Business Session Draft Agenda
Wednesday, September 20, 2017

Call to Order: 3:30

Approve Agenda: 3:31

Patient Story: Lisa Holt, Chief Ancillary and Specialty Services Officer 3:32

Minutes: Action Requested 3:37
- September 6 Regular Session Minutes (pg. 2-3)

Required Approvals: Action Requested 3:38
- August Warrants and Adjustments (pg. 4-8)
- Resolution 2017-37 Cancel Warrants (pg. 9)

Public Comment: 3:40
(Alternative methods of providing public comment on any item on the agenda or any other hospital issue is through a letter addressed to Commissioners at 834 Sheridan Street, Port Townsend, WA 98368 or email to Commissioners at commissioners@jgh.org)

No on Proposition 1 Presentation: No Action Requested 3:50
- Ron Gregory
- Public Comment

Compliance Report: 4:10
- Erin Coffey, Compliance Officer and Patient Access Services Manager

Strategic Plan 2017-2020: Action Requested (pg. 10-14) 4:30

Financial Report: Hilary Whittington, Chief Administrative Officer/CFO 4:45
- August
- Patient Financial Experience Task Force Report Out

Administrator's Report: Mike Glenn, CEO 5:15
- Behavioral Health Update

Chief Medical Officer Report: Joe Mattern, MD, CMO 5:35

Board Report: 5:55
- WSHA Rural Advocacy Days

Conclude: 6:10

This Regular Session will be officially audio recorded.
Times shown in agenda are estimates only.
Call to Order:
The meeting was called to order at 3:30pm by Commissioner Buhler. Present were Commissioners Buhler, Dressler, De Leo, Kolff, and Ready. Also present were Mike Glenn, Chief Executive 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, 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, presented the Patient Story regarding Surgical Services, noting how high their patient survey scores have become. She read aloud a letter from a patient, who related how well her surgery visit had gone and that she could find nothing to complain about.

Minutes:
- August 16 Regular Session minutes
Commissioner Kolff made a motion to approve the August 16 Regular Session minutes. Commissioner De Leo seconded.

Commissioner De Leo made a motion to amend the August 16 minutes, instead of “highest level of commendation the state can be give” to instead “highest level of commendation they can give”.
Action: Motion passed unanimously

Required Approvals:
- Medical Staff Credentials/Appointments/Reappointments
Commissioner Dressler made a motion to approve Medical Staff Credentials/Appointments/Reappointments as presented. Commissioner De Leo seconded the motion.
Action: Motion passed unanimously.

Washington State Hospital Association Update:
Chris Bandoli, Senior Vice President, Government Affairs presented a Washington State Hospital Association Update.
Discussion ensued.

**Strategic Plan 2017-2020:**
Mike Glenn, CEO, and Katie Holmes, Consultant presented the 2017-2020 Strategic Plan.

Discussion ensued.

Commissioner De Leo made a motion that Commissioner Buhler and Commissioner Dressler are representatives at the Healthcare and Wellness Committee Tour on September 15. Commissioner Kolff seconded.

**Action:** Motion passed unanimously.

**Board Reports:**
Commissioner Kolff confirmed that Resolution 2017-35 opposition public comment was available to be made at the September 20 commissioners meeting.

Commissioner Kolff suggested delaying January 3, 2018 Commissioner Meeting due to the holiday.

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

**Action:** Motion passed unanimously.

Meeting concluded at 5:18pm.

Approved by the Commission:

President of Commission: Jill Buhler __________________________________________

Secretary of Commission: Marie Dressler ___________________________________
TO: BOARD OF COMMISSIONERS  
FROM: HILARY WHITTINGTON, CFO  
RE: AUGUST 2017 WARRANT SUMMARY

The following items need to be approved at the next commission meeting:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund Warrants &amp; ACH Transfers</td>
<td>$7,998,069.20</td>
<td>(Provided under separate cover)</td>
</tr>
<tr>
<td>Bad Debt / Charity</td>
<td>$293,285.76</td>
<td>(Attached)</td>
</tr>
<tr>
<td>Canceled Warrants</td>
<td>$695.97</td>
<td>(Attached)</td>
</tr>
</tbody>
</table>
TO: BOARD OF COMMISSIONERS
FROM: HILARY WHITTINGTON, CFO
RE: AUGUST 2017 GENERAL FUND WARRANTS & ACH FUND TRANSFERS

Submitted for your approval are the following warrants:

GENERAL FUND:

