2021 BUDGET

OPERATING AND CAPITAL BUDGET (P) REVIEW



SETTING THE LANDSCAPE

Our process

Philosophy and decisions that affect the entire budget

OPERATING BUDGET

In detail, department by department and in summary, Including key performance indicators

CAPITAL INVESTMENTS

Capital & projects budget, 2021
Capital budget look ahead, 2022-2025

ANY REMAINING QUESTIONS

Certainly ask questions as we go along, though I will keep us moving with a commitment to circle back on any areas the Board would like to discuss further. TIME FOR A



THROWBACK

2013 Operating Budget

Inpatient and Outpatient Revenues

- 2.99% increase in chargemaster rates
- 14.5 average daily census
- Increased surgical volumes
- Continued growth of oncology and orthopedic clinics

Clinic Home Health/Hospice

- 2.99% increase in chargemaster rates
- Clinic Focus on productivity, consistent patient levels
- Home Health/Hospice Reduced Medicare reimbursement rates expected

Reimbursement Rates

- Medicare and Medicaid rates set on costs (increasing), but 3% reduction in cost based reimbursement is possible
- Costs higher for 2013 and forward because of IT projects & growth
- Decreases in commercial rates by 3-5% by payor, but rates are based on percent of charges

Other

- Continued growth of 340B program
- Not assuming qualifying for meaningful use funds by October 1, 2013
- Consistent grant and other revenues

2014 Overview

- Recover*
 - Focus on efficiencies and cost reduction **
 - >Adjusting for the Affordable Care Act
- Grow
 - >Echo *
 - Port Townsend Surgical Associates
- •Plan for our Future
 - >ESS building impacts

2015 Overview

Adapt

Consistently manage expenses for a new environment

Epic upgrade in February 2015

Grow

Clinic

Orthopedics

Physical Therapy

Sleep Lab

Imaging

Plan

ESS building impacts





Hospital rate increases We are taking an aggressive approach with pricing

Jefferson Healthcare's rate history:

3-11% · 2007:

· 2008: 7%

· 2009: 28% average IP & OP, 6% clinic, 0% HH/H

10% average IP & OP, 7% clinic, 0% HH/H · 2010:

· 2011: 7-10% average IP, OP & clinic

2012: 5% average IP, OP & clinic

2.99%, decreases in MRI & CT mid-year 2013:

· 2014: 3% average, additional decreases in MRI & CT

3% average, decreases in imaging & anti-coag 2015:

2016: 1.25% average, 1.5% most IP & OP, significant decreases in

lab and imaging services, recalibrating pharmacy pricing

2017 at a glance

Change in net position, cash, and operating statistics

Change in net position

Key Operating Statistics

Cash

- 3.25% total margin3.91% operating margin
 - 3-5% margin is healthy for an organization investing in capital
- Increase of 3.5 average IP census from projected 2015 volumes (17 in 2017)
- Significant expansion of orthopedic and surgical services

Growth in rehab, oncology, pharmacy, and imaging Adding cardiology service revenue

Overall, 18% growth in volumes

 We will aim to pay cash for all capital purchases in 2017; targeting flat days of cash balances between 2016 and 2017

Industry best practice is 150+ days of cash; 120+ is appropriate for JH given our focus on growth in 2017

We may have a significant MCR payable in August 2017 and early 2018 because of efficiencies through growth

Key highlights – 2018 budget

Significant growth

Inpatient growth: 11%

Outpatient growth: 17%

Included in growth are stable service lines with significant growth (imaging, pharmacy, echo, primary care).

&

New/newer service lines growing to their potential (dermatology, women's clinic, express clinic).

Pricing decreases

The net price increase ... is a decrease.

It's the right thing to do, but our margin is slim.

Other material changes

Supplies expenses continue to increase.

First full year in ESSB; Interest and depreciation are significantly higher.

*Tax revenues – decision point.

Staffing expectations

To accommodate and facilitate the growth, around 50 new FTE (excluding providers) will be added; we will add them intentionally based on growth.

Wages are budgeted to increase 18%; ~4% is due to wage adjustments.



This model pumps \$195,000/day into Jefferson County.

Budgeted Net income - \$1,646,717

Operating margin – 1.78% Total margin – 1.47%





Inpatient & nursing services

- Focus on operational excellence
- Growth of 3% budgeted in ACU, ICU and swing (consistent FBC volumes)

Outpatient



- Continue to streamline patient flow between departments
- Modest growth of 3-5% budgeted in most departments

Clinics



- Operational rigor
- Growth related to providers already added

Home Health & Hospice

Epic!

Support Services

Helping our Community Live Well

PHILOSOPHY & KEY THEMES AS WE HEAD INTO 2020

- Healthcare is a challenging industry, and we are at the front of significant changes in both industry pressure and reimbursement models. We aren't sure when they are coming, but they are coming, and we need to be prepared, all while managing today's (crazy) growth.
- Making the most of one reimbursement model while preparing for another (mysterious one) is tricky. What is not mysterious, however is the need for JH to reduce our cost structure.
- We must be pivoting to a more cost-effective business model as another way of pursuing excellence as an organization this happens by us looking honestly at every single service line across efferson Healthcare.
- As healthcare leaders, we need to remain focused on using our resources in the best way possible. We need to have the courage to make have ceisic is now to prevent even harder decisions later.
- To meet our community's growing receive must make choices that strengthen our sustainability.
- Pressure to lower costs and maintain competitive pricing will continue to increase.
- A few ideas will be concept tested with a small-scale or pilot program to prove their effectiveness before investing widely.



SETTING THE LANDSCAPE

Our budget process
Philosophy & key themes of the 2021 budget
Vocabulary reference
Our pricing philosophy
Tax revenues



OUR BUDGET PROCESS

Our intent is to facilitate a conversation to bring organizational goals and ideas from leaders across Jefferson Healthcare into a comprehensive plan for the year(s) ahead.

... and the process needed to change this year given our Round Robin, meeting-based process seemed like a pretty bad idea.

PREPARE

SLG aligned our strategies/philosophies for 2021 SuperUser training

Leaders encouraged to consider their general approach Budget packets released in late July

August into September

GLUE IT TOGETHER

Accounting compiles all department data into one comprehensive budget for analysis and review

July into August

PUT NUMBERS TO IT

Leaders met with their SLG partners to discuss strategy for the upcoming year and prepare draft budgets

Meetings with Super Users to ensure budgets were as complete as possible, final meetings with SLG and submitted to @budgetsteam

September

ADD CAPITAL

Leaders submit capital requests
Projects & Equipment Assessment Team (PEAT)
reviews requests for hidden costs

September through October



SCRUB

Identified needs & wants always exceed available resources SLG prioritizes requests considering organizational objectives October

Late October



1ST

Budget (p)review- Today- Deep dive

2nd

Budget hearing- October 28, 2020



PHILOSOPHY & KEY THEMES AS WE HEAD INTO 2021

General approach: 2020 did not happen. (!)

We must be focused on financial recovery.

Forecast: 2021 volumes will look a lot like 2019.

Expenses must be managed for fluctuating volumes.

- Healthcare is a challenging industry, and this challenge is amplified by fluctuating volumes expected in the year ahead.
- We must pivot to a more cost-effective business model as another way of pursing excellence as an organization.
- We need to remain focused on using our resources in the best way possible.
- To meet our community's growing need, we must make choices that strengthen our sustainability.
- Pressure to lower costs and maintain competitive pricing will continue to increase.



A QUICK VOCABULARY REFERENCE

Key phrases incorporated into the budget (p)review

Gross revenue

The charges generated by each department for services performed.

Charges are captured where the expense exists to properly match revenue & expense

Net Revenue

What we expect to collect from gross revenue/charges we generate. We generally collect about 45% of gross revenue (charges), though we cannot easily calculate this by department.

Contractual adjustments

The amount we expect to "write off" from the amount charged to determine net revenue

FTEs:

Full time equivalents

1.0 FTE= 2080 hours, a full time employee. Hours for part time or per diem employees are added to calculate FTEs for budget and reporting purposes.

FTEs include productive (worked) and non-productive (paid time off) time.

Expenses by dept

Any others?

Include wages,
benefits, supplies, and
all other directly
assigned costs of that
department. Expenses
by dept do not include
overhead allocation for
utilities or support
services.



We are committed to being competitive in the market

Our 2019 recalibration was effective, and we have found very few outliers that have needed to be corrected We set our prices the lower of:

