Call to Order:
The meeting was called to order at 2:30pm by Board Chair Buhler Rienstra. present were Commissioners Dressler, Kolff, McComas, Ready. Also in attendance were Mike Glenn, CEO, Hilary Whittington, Chief Administrative Officer/ Chief Financial Officer, Jon French, Chief Legal Officer, Brandie Manuel, Chief Patient Safety and Quality Officer, Jenn Wharton, Chief Ambulatory and Medical Group Officer, Caitlin Harrison, Chief Human Resources Officer, Dr. Joseph Mattern, Chief Medical officer. Alyssa Rodrigues, Administrative Assistant was also in attendance. This meeting was officially audio recorded by Jefferson Healthcare.

Approve Agenda:
Commissioner McComas made a motion to approve the agenda with the addition of Cardiology Privileges in Required Approvals. Commissioner Dressler seconded.
Action: Motion passed unanimously.

Education:
Jon French, Chief Legal Officer presented the Compliance Report.

Discussion ensued.

Jackie Levin, Patient Advocate presented the Patient Advocate Report.

Discussion ensued.

Break:
Commissioners recessed for break at 3:16pm.

Commissioners reconvened from break at 3:30pm.

Team/Employee/Provider of the Quarter:
Mike Glenn, CEO, announced the Employee of the Quarter, Corinna Clemens, Team of the Quarter, Emergency Department, and Provider of the Quarter, Dr. Matthew Crowell.

Minutes:
• July 24 Regular Session
Commissioner Dressler made a motion to approve the July 24 Regular Session minutes. Commissioner McComas seconded.
Action: Motion passed unanimously.

Required Approvals: Action Requested
• July Warrants and Adjustments
• Resolution 2019-16 Surplus Equipment
• Medical Staff Credentials/Appointments/Reappointments
• Medical Staff Policy

Commissioner Dressler made a motion to approve the July Warrants and Adjustments, Resolution 2019-16 Surplus Equipment, Medical Staff Credentials/ Appointments/ Reappointment, and Medical Staff Policy with the inclusion of Cardiology Privileges. Commissioner Kolff seconded.

**Action:** Motion passed unanimously.

**Public Comment:**
Public comment was made.

**Financial Report:**

Discussion ensued.

**Quality Report:**
Brandie Manuel, Chief Patient Safety and Quality Officer, presented the Quality report.

Discussion ensued.

**Administrative Report**
Mike Glenn, CEO, presented the Administrative report.

Discussion ensued.

**Chief Medical Officer Report:**
Dr. Joseph Mattern, CMO, provided the CMO report which included ED transition update, staffing, and Greely update.

**Board Business:**
Commissioner Buhler Rienstra sadly announced the passing of Renate Wheeler. She explained how wonderful of a person she was and how instrumental she was to the success of Jefferson Healthcare Foundation. She will be greatly missed.

Commissioner Dressler reported the Jefferson Healthcare Foundation event “Sip of Summer” was a success at the Port Townsend Vineyards.

**Meeting Evaluation:**
Commissioners evaluated the meeting.
Commissioner recessed for break at 5:20pm. Commissioners returned from break at 5:30pm.

**Executive Session:**
Commissioners went into Executive Session at 5:30pm to Consider the Purchase and Sale of certain Real Estate. Action may be taken.

Commissioner came out of Executive Session at 5:45pm. No public was present.

Commissioners went into Executive Session at 5:45pm.

Commissioner came out of Executive Session at 5:50pm.

Commissioner Ready made a motion to authorize administration to sell the mineral rights to the property holding in North Dakota for the recommended price. Commissioner McComas seconded.

**Action:** Motion passed unanimously.

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

**Action:** Motion passed unanimously.

Meeting concluded at 5:50pm.

Approved by the Commission:

Chair of Commission: Jill Buhler Rienstra ________________________________

Secretary of Commission: Marie Dressler ________________________________
Compliance and Integrity Program Report

Jon French
CHIEF LEGAL OFFICER
& COMPLIANCE OFFICER

8.28.2019
Agenda

• Compliance and Integrity Program Structure
• Enforcement Trends
• Roles and Rules to Know
• 2019 Program Updates
  • Focus Area: Conflicts of Interest and Disclosure
• Reporting Non-Compliance
• Questions
Compliance Program Structure

THE SEVEN ELEMENTS*

1. Standards, policies and procedures
2. Compliance leaders and resources
3. Screening and evaluation of personnel
4. Communication, education and training
5. Monitoring, auditing, reporting systems
6. Investigation and remediation processes
7. Discipline and enforcement processes

PLUS
Periodic review and reporting to Executive Quality Council (EQC) and Board of Commissioners

*Source: Office of Inspector General (OIG), U.S. Department of Health and Human Services
Why Do We Need a Compliance and Integrity Program (CIP)?

1. DEFINES OUR GOALS, ROLES AND RULES

GOALS
- Prevent, detect and correct improper conduct; enhance organizational excellence; protect patient safety and rights

RULES
- Board of Commissioners: provides oversight to CIP; sets tone; receives periodic reports
- JH Leadership: implements/drives CIP; monitors effectiveness
- All JH Personnel: know standards; report instances of non-compliance; hold each other accountable to our ethical values

2. IMPLEMENTS AND UPHOLDS OUR ETHICAL VALUES

- Ethical culture, not simply compliance
- Being proactive, not only reactive
- Our JH Mission Statement: “To hold the trust…”
- Doing the right thing simply because it’s right

3. ENCOURAGES US ALL TO REPORT CONCERNS

Laws and regulations that affect our ability to participate in government reimbursement programs (e.g. Medicare) PLUS JH internal policies and procedures; focus is on patient protection, preventing fraud, waste and abuse in healthcare payments.
Who’s Watching How We Behave?

