COVID-19 Notice
No in-person attendance allowed, pursuant to Governor Inslee's Proclamation 20-28.
All meeting attendees, including Board of Commissioners, staff and members of the public must participate virtually. No physical meeting location will be provided.
To attend the meeting, dial Phone Conference Line: (509) 598-2842
When prompted, enter Conference ID number: 197938556

Jefferson County Public Hospital District No.2
Board of Commissioners, Regular Session Minutes
Wednesday, September 23, 2020

Call to Order:
The meeting was called to order at 2:30pm by Board Chair Buhler Rienstra. Present by phone and video were Commissioners Dressler, Kolff, McComas and Ready. Also, in attendance by phone 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, Caitlin Harrison, Chief Human Resources Officer, Jenn Wharton, Chief Ambulatory and Medical Group Officer, Tina Toner, Chief Nursing Officer, and Brittany Huntingford, Kent Smith, DO, Chief of Staff, Administrative Assistant were also in attendance. This meeting was officially audio recorded by Jefferson Healthcare.

Approve Agenda:
Commissioner McComas approved the agenda. Commissioner Kolff seconded.
Action: Motion passed unanimously.

Education Topic:
- Employee Engagement Presentation
    - Caitlin Harrison, Chief Human Resources Officer

Caitlin Harrison, Chief Human Resources Officer presented the Employee Engagement presentation

Discussion ensued.

Commissioners recessed for break at 3:15pm.
Commissioner reconvened from break at 3:30pm.

Team of the Quarter:
Caitlin Harrison, CHRO presented Dr. Sarah Schmidt, Provider of the Quarter; Jess Cigalotti, Employee of the Quarter & Surgical Associates, Team of the Quarter

Minutes:

- August 26, 2020 Minutes

Commissioner Kolff made a motion to amend the August 26, 2020 minutes to include the addition of "per 100,000 population" in board reports. Commissioner Ready seconded.
Action: The amended motion passed unanimously.

Required Approvals: Action Requested

- August Warrants and Adjustments
- Resolution 2020-10 Cancelled Warrants
- Medical Staff Credentials/Appointments/Reappointments

Commissioner Ready made a motion to approve the August Warrants and Adjustments, Resolution 2020-10 Cancelled Warrants, and Medical Staff Credentials/ Appointments/ Reappointments Commissioner Dressler seconded.
Action: Motion passed unanimously.

Financial Report:
Hilary Whittington, CAO/CFO, presented the August Financial Reports.

Discussion ensued.

Quality Report:
Brandie Manuel, Chief Pt Safety and Quality Officer, presented the August Quality Report.

Discussion ensued.

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

Discussion ensued.

Board Business:

- Health Equity Report Resolution Discussion

Commissioner Kolff suggests a resolution by the board to support this work. Commissioners Kolff and McComas will move forward and will have something specific for the boards review, comments, and potential adoption at the October meeting.

Board of Health report

Commissioner Kolff gave a report from the Board of Health activities. Jefferson Healthcare was applauded by Dr. Locke during a County Commissioner meeting

for our transparency, fostering an ideal relationship of cooperation. At the Board of Health key items were discussed-

1. Health department staff are facing similar pandemic challenges as are JHC staff.
2. Enforcement for violations of public health officer mandates are currently limited to criminal offences. This is being addressed with a new enforcement code.
3. Forest fire smoke causes increased asthma and heart disease. Commissioner Kolff would be curious to hear from the Emergency department if there had been a rise of cases here when we had the smoke.
4. COVID-19 testing options are increasing in the county, but how to use results is tricky.
5. Commissioner Kolff commented on the number of new COVID-19 cases per hundred thousand in the past 2 weeks in Jefferson, Clallam, and Kitsap Counties.
6. The Health department encourages everyone to be safe to help keep schools open.

Discussion ensued.

- Agenda Evaluation

Commissioner Buhler Rienstra gave the board book overview of this topic. Commissioner Kolff suggested the board send written evaluations to Brittany with further discussion to be had at the October meeting.

Meeting Evaluation:

Commissioners evaluated the meeting.

Conclude:

Commissioner Kolff made a motion to conclude the meeting. Commissioner Ready seconded.
Action: Motion passed unanimously.

Meeting concluded at 5:10pm.

