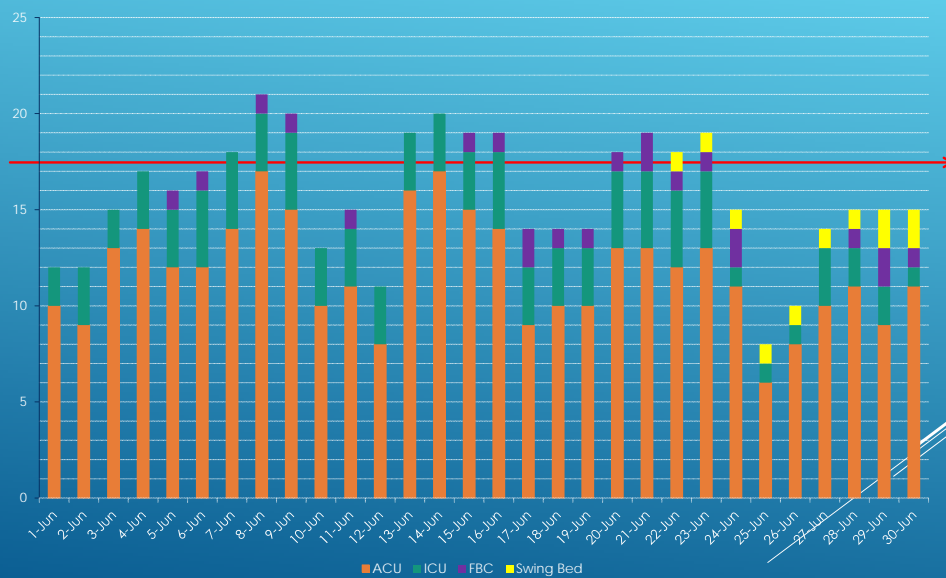
Strong volumes and revenue month; inpatient and outpatient revenues both exceeded budget

Operating expenses were 2% above budget, while revenues were 4% above budget

We had another strong month and continued to recover some of the YTD gap from Feb-Apr