WE ARE ACCOUNTABLE TO:

- Patients
- Taxpayers (including us)
- Payors (Medicare, Medicaid, Private)
- Licensing Agencies (e.g. Dept. of Health)
- Accrediting Bodies (DNV)
- Lawmakers & Regulators (State & Federal)
- Enforcement Agencies (DHHS OIG, OCR)
- OURSELVES and EACH OTHER
KEY FOCUS AREAS IN 2019*
• Referral relationships (Stark Law & Antikickback Statute)
• Billing and coding for medical services
• Privacy and security of patient healthcare information
• Opioid prescribing and kickbacks
• Home Health & Hospice

*Based on recent enforcement actions and OIG Workplan

---

2018 TAKEDOWN BY THE NUMBERS

<table>
<thead>
<tr>
<th>Number</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>601</td>
<td>Defendants Charged, Including:</td>
</tr>
<tr>
<td>165</td>
<td>Medical Professionals</td>
</tr>
<tr>
<td>$2</td>
<td>Billion in Losses</td>
</tr>
<tr>
<td>587</td>
<td>Exclusions Issued</td>
</tr>
<tr>
<td>58</td>
<td>Federal Districts</td>
</tr>
<tr>
<td>30</td>
<td>Medicaid Fraud Control Units</td>
</tr>
<tr>
<td>350</td>
<td>OIG Agents</td>
</tr>
</tbody>
</table>

U.S. Department of Health and Human Services Office of Inspector General
Role of the Board

• Federal Sentencing Guidelines:

“The organization’s governing authority shall be knowledgeable about the content and operation of the compliance and ethics program and shall exercise reasonable oversight with respect to the implementation and effectiveness of the compliance and ethics program.”

• OIG Guidance for Healthcare Governing Boards on Compliance Oversight:

“Directors have a fiduciary responsibility to exercise a reasonable duty of care in overseeing a company’s compliance program.”

• Generally Good Practices:

- Know CIP structure and responsibilities: goals, roles and rules
- Ask good questions and make sure you’re satisfied with the answers
- Set the tone for a strong culture of compliance and ethical behavior
Role of the Compliance Function

• Administers the Compliance and Integrity Program (CIP)
• Coordinates/collaborates with partner functions to implement and maintain CIP
  ▪ **Human Resources** (personnel screening, training, disciplinary matters)
  ▪ **Information Technology** (data security, technology solutions)
  ▪ **Privacy** (protection of health information, documentation, notification)
  ▪ **Risk Management** (investigation, incident response, mitigation, reporting)
  ▪ **Internal Audit** (monitoring, evaluation of control systems, corrective actions)
  ▪ **Quality** (Quantros reporting, patient-centered care)
  ▪ **Legal** (advice and counsel on laws and regulations, defense, strategy)
• Develops policies and procedures that provide guidance to JH personnel
• Plans actions to improve and sustain compliance
• Ensures ongoing education and training on compliance topics
• Monitors and measures compliance risks and outcomes
• Reports to management and Board on CIP
Healthcare Compliance Law + Policy

- Code of Conduct (The Cornerstone)
- Conflicts of Interest & Disclosure
- HIPAA Privacy, Security & Patient Rights
- EMTALA
- Fraud, Waste & Abuse in Healthcare Payments
- Antikickback Statute & Physician Self-Referral (Stark Law)
- False Claims Act
- How and When to Report Possible Misconduct
- Whistleblower Protection

Jefferson Healthcare
2019 CIP Updates and Actions

Program and policy development:
• Compliance Support Team (CST) identity and composition
• Contracts Management policy and process improvements
• Compliance and Integrity Program updates:
  • New CIP policy replaced outdated Regulatory Compliance policy
  • Compliance Training and Education policy – NEW
  • Conflicts of Interest Policy and Disclosure Process – NEW
  • Fraud, Waste and Abuse Policies - before EOY
• Documentation compliance and centralization
  • E-consents task force

Live training:
• NEO – general compliance, how to report, scenarios
• Contracts management
• Conflicts of interest
• EMTALA training with Emergency Department and FBC personnel – PLANNED
• Conflicts of interest training with Home Health and Hospice – PLANNED

Opportunities and planned actions:
• Increase system-wide training, education and visibility for CIP
• Audits in areas of enforcement focus
• Develop reporting dashboard to measure outcomes and effectiveness
• Culture of Compliance Survey to measure engagement, understanding of CIP
Conflicts of Interest (COI)

Integrity is part of JH’s Ethical Culture.Appearances matter.

- Personal gain (professional, financial or otherwise) related to your position with JH is prohibited if it arises from relationships, interests or affiliations that make others question whether you are placing your own benefit above the best interests of JH.

- All JH personnel, including vendors and contractors, must abide by our JH Conflicts of Interest Policy, which includes the duty to self-disclose (or report) all actual or potential COI situations, as soon they become apparent. Failure to disclose or report is itself a violation of the JH Code of Conduct.