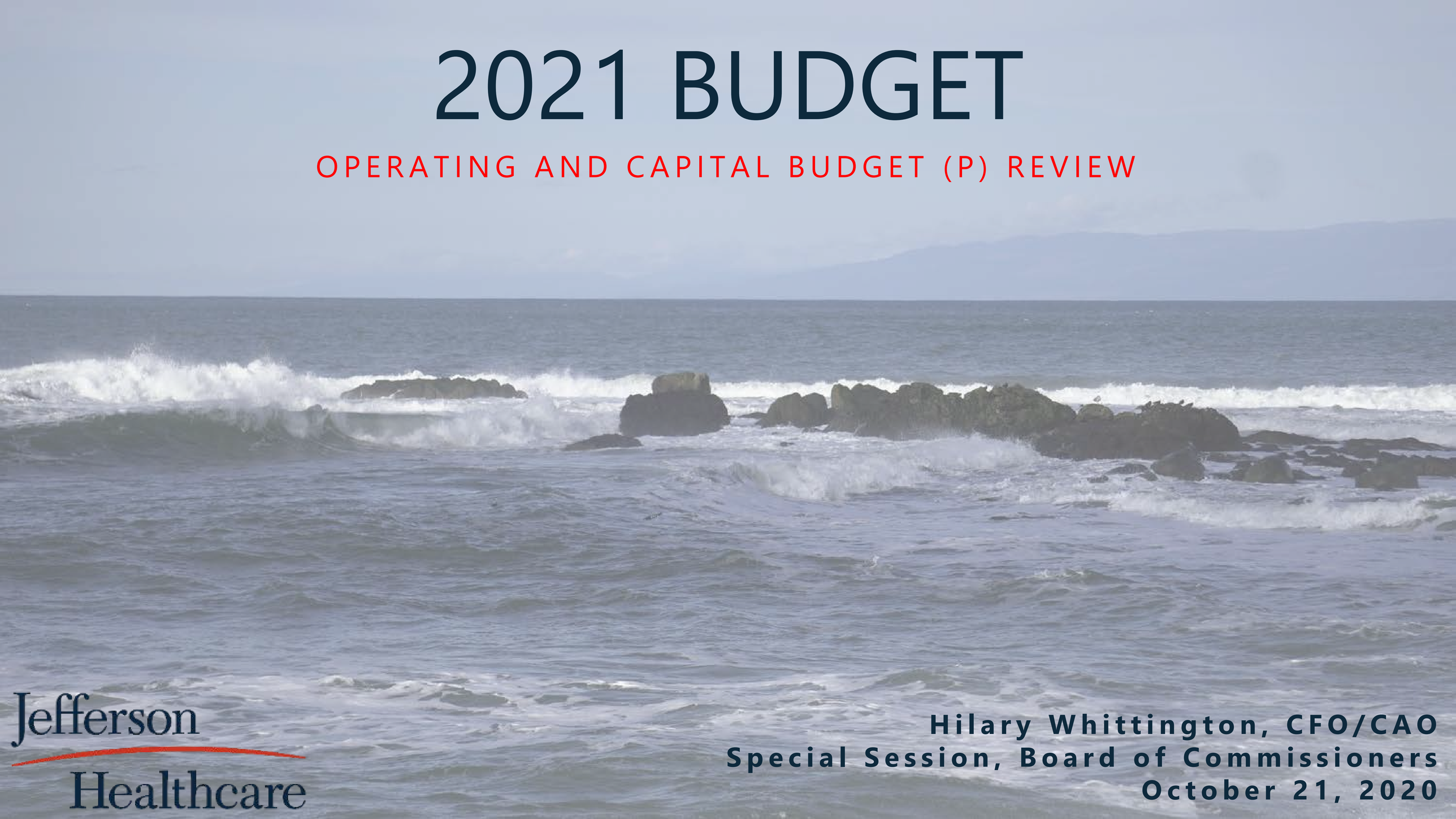
Approved by the Commission:

Chair of Commission: Jill Buhler Rienstra _____

Secretary of Commission: Marie Dressler _____

2021 BUDGET

OPERATING AND CAPITAL BUDGET (P) REVIEW



Jefferson Healthcare

Hilary Whittington, CFO/CAO

Special Session, Board of Commissioners

October 21, 2020

THE PLAN

01 **SETTING THE LANDSCAPE**

Our process

Philosophy and decisions that affect the entire budget

02 **OPERATING BUDGET**

In detail, department by department and in summary,

Including key performance indicators

03 **CAPITAL INVESTMENTS**

Capital & projects budget, 2021

Capital budget look ahead, 2022-2025

04 **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

2016 BUDGET: OPERATIONS

November 4, 2015

Big Game Changers For 2016
New MRI
ESSB
ICD-10
Cardiology clinic
Port Ludlow clinic move/build Oct 2016
Rename RHCs
Clinic juggle
915 sheridan: 1 front desk
Gyn provider & clinic
Add ortho surgeon : June 2016
Transporting psych pt e $2k, 24/yr
What are hours of ESSB? 6am - 8pm
Will we do patient transports more than now?
ESIs +1 cme training
Parking lots
ESSB Grand Opening Party + Hardhat tours
Department relocation (Remax → JH)
Accountable Care Organization
Accountable Communities of health
△Guidelines for Isolating patients (mrsa etc).
Prior Auth / MDNet Solutions
↑ focus on denials mgmt in departments
Logo change
R2Ak $10-15k + in kind
Community health sponsorships
△ provider compensation methods
Sleep, wound & oncology APP swap
Sleep space in ESSB
Marketing plan from Dh
Stanford program .3 FTE wellness
Medical director $/hrs review (1/clinic)
2 PCP MD/DO recruits (PLC + 1010)
happy doctors / directors engagement tools
oncology accreditation
ortho ISO compliance
community health resources

Hospital rate increases

We are taking an aggressive approach with pricing

Jefferson Healthcare's rate history:

- 2007: 3-11%
- 2008: 7%
- 2009: 28% average IP & OP, 6% clinic, 0% HH/H
- 2010: 10% average IP & OP, 7% clinic, 0% HH/H
- 2011: 7-10% average IP, OP & clinic
- 2012: 5% average IP, OP & clinic
- 2013: 2.99%, decreases in MRI & CT mid-year
- 2014: 3% average, additional decreases in MRI & CT
- 2015: 3% average, decreases in imaging & anti-coag
- 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

- 3.25% total margin
  3.91% operating margin

  3-5% margin is healthy for an organization investing in capital

Key Operating Statistics

- 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

Cash

- 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.