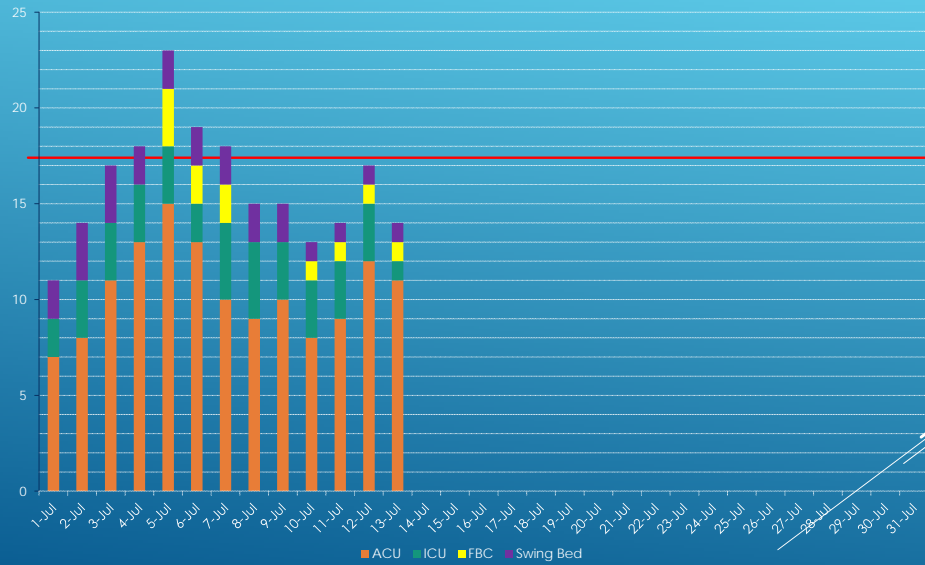
## JUNE CENSUS

AVERAGE DAILY CENSUS = 15.73



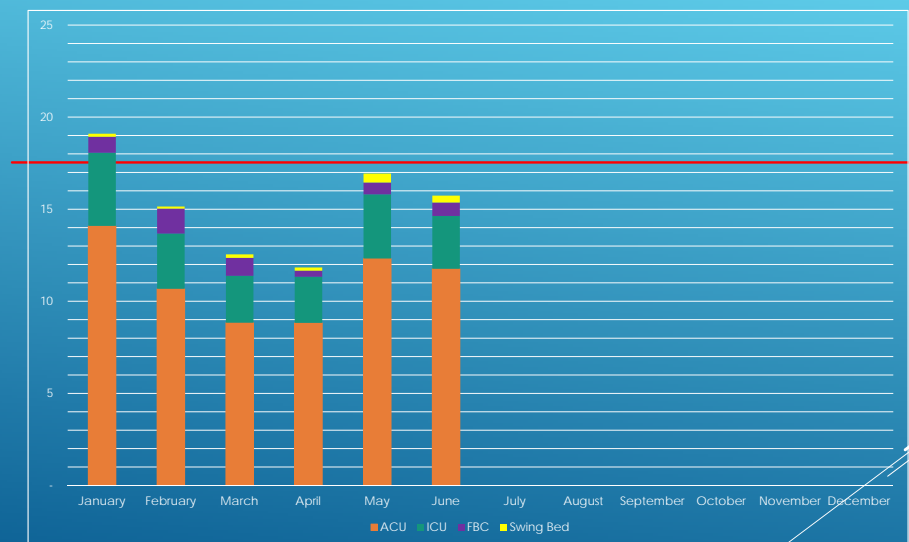
# JULY CENSUS

AVERAGE DAILY CENSUS = 16.00



# YEAR TO DATE CENSUS

AVERAGE DAILY CENSUS = 15.22



# OPERATING STATISTICS

JUNE 2017

STATISTIC DESCRIPTION	JUNE BUDGET	JUNE ACTUAL	QUANTITY VARIANCE	% VARIANCE
ICU PATIENT DAYS (IP + OBSERVATION, MIDNIGHT CENSUS)	79	93	14	17%
ACU PATIENT DAYS (IP + OBSERVATION, MIDNIGHT CENSUS)	306	356	50	16%
SWING IP PATIENT DAYS (MIDNIGHT CENSUS)	57	32	(25)	-44%
PATIENT DAYS (ACU, ICU, SWING), INCLUDES OBSERVATION	443	481	38	9%
BIRTHS	9	27	18	210%
SURGERY MINUTES (IN OR)	8,287	9,141	854	10%
SPECIAL PROCEDURE CASES	123	77	(46)	-37%
RECOVERY MINUTES	6,521	3,958	(2,563)	-39%
LAB BILLABLE TESTS	16,748	17,552	804	5%
TOTAL BLOOD BANK UNITS MATCHED	45	47	2	3%
TOTAL RADIOLOGY TESTS	1,392	1,257	(135)	-10%
MRIs COMPLETED	160	161	1	1%
CT SCANS COMPLETED	363	439	76	21%
ULTRASOUNDS COMPLETED	253	287	34	14%
NUC MED TESTS	38	19	(19)	-50%
TOTAL DIAGNOSTIC IMAGING TESTS	2,205	2,163	(42)	-2%

# OPERATING STATISTICS

JUNE 2017

STATISTIC DESCRIPTION	JUNE BUDGET	JUNE ACTUAL	QUANTITY VARIANCE	% VARIANCE
TOTAL PHARMACY UNITS	10,916	22,462	11,546	106%
TOTAL RESPIRATORY THERAPY PROCEDURES	2,804	2,873	69	2%
ER CENSUS	988	1,044	56	6%
SOCO PATIENT VISITS (ENCOUNTERS)	171	175	4	2%
JHPC & JMPG PATIENT VISITS (ENCOUNTERS)	2,481	2,840	359	14%
JHFM PATIENT VISITS (ENCOUNTERS)	1,245	1,083	(162)	-13%
JHIM PATIENT VISITS (ENCOUNTERS)	587	757	170	29%
TOTAL RURAL HEALTH CLINIC VISITS	4,485	4,855	370	8%
JHPLC PATIENT VISITS (ENCOUNTERS)	460	428	(32)	-7%
GEN SURG PATIENT VISITS	339	235	(104)	-31%
ORTHO PATIENT VISITS	1,008	678	(330)	-33%
INFUSION CENTER VISITS	454	617	163	36%
WOUND CARE VISITS	303	295	(8)	-3%
ONCOLOGY VISITS	382	293	(89)	-23%
ANTI COAG VISITS	534	520	(14)	-3%
SLEEP CLINIC VISITS	205	135	(70)	-34%
CARDIOLOGY CLINIC	198	162	(36)	-18%
WOMENS CLINIC	144	250	106	74%



# JUNE

## REVENUES AND ADJUSTMENTS

	June 2017 Actual	June 2017 Budget	Variance Favorable/ (Unfavorable)	%	June 2017 YTD	June 2017 Budget YTD	Variance Favorable/ (Unfavorable)	%	June 2016 YTD
<b>Gross Revenue</b>									
Inpatient Revenue	3,828,040	3,329,805	498,236	15%	23,446,808	20,089,832	3,356,976	17%	16,749,676
Outpatient Revenue	14,536,867	13,951,918	584,948	4%	79,565,549	84,176,621	(4,611,072)	-5%	69,348,253
<b>Total Gross Revenue</b>	<b>18,364,907</b>	<b>17,281,723</b>	<b>1,083,184</b>	<b>6%</b>	<b>103,012,357</b>	<b>104,266,453</b>	<b>(1,254,096)</b>	<b>-1%</b>	<b>86,097,929</b>
<b>Revenue Adjustments</b>									
Cost Adjustment Medicaid	1,786,638	2,120,984	334,346	16%	9,925,152	12,796,613	2,871,461	22%	10,062,849
Cost Adjustment Medicare	6,466,925	5,695,494	(771,431)	-14%	36,803,481	34,362,833	(2,440,648)	-7%	28,181,152
Charity Care	57,624	108,100	50,476	47%	484,307	652,204	167,898	26%	539,977
Contractual Allowances Other	1,529,523	1,210,877	(318,646)	-26%	7,738,916	7,305,630	(433,286)	-6%	6,036,961
Administrative Adjustments	36,269	19,472	(16,797)	-86%	216,390	117,480	(98,911)	-84%	97,454
Adjust Bad Debt	265,625	256,374	(9,251)	-4%	1,465,255	1,546,791	81,537	5%	1,259,222
<b>Total Revenue Adjustments</b>	<b>10,142,605</b>	<b>9,411,302</b>	<b>(731,303)</b>	<b>-8%</b>	<b>56,633,501</b>	<b>56,781,551</b>	<b>148,050</b>	<b>0%</b>	<b>46,177,614</b>
<b>Net Patient Service Revenue</b>	<b>8,222,302</b>	<b>7,870,421</b>	<b>351,881</b>	<b>4%</b>	<b>46,378,857</b>	<b>47,484,902</b>	<b>(1,106,045)</b>	<b>-2%</b>	<b>39,920,315</b>
<b>Other Revenue</b>									
340B Revenue	219,008	251,844	(32,835)	-13%	1,654,505	1,519,457	135,048	9%	1,414,425
Meaningful Use Ehr Incentive	784	3,288	(2,504)	-76%	784	19,836	(19,052)	-96%	21,250
Other Operating Revenue	126,737	109,317	17,420	16%	709,015	659,549	49,466	7%	499,127
<b>Total Operating Revenues</b>	<b>8,568,832</b>	<b>8,234,870</b>	<b>333,961</b>	<b>4%</b>	<b>48,743,161</b>	<b>49,683,744</b>	<b>(940,583)</b>	<b>-2%</b>	<b>41,855,118</b>