- The self-disclosure and reporting requirement helps JH to be aware of and deal with potential COI risks – preferably before they cause harm to you or JH.

- Not every possible COI situation can be spelled out in a policy, and not every COI situation will warrant action by JH. Each situation will be evaluated on its own facts, and JH may elect to waive a COI or require that it be mitigated or eliminated.

Stop and ask yourself: “What would our patients and the public think if they knew this was going on?”

A conflict of interest (COI) situation may arise when your personal or professional interests, relationships or affiliations affect (or reasonably call into question) your objectivity or integrity in carrying out your official duties to JH. No actual personal gain is required to allow JH to take preventative, corrective or disciplinary action.
Some COI Examples

<table>
<thead>
<tr>
<th>Dating someone who reports to you/to whom you report</th>
<th>Working at a second job that interferes with your JH duties</th>
<th>Hiring your uncle, even though he doesn’t have the required experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Campaigning for political office in the workplace</td>
<td>Owning any interest in a business that competes with JH</td>
<td>Using JH resources (including work time, email, computers, etc.) for your side business</td>
</tr>
<tr>
<td>Allowing your friend to take days off without submitting PTO hours</td>
<td>Accepting gifts or favors from a vendor seeking to sell items/services to JH</td>
<td>Doing paid consulting work for a JH vendor</td>
</tr>
<tr>
<td>Selling your personal services to JH patients on the side</td>
<td>Investigating a complaint against a fellow employee who is a close friend of yours</td>
<td>Negotiating or approving a contract with a company owned by your sister-in-law</td>
</tr>
</tbody>
</table>
When organizations don’t address conflicts of interest

University of Maryland Medical System CEO resigns amid controversy over Pugh book deal, no-bid contracts

Robert A. Chomet resigned Friday as president and CEO of the University of Maryland Medical System, its long tenure of the hospital network ending amid the controversy surrounding accusations of self-dealing and no-bid contracting.

“Today the Board of Directors and I received and accepted Mr. Chomet’s resignation from UMMC, effective immediately,” Acting CEO John W. Alsheimer said this afternoon. “This action is an important step in moving the system forward during this critical time and we remain focused on delivering exceptional, safe, quality health care across Maryland. We thank Mr. Chomet for his leadership, service and commitment during his 15 years of executive employment at UMMC.”

Baltimore’s Mayor, Catherine Pugh, Resigns Amid Children’s Book Scandal

Mayor Catherine Pugh of Baltimore is stepping down as mayor amid scandal involving hundreds of thousands of dollars in sales of children’s books that she wrote and that the University of Maryland Medical System paid for with kickbacks to its board of directors.

Her resignation comes after the Baltimore City Council proposed amending the city charter to make it possible to remove her, and after the F.B.I. raided her home and her office at City Hall.

Ms. Pugh stepped down from the hospital system’s board, which she had served on since 2011, but she had received no such news as anyone. She has been on the board for the F.B.I. investigation, and she was not told she was under scrutiny.

Soon after, the F.B.I. raided her home and her office at City Hall.

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Jefferson Healthcare
CONFLICTS OF INTEREST: DISCLOSURE, REVIEW and RESOLUTION PROCESS
Reporting Possible Misconduct

• All JH personnel have a DUTY to report suspected misconduct or non-compliance as soon as you become aware of it. Failure to report is itself a violation of the JH Code of Conduct.

• YOU DON’T HAVE TO “PROVE” YOUR REPORT. You don’t even have to be certain, so long as you report in “good faith.”

  ▪ A good faith report is made with a sincere belief (even if you’re not sure) that improper conduct is occurring or is likely to occur. There is no malice or intent to get someone into trouble.

• WHEN IN DOUBT, DISCLOSE OR REPORT!
Ways to Report Possible Misconduct

**IN PERSON**
- Your supervisor
- Manager/Director/SLG
- Compliance/Privacy/Info Security Officer

**ANONYMOUS**
- JH ComplianceLine
  - (866) 487-0007
- Quantros Event Report
  - https://qxpert.quantros.com/landing/JHC

Compliance Officer
 jon French
 ext. 2027
 jfrench@jeffersonhealthcare.org

Privacy Officer
 melody draper
 ext. 2292
 mdraper@jeffersonhealthcare.org

Information Security Officer
 roger harrison
 ext. 2292
 rharrison@jeffersonhealthcare.org
Questions
Patient Advocate Report

2nd Quarter 2019
Patient Advocate Report
August 28, 2019
Jackie Levin MS, RN, Patient Advocate
Agenda

- Trends and Highlights
- Responsiveness to Patient Feedback
- New Areas of Concerns
- Breakdown of Care Provider Concerns
- Trends by Service Area
- Patient Advocate Additional Projects
The Highlights

• The average time to close cases was 12.68 days, meeting our target of 30 days or less.

• Average receiving concern to acknowledgement letter was 2.31 days.

• Total number of concerns for this quarter # 49.