Median of Harrison, Seattle and Tacoma market average

Lowest price in our market +75%

Market = hospitals in our region, including Seattle and Tacoma

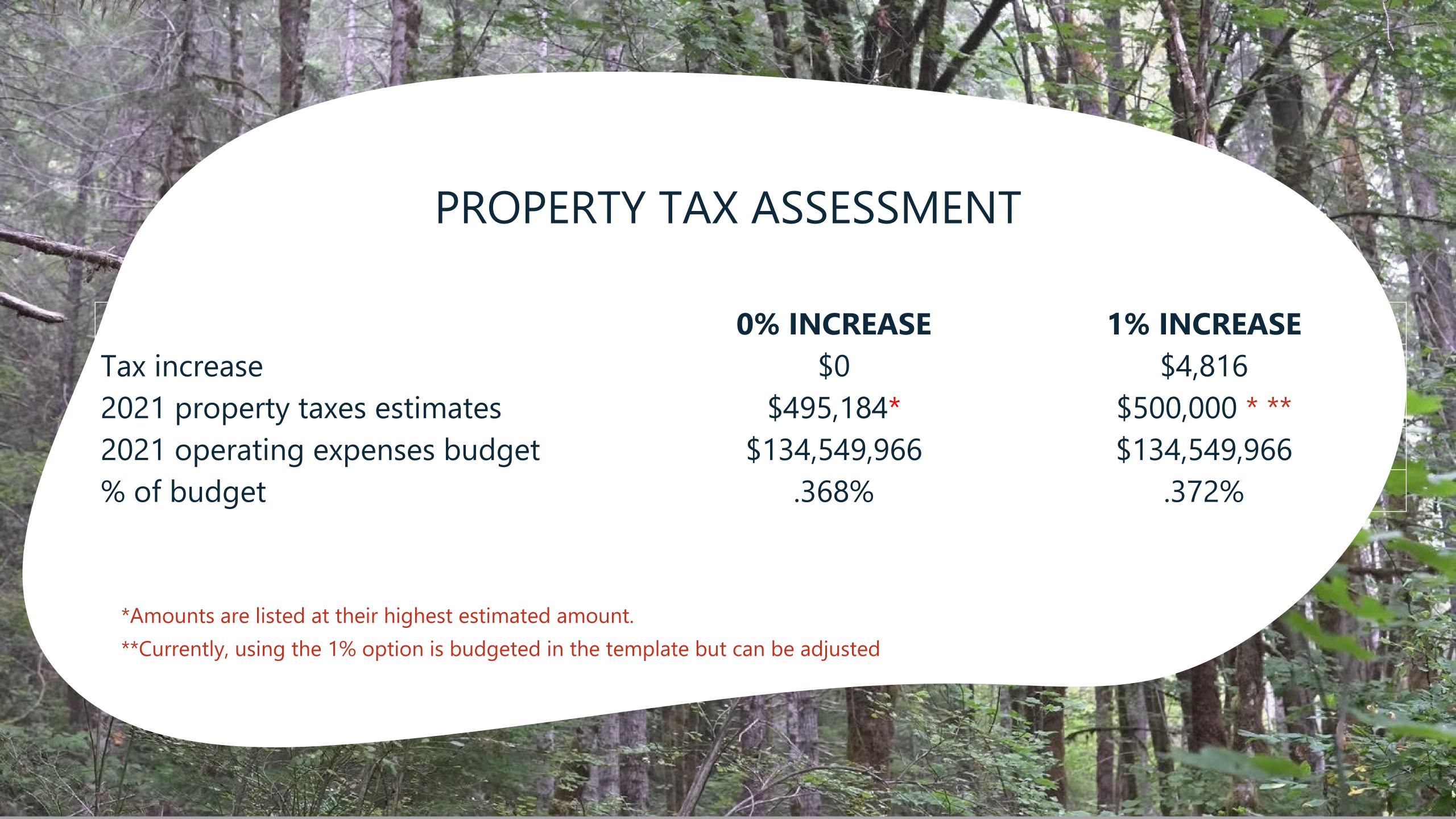
Our expenses (mostly wages) increase 3-5% annually; as costs increase, we analyze if prices should as well.

2021 APPROACH

The budget includes ~1.5% increase across most service lines

Most hospitals are increasing prices 3-5% annually

We will continue to adjust individual service prices if we find ourselves outside of the market in any area.





Hospital	2019 Operating expenses	2019 Tax revenues	Property tax revenues as % of total operating expenses
Whidbey Health Coupeville	\$114,375,000	\$5,741,625	5.88% (.86% M&O / 5.02% EMS)
Olympic Medical Center Port Angeles	\$209,671,122	\$4,637,252	2.21%
Island Hospital Anacortes	* \$98,001,705	* \$5,336,994	* 5.45%
Mason General Hospital Shelton	\$104,688,875	\$2,266,077	2.22%
Forks General Hospital Forks	\$31,343,225	\$832,860	2.66%
Jefferson Healthcare Port Townsend	\$120,225,677	\$513,911	0.43%



OPERATING BUDGET
Details
Summary
Key Performance Indicators
AND THEN A PAUSE

OPERATING BUDGET

IN DETAIL

Inpatient and nursing services

Outpatient & ancillary services

Medical group services

Home health & hospice

Support services

Helping our community live well

IN DETAIL

Income statement

Key performance measures

A QUICK ORIENTATION TO READING THE SLIDES

[NAME OF DEPT]

Primary objectives:

- The most important changes or goals of the department/service line for 2021
- The "elevator pitch" of key focus areas

2021 budg	get & com	parison to	2019	actual
				

	Provider FTE +/(-)	Support FTE +/(-)	Volumes +/(-)	Expense +/(-)	Gross Rev +/(-)
[Dept name]	[provider FTE budget]	[support FTE budget]	[volumes in budget]	[total dept expense budget]	[gross revenue budget]
	[Change from actual 2019*; % change]	[Change from actual 2019* % change]			
Example: Sleep Clinic	1.0 None in 2019	2.90 +1.01; +53.92%	2,872 visits +1,436; +100%	\$402,442 +175,692; +77.48%	\$611,893 +311,946; +104%

OPERATING BUDGET

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+150,042; +6.0%



+1.04; +19%

ACU, ICU AND SWING

Primary objectives:

+216; +4.46%

Stabilizing the leadership team by filling key roles

+187,225; +8.9%

- Maintain staffing ratios as volumes fluctuate
- Be consistently prepared for surge
- Focus on increasing swing bed volumes

	2021 budget & comparison to 2019 actual				
	FTE +/(-)	Volumes +/(-)	Expense +/(-)	Gross revenue +/(-)	
ACU	35.50	3892 midnight census	\$3,825,582	\$11,634,359	
	-4.65; -11.48%	+113; +2.99%	-32,771; -0.8%	+505,793; +4.5%	
ICU	11.70	890 midnight census	\$1,456,361	\$2,909,461	
	+.71; +5.68%	+26; +3.01%	-25,294; -1.7%	+126,486; +4.5%	
Swing	Included with ACU	271 midnight census	\$3,791	\$535,246	
		+70; +34.83%	-283; -6.9%	+144,627; +37.0%	
Hospitalists	6.40	5,060(ACU, ICU, swing)	\$2,287,592	\$2,670,702	



FAMILY BIRTH CENTER & NURSERY

Primary objectives:

- Stabilize leadership
- Integrate FBC nurses into other departments during slower periods
- Transitioning outpatient OB services from FBC to JH Sheridan Clinic

		Family Birth Center
ctual	FTE +/(-)	10.10 18; +1.8%
2021 budget parison to 2019 Actual	Volumes +/(-)	115 births +3; +2.7%
2021 b parison to	Expense +/(-)	\$1,373,640 +11,493; +.8%
Com	Gross revenue +/(-)	\$1,443,690 +38,940; +2.8%



EMERGENCY SERVICES

		EMERGENCY DEPT	PROVIDERS	EXPRESS CLINIC
Primary Objectives		 Continue to refine employed pro Review internal processes relate 	Develop a fluid business model that is scalable based on volumes; explore services lines needed for our community	
Revenue	2021 budget comparison to 2019 actual	\$27,400,578 +1,448,159; +5.6%	\$9,795,580 +403,157; +4.5%	\$1,990,304 +29,413; +1.5%
Direct Expenses	2021 budget comparison to 2019 actual	\$3,176,026 89,041; 2.9%	\$2,695,103 +310,399; +13%	\$1,092,166 +250,992; +29.8%
Volumes	2120 budget comparison to 2019 actual	13,065 ED visits +381; +3.0%	13,065 ED visits +381; +3.0%	9,768 clinic visits (31/day)
Provider FTE	2021 budget comparison to 2019 actual		6.7 FTE Providers previously contracted	3.2 FTE +0.20; +7%
Support FTE	2120 budget comparison to 2019 actual	25.39 035; -0.14% + .60 FTE Trauma (separate dept)		2.93 +0.93; +46.2%



GENERAL SURGICAL SERVICES

GENERAL SURGERY, ENDOSCOPY, PRE/POST OP, ANESTHESIOLOGY AND CENTRAL SUPPLY

Primary objectives:

- Utilize block time as effectively as possible
- Focus on staffing strategies to limit higher rate compensation for staff (or agency)
- · Work with physician offices to schedule all potential cases as efficiently as possible
- Grow with addition of specialty surgeons (OB/GYN)
- Expand coverage hours/lines of the CRNA team

	2021 budget & comparison to 2019 actual				
	FTE +/(-)	Volumes +/(-)	Expense +/(-)	Gross revenue +/(-)	
General Surgery	17 support FTE (surgeons/APP in JHSA) +2.43; +16.6%	1,500 gen surg cases +161; +12.0%	\$3,777,952 +59,485; +1.6%	\$25,034,067 +3,012,774; +13.7%	
Endoscopy	FTE Shifted to GenSurg	910 endoscopy cases +76; +9.1%	\$219,003 +37,868; +20.9%	\$1,816,374 +483,989; +36.3%	
Pre/post Op	5 +4.52; +936.0%	1076 cases w/recovery +115; +11.9%	\$709,513 +658,630; +1294.4%	\$5,241,559 +561,596; +12.0%	
Anesthesiology	Provider: 5.3 +.30; +20.0%	194,576 surgical minutes +20,847; +12.0%	\$1,752,916 +326,022; +22.8%	\$11,297,848 +1,359,559; +13.7%	
Central Supply	3.0 + 0.30; +11.1%	28,594 adj pt days +3,064; + 12.0%	\$2,060,968 +142,253; +7.4%	\$703,063 +75,329; +12.0%	

SURGERY CENTER & JEFFERSON HEALTHCARE SURGICAL ASSOCIATES

Primary objectives:

- With primary care being back to full capacity, JHSA volumes expected to follow
- Increase volumes with efforts to close care gaps
- Surgery clinic revenue + expense include surgeons + professional fees

	2021 budget & comparison to 2019 actual				
	Provider FTE +/(-)	Support FTE +/(-)	Volumes +/(-)	Expense +/(-)	Gross Rev +/(-)
Surgery Center	Surgeons/APPs allocated to JHSA	2.95 +0.04; +1.1%	930 cases +43; +4.9%	\$509,687 +21,972; +4.5%	\$2,224,069 +134,535; +6.4%
Surgery Clinic	5.3 +0.42; +9.0%	9.5 +0.32; +3.5%	3,675 visits -345; -8.6%	\$2,922,426 +248,807; +9.3%	\$4,914,093 -381,389; -7.2%