# JUNE

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

	June 2017/ Actual	June 2017/ Budget	Variance/ Favorable/ (Unfavorable)	%	June 2017 YTD	June 2017 Budget YTD	Variance/ Favorable/ (Unfavorable)	%	June 2016 YTD
<b>Operating Expenses</b>									
Salaries And Wages	4,035,342	4,075,266	39,924	1%	23,950,424	24,587,452	637,028	3%	20,110,181
Employee Benefits	982,187	1,006,680	24,492	2%	6,071,663	6,073,637	1,974	0%	5,223,817
Professional Fees	379,419	281,104	(98,315)	-35%	2,459,735	1,695,994	(763,741)	-45%	1,963,967
Purchased Services	487,528	522,574	35,046	7%	3,038,003	3,152,865	114,862	4%	2,601,837
Supplies	1,297,308	1,173,307	(124,001)	-11%	7,433,944	7,078,954	(354,990)	-5%	5,876,583
Insurance	51,946	55,890	3,945	7%	291,931	337,205	45,275	13%	326,967
Leases And Rentals	127,461	142,968	15,507	11%	688,946	862,576	173,631	20%	690,716
Depreciation And Amortization	364,014	302,812	(61,202)	-20%	2,107,520	1,826,966	(280,554)	-15%	2,107,037
Repairs And Maintenance	28,272	74,737	46,465	62%	271,654	450,913	179,259	40%	273,846
Utilities	80,359	75,607	(4,752)	-6%	492,508	456,164	(36,344)	-8%	377,069
Licenses And Taxes	79,988	45,063	(34,925)	-78%	323,949	271,879	(52,070)	-19%	305,318
Other	141,804	169,190	27,386	16%	803,051	1,020,782	217,731	21%	765,821
<b>Total Operating Expenses</b>	<b>8,055,628</b>	<b>7,925,198</b>	<b>(130,430)</b>	<b>-2%</b>	<b>47,933,328</b>	<b>47,815,388</b>	<b>(117,940)</b>	<b>0%</b>	<b>40,563,159</b>
<b>Operating Income (Loss)</b>	<b>513,204</b>	<b>309,672</b>	<b>203,532</b>	<b>66%</b>	<b>809,833</b>	<b>1,868,355</b>	<b>(1,058,523)</b>	<b>-57%</b>	<b>1,291,959</b>
<b>Non Operating Revenues (Expenses)</b>									
Taxation For Maint Operations	17,167	16,603	564	3%	100,327	100,170	158	0%	87,254
Taxation For Debt Service	19,199	18,390	808	4%	108,478	110,955	(2,478)	-2%	126,854
Investment Income	36,996	6,370	30,626	481%	104,936	38,432	66,505	173%	46,741
Interest Expense	11,051	(82,854)	93,905	113%	(256,479)	(499,883)	243,404	49%	(290,568)
Bond Issuance Costs	-	(12,329)	12,329	100%	-	(74,304)	74,304	100%	-
Gain or (Loss) on Disposed Asset	-	-	-	0%	10,950	0	10,950	0%	46,749
Contributions	5,392	11,507	(6,114)	-53%	315,272	69,425	245,847	354%	20,931
<b>Total Non Operating Revenues (Expenses)</b>	<b>89,805</b>	<b>(42,313)</b>	<b>132,118</b>	<b>312%</b>	<b>383,485</b>	<b>(255,286)</b>	<b>638,770</b>	<b>250%</b>	<b>37,962</b>
<b>Change in Net Position (Loss)</b>	<b>603,009</b>	<b>267,360</b>	<b>335,649</b>	<b>126%</b>	<b>1,193,317</b>	<b>1,613,070</b>	<b>(419,752)</b>	<b>-26%</b>	<b>1,329,921</b>