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.

Other material changes

Supplies expenses continue to increase.

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

****Tax revenues – decision point.***

Budgeted Net income - $1,646,717

Operating margin – 1.78%
Total margin – 1.47%

Overview of 2019

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 Jefferson 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 hard decisions now to prevent even harder decisions later.
- 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 few ideas will be concept tested with a small-scale or pilot program to prove their effectiveness before investing widely.

2020 didn't happen.

01

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

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

August into September

GLUE IT TOGETHER

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

September

ADD CAPITAL

September through October

Leaders submit capital requests

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

SCRUB

October

Identified needs & wants always exceed available resources

SLG prioritizes requests considering organizational objectives

Late October

BOARD REVIEW

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

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.

Any others?

PRICING

OUR PHILOSOPHY

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

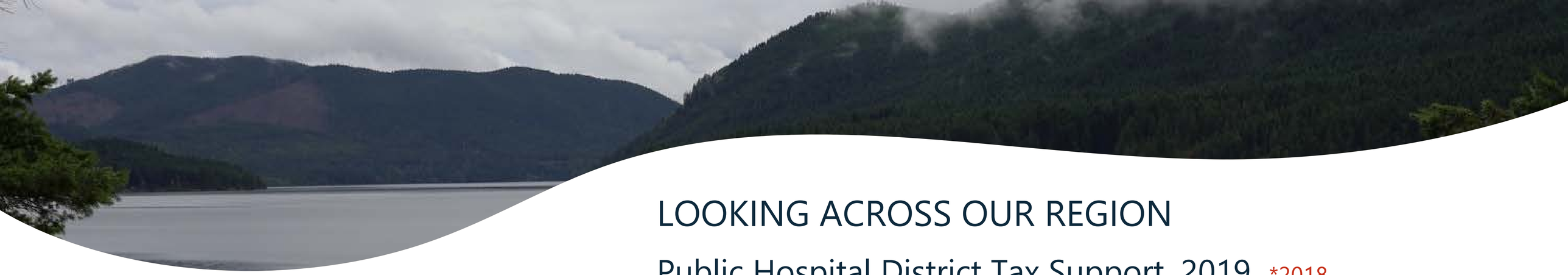
We will continue to adjust individual service prices if we find ourselves outside of the market in any area.

PROPERTY TAX ASSESSMENT

	0% INCREASE	1% INCREASE
Tax increase	$0	$4,816
2021 property taxes estimates	$495,184*	$500,000 * **
2021 operating expenses budget	$134,549,966	$134,549,966
% of budget	.368%	.372%

*Amounts are listed at their highest estimated amount.

**Currently, using the 1% option is budgeted in the template but can be adjusted



LOOKING ACROSS OUR REGION

Public Hospital District Tax Support, 2019 *2018

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%

02

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 budget & comparison to 2019 actual				
	Provider FTE +/(-)	**Support FTE +/(-)**	**Volumes +/(-)**	**Expense +/(-)**	**Gross Rev +/(-)**
[Dept name]	[provider FTE budget] [Change from actual 2019*; % change]	[support FTE budget] [Change from actual 2019*; % change]	[volumes in budget] [Change from actual 2019*; % change]	[total dept expense budget] [Change from actual 2019*; % change]	[gross revenue budget] [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

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

ACU, ICU AND SWING

Primary objectives:

- Stabilizing the leadership team by filling key roles
- 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 -4.65; -11.48%	3892 midnight census +113; +2.99%	$3,825,582 -32,771; -0.8%	$11,634,359 +505,793; +4.5%
ICU	11.70 +.71; +5.68%	890 midnight census +26; +3.01%	$1,456,361 -25,294; -1.7%	$2,909,461 +126,486; +4.5%
Swing	Included with ACU	271 midnight census +70; +34.83%	$3,791 -283; -6.9%	$535,246 +144,627; +37.0%
Hospitalists	6.40 +1.04; +19%	5,060(ACU, ICU, swing) +216; +4.46%	$2,287,592 +187,225; +8.9%	$2,670,702 +150,042; +6.0%

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

EMERGENCY SERVICES

		EMERGENCY DEPT	PROVIDERS	EXPRESS CLINIC
Primary Objectives		• Continue to refine employed provider model • Review internal processes related to coding and charge capture		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

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

INFUSION

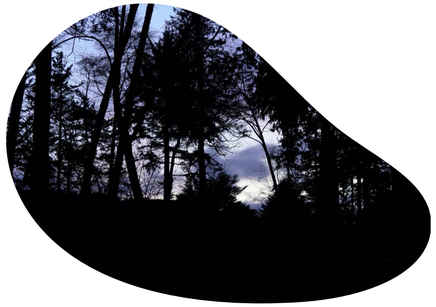
FOCUS:
IMPLEMENT A NEW SCHEDULE TEMPLATE AND ADJUST TO GROWTH RESULTING FROM THE GROWTH IN ONCOLOGY

WOUND CARE

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

PHARMACY



		Pharmacy (hospital)	Port Ludlow Retail Pharmacy (specialty + retail)	340b
Key focus areas		Grow with oncology and infusion volumes Using biosimilar chemo drugs where appropriate	Additional specialty drugs expected (22+/month) (started in 2019)	Engaging with PT pharmacies more intentionally, though budgeting conservatively for pharmacy participation Our retail pharmacy drugs are excluded; included in PL retail pharmacy dept
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
2021 budget & comparison to 2019 actual	**FTE +/(-)**	8.0 +.45; +5.92%	1.35 No change
	Expense +/(-)	$1,467,183 +135,002; +10.1%	$167,811 +16,058; +10.6%