• Patient Navigation Calls: # 40
Days to Acknowledgement

Goal:
7 Business Days

Quarter 2, 2018:
- Average: 2.59 Days
- Low: 0 Days

Quarter 1, 2019:
- High: 7 Days

Quarter 2, 2019:
- Average: 2.59 Days
- Low: 0 Days
Days to Closure

Goal: 30 Days or less

Q 2 H= 30 Days
Q 2 A= 12.68 Days
Q 2 L= 0 Days
ED, PC and EC Concerns/1000 visits

ED 4.5/1000 Visits
EC 3.8/1000 Visit
PC 0.96/1000 Visits
Trends by **Area** of Concern (Raw Data)
Trends by **Type** of Concerns

![Trend by Area]
Provider Issues
Additional Patient Advocate Activities

**Ongoing**

- Patient Family Advisory Council (PFAC)
- New Employee Orientation—Patient Advocate and Health Equity Committee presentations are now Webinars with videos.
- Health Equity Committee—Jefferson County Pride Event July 13, 2019
- Quality of Care Projects
  - TeamSTEPPS
  - Aqua Pod Primary Care Clinic - 7 Week lunch and learn Mindfulness and Wellness Program for teamwork enhancement and staff wellbeing
- Stress Reduction/Mindfulness in Persistent Pain Program
Changes Made because of Resolution Process

Radiology Department has new process for CD Burner regular checks

- Patient experienced a blank CD when brought to surgeon’s appointment

Dr. Wang, PCP from Swedish Medical Center providing training for our providers

- Transgender patients asking for greater medical expertise in gender-affirming care
Changes Made because of Resolution Process

PA Credentialed in Express Clinic

• Patient’s insurance didn’t cover EC visit, because a specialty provider was not credentialed outside of Orthopedics (but also works in EC—now credentialed in both locations.

New Lab procedure for urine specimens without an order

• Urine spec was dropped off prior to physician order. There was not a clearly defined process for tracking these specimens. New process for transferring, logging and following up on urine samples brought in before orders signed off.
Changes Made because of Resolution Process

New process for positive drug toxicology screens in the ED

- 5-10% toxicology screens have false positive results. This occurs because the drug detection method recognizes some of the molecules, either from food or other prescribed medications, as the drugs being screened for. We did not have a process for reexamining these results.

- New Process: All positive urine drug screens will be frozen for 30 days, so they will be available for confirmation testing if necessary or requested.
Questions and Comments?
Education: Collections

• Initial thoughts
• Brief update on the new laws
• High level review of our program
  • Our philosophy on patient payments
  • Overview of the collections process
• Our partnership with Audit and Adjustment
Initial thoughts.
Brief update on the new laws around collections

Overview
The legislature passed two bills in 2019 that impact medical debt.

• **SHB 1602** addresses consumer debt generally and changes requirements for post-judgement interest and garnishment.

• **SHB 1531** addresses medical debt more specifically and changes requirements for pre-judgement interest, information collection agencies must provide to debtors, and when a medical debt can be assigned or sold to a collection agency.

Brief update on the new laws around collections

1. Medical debt cannot be assigned or sold to a collection agency until at least 120 days after the initial bill.

2. Interest is capped at 9% per annum

3. New exemption for wages (for garnishment)
   • The greater of 80% disposable earnings or 35 times the state minimum hourly wage

4. Collections agencies must provide more information:
   • Include information about the debt in first communication
   • Provide more information about debt upon request (itemized), and cease collection until the itemization is mailed
   • Provide notice of charity care and hospital contact information
   • Cease collections during charity care application or during appeal of final determination

5. Other provisions
   • Collections agencies cannot make adverse credit reports until 180 days after debt assigned
   • Bench warrants on medical debt prohibited
High level review of our program

Our philosophy on patient payments

• Those that can pay something, should

• Those that cannot pay something should have options available, and our financial assistance program should be designed to help those that need help

  • Financial assistance of 50% or more is available for those up to 400% of the FPL, scaled by family size

    • *For an individual, this is up to $49,960/year*
    • *For a couple of 2, this is up to $67,640/year*
    • *For a family of 4, this is up to $103,000/year*

• Our approach should be fair

• The hospital should be positioned to be sustainable
High level review of our program (cont’d)

Considerations as a public hospital district

• Gifting of public funds
• Treating all payors the same (PHD and CMS considerations)
A lot is based on “reasonable collection efforts”, as defined by CMS

308. CRITERIA FOR ALLOWABLE BAD DEBT
A debt must meet these criteria to be an allowable bad debt:

1. The debt must be related to covered services and derived from deductible and coinsurance amounts. (See §305 for exception.)
2. The provider must be able to establish that reasonable collection efforts were made.
3. The debt was actually uncollectible when claimed as worthless.
4. Sound business judgment established that there was no likelihood of recovery at any time in the future.
A lot is based on “reasonable collection efforts”, as defined by CMS (cont’d)

310. REASONABLE COLLECTION EFFORT
To be considered a reasonable collection effort, a provider's effort to collect Medicare deductible and coinsurance amounts must be similar to the effort the provider puts forth to collect comparable amounts from non-Medicare patients. It must involve the issuance of a bill on or shortly after discharge or death of the beneficiary to the party responsible for the patient's personal financial obligations. It also includes other actions such as subsequent billings, collection letters and telephone calls or personal contacts with this party which constitute a genuine, rather than a token, collection effort. The provider's collection effort may include using or threatening to use court action to obtain payment. (See §312 for indigent or medically indigent patients.)