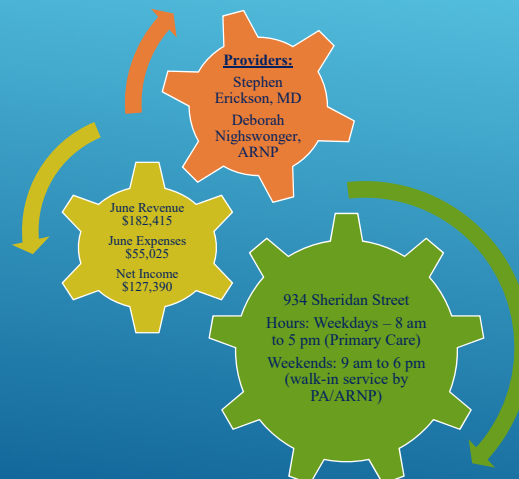
# FINANCIAL SNAPSHOT

## JUNE, MONTH AND YEAR TO DATE

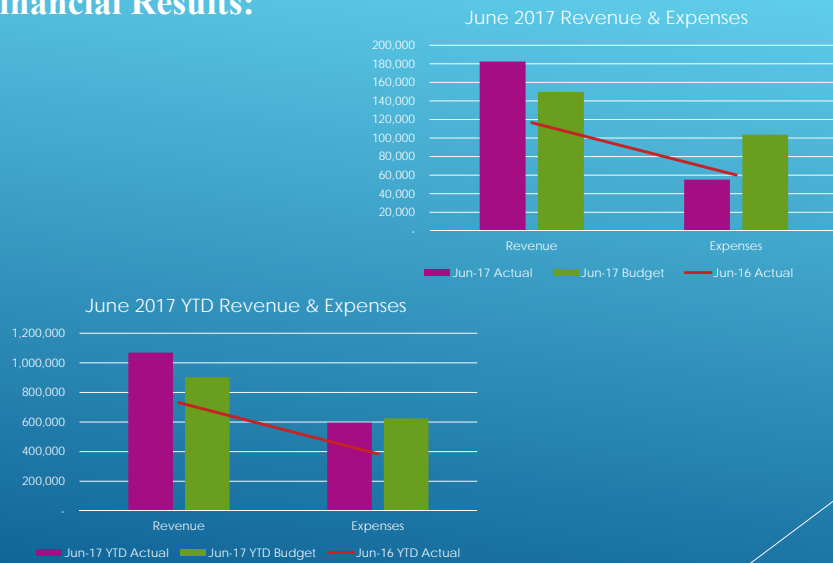
	June 2017 Actual	June 2017 Budget	Variance Favorable/ (Unfavorable)	%	June 2017 YTD	June 2017 Budget YTD	Variance Favorable/ (Unfavorable)	%	June 2016 YTD
Operating Margin	6.0%	3.8%	2.2%	59.3%	1.7%	3.8%	-2.10%	-55.8%	3.1%
Total margin	7.0%	3.2%	3.8%	116.8%	2.4%	3.2%	-0.80%	-24.6%	3.2%
Inpatient gross revenue	3,828,040	3,329,805	498,236	15.0%	23,446,808	20,089,832	3,356,976	16.7%	16,749,676
Outpatient gross revenue	14,536,867	13,951,918	584,948	4.2%	79,565,549	84,176,621	(4,611,072)	-5.5%	69,348,253
Net patient revenue	8,222,302	7,870,421	351,881	4.5%	46,378,857	47,484,902	(1,106,045)	-2.3%	39,920,315
Deductions as a % of gross revenue	-55.2%	-54.5%	-0.8%	-1.4%	-55.0%	-54.5%	-0.52%	-1.0%	-53.6%
Charity as a % of gross revenue	-0.3%	-0.6%	0.3%	49.8%	-0.5%	-0.6%	0.16%	24.8%	-0.6%
Bad Debt as a % of gross revenue	-1.4%	-1.5%	0.0%	2.5%	-1.4%	-1.5%	0.06%	4.1%	-1.5%
Salaries & Benefits as a % of net pt. service rev.	-61.0%	-64.6%	3.5%	5.5%	-64.7%	-64.6%	-0.16%	-0.3%	-63.5%

## June's Monthly Service Line Highlight

JH – CLINIC AT 934 SHERIDAN  
LEGAL NAME: JH INTERNAL MEDICINE



## JH - Internal Medicine Financial Results:



## JH - Internal Medicine Success Story:

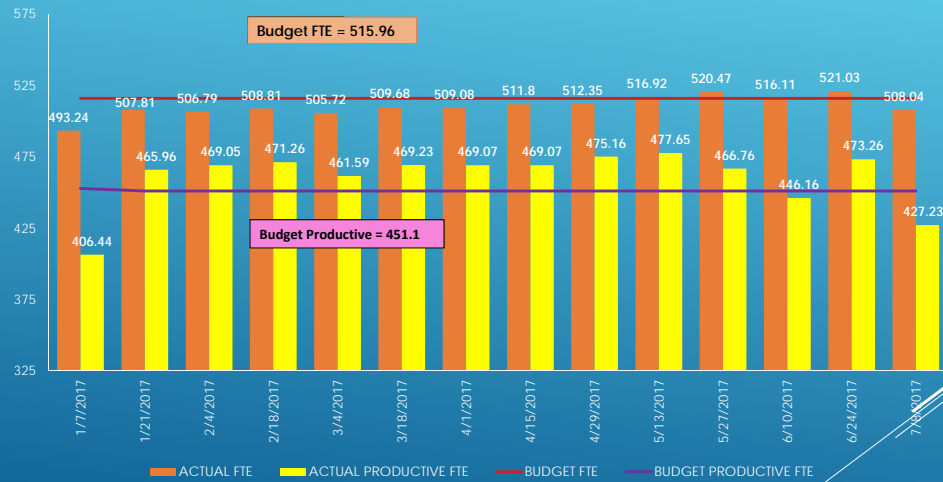
Increased appointment availability, reduced no shows and cancellations, and utilized no show and cancellation space when possible

Monthly reviews of financial reports, review variance reports, communication with finance team, and understanding of our financials

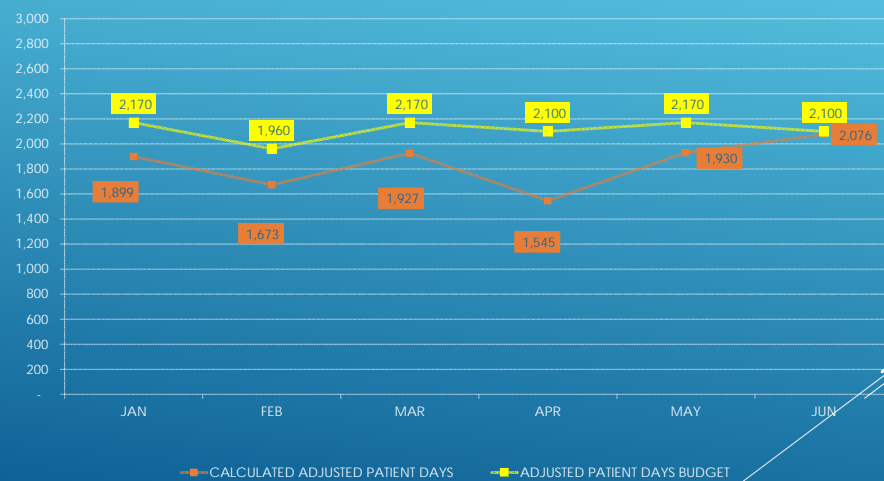
Team Effort: Everyone – Providers, front desk, medical support staff, clinic manager and even the finance team.