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

IMAGING & RADIOLOGY

		Radiology (x-ray)	MRI	CT
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**	12.75 -.33; -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	• Continue to increase volumes with efforts to close care gaps • Increased volumes possible with consistent staffing and availability of per diem 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%

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

	2021 budget & comparison to 2019 actual			
	Support FTE +/(-)	**Volumes +/(-)**	**Expenses +/(-)**	**Gross revenue +/(-)**
Pulmonary Rehab	1.7 +0.61; +55.7%	2,790 RVUs +81; +3.0%	$99,141 -29,943; -23.2%	$354,585 +15,415; +4.5%
Cardiac Rehab	2.1 +.84; +66.1%	1,000 +344; +52.4%	$189,334 +67,702; +55.7%	$289,399 +99,579; +55.5%
Diabetic Education	2.2 +0.10; +4.8%	728 +21; +3.0%	$287,537 +36,983; +14.8%	$198,769 +6,567; +3.4%
Anti Coag Services	1.4 +0.06; +4.3%	4,811 +140; +3.0%	$249,531 +41,058; +19.7%	$341,428 +14,844; +4.5%

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

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

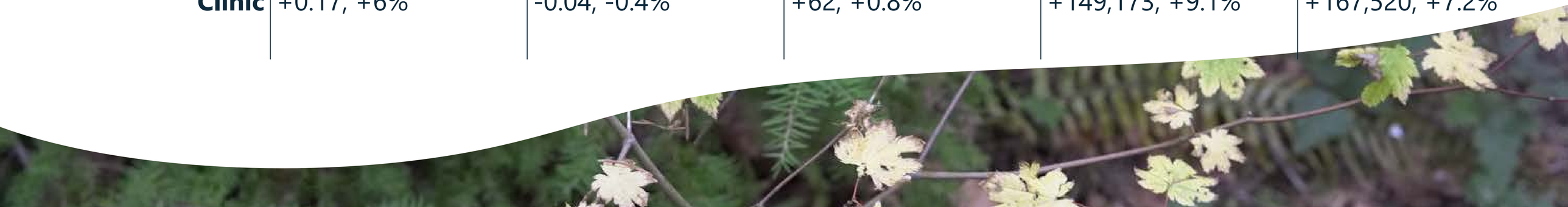
SPECIALTY CARE

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 Clinic	1.00 No change	2.45 -0.26; -12.2%	1,940 visits +4; 0.2%	$431,755 +54,215; +14.4%	$483,707 -257; -0.1%
JH Sheridan Clinic - Medical	15.275 +2.76; +22%	34.75 -9.06; -20.7%	31,402 +1,375 +4.6%	$7,309.240 +684,172; +10.5%	$8,632,312 +302,881; +3.6%
JH Townsend Clinic	2.25 -0.09; -4%	6.56 -1.65; -20.0%	6,519 visits -336; -4.9%	$1,393,281 -82,040; -4.0%	$2,111,369 +32,467; -6.7%
JH Watership Clinic	5.0 +0.33; +7%	16.40 +0.46; +2.9%	14,059 +1,498; +11.9%	$2,849,636 +605,257; +27.0%	$3,526.744 +366,525; +11.6%
JH Port Ludlow Clinic	2.75 +0.17; +6%	9.43 -0.04; -0.4%	7,800 +62; +0.8%	$1,789,469 +149,173; +9.1%	$2,504,815 +167,520; +7.2%



TEETH

JH SHERIDAN CLINIC – DENTAL SERVICES

Primary objectives:

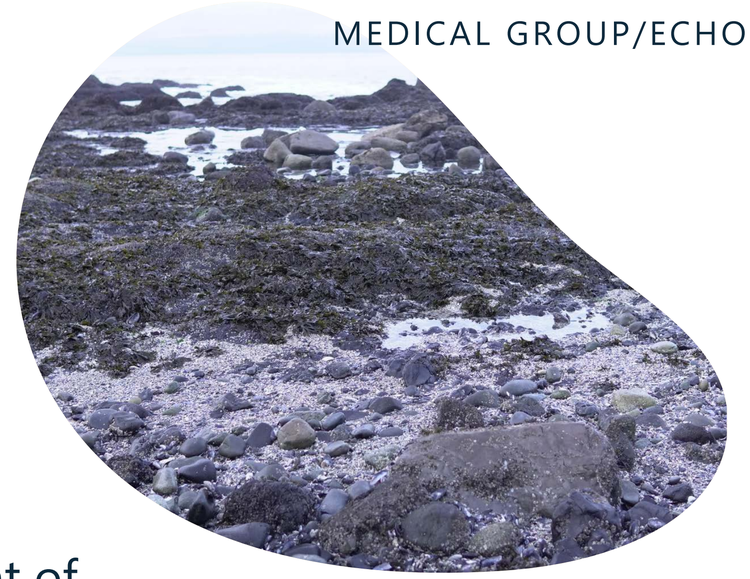
- Help our underserved community members access dental care; growing to meet the community need
- Continue to focus on workflows to increase daily volumes and increase access
- Increasing volumes with our new dentist