238570 - 239282 $3,669,576.47

ACH TRANSFERS $4,328,492.73

$7,998,069.20

YEAR-TO-DATE: $63,407,176.29

Warrants are available for review if requested.
TO: BOARD OF COMMISSIONERS  
FROM: HILARY WHITTINGTON, CFO  
RE: AUGUST 2017 BAD DEBT, ADMINISTRATIVE, AND CHARITY CARE WRITE OFFS

Submitted for your approval are the following:

<table>
<thead>
<tr>
<th></th>
<th>AUGUST</th>
<th>AUGUST YTD</th>
<th>AUGUST YTD BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bad Debts:</td>
<td>$139,893.52</td>
<td>$2,087,762.17</td>
<td>$2,076,631.32</td>
</tr>
<tr>
<td>Charity Care:</td>
<td>$121,579.18</td>
<td>$725,205.56</td>
<td>$875,611.55</td>
</tr>
<tr>
<td>Other Administrative Adjustments:</td>
<td>$31,813.06</td>
<td>$293,151.47</td>
<td>$157,721.24</td>
</tr>
<tr>
<td><strong>TOTAL FOR MONTH:</strong></td>
<td><strong>$293,285.76</strong></td>
<td><strong>$3,106,119.20</strong></td>
<td><strong>$3,109,964.11</strong></td>
</tr>
</tbody>
</table>
TO: BOARD OF COMMISSIONERS  
FROM: HILARY WHITTINGTON, CFO  
RE: AUGUST 2017 WARRANT CANCELLATIONS

State law requires you to pass a resolution canceling any warrants which are not presented to the Treasurer for payment within one year of issue.

<table>
<thead>
<tr>
<th>DATE</th>
<th>WARRANT</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>8/2/2016</td>
<td>229279</td>
<td>$    495.00</td>
</tr>
<tr>
<td>8/4/2016</td>
<td>229362</td>
<td>$    135.00</td>
</tr>
<tr>
<td>8/25/2016</td>
<td>229876</td>
<td>$    52.90</td>
</tr>
<tr>
<td>8/25/2016</td>
<td>229927</td>
<td>$    13.07</td>
</tr>
</tbody>
</table>

**TOTAL:** $ 695.97
### Gross Revenue

<table>
<thead>
<tr>
<th></th>
<th>August 2017</th>
<th>August 2017</th>
<th>Variance Favorable/Unfavorable %</th>
<th>August 2017</th>
<th>August 2017</th>
<th>Variance Favorable/Unfavorable %</th>
<th>August 2016 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inpatient Revenue</td>
<td>3,215,711</td>
<td>3,440,801</td>
<td>(225,090) -7%</td>
<td>30,456,464</td>
<td>26,971,435</td>
<td>3,485,029 13%</td>
<td>22,480,965</td>
</tr>
<tr>
<td>Outpatient Revenue</td>
<td>15,237,534</td>
<td>14,416,995</td>
<td>820,538 6%</td>
<td>108,319,129</td>
<td>113,010,611</td>
<td>(4,691,483) -4%</td>
<td>91,664,090</td>
</tr>
<tr>
<td><strong>Total Gross Revenue</strong></td>
<td>18,453,245</td>
<td>17,857,796</td>
<td>595,449 3%</td>
<td>138,775,592</td>
<td>139,982,046</td>
<td>(1,206,453) -1%</td>
<td>114,145,055</td>
</tr>
</tbody>
</table>

### Revenue Adjustments

<table>
<thead>
<tr>
<th>Description</th>
<th>August 2017</th>
<th>August 2017</th>
<th>Variance Favorable/Unfavorable %</th>
<th>August 2016 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost Adjustment Medicaid</td>
<td>1,920,345</td>
<td>2,191,686</td>
<td>271,341 12%</td>
<td>13,459,679</td>
</tr>
<tr>
<td>Cost Adjustment Medicare</td>
<td>5,800,451</td>
<td>5,885,349</td>
<td>84,998 -9%</td>
<td>48,561,915</td>
</tr>
<tr>
<td>Charity Care</td>
<td>121,579</td>
<td>111,704</td>
<td>(9,876) -8%</td>
<td>150,406</td>
</tr>
<tr>
<td>Contractual Allowances Other</td>
<td>1,474,072</td>
<td>1,251,241</td>
<td>212,831 -18%</td>
<td>624,894</td>
</tr>
<tr>
<td>Administrative Adjustments</td>
<td>31,813</td>
<td>20,121</td>
<td>(11,692) -58%</td>
<td>135,430</td>
</tr>
<tr>
<td>Adjust Bad Debt</td>
<td>139,894</td>
<td>264,920</td>
<td>125,027 47%</td>
<td>1,879,843</td>
</tr>
</tbody>
</table>