A. Collection Agencies--A provider's collection effort may include the use of a collection agency in addition to or in lieu of subsequent billings, follow-up letters, telephone and personal contacts. Where a collection agency is used, Medicare expects the provider to refer all uncollected patient charges of like amount to the agency without regard to class of patient. The "like amount" requirement may include uncollected charges above a specified minimum amount. Therefore, if a provider refers to a collection agency its uncollected non-Medicare patient charges which in amount are comparable to the individual Medicare deductible and coinsurance amounts due the provider from its Medicare patient, Medicare requires the provider to also refer its uncollected Medicare deductible and coinsurance amounts to the collection agency. Where a collection agency is used, the agency's practices may include using or threatening to use court action to obtain payment.

B. Documentation Required.--The provider's collection effort should be documented in the patient's file by copies of the bill(s), follow-up letters, reports of telephone and personal contact, etc.

High level review of our program:
Overview of the collections process

**In-House (account at Jefferson Healthcare)**

**Assuming no engagement with Jefferson Healthcare (or payments)**

- First statement is sent after insurance pays (if applicable), and includes a financial assistance policy
- 3 additional statements are sent (every 30 days, for a total of 120 days if no insurance and 150+ days if insurance is processed)
- At least 1 courtesy call is made
- Account is referred to Audit and Adjustment

**Assuming patient engages with our Financial Counseling Team**

- First statement is sent after insurance pays (if applicable), and includes a financial assistance policy
- Patient engages with Jefferson Healthcare Financial Counseling Team
  - Financial Assistance Form completed and account adjusted
  - Payment plan agreed upon and entered into Epic
- Statements are sent monthly and do not progress to past due status if patient is making regular payments
- If payments cease, the “Assuming no engagement” process above ensues
High level review of our program:
Overview of the collections process (cont’d)

Account referred to Audit and Adjustment

Starting the conversation

• Referring to Audit & Adjustment does not mean they are in legal action – this phase functions as an extension of our business office to determine if the debt is “actually uncollectible”
• Account is received and validated by A&A, ensuring the patient is not bankrupt or deceased
• Address is reviewed in the National Change of Address database
• First notice sent
• A call is made to the patient after a 3-day waiting period; calls made during 8am-5pm on weekdays
• Collectors follow professional collection steps to understand the patient’s situation
High level review of our program:
Overview of the collections process (cont’d)

Account referred to Audit and Adjustment

Assuming the patient does not engage with Audit and Adjustment

- Assets are verified to determine if the account warrants legal action
- Skip tracing (phone number validation) is used to find better contact information
- A collection manager reviews the accounts, and will ping the account to re-work in 60-90 days
- Legal action is pursued only if collection efforts are exhausted without a response from the patient/guarantor
- Additional calls are made to attempt to contact the patient
- JH does a final review of the account and approves of the legal action; notice is served to the patient
- Accounts referred for credit reporting if >180 days at A&A (>300 days old), and >$100

Assuming patient engages with Audit and Adjustment

- The patient and A&A discuss a payment arrangement
- Financial assistance is discussed; accounts can be referred back to JH if appropriate (pre-legal status)
- There is no further escalation if the payment arrangements are made and satisfied
Our partnership with Audit and Adjustment

**Why work with a company?**

1. External companies have a larger toolkit to validate addresses and phone numbers
   1. Lexis Nexis products
   2. Credit reports
   3. NCOA – national change of address
   4. DOL – Department of Licensing
2. It is an efficient use of resources as an alternative to hiring staff
3. Most importantly, our staff are also community members
Our partnership with Audit and Adjustment (cont’d)

Collector’s Pledge

In every collection situation, it is our commitment to collect the account while preserving the goodwill of both the patient and the client. All Audit & Adjustment Company staff members have signed ACA International’s Collector’s Pledge which reads:

Collector’s Pledge

I believe every person has worth as an individual.
I believe every person should be treated with dignity and respect.
I will make it my responsibility to help consumers find ways to pay their debts.
I will be professional and ethical
I will commit to honoring this pledge.

© 2008 ACA International Education Foundation

• We have selected one company as a partner (some hospitals pick 2+ to encourage competition)
• Our philosophy aligns with that of Audit and Adjustment
• They are flexible in changing their approach based on our needs
Pause for questions.
## Operating Statistics

<table>
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<tr>
<th>STATISTIC DESCRIPTION</th>
<th>JULY 2019</th>
<th>JULY 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>MO ACTUAL</td>
<td>YTD ACTUAL</td>
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<tr>
<td></td>
<td></td>
<td></td>
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<tr>
<td>FTEs - TOTAL (AVG)</td>
<td>572</td>
<td>568</td>
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<tr>
<td>ADJUSTED PATIENT DAYS</td>
<td>2,160</td>
<td>15,627</td>
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<tr>
<td>ICU PATIENT DAYS (IP + OBSERVATION, MIDNIGHT CENSUS)</td>
<td>55</td>
<td>538</td>
</tr>
<tr>
<td>ACU PATIENT DAYS (IP + OBSERVATION, MIDNIGHT CENSUS)</td>
<td>312</td>
<td>2,307</td>
</tr>
<tr>
<td>PATIENT DAYS (ACU, ICU, SWING), INCLUDES OBSERVATION</td>
<td>387</td>
<td>2,968</td>
</tr>
<tr>
<td>SURGERY CASES (IN OR)</td>
<td>120</td>
<td>752</td>
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<tr>
<td>SPECIAL PROCEDURE CASES</td>
<td>70</td>
<td>487</td>
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<tr>
<td>LAB BILLABLE TESTS</td>
<td>18,532</td>
<td>130,663</td>
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<tr>
<td>TOTAL DIAGNOSTIC IMAGING TESTS</td>
<td>2,950</td>
<td>19,949</td>
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<td>PHARMACY MEDS DISPENSED</td>
<td>21,409</td>
<td>155,146</td>
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<td>RESPIRATORY THERAPY PROCEDURES</td>
<td>3,003</td>
<td>25,652</td>
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<tr>
<td>REHAB/PT/OT/ST RVUs</td>
<td>8,760</td>
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<tr>
<td>ER CENSUS</td>
<td>1,133</td>
<td>7,437</td>
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<tr>
<td>DENTAL CLINIC</td>
<td>208</td>
<td>77</td>
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<tr>
<td>TOTAL RURAL HEALTH CLINIC VISITS</td>
<td>5,854</td>
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<td>TOTAL SPECIALTY CLINIC VISITS</td>
<td>3,582</td>
<td>24,345</td>
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<td>HOME HEALTH EPISODES</td>
<td>77</td>
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<tr>
<td>HOSPICE CENSUS/DAYS</td>
<td>1,235</td>
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## July 2019
### Income Statement Summary