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

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
2021 budget & comparison to 2 actual	**FTE +/(-)**	2.41 +0.51; +27.0%
	Volumes +/(-)	1,625 +93; +6.0%
	Expense +/(-)	$411,288 +175,989; +74.8%
	Gross revenue +/(-)	$2,731,078 +349,912; +14.7%

OPERATING BUDGET

IN DETAIL

Inpatient and nursing services

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IN DETAIL

Income statement

Key performance measures

HOME HEALTH AND HOSPICE

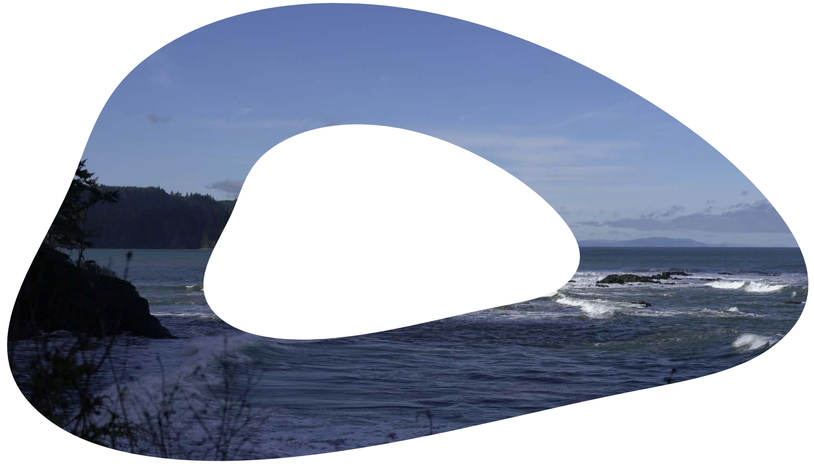
Primary objectives:

- 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

HOSPICE
Foundation
For Jefferson Healthcare

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

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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 areas	• 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
2021 budget & comparison to 2019 actual	**FTE +/(-)**	1.0 No change	1.98 No change
	Expense +/(-)	$214,957 +123,235; +12.1%	$252,179 -18,391; -6.8%

MATERIALS MANAGEMENT, ENVIRONMENTAL 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.

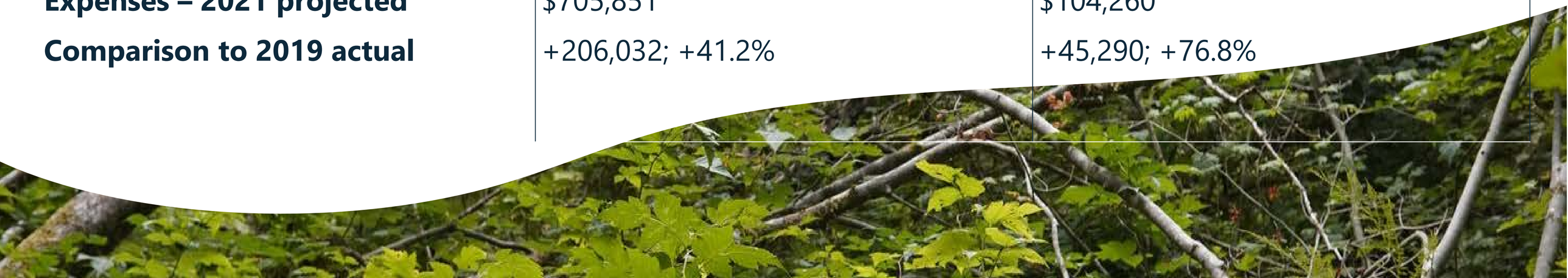
	2021 budget & comparison to 2019 actual		
	FTE +/(-)	**Volumes +/(-)**	**Expense +/(-)**
Materials management	8.6 +0.77; +9.8%	25,982 orders processed +757; +3.0%	$853,614 +167,592; +24.4%
Environmental services	23.25 -1.01; -4.2%	175,000 sq. ft. Previously used APD	$1,538,339 +12,977; +0.9%
Dietary	12.5 -3.19; -20.3%	$1,139,210 in café revenue -238,197; -25.0%	$1,211,266 -56,164; -4.4%
Laundry	Built into EVS	Built into EVS	Laundry: $362,492 +6,531.50; +1.8%