ONCOLOGY

INFUSION

WOUND CARE

FOCUS:

CONTINUE TO GROW WITH PROVIDERS ADDED IN LAST 2 YEARS; FOCUSING ON TRIAGING OUR PATIENTS TO ENSURE A WELL-GUIDED EXPERIENCE

FOCUS:
IMPLEMENT A NEW SCHEDULE
TEMPLATE AND ADJUST TO
GROWTH RESULTING FROM THE
GROWTH IN ONCOLOGY

FOCUS:
CONTINUED FOCUS ON BEST
PRACTICES AND NEW THERAPIES.
THE WOUND ARNP AND NURSES
SUPPORT IP, ED AND HH

2021 budget & comparison to 2019 actual

	Provider FTE +/(-)	Support FTE +/(-)	Volumes +/(-)	Expense +/(-)	Gross revenue +/(-)
Oncology	4.25	5.00	6,997 visits	\$2,070,631	\$1,985,340
	+0.47; +12.0%	+1.11; +28.2%	+1,720; +32.5%	+672,263; +48.1%	+508,286; +34.4%
Infusion		16.3	10,016 infusions	\$1,965,906	\$6,377,704
		+4.19; +34.5%	+911; +10.01%	+497,075; +33.8%	+665,475; +11.7%
Wound	1.00	3.25	3,260 visits	\$671,465	\$1,121,595
	-0.18; -15.0%	-1.15; -25.9%	No change	-52,082; -7.2%	+16,576; +1.5%

PHARMACY







		Pharmacy (hospital)	Port Ludlow Retail Pharmacy (specialty + retail)	340b
Key focus areas		Grow with oncology and infusion volumes	Additional specialty drugs expected (22+/month)	Engaging with PT pharmacies more intentionally, though budgeting conservatively for
		Using biosimilar chemo drugs where appropriate	(started in 2019)	Our retail pharmacy drugs are excluded; included in PL retail
Revenue	2021 budget comparison to 2019 actual	\$46,23,491 +4,201,489; +10.0%	\$2,600,000 +2,103,891; +424.1%	\$2,400,000 -1,358,361; -36.1%
Direct Expenses	2021 budget comparison to 2019 actual	\$14,868,243 +1,271,312; +9.3%	\$1,683,553 +1,018,507; +153.1%	\$1,731,000 -498,336; -22.4%
Volumes	2021 budget comparison to 2019 actual	264,889 +7,715; +3.0%	Measured in revenue	
FTE	2021 budget comparison to 2019 actual	10.2 +0.24; +2.2%	3.1 +1.8; +137.8%	

NURSING ADMINISTRATION

With the addition of an Executive Director of Nursing Operations, the operations of our core hospital nursing departments will join each other to more effectively drive efficiencies and improve processes and performance for patient flow, patient satisfaction and staffing responsiveness.

PATIENT ADVOCATES

Continue to offer advocacy services for our patients

Learning new techniques with Beryl institute attendance and LGBTQ+ training to support patients in a gender affirming way

		Nursing Administration	Patient Advocates
udget Sarison actual	FTE +/(-)	8.0 +.45; +5.92%	1.35 No change
2021 be & comp to 2019	Expense +/(-)	\$1,467,183 +135,002; +10.1%	\$167,811 +16,058; +10.6%

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Key performance measures

IMAGING & RADIOLOGY

		Radiology (x-ray)	MRI	СТ		
Key focus areas	 Adding transporters to streamline patient flow and increase volumes across MRI and CT Reviewing options for PACS Exploring additional services to promote growth Rebalancing FTEs across modalities since 2019 to reflect time spent 					
Revenue	2021 budget comparison to 2019 actual	\$7,051,289 +434,040; +6.6%	\$6,590,756 +1,381,405; +26.5%	\$16,531,780 +1,974,729; +13.6%		
Direct Expenses	2021 budget comparison to 2019 actual	\$2,138,017 +130,170; 6.5%	\$696,741 +109,490; +18.6%	\$761,150 +363,052; +91.2%		
Volumes	2021 budget comparison to 2019 actual	18,640 Diagnostic Tests +888; +5.0%	2,800 MRIs +554; +24.6%	6,400 CT Scans +680; +11.9%		
FTE	2021 budget comparison to 2019 actual	12.7533; -2.4%	2.0 +0.43; +26.9%	3.0 +1.52; +101.7%		



IMAGING & RADIOLOGY (CONT'D)

		Ultrasound	Mammography	Nuclear Medicine
Key focus areas		volumes with efforts to clossible with consistent sta	ose care gaps ffing and availability of per die	m coverage
Revenue	2021 budget comparison to 2019 actual	\$3,141,421 +143,806; +6.6%	\$1,125,831 +98,801; +9.6%	\$2,66,922 +89,858; +9.3%
Direct Expenses	2021 budget comparison to 2019 actual	\$490,883 +48,228; +10.9%	\$307,923 +13,879; +4.7%	\$438,611 +86,713; +24.6%
Volumes	2021 budget comparison to 2019 actual	4,072 ultrasounds +194; +5.0%	3,062 mammograms +227; +8.0%	449 nuc med tests +13; +3.0%
FTE	2021 budget comparison to 2019 actual	3.0 +0.02; +0.6%	1.6 +0.35; +27.8%	1.3 +0.44; +51.1%

LABORATORY SERVICES

		LAB	BLOOD BANK
Key focus areas		Adjust to volumes related to COVID testing + complexity of managing supplies and vendor relationships necessary for consistent turnaround time of tests Focus on billing strategies, especially as new tests are added	Generally consistent volumes Continue to implement workflows to automate/ streamline where possible
Revenue	2021 budget comparison to 2019 actual	\$18,800,000 +2,627,193; +16.2%	\$267,339 +16,494; +6.6%
Direct Expenses	2021 budget comparison to 2019 actual	\$6,122,119 +1,451,276; +31.1%	\$233,565 +30,591; 15.1%
Volumes	2021 budget comparison to 2019 actual	253,965 billable lab tests +32,213; +14.5%	563 blood units matched +27; +5.0%
FTE	2021 budget comparison to 2019 actual	28.65 +3.46; +13.7%	Included with lab FTE



RESPIRATORY THERAPY

Primary objectives:

- On the outpatient side, we are looking for a continued increase of outpatient PFTs with a dedicated therapist; this has shortened the backlog and added additional tests.
- On the inpatient side, we will be developing pediatric policies to manage this patient population in the ED.

Revenue				
2021 budget	\$5,208,163			
# change	+274,322			
% change	+5.6%			

Volumes				
2021 budget	43,881			
# change	+1,278			
% change	+3.0%			
70 Change	+3.U <i>/</i>			

Expenses				
2021 budget	\$1,026,881			
# change	+18,033			
% change	+1.8%			

FTEs	
2021 budget	7.00
# change	38
% change	-4.6%



REHABILITATION SERVICES

		Physical Therapy	Occupational Therapy	Speech Therapy		
Key focus areas	 Factors that are driving growth in rehab into 2021 are: Pelvic health, which will continue to expand with the addition of our new OB:GYNs Hand therapy, in concert with Dr.Meyerson's hand practice Resumption of our FEES program in Speech Therapy. 					
Revenue	2021 budget comparison to 2019 actual	\$9,795,581 +691,036; +7.6%	\$1,479,728 +266,837; +22.0%	\$608,062 +60,259; +11.0%		
Direct Expenses	2021 budget comparison to 2019 actual	\$3,714,328 +141,058; +3.9%				
Volumes	2021 budget comparison to 2019 actual	Visits 90,068 +5,098; +6.0%	Visits 13,082 +2,359; +22.0%	Visits 2,596 +257; +11.0%		
FTE	2021 budget comparison to 2019 actual	33.6 +2.12; +6.71%				
		All FTE included in the PT	department (includes support	staff)		



SLEEP

SLEEP CLINIC + SLEEP CENTER

Primary objectives:

- Stabilize volumes
- Continue partnership with Dr. Jak Nikomborirak
- Clearly delineate operations/budgets of each department (better for reimbursement purposes)

2021 budget & comparison to 2019 actual

	Provider FTE +/(-)	Support FTE +/(-)	Volumes +/(-)	Expense +/(-)	Gross Rev +/(-)
Sleep clinic	1.0 +0.17; +20.0%	3.0 +1.17; +63.2%	1,671 visits +49; +3.0%	\$392,572 +167,229; +74.2%	\$444,091 +19,307; +4.5%
Sleep Center		4.71 +0.16; +3.5%	768 studies +22; +2.9%	\$657,065 +52,421; +8.7%	\$4,398,947 +191,241; +4.5%

OTHER OP SERVICES

	Support FTE +/(-)	Volumes +/(-)	Expenses +/(-)	Gross revenue +/(-)
Pulmonary Rehab	1.7	2,790 RVUs	\$99,141	\$354,585
	+0.61; +55.7%	+81; +3.0%	-29,943; -23.2%	+15,415; +4.5%
Cardiac Rehab	2.1	1,000	\$189,334	\$289,399
	+.84; +66.1%	+344; +52.4%	+67,702; +55.7%	+99,579; +55.5%
Diabetic Education	2.2	728	\$287,537	\$198,769
	+0.10; +4.8%	+21; +3.0%	+36,983; +14.8%	+6,567; +3.4%
Anti Coag Services	1.4	4,811	\$249,531	\$341,428
	+0.06; +4.3%	+140; +3.0%	+41,058; +19.7%	+14,844; +4.5%

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IN DETAIL

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Key performance measures

MEDICAL GROUP

INFRASTRUCTURE TO CREATE ECONOMIES OF SALE

Administration

- Leadership team centralized into one dept
- Focus on developing a clinical education curriculum for medical assistants and nurses
- 7.0 FTE
- \$910,231 expenses
- \$250,000 revenues (OCH funding)

Centralization of services

- Referral coordinators and call center team moved from primary care clinic departments (started in 2020)
- 13.0 FTE
- \$711,623 expenses

PRIMARY CARE

Primary objectives:

- Streamline operations and increase efficiency of teams through automation where possible
- Explore telehealth and virtual care services
- Text reminder service
- Optimize Epic workflows and sharing of best practices to increase provider satisfaction
- Partner with RCI for coding education and accuracy
- Fill key staffing roles

Clinic-specific focus areas:

- Focusing on follow up appts in SOCO
- Adding diabetic referrals at Townsend
- Recruiting for APP role in Port Ludlow

SPECIALTY CARE

Primary objectives:

- Growth of OB/GYN service with expanded service offerings will provide the patient access that has been missing
- Marketing push focused on differentiating this specialty will provide increased referral base both internally and externally and expand market reach.
- Growing our cosmetic services with Dr. Meyerson
- Grow our cardiology services by adding TEEs and more cardioversion, as well as having the cardiologist support the stress echos.