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<tr>
<th></th>
<th>July 2019 Actual</th>
<th>July 2019 Budget</th>
<th>Variance Favorable/ (Unfavorable)</th>
<th>%</th>
<th>July 2019 YTD</th>
<th>July 2019 Budget YTD</th>
<th>Variance Favorable/ (Unfavorable)</th>
<th>%</th>
<th>July 2018 YTD</th>
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</thead>
<tbody>
<tr>
<td><strong>Operating Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Gross Patient Service Revenue</td>
<td>22,175,714</td>
<td>21,166,726</td>
<td>1,008,988</td>
<td>5%</td>
<td>149,661,967</td>
<td>144,753,049</td>
<td>4,908,918</td>
<td>3%</td>
<td>132,677,245</td>
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<td>Revenue Adjustments</td>
<td>12,017,582</td>
<td>11,238,892</td>
<td>(778,690)</td>
<td>-7%</td>
<td>81,142,657</td>
<td>76,859,494</td>
<td>(4,283,162)</td>
<td>-6%</td>
<td>71,121,965</td>
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<tr>
<td>Charity Care Adjustments</td>
<td>361,746</td>
<td>242,094</td>
<td>(119,652)</td>
<td>-49%</td>
<td>1,594,569</td>
<td>1,655,609</td>
<td>61,039</td>
<td>4%</td>
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<td>Net Patient Service Revenue</td>
<td>9,796,386</td>
<td>9,685,740</td>
<td>110,645</td>
<td>1%</td>
<td>66,924,741</td>
<td>66,237,946</td>
<td>686,795</td>
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<td>Other Revenue</td>
<td>690,792</td>
<td>779,134</td>
<td>(88,342)</td>
<td>-11%</td>
<td>4,762,453</td>
<td>5,328,267</td>
<td>(565,814)</td>
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<td><strong>Total Operating Revenue</strong></td>
<td>10,487,177</td>
<td>10,464,874</td>
<td>22,303</td>
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<td>71,687,194</td>
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<td><strong>Operating Expenses</strong></td>
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<tr>
<td>Salaries And Wages</td>
<td>4,833,162</td>
<td>5,032,320</td>
<td>199,158</td>
<td>4%</td>
<td>33,373,809</td>
<td>34,414,568</td>
<td>1,040,759</td>
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<td>Employee Benefits</td>
<td>1,150,839</td>
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<td>108,114</td>
<td>9%</td>
<td>8,479,577</td>
<td>8,609,608</td>
<td>130,031</td>
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<td>Other Expenses</td>
<td>4,088,164</td>
<td>3,948,697</td>
<td>(139,467)</td>
<td>-4%</td>
<td>26,490,068</td>
<td>27,003,982</td>
<td>513,914</td>
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<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>10,072,165</td>
<td>10,239,970</td>
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<td>2%</td>
<td>68,343,453</td>
<td>70,028,158</td>
<td>1,684,705</td>
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<td>61,960,698</td>
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<td><strong>Operating Income (Loss)</strong></td>
<td>415,012</td>
<td>224,904</td>
<td>190,107</td>
<td>85%</td>
<td>3,343,741</td>
<td>1,538,056</td>
<td>1,805,685</td>
<td>117%</td>
<td>1,073,951</td>
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<tr>
<td><strong>Total Non Operating Revenues (Expenses)</strong></td>
<td>(7,131)</td>
<td>6,388</td>
<td>(13,519)</td>
<td>-212%</td>
<td>123,277</td>
<td>43,689</td>
<td>79,588</td>
<td>182%</td>
<td>(61,995)</td>
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<tr>
<td><strong>Change in Net Position (Loss)</strong></td>
<td>407,881</td>
<td>231,293</td>
<td>176,588</td>
<td>76%</td>
<td>3,467,018</td>
<td>1,581,745</td>
<td>1,885,273</td>
<td>119%</td>
<td>1,011,956</td>
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</table>