INFORMATION TECHNOLOGY

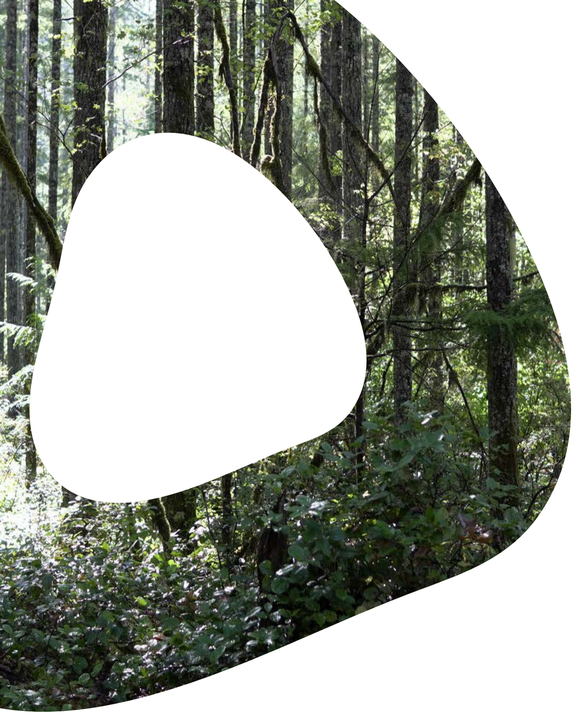
	IT	COMMUNICATION
Key focus areas	As cyber security threats are on the rise, we will respond by maintaining & improving our technology as well as educating our staff about the role they play in our security. Will be creative with staffing & roles to fill gaps in knowledge & workload while being agile 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 **Comparison to 2019 actual**	5.5 +0.82; +17.47%	10.75 +4.28; +65.9%
Expenses: 2021 projected **Comparison to 2019 actual**	$1,165,318 +343,448; +41.8%	$2,025,002 +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. Exploring tele social work screening options to assist with psychiatric hospital placements	Continued focus on education + proactive monitoring, especially with tightened infection control practices
FTE – 2021 projected **Comparison to 2019 actual**	6.32 +1.98; +46.21%	1.75 +1.32; +306.7%
Expenses – 2021 projected **Comparison to 2019 actual**	$705,851 +206,032; +41.2%	$104,260 +45,290; +76.8%



	FACILITIES + SECURITY	BIOMED	MAINTENANCE PROJECTS
Key focus areas	The facilities department is focused on being proactive next year in order to help maintain or reduce our operational costs. Many pieces of equipment are aging, and we are holding capital 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 comparison to 2019 actual	15.6 +1.16; +8.0%	2.0 .003; -0.1%	FTE coded to facilities
Expenses - 2021 budget comparison to 2019 actual	$5,755,188 +410,993; +7.7%	$217,880 +19,163; +9.6%	$298,639 +145,708; +95.3%



PEOPLE.

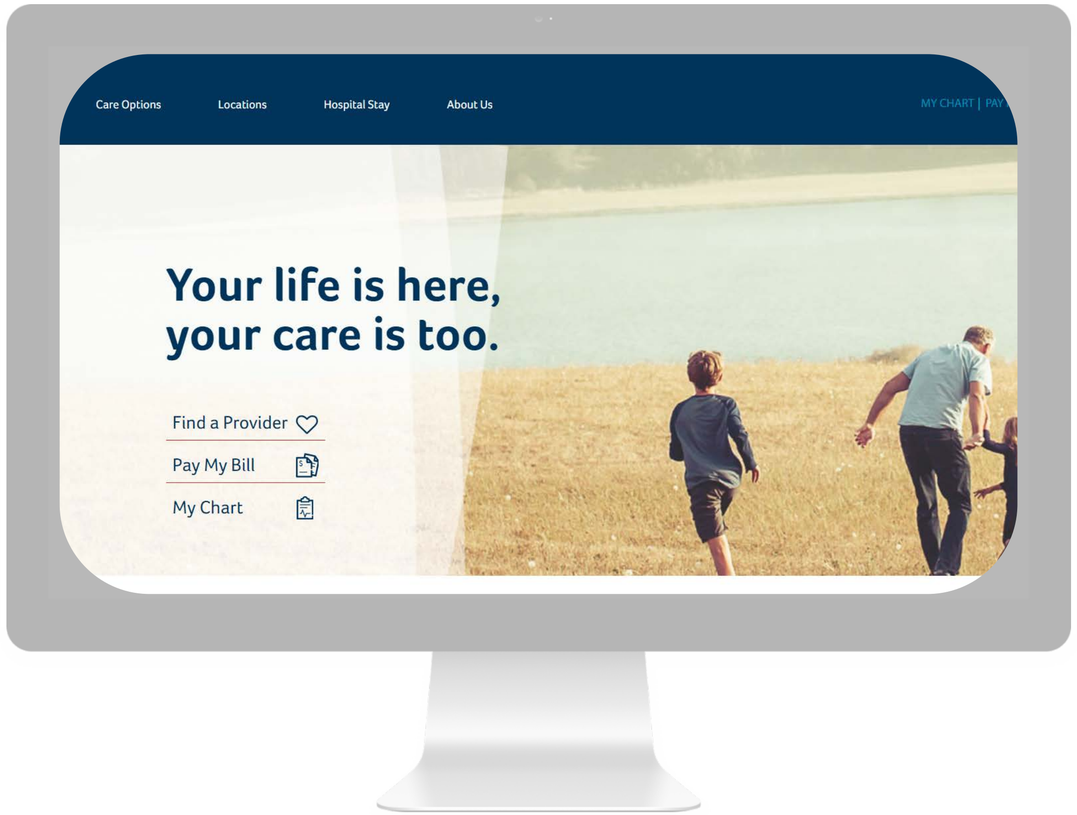
HUMAN RESOURCES + EMPLOYEE HEALTH

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 + PUBLIC RELATIONS



Primary objectives:

- Continue to tell our story
- Promote expansion of services and high-quality providers
- Focus our spend where it has the largest impact, especially with social media
- Align presentation and brand
- Graphic design in house where possible