PRIMARY CARE

2021 budget & comparison to 2019 actual

	Provider FTE +/(-)	Support FTE +/(-)	Volumes +/(-)	Expenses +/(-)	Gross revenue +/(-)
JH South County	1.00	2.45	1,940 visits	\$431,755	\$483,707
Clinic	No change	-0.26; -12.2%	+4; 0.2%	+54,215; +14.4%	-257; -0.1%
JH Sheridan Clinic -		34.75	31,402	\$7,309.240	\$8,632,312
Medical	+2.76; +22%	-9.06; -20.7%	+1,375 +4.6%	+684,172; +10.5%	+302,881; +3.6%
JH Townsend Clinic	2.25	6.56	6,519 visits	\$1,393,281	\$2,111,369
	-0.09; -4%	-1.65; -20.0%	-336; -4.9%	-82,040; -4.0%	+32,467; -6.7%
JH Watership Clinic	5.0	16.40	14,059	\$2,849,636	\$3,526.744
	+0.33; +7%	+0.46; +2.9%	+1,498; +11.9%	+605,257; +27.0%	+366,525; +11.6%
JH Port Ludlow	2.75	9.43	7,800	\$1,789,469	\$2,504,815
Clinic	+0.17; +6%	-0.04; -0.4%	+62; +0.8%	+149,173; +9.1%	+167,520; +7.2%



TEETH

JH SHERIDAN CLINIC - DENTAL SERVICES

Primary objectives:

- Help our underserved community members access dental care; growing to meet the community need
- Continue to focus on workflows to increase daily volumes and increase access
- Increasing volumes with our new dentist

	2021 budget				
	Provider FTE	Support FTE	Volumes	Expense	Gross Rev
Dental services	1.80	10.00	4,689	\$1,278,801	\$2,340,585

SPECIALTY CARE

2021 budget & comparison to 2019 actual

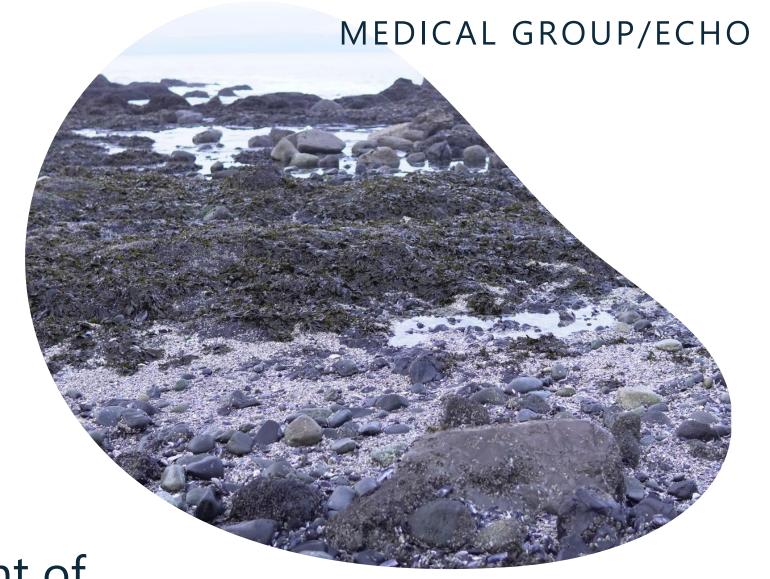
Gross revenue +/(-)	Expenses +/(-)	Volumes +/(-)	Support FTE +/(-)	Provider FTE +/(-)	
\$5,676,735	\$3,989,457	8,586 visits	9.00	6.30	Orthopedic
+876,733; +18.3%	+656,614; +19.7%	+1,217; +16.5%	-0.34; -3.6%	+0.41; +7%	Clinic
\$1,383,428	\$1,540,432	3,246 visits	3.80	2.50	Women's Clinic
+434,838; +46.0%	+866,187; +128.5%	+1,020; +45.9%	+1.42; +59.2%	+1.88; +30%	
\$5,810,869	\$1,475,676	6,600 visits	7.00	2.50	Dermatology
+358,494; +6.7%	+34,964; +2.5%	+313; +5.0%	+0.77; +12.4%	+0.06; +2%	Clinic
\$1,707,886	\$931,662	4,000 visits	5.50	1.25	Cardiology
+336,341; +24.5%	+183,852; +24.6%	+791; +24.6%	+1.16; +27.0%	+0.36; +40%	Clinic
\$2,453,270	\$1,140,057	2,700 visits	ployees;	No JH em	Urology Clinic
+12,206; +0.5%	-18,379; -1.6%	+13; +0.5%	•	contracted service mod support staff, supplies ar	

EXPANDING ECHO SERVICES IN PARTNERSHIP WITH CARDIOLOGY

Primary objectives:

- Incorporate echo into the medical group structure
- Expand echo services for stress echo
- New staffing model add nurse coverage to align cardiology & echo programs
- Continue (expanded) partnership with Harrison Health Partners for enhancement of noninvasive Cardiology services

		Echo
tual	FTE +/(-)	2.41 +0.51; +27.0%
dget & to 2 act	Volumes +/(-)	1,625 +93; +6.0%
2021 budget 8 comparison to 2 a	Expense +/(-)	\$411,288 +175,989; +74.8%
com	Gross revenue +/(-)	\$2,731,078 +349,912; +14.7%



OPERATING BUDGET

IN DETAIL

Inpatient and nursing services

Outpatient & ancillary services

Medical group services

Home health & hospice

Support services

Helping our community live well

IN DETAIL

Income statement

Key performance measures

HOME HEALTH AND HOSPICE

Primary objectives:

- Home Health will be focusing on standardization in chronic disease management and care plans.
- Hospice will be working toward accreditation (goal is by the end of Q2).
- In addition, orientation, annual competencies and continuing education will be a focus area in 2021 for both teams
- Staffing recalibrated since 2019 to reflect time allocations

	2021 budget & comparison to 2019 actual			
	FTE +/(-)	Volumes +/(-)	Expense +/(-)	Gross Rev +/(-)
Home Health	24.25 -1.51; -5.8% Provider: 0.20 +.020; 0%	707 Episodes +21; +3.0%	\$3,009,708 -395,574; -11.6%	\$2,943,427 +85.231; +3.0%
Hospice	12.65 +3.68; +41.1% Provider: 0.36 +0.36, 0%	8,818 Census +257; +3.0%	\$1,817,503 +525,523; +40.7%	\$2,420,905 +45,055; +1.9%

EXPANDING SERVICES

PALLIATIVE CARE



Primary objectives:

- Add an ARNP to work with patients in their homes
- Provider based out of a rural health clinic & JH will be paid the RHC encounter rate as a result
- Fill a gap in care options available for patients who have difficulty traveling to see their primary care provider

2021 Budget	Palliative Care
FTE	0.50
	Provider: 0.40
Volumes	561 visits (11/week)
Expense	\$144,095
Gross Revenue	\$103,896



The Hospice Foundation of Jefferson County continues to support the JH Hospice program.

The foundation ensures that holistic hospice care is available to our community which includes comfort care needs, respite care, and other bereavement services for patients and caregivers in our community.

Hospice Foundation Support

The Foundation has generously continued their financial support of:

- Bereavement services
 - Chaplain services
- Volunteer coordination

\$42,500 donation budgeted for 2021

OPERATING BUDGET

IN DETAIL

Inpatient and nursing services

Outpatient & ancillary services

Medical group services

Home health & hospice

Support services

Helping our community live well

IN DETAIL

Income statement

Key performance measures

BOARD OF COMMISSIONERS

KEY CONSIDERATIONS:

- Budgeted for the maximum compensation for each commissioner
- Reduction in travel + consultation expenses from 2019
- Fees for independent audit (DZA) continue to be expensed here

GL ACCOUNT	GL ACCOUNT DESCRIPTION	Sum of 2019 ACTUAL	Sum of 2020 BUDGET	Sum of 2021 BUDGET	Sum of DIFF 2019 ACTUAL to 2021 BUDGET
600010	MANAGEMENT & SUPERVISION WAGES	54,830	61,440	54,990	160
601100	BENEFITS FICA	171	3,809	3,341	3,170
601150	BENEFITS WA F&MLA	3	-	80	76
601400	BENEFITS MEDICAL INS-UNION	59,994	50,425	55,000	(4,994)
601600	BENEFITS RETIREMENT	-	3,072	2,695	2,695
601900	BENEFITS EMPLOYEE ASSISTANCE	94	113	99	5
602300	CONSULT MNGMT FEE	19,554	25,000	19,554	-
602500	AUDIT FEES	45,185	42,000	45,185	-
604200	CATERING	1,097	1,478	1,064	(33)
604500	OFFICE SUPPLIES	12	296	-	(12)
604800	MINOR EQUIPMENT	-	-	-	-
604850	COMPUTER EQUIPMENT	-	985	-	-
604900	OTHER NON-MEDICAL SUPPLIES	371	_	-	(371)
606500	OTHER PURCHASED SERVICES	15,600	9,850	10,000	(5,600)
608200	LEASES/RENTALS - EQUIPMENT	_	_	-	-
609400	TRAVEL/MEETINGS/TRAINING	22,661	19,700	15,000	(7,661)
609900	MISC OTHER EXP	9,924	-	-	(9,924)
		229,496	218,167	196,236	(33,260)