### Operating Margin
- 4.0% [51%]
- 2.1% [51%]
- 1.8% [84.1%]
- 4.7% [2.1%]
- 2.52% [117.0%]
- 1.7% [51%]

### Total Margin
- 3.9% [51%]
- 2.2% [51%]
- 1.7% [76.0%]
- 4.8% [2.2%]
- 2.63% [118.8%]
- 1.6% [51%]

### Salaries & Benefits as a % of net pt svc rev
- -61.1% [51%]
- -65.0% [51%]
- 3.9% [60%]
- -62.5% [65.0%]
- 2.42% [3.7%]
- -64.4% [51%]
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<th>Days of Cash</th>
<th>Days Cash Goal</th>
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<td>45</td>
<td>52.00</td>
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<td>45</td>
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<td>11/30/2018</td>
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<td>4/30/2019</td>
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# July 2019 Board Financial Report

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<tr>
<th>Dept#</th>
<th>Department</th>
<th>Rev/Exp</th>
<th>Account</th>
<th>Account Description</th>
<th>Jul Actual</th>
<th>Jul Budget</th>
<th>Jul Variance</th>
<th>2019 to Date Actual</th>
<th>2019 to Date Budget</th>
<th>2019 to Date Variance</th>
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<tbody>
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<td>BOARD</td>
<td>Exp</td>
<td>600010</td>
<td>MANAGEMENT &amp; SUPERVISION WAGES</td>
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<td>4,404.00</td>
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<td>601900</td>
<td>BENEFITS EMPLOYEE ASSISTANCE</td>
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<td>-</td>
<td>-</td>
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<td>(56.00)</td>
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<td>COMPUTER EQUIPMENT</td>
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<td>OTHER PURCHASED SERVICES</td>
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<td>TRAVEL/MEETINGS/TRAINING</td>
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<td>Exp Total</td>
<td>6,363.00</td>
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<td>109,187.00</td>
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<td>BOARD Total</td>
<td>6,363.00</td>
<td>17,927.00</td>
<td>11,564.00</td>
<td>109,187.00</td>
<td>122,603.00</td>
<td>13,416.00</td>
</tr>
</tbody>
</table>
August 2019
Preview — (*as of 0:00 08/28/19)

• $20,814,374 in HB charges
  • Average: $671,431/day (HB only)
  • Budget: $669,505/day
  • 100.3% of Budget

• $7,372,853 in HB cash collections
  • Average: $237,834/day (HB only)
  • Goal: $294,582/day

• 64.0 Days in A/R

• Questions
Topics

Accreditation Update

Patient Safety & Quality

Patient Experience

Current Projects and Focus Areas
Accreditation Update

August: Submitted evidence of compliance with corrective action plan

DNV accepted our report without further clarification or reporting elements

2019 Internal Audits:

- Patient Status (Acute Care)
- Urine Culture Contamination (Lab)
- ADA Compliance (Registration)
- Care of Suicidal Patients (ED/ICU/ACU)
- Completion of Medical Records (HIM)
- Communication of lab results to patients (Medical Group/Lab)
- Administration of Blood Products (Infusion Center/Lab/Acute Care)

Next Steps:

- Continuous monitoring of Quality Management System and Audits
- Close Corrective Action Plans
<table>
<thead>
<tr>
<th>Goals</th>
<th>Strategy</th>
<th>Initiatives</th>
<th>Targets</th>
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</thead>
<tbody>
<tr>
<td>Quality and Safety</td>
<td>Provide the Highest Quality, Safest Care</td>
<td>Achieve Best Practice Clinical Care</td>
<td>Target: Zero avoidable healthcare acquired harm events</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Achieve Excellent Quality Outcomes</td>
<td>80% reduction in reportable cases of c.Difficile (Target); Zero reported cases in May</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Antimicrobial Stewardship</td>
<td>10% decrease in DOT (IP); Avoidance of antibiotics for URI (clinics); 80% reduction in reportable cases of c.Difficile</td>
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<tr>
<td></td>
<td></td>
<td>Implement and adhere to evidence based practices.</td>
<td>90% or greater compliance with care measures</td>
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<tr>
<td></td>
<td></td>
<td>Hardware team training</td>
<td>Team Training Attendance &gt; 48.4%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Leader Rounding</td>
<td>Weekly Rounding Compliance</td>
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<tr>
<td></td>
<td></td>
<td>Implement a palliative care program</td>
<td>Readmission rate &lt; 12%</td>
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</tbody>
</table>

**Highlights:**
- Prevention of Healthcare-Acquired Infections
- Provider management of stroke
- Decreased contamination rates (Lab)
- Patient Flow in the ER

**Opportunities:**
- Swallow Screen (Stroke)
- Time to CT (Stroke)
- Urine contamination rates
- Fall Prevention
Provide the Highest Quality, Safest Care of any Hospital in the Region

### Patient Safety Outcomes

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<td>Patient Falls with Injury (IP)</td>
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<td>96.5%</td>
<td>97.6%</td>
<td>96.0%</td>
<td>96.7%</td>
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<td>95.1%</td>
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<td>Adverse Drug Events</td>
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<td>0.0%</td>
<td>0.0%</td>
<td>0.9%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
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### Patient Engagement

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<th>October</th>
<th>November</th>
<th>December</th>
<th>January</th>
<th>February</th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>YTD</th>
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<td>Complete</td>
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Leverage Technology Connect Staff to Patient Safety Advance Care Planning TeamSTEPPS
Just Culture Engage Patients in Care (Patient Centered)
Quality Improvement initiated in February 2019

Process Measures:
- Door to provider decreased by 42%
- Length of stay decreased by 9.2%
- Length of stay for Level 4 & 5 visits decreased by 28.2%