Increased access with a dedication to patient satisfaction, partnering, and stewardship of our finances

## JUNE FTE TRENDS



## JUNE ADJUSTED PATIENT DAYS

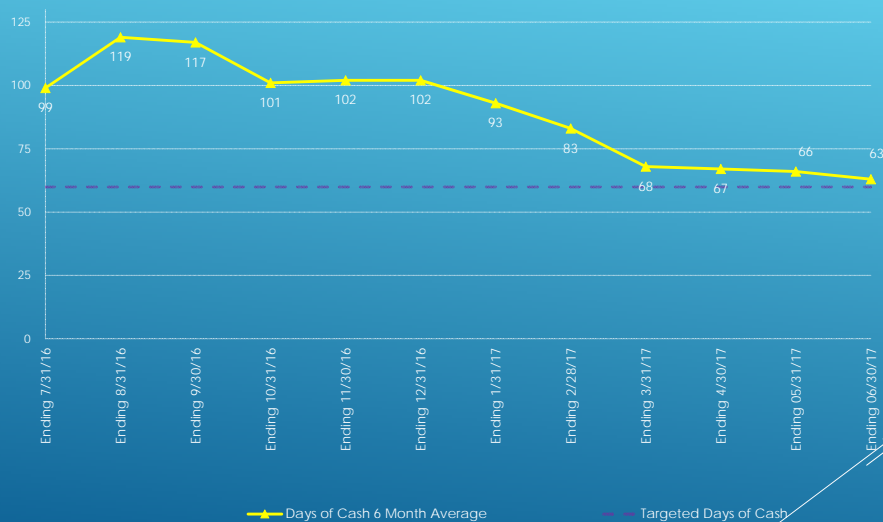


## WHERE ARE THE GAPS? CONTRIBUTION MARGIN VARIANCE BY DEPARTMENT

dept	Department Description	Variance (Favorable)/ Unfavorable	YTD Variance (Favorable)/ Unfavorable	dept	Department Description	Variance (Favorable)/ Unfavorable	YTD Variance (Favorable)/ Unfavorable
6010	ICU	(4,324)	(226,404)	7230	EMERGENCY ROOM	(132,127)	224,453
6070	ACU	(71,758)	(35,158)	7231	EMERGENCY ROOM PHYSICIAN FEES	(81,646)	(217,572)
6170	NEWBORN	5,386	18,896	7255	INFUSION CENTER	(123,307)	(560,449)
6210	SWING BED	34,158	403,383	7256	WOUND CLINIC	(14,983)	99,848
6400	HOSPITALIST	21,993	58,684	7258	ONCOLOGY	3,078	89,378
7010	FBC	47,005	198,589	7260	ANTI COAG	49,573	331,045
7020	GENERAL SURGERY	(295,543)	(650,331)	7280	SOCO CLINIC	(7,441)	(23,876)
7021	SURGERY-SPEC PROC	90,807	518,262	7281	SURGERY CENTER	(10,990)	18,851
7030	PRE/POST OP	(96,269)	(155,582)	7381	JHFM	(11,261)	23,008
7040	ANESTHESIOLOGY	1,525	409,186	7382	JHPC	(67,976)	135,040
7050	CENTRAL SUPPLY	94,882	217,059	7384	GEN SURG CLINIC	57,121	588,921
7070	LAB	(78,102)	(148,289)	7386	UROLOGY CLINIC	14,592	1,018
7078	BLOOD BANK	(21,255)	(75,636)	7387	SLEEP CENTER	45,854	1,396,283
7110	CARDIAC SERVICES	420	(48,977)	7388	SLEEP CLINIC	30,509	(900,840)
7120	MRI	(5,622)	192,658	7390	OUTPATIENT SPECIALISTS	1,466	22,807
7130	CT SCAN	(287,037)	(876,019)	7392	EAST JEFF SC	16,330	28,841
7140	RADIOLOGY	75,706	495,792	7393	PORT LUDLOW CLINIC	46,962	42,701
7142	ECHO	36,798	167,175	7394	JHIM	(81,343)	(195,948)
7143	ULTRASOUND	(48,678)	(192,144)	7395	ORTHO CLINIC	33,477	412,967
7149	MAMMOGRAPHY	(21,528)	(55,986)	7397	WOMENS CLINIC	22,393	369,450
7160	NUC MED	31,783	132,905	7400	HOME HEALTH	(50,111)	(130,953)
7170	PHARMACY	(183,099)	(1,325,679)	7410	HOSPICE	16,437	309,917
7171	PHARMACY 3408	37,854	345,823	7420	CARE TRANSFORMATION	69,147	388,249
7180	RESPIRATORY THERAPY	17,630	(84,668)	7490	CARDIAC REHAB	(3,901)	13,214
7182	PULM REHAB	1,373	(3,050)	7491	DIABETIC ED	2,834	22,299
7200	PHYSICAL THERAPY	(124,883)	(285,994)	7500	CARDIOLOGY CLINIC	(13,835)	24,144
7202	COMMUNITY CONTRACT SERVICES	13	75	7691	DERMATOLOGY CLINIC	71,297	87,911
7210	OCCUPATIONAL THERAPY	(37,749)	(80,963)	7692	DERMATOLOGY CLINIC PORT LUDLOW	5	439
7215	SPEECH THERAPY	(24,754)	(73,890)				