### Partial Income Statement

<table>
<thead>
<tr>
<th>Description</th>
<th>August 2017</th>
<th>August 2016 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Revenue Adjustments</strong></td>
<td>9,488,154</td>
<td>9,725,020</td>
</tr>
<tr>
<td><strong>Net Patient Service Revenue</strong></td>
<td>8,965,091</td>
<td>63,750,454</td>
</tr>
<tr>
<td><strong>Other Revenue</strong></td>
<td>4,418,969</td>
<td>32,392,211</td>
</tr>
<tr>
<td><strong>Operating Expenses</strong></td>
<td>8,683,722</td>
<td>64,706,678</td>
</tr>
<tr>
<td><strong>Total Operating Revenues</strong></td>
<td>9,417,134</td>
<td>66,702,491</td>
</tr>
</tbody>
</table>

### Operating Income (Loss)

<table>
<thead>
<tr>
<th>Description</th>
<th>August 2017</th>
<th>August 2016 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Operating Revenues</strong></td>
<td>9,417,134</td>
<td>55,911,710</td>
</tr>
<tr>
<td><strong>Operating Income (Loss)</strong></td>
<td>44,719</td>
<td>83,083</td>
</tr>
</tbody>
</table>

### Non Operating Revenues (Expenses)

<table>
<thead>
<tr>
<th>Description</th>
<th>August 2017</th>
<th>August 2016 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxation For Maint Operations</td>
<td>36,107</td>
<td>151,767</td>
</tr>
<tr>
<td>Taxation For Debt Service</td>
<td>61,140</td>
<td>134,482</td>
</tr>
<tr>
<td>Investment Income</td>
<td>23,465</td>
<td>119,887</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>(65,993)</td>
<td>51,596</td>
</tr>
<tr>
<td>Bond Issuance Costs</td>
<td>(10,000)</td>
<td>452,712</td>
</tr>
<tr>
<td>Gain or (Loss) on Disposed Asset</td>
<td>-</td>
<td>661,467</td>
</tr>
<tr>
<td>Contributions</td>
<td>-</td>
<td>427,926</td>
</tr>
<tr>
<td><strong>Total Non Operating Revenues (Expenses)</strong></td>
<td>44,719</td>
<td>363,731</td>
</tr>
</tbody>
</table>

### Change in Net Position (Loss)

<table>
<thead>
<tr>
<th>Description</th>
<th>August 2017</th>
<th>August 2016 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in Net Position (Loss)</td>
<td>778,130</td>
<td>2,004,745</td>
</tr>
</tbody>
</table>

### Variance Summary

<table>
<thead>
<tr>
<th>Description</th>
<th>August 2017</th>
<th>August 2016 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Variance</strong></td>
<td>8.00%</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Variance</strong></td>
<td>13%</td>
<td>10%</td>
</tr>
<tr>
<td><strong>Variance</strong></td>
<td>-7%</td>
<td>-6%</td>
</tr>
<tr>
<td><strong>Variance</strong></td>
<td>12%</td>
<td>12%</td>
</tr>
</tbody>
</table>
RESOLUTION 2017-37

A RESOLUTION CANCELING SAID WARRANTS IN THE AMOUNT OF $695.97

WHEREAS warrants of any municipal corporation not presented within one year of their issue, or, that have been voided or replaced, shall be canceled by the passage of a resolution of the governing body.

NOW, THEREFORE BE IT RESOLVED THAT:
In order to comply with RCW 36.22.100, warrants indicated below in the total amount of $695.97 be canceled.

<table>
<thead>
<tr>
<th>Date of Issue</th>
<th>Warrant #</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>08/02/2016</td>
<td>229279</td>
<td>$495.00</td>
</tr>
<tr>
<td>08/04/2016</td>
<td>229362</td>
<td>$135.00</td>
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<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$695.97</strong></td>
</tr>
</tbody>
</table>

APPROVED THIS 20th day of September, 2017.

APPROVED BY THE COMMISSION:

Commission Chair – Jill Buhler: ___________________________________________
Commission Secretary – Marie Dressler: __________________________________
Attest:
Commissioner – Anthony De Leo: __________________________________________
Commissioner – Kees Kolff: _____________________________________________
Commissioner – Matt Ready: _____________________________________________
Mission: Jefferson Healthcare is working to serve our community with personalized care and medical excellence.  