ADMINISTRATION + ACCOUNTING





	ADMINISTRATION	ACCOUNTING
Key focus area	 Focus on organizational effectiveness, streamlining communication, and intentional work on our culture Addition of CASSO 	 Onboard new financial leaders (CFO + controller) Streamline the payroll process (Kronos)
FTE: 2021 budgeted	6.00	8.00
FTE: change from 2019	-0.34; -5.3%	+1.05; +15.0%
Expenses: 2021 budgeted	\$1,372,834	\$1,280,826
Expenses: change from 2019	-495,289; -26.5%	+248,976; +24.1%

LEGAL/COMPLIANCE

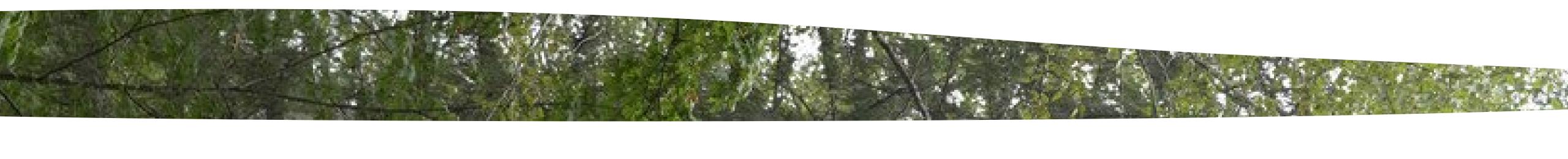
Primary considerations:

 Continue to educate our organization about compliance

RISK MANAGEMENT

Primary considerations:

 Budget includes estimate of legal fees and miscellaneous risk mitigation costs for patient service recovery



		Compliance/Legal	Risk Management
1 budget mparison 5 2019 actual	FTE +/(-)	1.0 No change	1.98 No change
2021 by & comp to 20 actu	Expense +/(-)	\$214,957 +123,235; +12.1%	\$252,179 -18,391; -6.8%

MATERIALS MANAGEMENT, SUPPORT SERVICES AND DIETARY



Focus:

- Optimize our new Infor software by offering real time expense information and detail to department leaders.
- Continue laundry services from Skookum



Focus:

• Maintaining the integrity of our environment; our spaces will be clean, calm, welcoming and inspire confidence for our guests and staff. Focus on elegant healthcare.



Focus:

- Participate in employee engagement efforts.
- Creatively offering options to meet our community's needs
- Live demo weekly + wellness videos to increase our online presence.

2021 budget & comparison to 2019 actual

	FTE +/(-)	Volumes +/(-)	Expense +/(-)
Materials management	8.6	25,982 orders processed	\$853,614
	+0.77; +9.8%	+757; +3.0%	+167,592; +24.4%
Environmental services	23.25	175,000 sq. ft.	\$1,538,339
	-1.01; -4.2%	Previously used APD	+12,977; +0.9%
Dietary	12.5	\$1,139,210 in café revenue	\$1,211,266
	-3.19; -20.3%	-238,197; -25.0%	-56,164; -4.4%
Laundry	Built into EVS	Built into EVS	Laundry: \$362,492 +6,531.50; +1.8%

SUPPORT SERVICES/IT

INFORMATION TECHNOLOGY

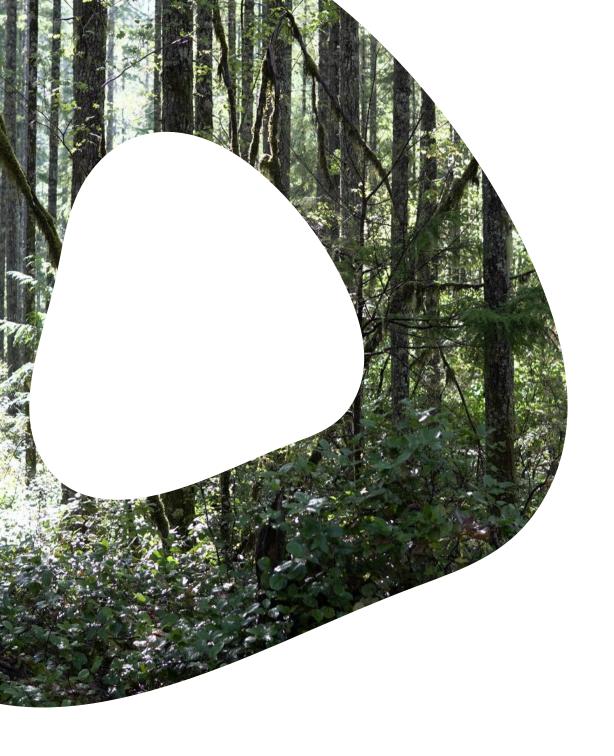
	IT	COMMUNICATION
Key focus areas	As cyber security threats are on the rise, we will respond by maintaining & improving our technology as well as educating our staff about the role they play in our security. Will be creative with staffing & roles to fill gaps in knowledge & workload while being agile when the business needs shift.	
FTE - 2021 budget Comparison to 2019 actual	10.3 +2.28; +28.45%	All FTE in IT department
Expenses - 2021 budget Comparison to 2019 actual	\$2,738,191 +494,682; +22.0%	\$363,534 +110,625; +43.7%



	QUALITY	CLINICAL INFORMATICS
Key focus areas	Continue the focus on data governance strategy and connect leaders, staff and providers at all levels of the organization with quality and patient safety	This year is a focus on provider & staff mastery of our clinical systems, finding more creative ways to use best practices to optimize the tools we have.
FTE: 2021 projected	5.5	10.75
Comparison to 2019 actual	+0.82; +17.47%	+4.28; +65.9%
Expenses: 2021 projected	\$1,165,318	\$2,025,002
	+343,448; +41.8%	+383,208; +23.3%

	UTILIZATION REVIEW	INFECTION PREVENTION
Key priorities	Focus on establishing a stronger utilization review presence in the ED when admission decisions are made, and to continue to work closely with the UR physician.	Continued focus on education + proactive monitoring, especially with tightened infection control practices
	Exploring tele social work screening options to assist with psychiatric hospital placements	
FTE – 2021 projected	6.32	1.75
Comparison to 2019 actual	+1.98; +46.21%	+1.32; +306.7%
Expenses – 2021 projected	\$705,851	\$104,260
Comparison to 2019 actual	+206,032; +41.2%	+45,290; +76.8%

	FACILITIES + SECURITY	BIOMED	MAINTENANCE PROJECTS	
Key focus areas	Key focus areas The facilities department is focused on being proactive next year in order to help maintain reduce our operational costs. Many pieces of equipment are aging, and we are holding ca purchases where possible.			
	Continued focus on security, especially as the stress levels of our patients and visitors are high. The team actively works to improve the staff satisfaction measure of "feels safe at work."			
FTE - 2021 budget	15.6	2.0	FTE coded to facilities	
comparison to 2019 actual	+1.16; +8.0%	.003; -0.1%		
Expenses - 2021 budget	\$5,755,188	\$217,880	\$298,639	
comparison to 2019 actual	+410,993; +7.7%	+19,163; +9.6%	+145,708; +95.3%	



PEOPLE.

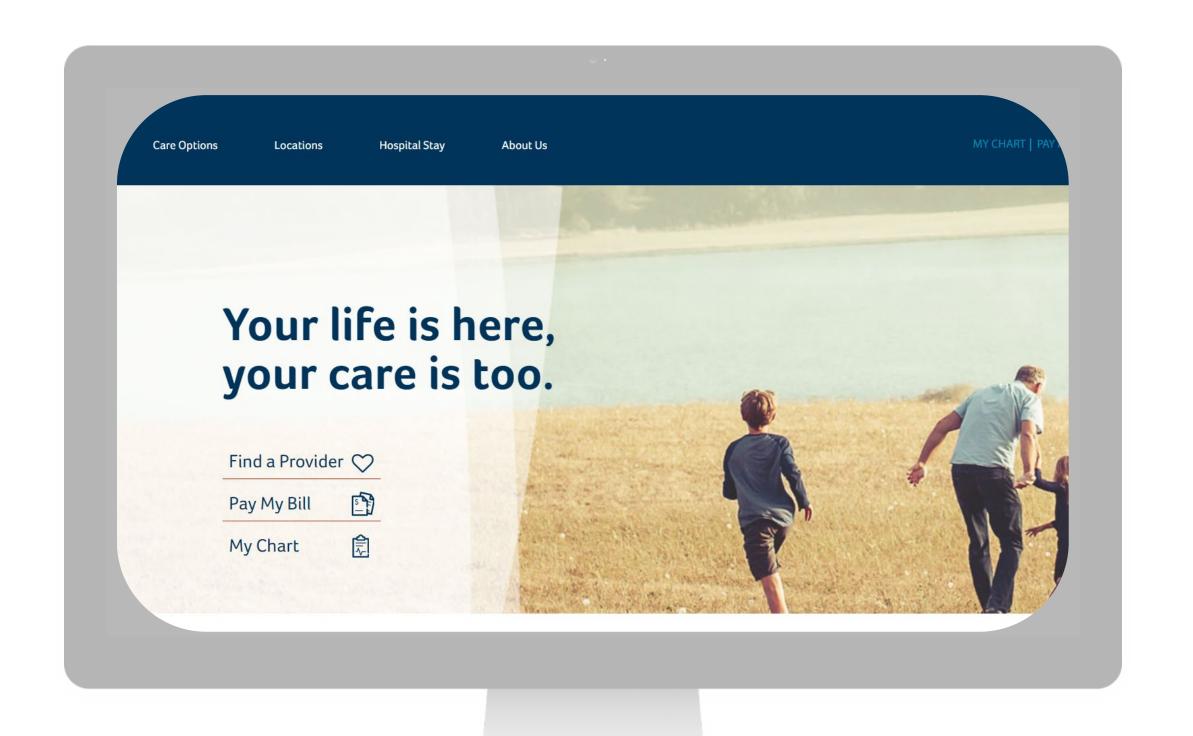
HUMAN RESOURCES + EMPLOYEE HEALTH

Primary objectives:

- Maximize technology with the Infor upgrades
- Increases resources on recruiting key jobs
- Greater focus on re-energizing leaders and staff in employee engagement
- Add .5 FTE to EE health (split with infection control) to respond to increased volumes from COVID-19

2021 budget & comparison to 2019 projection

	FTE, HR dept	FTE, hospital-wide	Expenses, HR dept
Human Resources	9.00 +0.22; +4.9%	647.6 (+providers) +75.28; +13.0%	\$1,347,167 +245,682; +22.3%
Employee health	1.45 +1.09; +298.6%		\$197,468 +121,043; +158.4%



Marketing

MARKETING + PUBLIC RELATIONS

Primary objectives:

- Continue to tell our story
- Promote expansion of services and highquality providers
- Focus our spend where it has the largest impact, especially with social media
- Align presentation and brand

+0.5; +50.0%

• Graphic design in house where possible

2021 budget & comparison to 2019 projection		
FTE	Expenses	
.5	\$396,826	

+22,949; +6.1%

MEDICAL STAFF.

Primary objectives:

- · Significant review of the bylaws and medical staff leadership model
- · Shift expenses for chief pay to the Medical Staff department
- Fully implement model of med staff coordinator + payor credentialing coordinator

2021 budget & comparison to 2019 actual

	Provider FTE	Support FTE	Expenses
Medical staff	1.95 +1.95 (moved from other depts)	2.00 +0.63; +45.2%	\$1,066,934 +284,971; +36.4%

REVENUE CYCLE OPERATIONS

FTE

Expenses

Key priorities

Registration

Focus on streamlining patient flow experience thru efficiencies gained with technology (e-checkin) and pre-registration processes for scheduled events

Financial Counseling

Continued work on utilizing our Financial Counselors for the most important work of conversations and financial counseling/assistance needs and estimates with our patients at the elbow, at the bedside and in Clinic

Billing

Standardization of policies and detailed, service line specific content expertise and certification

Health Information

Management

(HIM / medical records)

Team development and defined structure for team growth and career ladder movement-Standardization of Provider feedback

Revenue Cycle Integrity

Continued plan of executing Provider Reviews/Training to further partnership between Providers and RCO

OPERATING BUDGET

IN DETAIL

Inpatient and nursing services

Outpatient & ancillary services

Medical group services

Home health & hospice

Support services

Helping our community live well

IN DETAIL

Income statement

Key performance measures

JEFFERSON HEALTHCARE FOUNDATION

- 1.0 FTE, split between the Executive Director of Foundation + JH Grant writing responsibilities
- Focus on making the Healthcare Worker Assistant Fund permanent
- Continue to connect donors with projects and programs that they believe in to grow meaningful giving
- Expenses are in-kind donations from Jefferson
 Healthcare to Jefferson Healthcare Foundation and
 include staff, space and IT needs; \$108,351 in total
- Budgeted for \$150,000 in donations to Jefferson Healthcare from JH Foundation



Helping Our Helpers: Healthcare Worker Assistance Fund



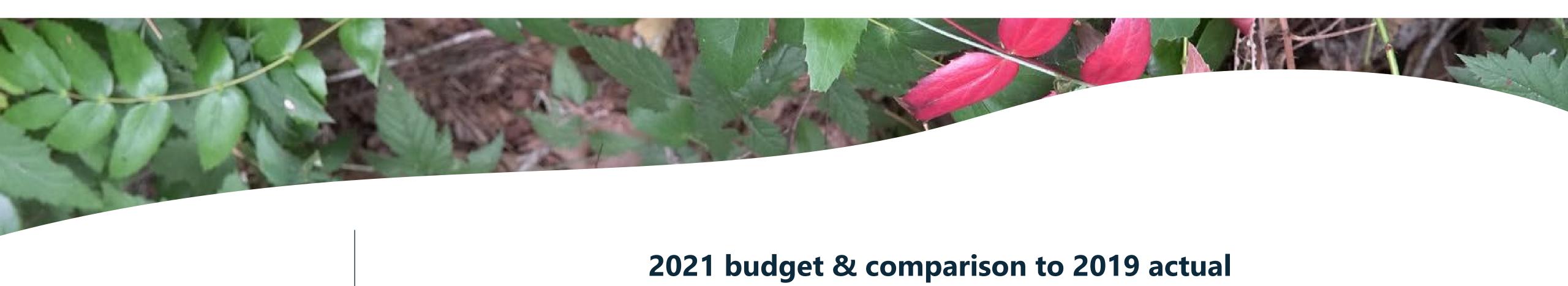
"You have no idea how much stress you are relieving for me through these times!" ~ Jefferson Healthcare employee

You may have seen the **recent reports** that adults in their late 20's to early 40's are **suffering the most stress** from the COVID-19 crisis. It's easy to see why. Many in this generation are worried about the health of their parents and grandparents, have dependent children at home, and are experiencing severe disruptions in their careers – including in healthcare.

TRANSFORMING THE WAY WE CARE

POPULATION HEALTH + CARE TRANSFORMATION

patients



	Key priorities	FTE	Expenses
Population health	Continue portfolio of activities, including new ideas to impact food security and "early life lasts a lifetime"	1.50 -0.11; -6.6% Provider: 0.30	\$190,068 -55,280; -22.5%
Care transformation	Use a new care model that partners nurses and care team support to help reduce barriers for our	4.50 -0.21; -4.5%	\$539,003 +37,414; +7.5%

EXERCISE FOR HEALTH AND WELLNESS



	FTE	Expenses	Revenue	
	2021 budget comparison to 2019 actual	2021 budget comparison to 2019 actual	2021 budget comparison to 2019 actual	Average participants
Exercise for Health	.50 -1.37; -64%	\$82,849 -35,707; -30.1%	\$18,2812 -28,803; -61.2%	3,410 -5,116; -60%
Wellness	0.40 Dept added in 2019, .65 FTE budget in 2020	\$57,568 -9,714; -14.4%	\$15,000 -10,914; -42.1%	10,212 -15,318; -60%

CHIP, SANE, AND REPRODUCTIVE HEALTH

CHIP

Focus:

 Continue to support a portion of the executive director and program costs

SANE

Focus:

- Continue to support a portion of the program manager and program costs
- Community partner donations of \$20,000 included in the budget

REPRODUCTIVE HEALTH

Focus:

- Continue to provide comprehensive reproductive services for our community
- Expand notification of service availability to Clallam county services and providers

	2021 budget & comparison to 2019 projection	
	FTE +/(-)	Expense +/(-)
Community Health Improvement Plan (CHIP)	0.50 +0.07; +15.6%	\$84,048 (\$20,575 community participation) +16,252; +24.0%
Sexual Assault Nurse Examiner (SANE)	0.36 Provider: 0.05	\$65,748 (\$20,000 community participation) +19,976; +43.6%

COVID RESPONSE

RESPIRATORY CLINIC LAB DRIVE THRU SCREENERS



2021 budge	t
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	Provider FTE	Support FTE	Volumes	Expense	Gross revenue
RES clinic	1.50	6.70	863	\$596,181	\$172,500
Lab – Drive Thru		2.10		\$137,473	
Screeners		8.25	26,296	\$342,648	\$200,000 FEMA funding

OPERATING BUDGET

IN DETAIL

Inpatient and nursing services

Outpatient & ancillary services

Medical group services

Home health & hospice

Support services

Helping our community live well

IN DETAIL

Income statement

Key performance measures

BRINGING IT TOGETHER: Income statement [draft]