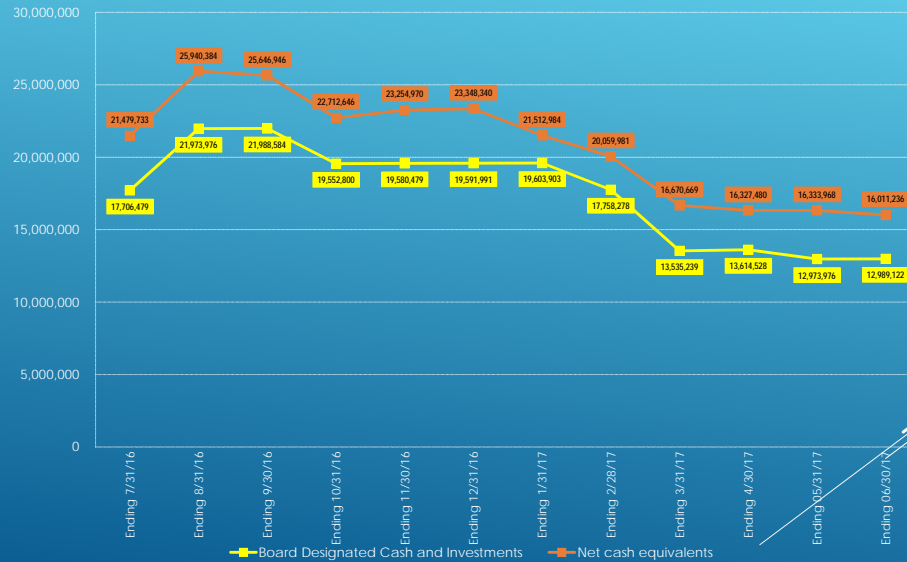
## DAYS OF CASH

TOTAL CASH / AVERAGE EXPENDITURES PER DAY



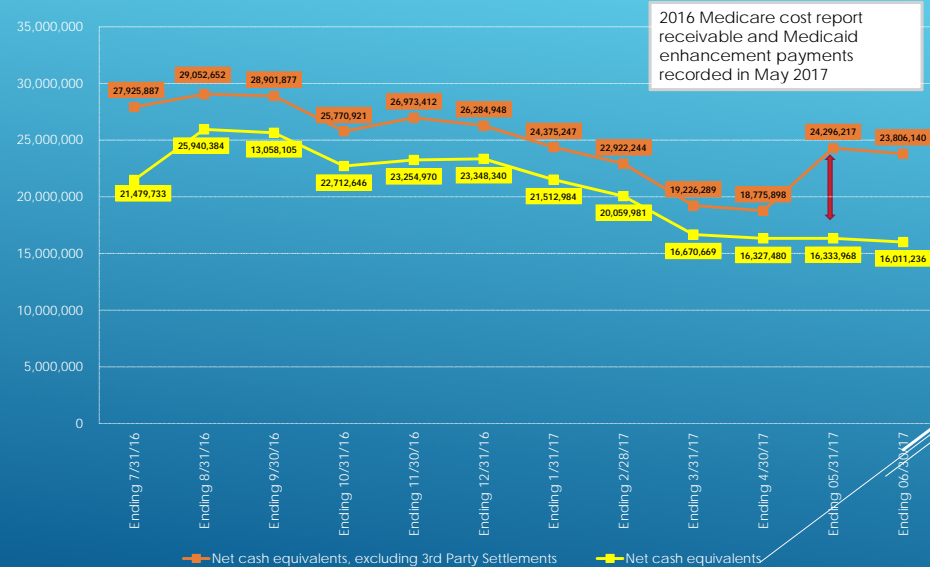
# CASH RESERVES

## BOARD DESIGNATED AND TOTAL NET CASH EQUIVALENTS

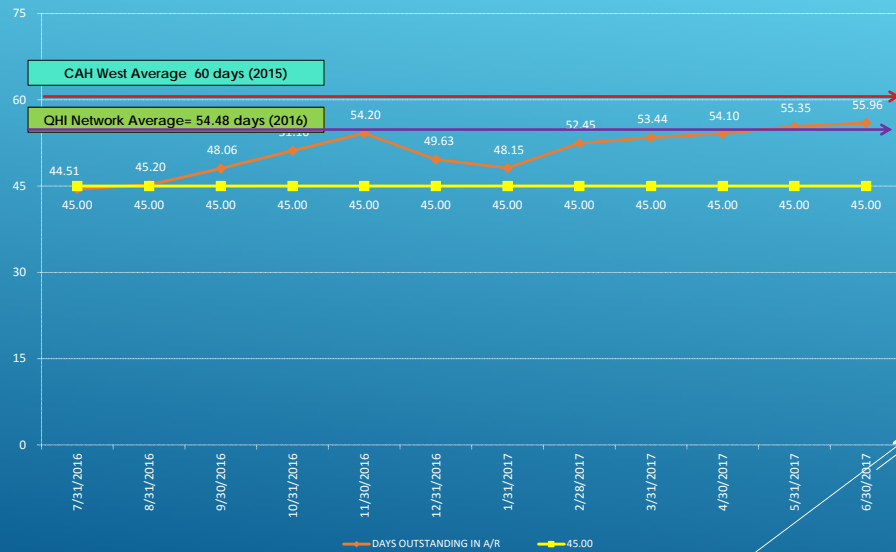


# CASH RESERVES

## EXCLUDING 3RD PARTY PAYOR SETTLEMENTS



## DAYS IN ACCOUNTS RECEIVABLE



## 2017 BOARD BUDGET

Department				June				YTD	YTD	
Department	Description	Rev/Exp	Account	Account Description	June	Budget	Variance	YTD Actual	Budget	Variance
8612	BOARD	Exp	600010	MANAGEMENT & SUPERVISION WAGES	4,703.00	4,498.00	205.00	26,904.00	27,135.00	(231.00)
			602300	CONSULT MNGMT FEE	-	-	-	-	-	-
			602500	AUDIT FEES	-	2,877.00	(2,877.00)	30,982.00	17,356.00	13,626.00
			604200	CATERING	104.00	96.00	8.00	1,042.00	577.00	465.00
			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	-	822.00	(822.00)	930.00	4,959.00	(4,029.00)
			608100	LEASES/RENTALS-BUILDINGS	-	-	-	-	-	-
			608200	LEASES/RENTALS - EQUIPMENT	-	-	-	74.00	-	74.00
			609200	LICENSE LICENSES AND TAXES	-	-	-	-	-	-
			609400	TRAVEL/MEETINGS/TRAINING	-	1,644.00	(1,644.00)	2,805.00	9,918.00	(7,113.00)
			609900	MISC OTHER EXP	-	-	-	-	-	-
	BOARD Total				4,807.00	9,937.00	(5,130.00)	62,868.00	59,945.00	2,923.00
Grand Total					4,807.00	9,937.00	(5,130.00)	62,868.00	59,945.00	2,923.00

## JULY PREVIEW

### REVENUES

- ▶ \$16,800,000 in HB charges
  - ▶ Average: \$545,000/day (HB only)
  - ▶ Budget: \$560,500/day
  
- ▶ \$6,400,000 in HB cash collections
  - ▶ Average: \$222,000/day (HB only)
  - ▶ Goal: \$255,000/day

## Jefferson Healthcare



Questions and comments?

# Administrative Report

July 19, 2017

## Consulting Engagement with Via Healthcare

### **Deliverables:**

- Develop a customized board self assessment questionnaire and perform individual Board member interviews.
- Facilitate board discussion on its performance based on the results of the questionnaire and Board member interviews.
- Identify areas of potential enhancement for board effectiveness and develop an action plan for the coming year.



## Consulting Engagement with Via Healthcare

- Provide education and guidance on Board's fundamental fiduciary duties and best practices in hospital governance with a particular focus on the roles and responsibilities of an elected/ appointed Board.
- Provide education about healthcare industry trends and discuss the resulting impact on Jefferson.

## Work Plan

1. Review various documents to ensure a thorough grounding in Jefferson's current situation, especially regarding its governance structures and functioning by laws, strategic plan, governance documents, recent board agendas and minutes.
2. Conduct structured, confidential telephone interviews with each Board member and up to four Jefferson executive and/or medical staff leaders to determine the strengths, weaknesses and any areas of concern regarding functioning, and to identify specific areas for enhancement.