Outcome Measure (the big dot):
- Patients who leave without being seen decreased by 64.5%
PATIENT EXPERIENCE

DELIVER AN EXPERIENCE THAT EXCEEDS EXPECTATIONS FOR PATIENTS AND FAMILY MEMBERS

• Highlights:
  • Improved MD/RN communication (IP)
  • HHCAHPS increased Likelihood of Recommending
  • Confidence in RN and Provider increased in ER

• Opportunities:
  • Access to care dimension in Rehab and clinics
  • Quiet at Night scores (HCAHPS)
  • MD/RN Communication (Emergency)
  • Communication about test results
Current Projects and Focus Areas

- Cancer Quality Committee – evaluating 2019 and planning for 2020
- Culture of Safety Surveys: October, 2019
- Health Equity Committee (Spoiler Alert)
- Care Transformation and Value Based Care
- Strategic Plan Update (New Look – same information)
- Coverdell Stroke Project
- Transitions of care/Referral and Test Tracking

Upcoming Events:
- September 11: American Hospital Association Presentation
- November 6: DNV Symposium Presentation
- Upcoming: WSHA presentation on c. Diff Reduction Quality Improvement
Administrative Report
August 28, 2019
Mike Glenn, CEO
Behavioral Health Update

• Jefferson Healthcare
  • Integrated Primary Care/ Behavioral Health Model
  • MAT Program

• Jefferson Behavioral Health Coalition
  • Multi-organization efforts
  • Working to fund local crisis center
  • Under CHIP leadership

• Sequim Behavioral Health Campus
  • Single/Daily Dose Suboxone Clinic
  • 16 bed MAT center
**SANE Update**

- External Stakeholder Meeting held 08/21
- 2020 Funding Plan proposed

<table>
<thead>
<tr>
<th>Organization</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jefferson Healthcare</td>
<td>$10,000</td>
</tr>
<tr>
<td>Jefferson County</td>
<td>$10,000</td>
</tr>
<tr>
<td>City of Port Townsend</td>
<td>$10,000</td>
</tr>
<tr>
<td>Dove House/ External</td>
<td>$10,000</td>
</tr>
<tr>
<td>Others</td>
<td></td>
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</table>
## Budget 2019

<table>
<thead>
<tr>
<th>Assumptions</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Cases</td>
<td>5</td>
<td>16</td>
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</tbody>
</table>

### Profit and Loss

<table>
<thead>
<tr>
<th></th>
<th>Year 1</th>
<th>Year 2</th>
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</thead>
<tbody>
<tr>
<td>Reimburse from State for SANE Exam</td>
<td>$2,125</td>
<td>$6,800</td>
</tr>
<tr>
<td>Net Revenue</td>
<td>2,125</td>
<td>6,800</td>
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</table>

### Staffing Expenses

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coordinator</td>
<td>18,425</td>
<td>20,586</td>
</tr>
<tr>
<td>Nursing (case stipend)</td>
<td>2,000</td>
<td>6,400</td>
</tr>
<tr>
<td>Nurse Preceptor (Year 1)</td>
<td>2,000</td>
<td>1,200</td>
</tr>
<tr>
<td>Nursing 24/7 (to be evaluated over time)</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

### General and Administrative

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office Supplies</td>
<td>619</td>
<td>300</td>
</tr>
<tr>
<td>Medical Supplies</td>
<td>274</td>
<td>479</td>
</tr>
<tr>
<td>Travel and off-site proctoring</td>
<td>10,820</td>
<td>10,820</td>
</tr>
<tr>
<td>Continuing education</td>
<td>8,738</td>
<td>6,720</td>
</tr>
<tr>
<td>Start up costs</td>
<td>3,690</td>
<td>0</td>
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</table>

### Net Income

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Income</td>
<td>$(44,441)</td>
<td>$(39,705)</td>
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</tbody>
</table>
Jefferson Healthcare Employee Recognition Event

SAVE THE DATE

WE'RE SAYING THANK YOU AND CELEBRATING YOU, OUR EMPLOYEES, WITH OUR ANNUAL APPRECIATION EVENT

We'll have the same photo booth and face painting fun with some new, soon-to-be favorites. Put your competitive hats on!

SATURDAY
SEPTEMBER 14th

PHOTO BOOTH, DJ, & FRIENDLY COMPETITIONS!

AWARDS AFTER LUNCH

H.J. CARROLL PARK
CHIMACUM, WA

MORE DETAILS TO FOLLOW
Emergency Department Transition Update

• We are in the process of transitioning ED professional services from Team Health to Jefferson Healthcare employed providers.

• The transition is scheduled to occur 01/01/2020.

• We are pleased to announce Drs. Smith, Parker, Irick, and Churchley (the Core Four!) have agreed to join Jefferson Healthcare as employees.

<table>
<thead>
<tr>
<th>Provider</th>
<th>FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr. Kent Smith</td>
<td>1.0</td>
</tr>
<tr>
<td>Dr. Reina Parker</td>
<td>.75</td>
</tr>
<tr>
<td>Dr. Chance Irick</td>
<td>.9</td>
</tr>
<tr>
<td>Dr. Stephen Churchley</td>
<td>.9</td>
</tr>
</tbody>
</table>

• We are nearing completion of negotiations with the other members of the team.
Questions