	2021 budget & comparison to 2019 projection	
	FTE	**Expenses**
Marketing	1.5 +0.5; +50.0%	$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	14.75 +.69; +4.8%	$928,749 +81,590; +9.6%	Focus on streamlining patient flow experience thru efficiencies gained with technology (e-checkin) and pre-registration processes for scheduled events
Financial Counseling	4.0 +0.23; +5.9%	$571,943 +160,374 ; 39.0%	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	11.4 +1.05; +10.1%	$1,119,999 +225,727; +25.2%	Standardization of policies and detailed, service line specific content expertise and certification
Health Information Management (HIM / medical records)	13.9 +2.06; +17.3%	$1,072,262 +189,921; +21.5%	Team development and defined structure for team growth and career ladder movement- Standardization of Provider feedback
Revenue Cycle Integrity	6.00 +1.14; +23.3%	$572,599 +111,160; + 24.1%	Continued plan of executing Provider Reviews/Training to further partnership between Providers and RCO

OPERATING BUDGET

IN DETAIL

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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

TRANSFORMING THE WAY WE CARE

POPULATION HEALTH + CARE TRANSFORMATION

	2021 budget & comparison to 2019 actual		
	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 patients	4.50 -0.21; -4.5%	$539,003 +37,414; +7.5%

EXERCISE FOR HEALTH AND WELLNESS

	FTE 2021 budget comparison to 2019 actual	Expenses 2021 budget comparison to 2019 actual	Revenue 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 budget				
	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	(45,304,303)		(40,512,662)		(44,536,959)		(51,909,327)		(45,443,362)		(49,155,911)		(51,151,916)		(50,105,762)		(4,662,400)			
02_OP REVENUE	(163,990,002)		(169,748,507)		(182,829,052)		(186,762,393)		(215,981,528)		(200,065,234)		(233,912,846)		(238,429,699)		(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	72,192,554	-34%	69,295,245	-33%	74,145,841	-33%	83,280,483	-35%	91,492,106	-35%	85,257,801	-34%	97,432,120	-34%	93,575,027	-32%	2,082,921			
06_REV DED/MEDICAID	19,464,977	-9%	25,805,335	-12%	21,742,354	-10%	23,890,272	-10%	22,877,091	-9%	24,145,405	-10%	26,229,729	-9%	31,135,658	-11%	8,258,566			
07_CHARITY CARE	1,437,426	-1%	1,315,219	-1%	2,363,239	-1%	1,471,539	-1%	3,133,646	-1%	2,850,459	-1%	2,756,994	-1%	2,743,894	-1%	(389,753)			
08_CONT ADJ OTHER	16,420,918	-8%	14,732,354	-7%	18,266,670	-8%	18,353,377	-8%	21,556,076	-8%	18,579,546	-7%	22,237,626	-8%	22,051,527	-8%	495,452			
09_REV DED/ADMIN	532,961	0%	236,906	0%	1,583,906	-1%	531,320	0%	1,050,540	0%	1,108,613	0%	1,301,612	0%	1,295,431	0%	244,891			
10_BAD DEBTS	2,778,472	-1%	3,119,221	-1%	2,539,973	-1%	3,465,805	-1%	4,156,626	-2%	3,237,531	-1%	5,208,080	-2%	5,438,517	-2%	1,281,891			
TOTAL REVENUE ADJUSTMENTS	112,827,308	-53.9%	114,504,281	-54.5%	120,641,984	-53.1%	130,992,796	-54.9%	144,266,087	-55.2%	135,179,355	-54.2%	155,166,160	-54.4%	156,240,054	-54.1%	11,973,968			
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	(18,636)		(345,830)		(162,400)		(20,000)		(1,519,643)		(1,303,325)		(709,882)		(684,075)		835,568			
12_OTHER REVENUE	(1,600,225)		(984,200)		(2,033,863)		(1,491,660)		(1,923,360)		(3,992,346)		(2,888,500)		(2,089,761)		(166,402)			
13_REV/MEANINGFUL USE	139,301		(40,000)		(85,000)		-		-		(40,000)		-		-		-			
14_340B REVENUE	(2,955,147)		(3,064,100)		(3,473,711)		(3,473,800)		(4,000,004)		(3,838,000)		(3,274,600)		(3,700,000)		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

2021 BUDGET																			
Income Statement Summary																			
	2017				2018				2019				2020		2021		Change		
	Actual		Budget		Actual		Budget		Actual		Budget		Budget		Budget		2019 actual to 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		
21_EMPLOYEE BENEFITS	11,814,074	24.0%	12,247,947	24.7%	13,499,328	25.1%	14,245,919	25.2%	13,755,361	23.8%	14,823,152	25.0%	16,897,560	25.8%	17,523,574	25.7%	3,768,213		
22_PROFESSIONAL FEES	5,475,974		3,420,100		4,937,240		4,515,736		5,499,428		4,159,300		2,293,360		1,570,012		(3,929,416)		
23_PURCHASED SERVICES	6,004,178		6,357,990		6,200,407		6,879,616		7,617,053		8,016,924		8,449,155		8,154,618		537,565		
24_SUPPLIES	15,499,518		14,275,245		18,385,707		16,705,575		23,368,234		21,381,838		24,922,370		25,759,686		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		1,739,450		1,547,348		1,451,384		1,631,572		1,872,664		182,534		421,252		(1,210,320)		
27_DEPRECIATION	4,438,693		3,684,215		4,703,576		4,673,247		4,743,345		4,919,190		6,487,844		6,325,001		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)		
30_LICENSES/TAXES	662,546		548,264		641,424		608,331		741,428		654,849		667,675		754,189		12,761		
31_OTHER	1,632,255		2,058,484		1,873,659		2,327,333		2,444,340		2,435,636		2,685,003		2,359,276		(85,064)		
TOTAL OPERATING EXPENSES	98,386,039		96,423,336		108,113,219		110,626,717		120,227,285		120,567,390		131,387,443		134,549,966		14,322,681		
OPERATING (INCOME) LOSS	(2,515,667)		(3,767,682)		(4,365,782)		(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												
	2017			2018			2019			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
2017 ACTUAL FTE, TOTAL	512.00	59.00	571.00
2018 ACTUAL FTE, TOTAL	541.50	51.50	593.00
2019 ACTUAL FTE, TOTAL	572.35	57.97	630.32
2021 BUDGET FTE, TOTAL	617.81	79.46	697.26