	2021 BUDGET																
	Income Statement Summary																
		2017				2018				2019			2020		2021		Change
	Actual		Budget		Actual		Budget		Actual		Budget		Budget		Budget		2019 actual to 2021 budget
01_IP REVENUE 02_OP REVENUE	(45,304,303) (163,990,002)		(40,512,662) (169,748,507)		(44,536,959) (182,829,052)		(51,909,327) (186,762,393)		(45,443,362) (215,981,528)		(49,155,911) (200,065,234)		(51,151,916) (233,912,846)		(50,105,762) (238,429,699)		(4,662,400) (22,448,170)
TOTAL PATIENT REVENUES	(209,294,306)		(210,261,169)		(227,366,011)		(238,671,719)		(261,424,890)		(249,221,145)		(285,064,762)		(288,535,460)		(27,110,570)
05_REV DED/MEDICARE 06_REV DED/MEDICAID 07_CHARITY CARE 08_CONT ADJ OTHER 09_REV DED/ADMIN 10_BAD DEBTS TOTAL REVENUE ADJUSTMENTS	72,192,554 19,464,977 1,437,426 16,420,918 532,961 2,778,472	-34% -9% -1% -8% 0% -1%	69,295,245 25,805,335 1,315,219 14,732,354 236,906 3,119,221	-7%	74,145,841 21,742,354 2,363,239 18,266,670 1,583,906 2,539,973	-33% -10% -1% -8% -1% -1%	83,280,483 23,890,272 1,471,539 18,353,377 531,320 3,465,805	-35% -10% -1% -8% 0% -1%	91,492,106 22,877,091 3,133,646 21,556,076 1,050,540 4,156,626	-35% -9% -1% -8% 0% -2%	85,257,801 24,145,405 2,850,459 18,579,546 1,108,613 3,237,531	-34% -10% -1% -7% 0% -1%	97,432,120 26,229,729 2,756,994 22,237,626 1,301,612 5,208,080	-8% 0%	93,575,027 31,135,658 2,743,894 22,051,527 1,295,431 5,438,517	-32% -11% -1% -8% 0% -2%	2,082,921 8,258,566 (389,753) 495,452 244,891 1,281,891
NET PATIENT SERVICE REVENUE	(96,466,998)		(95,756,888)		(106,724,027)		(107,678,923)		(117,158,803)		(114,041,790)		(129,898,602)		(132,295,406)		(15,136,603)
11_GRANTS 12_OTHER REVENUE 13_REV/MEANINGFUL USE 14_340B REVENUE	(18,636) (1,600,225) 139,301 (2,955,147)		(345,830) (984,200) (40,000) (3,064,100)		(162,400) (2,033,863) (85,000) (3,473,711)		(20,000) (1,491,660) - (3,473,800)		(1,519,643) (1,923,360) - (4,000,004)		(1,303,325) (3,992,346) (40,000) (3,838,000)		(709,882) (2,888,500) - (3,274,600)		(684,075) (2,089,761) - (3,700,000)		835,568 (166,402) - 300,004
TOTAL OTHER REVENUES	(4,434,708)		(4,434,130)		(5,754,975)		(4,985,460)		(7,443,006)		(9,173,671)		(6,872,982)		(6,473,836)		969,169
TOTAL OPERATING REVENUES	(100,901,706)		(100,191,018)		(112,479,002)		(112,664,383)		(124,601,809)		(123,215,461)		(136,771,584)		(138,769,242)		(14,167,433)

BRINGING IT TOGETHER: Income statement [draft] cont'd

(4,365,782)

OPERATING (INCOME) LOSS

(2,515,667)

(3,767,682)

2021 BUDGET Income Statement Summary 2019 2020 2021 Change 2017 2018 2019 actual to Budget Budget Budget Budget Budget Actual Actual Actual 2021 budget 20_SALARIES 49,279,446 49,582,452 53,801,634 56,550,859 57,874,273 59,251,519 65,589,903 68,300,551 10,426,278 13,755,361 23.8% 21_EMPLOYEE BENEFITS 11,814,074 24.0% 12,247,947 24.7% 13,499,328 **25.1**% 14,245,919 25.2% 14,823,152 **25.0%** 16,897,560 **25.8%** 17,523,574 25.7% 3,768,213 22_PROFESSIONAL FEES 5,475,974 4,937,240 4,159,300 2,293,360 1,570,012 (3,929,416)3,420,100 4,515,736 5,499,428 23 PURCHASED SERVICES 6,200,407 8,016,924 8,154,618 537,565 6,004,178 6,357,990 6,879,616 7,617,053 8,449,155 24 SUPPLIES 18,385,707 21,381,838 24,922,370 25,759,686 15,499,518 14,275,245 16,705,575 23,368,234 2,391,452 25_INSURANCE 608,885 680,000 740,154 675,800 697,227 640,829 691,450 1,005,813 308,586 26 LEASES/RENTALS 1,403,952 182,534 421,252 1,739,450 1,547,348 1,451,384 1,631,572 1,872,664 (1,210,320)4,438,693 4,703,576 4,673,247 4,919,190 6,487,844 6,325,001 27_DEPRECIATION 3,684,215 4,743,345 1,581,656 28_REP&MAINT 546,341 909,300 634,624 957,812 677,875 1,150,430 1,271,303 1,215,815 537,940 29_UTILITIES 1,020,177 919,889 1,148,119 1,035,105 1,177,149 1,261,060 1,249,286 1,160,179 (16,970)667,675 662,546 641,424 608,331 654,849 30_LICENSES/TAXES 548,264 741,428 754,189 12,761 31 OTHER 1,632,255 1,873,659 2,444,340 2,685,003 2,359,276 (85,064)2,058,484 2,327,333 2,435,636 TOTAL OPERATING EXPENSES 108,113,219 98,386,039 96,423,336 110,626,717 120,227,285 120,567,390 131,387,443 134,549,966 14,322,681

(2,037,666)

(4,374,524)

(2,648,071)

(5,384,141)

(4,219,276)

155,248

BRINGING IT TOGETHER: Income statement [draft] cont'd

2021 BUDGET

Income Statement Summary

	201	7	2018	3	2019	9	2020	2021	Change
	Actual	Budget	Actual	Budget	Actual	Budget	Budget	Budget	2019 actual to 2021 budget
40_TAX M&O	(209,528)	(202,000)	(265,881)	(272,000)	(243,964)	(253,500)	(268,600)	(280,200)	(36,236)
41_TAX DEBT	(224,177)	(223,750)	(195,318)	(195,000)	(228,232)	(228,100)	(222,400)	(219,800)	8,432
41.1_TAX REFUNDS	-	-	-	-	-	-	-		-
42_INVESTMENT INCOME	(150,092)	(77,500)	(416,446)	(162,500)	(527,668)	(331,800)	(331,800)	(332,000)	195,668
43_INTEREST EXPENSE	800,949	1,008,053	1,033,105	1,153,322	988,333	997,181	1,106,483	1,055,388	67,056
44_GAIN/LOSS ON SALE	30,218	-	(2,922)	-	61,507	-	-	-	(61,507)
45_CONTRIBUTIONS	(371,049)	(140,000)	(145,545)	(172,000)	(206,083)	(259,000)	(200,000)	(217,500)	(11,417)
46_EXTRAORDINARY	-	-	-	-	-	-	-	-	-
47_BOND ISSUE COSTS	10,000	150,000	-	-	-	-	-	-	-
TOTAL NONOPERATING									
(REVENUES) EXPENSES)	(113,681)	514,803	6,992	351,822	(156,107)	(75,219)	83,683	5,888	161,996
CHANGE IN NET POSITION: (POSITIVE)/NEGATIVE	(2,629,348)	(3,252,879)	(4,358,791)	(1,685,844)	(4,530,631)	(2,723,290)	(5,300,458)	(4,213,388)	317,243

BRINGING IT TOGETHER: Staffing summary [draft]

STAFF	PROVIDERS	TOTAL
512.00	59.00	571.00
541.50	51.50	593.00
F72 2F	F7 07	620.22
5/2.35	57.97	630.32
617 81	79 46	697.26
	\$\frac{\frac{512.00}{541.50}}{572.35}	512.00 59.00 541.50 51.50 572.35 57.97

OPERATING BUDGET

IN DETAIL

Inpatient and nursing services

Outpatient & ancillary services

Medical group services

Home health & hospice

Support services

Helping our community live well

IN DETAIL

Income statement

Key performance measures

BRINGING IT TOGETHER: Key performance measures [draft]

2021 BUDGET

Income Statement Summary

	2	2017	201	8	201	9	2020	2021	Change
	Actual	Budget	Actual	Budget	Actual	Budget	Budget	Budget	2019 actual to 2021 budget
Operating Margin	2.49%	3.76%	3.88%	1.81%	3.51%	2.15%	3.94%	3.04%	-0.47%
Total margin	2.61%	3.25%	3.88%	1.50%	3.64%	2.21%	3.88%	3.04%	-0.60%
Salaries & Ben as a % of NPSR	63.33%	64.57%	63.06%	65.75%	61.14%	64.95%	63.50%	64.87%	3.73%
Salaries & Ben as a % of tot rev	60.55%	61.71%	59.83%	62.84%	57.49%	60.12%	60.31%	61.85%	4.36%
Salaries & Ben as a % of total exp	62.10%	64.12%	62.25%	64.00%	59.58%	61.44%	62.78%	63.79%	4.21%
51_ADJUSTED PATIENT DAYS	23,906.41	25,550.00	23,535.94	25,566.90	25,530.00	26,741.06	29,416.20	27,835	2,305
Gross Patient Rev / Adj Pat Day	8,754.74	8,229.40	9,660.38	9,335.18	10,239.91	9,319.79	9,690.74	10,366.06	126.15
Net Pat Serv Rev / Adj Pat Day	4,035.19	3,747.82	4,534.51	4,211.65	4,589.06	4,264.67	4,415.89	4,752.91	163.84
Wages & Ben / Adj Pt. Day	2,555.53	2,419.98	2,859.50	2,769.08	2,805.70	2,770.07	2,804.15	3,083.36	277.65
Total Oper Exp / Adj. Pt. Day	4,115.47	3,773.91	4,593.54	4,326.95	4,709.26	4,508.70	4,466.50	4,833.91	124.65
Total Oper. Exp. / Net Pt. Rev	97.51%	96.24%	96.12%	98.19%	96.49%	97.85%	96.06%	96.96%	0.47%
Labor Hours / Adj Pat Day	44.55	41.05	47.85	47.39	46.63	47.90	44.21	48.28	1.65
Oper. Exp (excl. dep) / Adj Pt Day	3,929.80	3,629.71	4,393.69	4,144.17	4,523.46	4,324.74	4,245.95	4,606.67	83.21
Labor Hours (excl providers)	1,064,959	1,048,847	1,126,311	1,211,588	1,190,489	1,280,821	1,300,425	1,343,904	153,414

Let's take a PAUSE

Do you have any questions about the operating budget, in detail or summary, before we move on?