3. Customize a board self-assessment questionnaire to Jefferson's governance situation and administer the survey via e-mail link to a secure Web site to all five Board members.

## Work Plan

4. Review various documents to ensure a thorough grounding in Jefferson's current situation, especially regarding its governance structures and functioning bylaws, strategic plan, governance documents, the board book, recent board agendas and minutes.
5. Develop a presentation focused on educational topics identified by the CEO and Board members during the self-assessment process, including best practices for public hospital district boards. The presentation will also include a summary of our conclusions about the Board's strengths, weaknesses and areas for enhancement based on the self-assessment results.

## Work Plan

6. Facilitate a one-day Board Retreat
  - Conduct an interactive presentation of fundamental fiduciary duties and governance best practices in governance specific to an elected public hospital district boards as well as healthcare industry trends relevant to Jefferson;
  - Present the results of the Jefferson Board's customized Board self-assessment;
  - Share Via Healthcare Consulting's summary observations regarding the Board's strengths/ weaknesses/ areas of concern and possible actions for improvement;
  - Facilitate an open discussion regarding the gap between the Board's current situation and the desired advanced practices and reach agreement on a limited number (e.g., 5-7) of actions for enhancing Jefferson's governance in the next year.
7. Provide a brief report on the decisions made during the Board Retreat. This will identify the 3-5 priority actions the Board can pursue for Board enhancement in the coming year.
8. Be available for follow up questions and other engagement related issues.

## Advocacy Update

### Washington DC:

- The Senate version of “repeal and replace” the affordable care act, The Better Care Reconciliation Act is dead.
- This act would have been catastrophic consequence to Jefferson Healthcare and Jefferson County.
- The uninsured rate, which reduced from 16.8% in 2013 to 7.2% in 2016, would increase.
- Washington State would have lost \$33.5 billion in federal funds between 2020 and 2026 from expansion related changes and the per capita cap.
- If Washington decided to keep the expansion and maintain its current Medicaid expansion program, it would have to increase its own spending by \$13.7 billion through 2026, or about 33%.

## Advocacy Update

### Olympia:

- On June 30, the legislators passed and the governor signed a \$34 billion operating budget narrowly avoiding a partial shut down of state services.
- On the whole, the operating budget is fair to hospitals and health care.
- As of today, there is no agreement on capital budget for the 2017-19 biennium and it is unclear if there will be agreement this session.