Vision: Jefferson Healthcare will be the community’s first choice for quality care by providing exceptional patient care to every person we serve.

QUALITY and SAFETY

GOAL: Provide the Highest Quality, Safest Care of Any Hospital in the Region.

Metrics
Composite quality and safety score  
(Outpatient and Inpatient Core Measures, ACO/MIPS performance) ..................................................  
Readmission rate- Inpatient, ER  
and Home Health .................................................................  
Antimicrobial stewardship..................................................  
Hospice length of stay ..........................................................  
Achieve status as a CMS 5 Star hospital.  
Earn recognition by WSHA for Achieving Best Care award.

Targets
90%

Decrease over 2016 baseline  
Reduce inappropriate antibiotic use by 10%  
3 months

Strategies:
1. Drive best practice clinical care.  
2. Enhance the culture of safety.  
3. Achieve excellent clinical outcomes.  
4. Align care with patient goals.
GOAL: Recruit and Retain an Engaged, High Performing Workforce.

Metrics
Create a People composite score made up of the following measures:
- Employee/provider engagement
  - Employee-Would you recommend as place to work...
  - Provider-Likelihood to continue affiliation-
- Turnover rate or retention rate-
- Burnout rate- *(Maslach Inventory)*
- Time to fill open positions-

Targets
- Top Quartile
- Top Quartile
- 10%
- Establish a base line year 1.
- Set baseline year one, target improvement over baseline.

Strategies:
2. Develop an engaged workforce.
3. Create a culture of high performance.
4. Promote a thriving, rewarding provider practice that nurtures the provider patient relationship.
SERVICE

Goal: Deliver an Experience That Exceeds Patients’ and Families’ Expectations.

Metrics
Create a service composite score consisting of:

- Patient Satisfaction scores – Overall scores –
- Likely to recommend
- Quiet at night
- Confidence and Trust in Provider
- Consistency of Communication Provider/Nurse
- Able to get appointment
- PICKER Access to care dimension
- Patient Advocate Reports
- Percent completed referrals

Targets

- Inpatient 75th percentile (PICKER)
- Top Quartile
- Top Quartile
- Top Quartile
- Top Quartile
- 30 days new patient, 1-14 days post hospital, 0-10 days established patient.
- 10% improvement over baseline by 2018, 25% by 2020
- 7 days open, 30 days close
- Set baseline year 1

Strategies:

1. Create an infrastructure that supports radically convenient access to care.
2. Consistently deliver an outstanding experience with every encounter.
3. Improve care navigation for patients and their families.
4. Create informed healthcare consumers in the community.
Community Health

GOAL: Support a Healthier Community for Jefferson County.

Strategies:
1. Align with partners to implement the Community Health Improvement Plan.
2. Provide leadership in the completion of a Community Health Assessment.
3. Engage community partners in advancing programs that support the community’s health.
4. Develop a community impact report.

Metrics
- Community Health assessment report
- Number or percent of ED transfers out of county
- Number or percent of preventative annual wellness visits
- Vaccination rates

Targets
- On track with timeline 2018 CHA/CHIP
- Decrease from 2016 baseline
- Increase from 2016 baseline
- 90% children 19-35 months fully immunized by 2020
- 90% of JHC employees receive annual flu vaccine
- 90% of adults 65 or older will have at last one Pneumococcal Vaccination
- By 2010 13-15-year-olds meets Healthy People goals

Increase the percent of women receiving prenatal care in first trimester
Sustainability


Strategies:

1. Align the transition from Fee for Service to Value‐Based care with reimbursement models.
2. Actively manage resources to ensure the long-term financial health of JHC.
3. Pursue technology and facility solutions that advance care and operations.
4. Be a value oriented, financially high performing organization. (Hillary)
5. Continue to leverage the partnership with Washington Rural Health Collaborative.
6. Grow by expanding current services and developing new clinical programs and services.

Metrics

Create sustainability composite score made up of the following:

- Number of negative quarters (baseline 1 in 4) ............
- Days of Account Receivable ..................................................
- Percent of net revenue for salaries, wages and benefit-
  (baseline is 64.7%) ............................................................
- Days of cash ....................................................................
- Percent of departments meeting contribution margin budget.
- Productivity ....................................................................

Targets

- Zero
- Less than 45
- 62%
- (90-12/2018, 100-12/2019, 110-12/2020)
- 90% quarterly
- Greater than 95%

Participate in at least one value based or cost saving activity through WRHC annually.