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									
	2017		2018		2019		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?

03

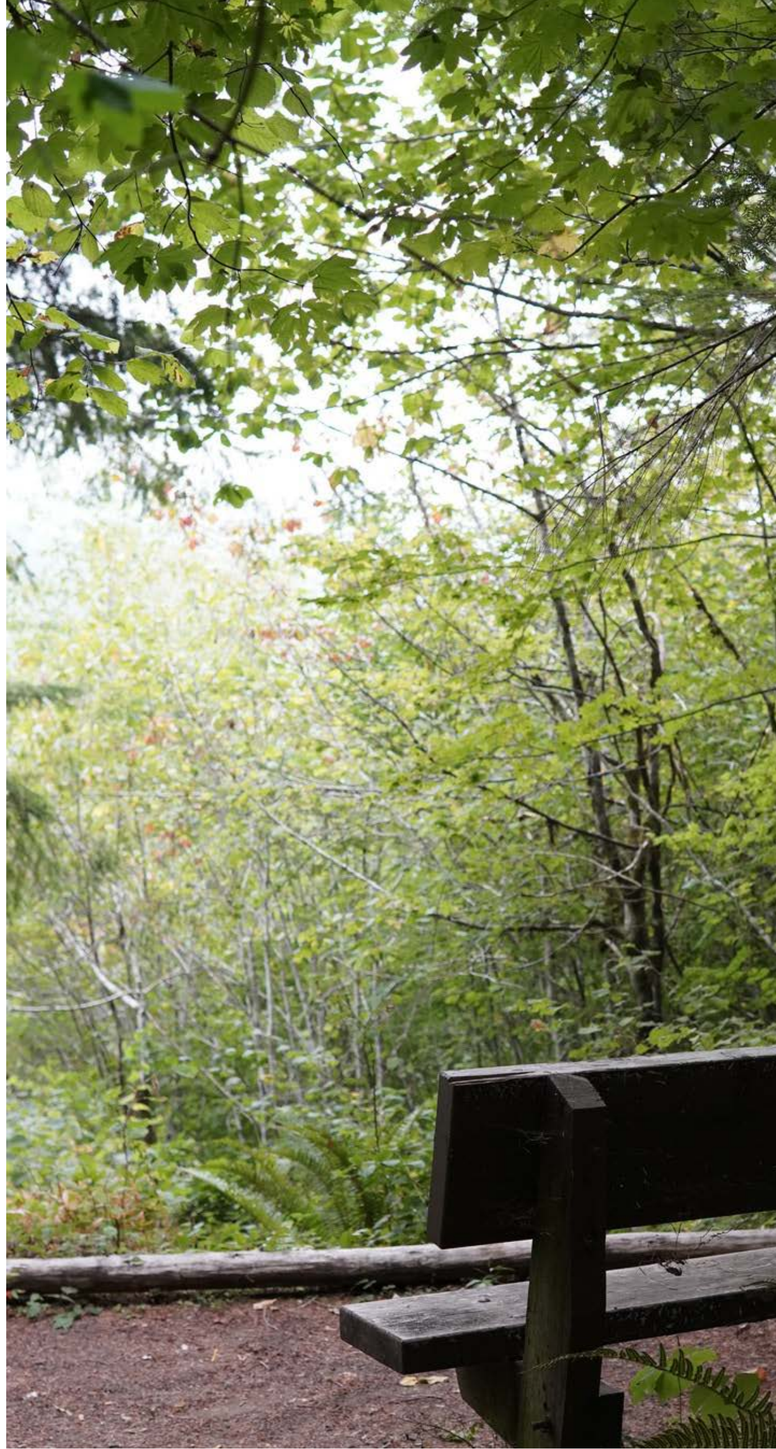
CAPITAL INVESTMENTS

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)	**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 Replacement) 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 Request	Cost
Construction Project	**CT**	Overhead Lift Expansion	$15,417
	Facilities	Master Site 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**	Hyperconverged VM Environment	$77,361
		Temperature Kiosk	$40,000
	Medical Group Admin	Patient Communication *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 Request	Cost
Equipment (Routine Replacement)	**MRI**	MRI Injector	$42,030
Equipment (Routine Replacement) Total			**$42,030**
Equipment (New)	**Pharmacy**	IV Pump Integration *operating	$206,882
	Surgery	NAVIO Upgrade	$189,638
Equipment (New) Total			**$396,520**
Software (New or Upgrade)	**IT**	Impravata Single Sign On *operating	$331,355
	Infor	Smart Recon	$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) Total			**$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**

04

WRAP UP

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

Thank you.

Jefferson Healthcare