## Jefferson Healthcare is a Most Wired Hospital... Again

### How do you become a Most Wired Hospital?

- Hospitals complete a 88 question survey setting specific requirements in 4 focus areas:
  - Infrastructure and security
  - Business and administrative management
  - Clinic quality and safety (inpatient/outpatient)
  - Clinic Integration (Ambulatory/Physician/ Patient Community)

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Healthcare

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### The Most Wired — Small and Rural

- Aultman Orrville (Ohio) Hospital
- Columbia Memorial Hospital | Astoria, Ore.
- Franklin Memorial Hospital | Farmington, Maine
- Grand Lake Health System | St. Marys, Ohio
- Grande Ronde Hospital | La Grande, Ore.
- Hammond-Henry Hospital | Geneseo, Ill.
- Henry County Health Center | Mount Pleasant, Iowa
- Indiana University Health Blackford Hospital | Hartford City, Ind.
- Inland Hospital | Waterville, Maine
- Jefferson Healthcare | Port Townsend, Wash.**
- Kalamazoo (Mich.) Memorial Health Center
- Katherine Shaw Bethel Hospital | Deon, Ill.
- King's Daughters Medical Center | Brookhaven, Miss.
- Lake Chelan Community Hospital | Chelan, Wash.
- North Country Hospital and Health Center | Newport, Vt.
- Osceola (Wis.) Medical Center
- Paul Oliver Memorial Hospital | Frankfort, Mich.
- Rochelle (Ill.) Community Hospital
- Rutland (Vt.) Regional Medical Center
- South County Hospital | Wakefield, R.I.
- Sparrow Carson Hospital | Carson City, Mich.
- Stowe County Medical Center | Mountain View, Ark.
- Tomah (Wis.) Memorial Hospital
- Valley Regional Hospital | Claremont, N.H.
- Western Reserve Hospital | Cuyahoga Falls, Ohio

### The Most Improved

- Acadia Hospital | Bangor, Maine
- Alexian Brothers Health System | Arlington Heights, Ill.
- Arroostook Medical Center | Presque Isle, Maine
- Baptist Health | Louisville, Ky.
- Baylor Scott & White Health (Central Texas) | Temple
- Blue Hill (Maine) Memorial Hospital
- Canton-Potsdam (N.Y.) Hospital
- Chadron (Nebr.) Community Hospital and Health Services
- Charles A. Dean Memorial Hospital | Greenville, Maine
- Cooper University Health Care | Camden, N.J.
- Ephraim McDowell Regional Medical Center | Danville, Ky.
- EvergreenHealth | Kirkland, Wash.
- Faith Regional Health Services | Norfolk, Neb.
- Mercy Health System | Janesville, Wis.
- New London (N.H.) Hospital
- Pocahontas Medical Center | East Stroudsburg, Pa.
- Sebastiack Valley Health | Pittsfield, Maine
- Southampton (N.Y.) Hospital
- Union General Hospital | Blairsville, Ga.
- Union Hospital Clinton (Ind.)
- University of Texas MD Anderson Cancer Center | Houston
- West Georgia Medical Center | LaGrange, Ga.
- Winona (Minn.) Health
- Womack Army Medical Center | Fort Bragg, N.C.
- Yavapai Regional Medical Center | Prescott, Ariz.



## American College of Surgeons Cancer Accreditation Survey

- Gold standard for cancer program
- Same accreditation sought by Seattle Cancer Care Alliance, Swedish Medical Center, and Virginia Mason.

## American College of Surgeons Cancer Accreditation Survey



Preliminary results... We did great and will hear back in 4-6 weeks.

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## Organizational Chart

- **One more proposed revision:**
  - Since Risk Management is an enterprise wide function. I propose it moves from Nursing to Administration and report directory to the CEO.
- **Employee Engagement Survey:**
  - Propose the Employee Engagement survey be administered biennially.

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## Important Dates and Events

<b>Saturday July 22</b>	Employee Appreciation Picnic at HJ Carrol Park 11:30-4:00pm
<b>Monday, August 14</b>	Clinic Opening of New Port Ludlow Clinic
<b>Friday, August 18</b>	Grand Opening Celebration, 3:00-5:00pm
<b>Thursday, September 14</b>	Provider Engagement Dinner featuring David Montgomery, author of "A Growing Revolution"
<b>Friday, September 15</b>	Healthcare and Wellness Committee Tour Dirksen Conference Room 11:00-1:00pm
<b>Friday, October 6</b>	Swedish Symposium Northwest Maritime Center 9:00-3:00pm

## Questions & Comments



# **Pedometer Challenge**

2017

**5210JEFFERSON.ORG**





5-2-1-0

- 5 or more fruit and vegetables
- 2 hours or less of recreational screen time
- 1 hour or more physical activity
- 0 sugary drinks, more water

## Port Townsend School District



## Partnership in Health

- This foundational statement provides for the idea that our schools will create and enable the culture, competence, and conditions to ensure each student is prepared for meaningful work and engaged citizenship in our diverse and rapidly changing world.
- Increase healthy eating and physical activity in school to create a healthier school environment
- providing leadership to improve the health, wellness and vitality of our community



## The Challenge



- 6 weeks-4 active weeks of wearing the pedometers
- Jefferson Healthcare vs Port Townsend School District
- CEO vs Superintendent
- Teachers vs doctors
- Food Service Directors
- Classrooms against other classrooms
- How far across WA will we walk?

## Why

- FUN!
- Prizes
- Oh and the health of our community and instilling positive behaviors for life