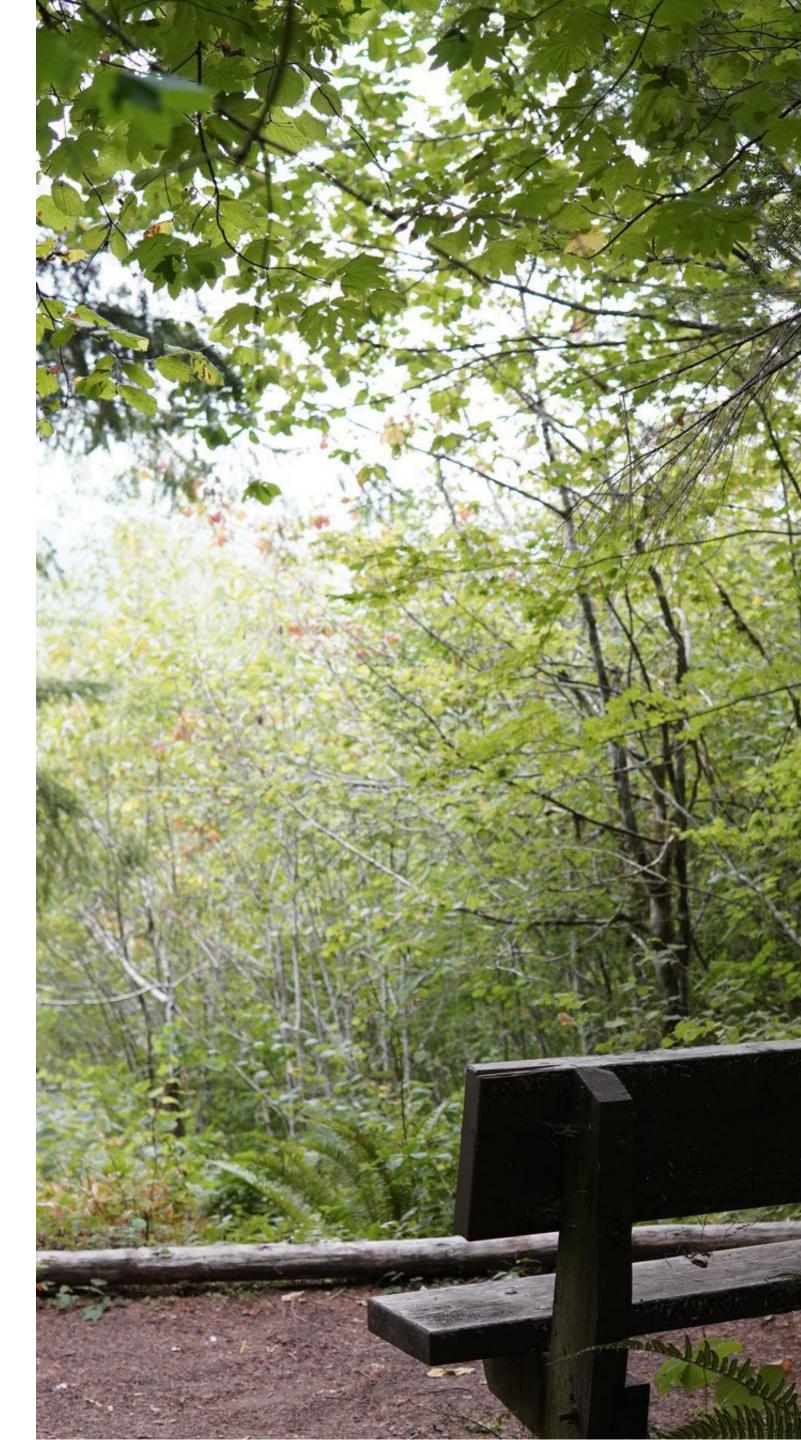
CAPITAL INVESTMENTS

Capital and Projects budget, 2021 Capital and Projects budget 2022-2025

FLAVORS OF CAPITAL

The capital budget process captures different categories of capital expenditures.

- Equipment, routine replacement
- Equipment, new
- Construction project
- Specialized furniture
- Software (new or upgrade)
- Technology (new or upgrade)



CAPITAL BUDGET: Prioritize into 2021

Request Type	Department	Title of Request	Cost
Equipment (Routine Replacement	ent) = CT	CT Injector	\$39,731
	■ Dental	Gendex Sensor	\$15,951
	■ Dietary	Steamer	\$10,325
	■ ED	Copier	\$8,042
	■ Lab	Microscope	\$9,402
	■ Patient Accounts	Copier	\$8,042
	■ Rehab	Upper Body Ergometer	\$5,112
	■ Surgery	System 1 Endo	\$23,760
	■ Watership Clinic	Exam Table x4	\$22,968
	EVS	Copier	\$10,008
Equipment (Routine Replacemen	t) Total		\$153,342
Equipment (New)	■ Biomed	Fluke Prosim8	\$14,666
	■ DI	U-Arm Standing Foot Platform	\$6,000
	■ Sterile Processing	Prep & Pack Table	\$8,453
	■ Surgery	Savi Scout	\$78,044
		Surgical Table	\$16,873
	■ Med Staff	QA Software POCUS	\$11,000
Equipment (New) Total			\$135,036

CAPITAL BUDGET: Prioritize into 2021

Request Type	Department	Title of Re	quest	Cost
■ Construction Project	■ CT	Overhead	Lift Expansion	\$15,417
	■ Facilities	Master Site	e Plan *not depreciated	\$300,000
Construction Project Total				\$315,417
■ Specialized Furniture	■ Rehab	Reception	Area *operating	\$125,000
Specialized Furniture Total				\$125,000
■ Software (New or Upgrade)	■ DI	PACS		\$96,000
Software (New or Upgrade) Total				\$96,000
■ Technology (New or Upgrade)	■ IT	Hyperconv	verged VM Environment	\$77,361
		Temperati	ure Kiosk	\$40,000
	■ Medical Group Admin	Patient Co	mmunication *operating	\$48,527
Technology (New or Upgrade) Total				\$165,887
Grand Total				\$990,682

CAPITAL BUDGET: Contingent purchases for 2021

Request Type	Department	Title of R	equest	Cost		
Equipment (Routine Replacement)	■ MRI	MRI Injed	ctor	\$42,030		
Equipment (Routine Replacement) Total						
Equipment (New)	■ Pharmacy	IV Pump	Integration *operating	\$206,882		
	■ Surgery	NAVIO U	pgrade	\$189,638		
Equipment (New) Total				\$396,520		
■ Software (New or Upgrade)	■IT	Impravat	a Single Sign On *operating	\$331,355		
	■ Infor	Smart Re	con	\$20,000		
Software (New or Upgrade) Total				\$351,355		
Grand Total				\$789,906		

CAPITAL BUDGET: Planning ahead for 2022-2025

Budget placeholders set, but detail review completed annually Pricing and needs can change significantly, but the roadmap is essential

Request Type	Department	Title of Request	2022	2023	2024	2025
■ Construction Project	■ Emergency Department	Emergency Exam Room	\$33,209			
	■ Facilities	Parking Lot Development/Car Charging Stations	\$600,000			
		Replace 95 Building Roofing			\$800,000	
		ESSSB Shell Space	\$56,976			
Construction Project Total			\$690,185		\$800,000	
Equipment (New)	■ Facilities	ESSB Parking Lot Cleaner		\$166,225		
		Generator Tank Fuel Scrubber		\$28,000		
	■ Hospice	DME	\$349,829			
	■ ED	Phillips Monitors	\$108,894			
Equipment (New) Total			\$458,723	\$194,225		
Equipment (Routine Replacement)	■ DI	Replace XR R&F Room 1	\$544,000			
		Add Mammo to PLC	\$438,750			
	■ Facilities	AHU 1			\$450,000	
		AHU 2		\$450,000		
		AHU 4	\$400,000			
		Variable Frequency Drives 2, 3, 4	\$38,000			
	■ Lab	Bact Alert (BLD CX Incub)	\$38,503			
		Chemistry Analyzers		\$1,000,000		
		Coagulation Analyzers			\$174,000	
		Hematology Analyzers	\$98,000			
		Microbiology Incubator	\$5,661			
		Urinalysis Centrifuge	\$5,498			
	■ MRI	Breast Coil	\$80,922			
	■ Nursing Administration	Defibrillators	\$200,000			
	EVS	Floor Scrubber	\$9,742			
	■ Nuclear Medicine	Dose Calibrator	\$11,300			
Equipment (Routine Replacement) Tot	al		\$1,870,376	\$1,450,000	\$624,000	

CAPITAL BUDGET: Planning ahead for 2022-2025

Budget placeholders set, but detail review completed annually Pricing and needs can change significantly, but the roadmap is essential

Request Type	Department	Title of Request	2022	2023	2024	2025
■ Remodel/Refresh Existing Space	■ Nursing Administration	Upper Floor Refresh	\$1,100,000			
Remodel/Refresh Existing Space Total			\$1,100,000			
■ Software (New or Upgrade)	■ Compliance	Electronic Consents Software *operating	\$239,732			
	■ Infor	Recall Management	\$77,000			
		Contract Management	\$200,000			
		Accounts Payable Invoice Automation	\$150,000			
		Ephesoft Capture	\$100,000			
		Single Tenant to Multi Tenant Payroll	\$350,000			
Software (New or Upgrade) Total			\$1,116,732			
■ Specialized Furniture	■ Surgery	Refresh Front Desk Area	\$43,600			
Specialized Furniture Total			\$43,600			
■ Technology (New or Upgrade)	■ Facilities	Upgrade Building Automation			\$115,000	\$80,000
	■ IT	Archive Meditech	\$100,000			
		Infotainment	\$200,000			
		MDF UPS Battery Replacement	\$25,000			
		Hyperconverged VM Environment - Phase 2	\$80,000			
		Archive Allscripts E HR		\$150,000		
		Imprivata Single Sign On - Phase 2	\$100,000			
	■ Lab	Centrak				
	■ Nursing Administration	Vocera/Nurse Call Integration (Plus Analytics/Secure Messaging)	\$179,572			
Technology (New or Upgrade) Total			\$684,572	\$150,000	\$115,000	\$80,000
Grand Total			\$5,964,188	\$1,794,225	\$1,539,000	\$80,000



WRAP UP

Any lingering questions,
Areas for further discussion
Or strategic/decisions the Board would like us to revisit

